



Focus

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Reconfiguring the social contract: A summary of *Both Hands Tied*

Jane L. Collins and Victoria Mayer

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This article summarizes Both Hands Tied: Welfare Reform and the Race to the Bottom of the Low-Wage Labor Market, and is followed by a reaction to the book by Lawrence M. Mead, and a response to those comments by Jane L. Collins and Victoria Mayer.

In early February of 2009, the *New York Times* published two articles charting trends in U.S. employment and income security. One announced that women, holding more than 49 percent of the nation's jobs, were poised to surpass men in the labor force for the first time in American history. The article reported that men's loss of good manufacturing jobs and women's greater employment in areas less sensitive to downturn left more women serving as breadwinners for their families. "Women may be safer in their jobs," the author noted, "but tend to find it harder to support a family...The jobs women have—and are supporting their families with—are not necessarily as good."¹ A few days earlier, the other article

had noted that despite soaring unemployment and the worst economic crisis in decades, 18 states had cut their welfare rolls in 2008, and that the number of people receiving cash assistance in the nation was at the lowest level in more than 40 years.² Seemingly unrelated, these two pieces reference trends that are integrally connected in the lives of poor working families. The two news stories speak to two aspects of the increasing difficulty poor women face combining work and family responsibilities at the low end of the labor market.

Our book, *Both Hands Tied*, addresses these issues through an analysis of the intersection of welfare and work in the lives of 42 women in Milwaukee and Racine, Wisconsin, where welfare reform was launched in its earliest and starkest form and where deindustrialization and the growth of the service economy present challenges for low-wage workers.³ We conducted extensive interviews with these women in 2004 during which we asked them to talk about the kinds of jobs they had held and how they moved through them, what crises at work or at home led them to turn to welfare, how they used its programs, and what impact welfare had on their work lives afterwards. The changes we chart in the book, and which are reflected in this article, precede the economic crisis that began in 2008. Some of these shifts are economic: for example, the massive movement of women into work since the 1970s and the increasing role they play in supporting their families that the *New York Times* documented. It is

significant that most of the jobs women have found are in the low-wage service sector. Many of these jobs—such as childcare, certified nursing assistance and home health care, food service and restaurant work—actually substitute for labor formerly performed at home.

We wrote *Both Hands Tied* in the hope of inspiring discussion of how we, as a society, provide for the work of “social reproduction”—the labor of caring for children, the elderly, the disabled, and the ill; of managing the affairs of the household, of feeding, cleaning, and providing clothing. Our title refers to the ways that a failure on the part of both the state and employers to address the new realities of family care prevents women from parenting as they feel they should, on the one hand, and from gaining the economic security that has traditionally accompanied full-time work, on the other.

The connection between welfare and work

Americans tend to think of welfare and work as opposites, as polar ends of a spectrum of diligence or virtue. The industrious wage-earner occupies one end, while the other is the realm of sloth and shiftlessness occupied by imagined “welfare queens” and others who refuse to work. This dichotomy obscures the facts that “welfare” programs benefit a large proportion of the population. Imagine life, for example, without Social Security, Workers Compensation, Unemployment Insurance, tax deductions for interest on homes, or federally insured mortgages and student loans. In addition, what many people consider “welfare”—those means-tested assistance programs directed toward the poor—have always been a safety net designed to mitigate labor market and family failures. Since welfare reform in 1996, that net has become much smaller, covering far less of a family’s needs, as well as being time-limited and tied to work. Since 1996, the federal government has structured revenue streams to encourage states to reduce their caseloads by any means possible. Nationally, states cut caseloads from 11.5 million recipients in 1996 to fewer than 4 million in 2008, while tying receipt of benefits to behavioral requirements including working outside the home 30 to 40 hours per week.

At the same time, conditions in the low-wage labor market became harsher. Real wages stagnated or declined, jobs became less secure, fewer carried benefits, and sick days became rare. Under these circumstances, means-tested welfare programs such as cash assistance under Temporary Assistance to Needy Families, food stamps, medical assistance, the Women, Infants and Children nutrition program, and subsidies for child care and housing—became crucial to the survival of the working poor and particularly poor single

mothers. These programs increasingly subsidize the wages and benefits of the working poor, but poor women also rely on them as a substitute for the unemployment insurance, workers compensation, and maternity leave that do not come with their jobs, and for federal disability insurance that has become more difficult to access in recent years.

The context of welfare reform

While 2001–2003 were years of downturn, from a longer-term perspective the service sector jobs the women in our study held had proliferated from the 1970s onward, at least in part as a replacement for the labor of women in the home. In food service and waitressing jobs, in nursing homes and home health care, in day care and cleaning, poor women plugged gaps in other women’s strategies for combining work and family, while generating care dilemmas of their own. In the 1990s, as the number of manufacturing jobs declined, service positions multiplied in Milwaukee and Racine, leading local business executives to worry about rising wages and the availability of labor in the sector. Meanwhile, in Washington, advocates of welfare reform touted the widespread availability of these jobs as evidence that women cut from the welfare rolls would be able to find work.

By the early days of the twenty-first century, however, it was clear that labor markets were not functioning as they had for most of the twentieth. Employers no longer consistently provided benefits after a probationary period, provisions for sick leave, predictable hours, or a commitment to job security if the employee performed well. From 1970 through 2008, they had held wages to 1970s levels, despite vast increases in productivity.⁴ Working under these conditions was difficult for anyone, but nearly impossible for people with significant family responsibilities. And yet, women—among them single mothers—increasingly worked in these jobs.

The content of welfare reform

Historically, Wisconsin was a generous state when it came to welfare. In 1960, it ranked sixth among states in aid per welfare recipient and its rank in welfare payments has consistently exceeded its rank in per capita income since that time.⁵ Beginning in the 1970s, however, the local press and some politicians began to claim that the state’s benefits were too generous: critics claimed they were drawing migrants from across the state’s southern border—most notably from Chicago. Wisconsin was at the forefront of welfare reform activities, beginning in 1987, leading to dramatic caseload decline long before the national-level reforms of 1996. The

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state's caseload had peaked at just over 100,000 families in 1986. By the time of the implementation of Wisconsin's welfare reform program, Wisconsin Works (W-2) in September of 1997, it had dropped to just over 31,000.⁶

Policymakers and pundits around the country praised Wisconsin's welfare reforms for the way they encouraged workforce attachment. This was clearly the program's primary goal. What outside evaluations largely missed was the systematic way the reforms disadvantaged the workers sent out into the labor market, by providing inadequate support for women's family care, and leaving them with insufficient resources to weather crises. Welfare reform also made receipt of state aid contingent on giving up the right to choose the kind of job in which one would work, and the hours and locations of labor. Most workfare placements, known as community service jobs, were not subject to labor rights and protections. While policymakers may not have fully anticipated the results of these disadvantages, their terms were written into welfare reform from the very beginning.

Tying the first hand: The solitary wage bargain

The federal welfare reforms of 1996 ended the former statutory entitlement to welfare and set up a tiered system where the most employable women were placed in work, and the less employable in a set of training jobs, called community service jobs. Although requiring work meant making some provision for child care, welfare reform never adequately addressed this issue. Conservatives had initially suggested that this care could be provided by family members. "The logistics of work for these mothers are no doubt difficult," Lawrence Mead wrote in *Beyond Entitlement*, "but lack of government child care seems seldom to be a barrier; most prefer to arrange child care with friends or family informally."⁷ When family advocates demonstrated that family members were often working, deceased, ill, or living far away, policymakers agreed to include subsidies, but this still left unaddressed many other issues surrounding work and family, including the absence of sick leave, family and medical leave, and flexibility in work schedules.

Among the women in our study, 94 percent of entries to welfare were a result of a crisis of care. Forty percent of entries were due to difficult pregnancy or birth. The remaining entries were due mainly to illness or injury, either to a child (29 percent), or to the woman herself (25 percent). Combinations of problems were far more likely than single incidents to lead women temporarily to drop out of the labor market.

So why did these women have to quit work when these episodes occurred? Because the jobs they held did not have sick leave, disability leave, or maternity leave. Why did they have to turn to the state for cash assistance through welfare? Because the state of Wisconsin, unlike some other states, did not make Unemployment Insurance available for people who

needed to leave work due to "compelling family emergencies," or to those who worked part-time.

The crises of care were compounded by the fact that the low-wage service sector has the most challenging work hours and most difficult work rules in the economy: second and third shifts, mandatory overtime, and frequently changing schedules. At welfare agency training sessions, women were taught that they should not leave work to care for their children unless it was a "real emergency." Women also faced dilemmas surrounding their own health and whether they were able to work. One woman who had just had cancer surgery told us: "When the welfare office told me I had to go off medical leave—when they felt like I was feeling fine—I went out looking for a job, 'cause the doctor will tell you you don't need to do this and that, but he ain't the one that's gonna pay my bills for me and my kids."

Sociologist Susan Thistle has argued that the upsurge in women's contributions to economic growth in the second half of the 20th century coincided with the removal of provisions for care. She argues that all of the key supports for care in the home—marriage as a lifelong institution, the family wage, and the entitlement to government assistance for poor single mothers—had disappeared by the late 20th century.⁸ While social scientists talk a great deal about the breakdown of marriage, they often forget that support for the tasks of household maintenance via the family wage were part of the old agreement between capital and labor that began to break down in the 1970s. The consensus that dominated our thinking from the mid-19th to mid-20th century—the so-called "family wage"—said that employers would pay (relatively privileged) white male workers enough to support themselves and their families. Most benefits and health insurance were tied to jobs. This "agreement" has broken down on all fronts, as family structure has changed and employers have off-loaded responsibilities. Instead, there is a different allocation of responsibility that we call the "solitary wage bargain," which defines workers, not as members of family units, but as individual market actors. As mothers of young children, the women in our study were not only required to work, but were cut off from earlier forms of support for their family responsibilities as the quality of jobs eroded and the public safety net became more difficult to access. This is the first hand tied behind the back of women who turn to welfare.

Tying the second hand: Challenges to economic citizenship

The politicians and policymakers who reformed welfare believed that unemployed single mothers raising children needed to be made "less free" in order to "become something closer to the disciplined workers the economy demands."⁹ They argued that it was legitimate for welfare agencies to require poor women to give up certain freedoms as a condition of receiving aid.

The framers of welfare reform made clear the kinds of jobs that they believed workfare participants, and women leaving welfare, would be filling. The *New Consensus on Family and Welfare* was explicit: “among other kinds of work for which such mothers can be trained (which would, in turn, assist them in bringing up their own children) are child care and pre-school education. In most cities, where female heads of families tend to be concentrated, hotels and other service establishments have many needs for entry-level employees.” They add to the list, at various points, hospital workers, maintenance workers, cashiers, and restaurant staff. The authors point out that many experts tend to think in terms of middle class jobs and therefore to prescribe training for factory or office work for poor women “while overlooking the opportunities that immigrants find so helpful in gaining a foothold.”¹⁰

According to the framers of reform, by accepting workfare placements in these kinds of jobs, participants might not be acquiring specific skills, but they would be building the competencies and sense of self-reliance that are the prerequisites of citizenship. Reading the words of Mead and others, it is clear that welfare reform was designed to discipline workers and structure their ideas about work.

Women placed in community service jobs have little or no say about what kinds of jobs they will take, what shifts they will work, or where the jobs are located in relation to their homes and children’s schools. As one woman in our study said: “you can’t decide where you want to go. You have no opinion on any of this. It’s like you’re a child and your parents are running your life.” Or as another put it: “I do what they want me to do. Things I don’t want to do...Like right now, they gave me an activity to work at a food pantry that I’m not interested in whatsoever. My interest was computer and office assistant classes and they don’t want to put me in that. My worker tells me ‘well you just have to do it.’”

This lack of choice led to one of the most striking findings of our study: welfare agencies placed 70 percent of women in workfare assignments that were less skilled than the jobs they had held previously. Consider, for example, the case of Rowena Watson. Rowena had worked for three years as a manager of a group home for adults with disabilities. She supervised staff members and had benefits, including health and life insurance. She described this period of employment as the best time in her life. “Me and my kids were doing well,” she said. “I didn’t have to ask nobody for nothing.” While Rowena enjoyed this job, she quit after several experiences of what she interpreted as harassment, and worked as a certified nursing assistant for the next two years. Then, during a difficult pregnancy in 2003, her doctor told her to stop working. Because her employer offered no leave, she turned to the state. When we interviewed her, her youngest daughter was seven months old, and she had been assigned to a community service job. “They send me places to work,” she said. “One of them is on the north side—you help them cut down their shrubs and their trees. Another one—they send me down to the City Department of Public Works and

you help them fix the streets. Or that island out there, you know, they have people on W-2 go out there and water the grass and plant the flowers. What am I going to do cutting down bushes? Am I going to put that on my resume?”

Women who reentered work through workfare programs not only lost the status and many of the prerogatives of independent workers, they also lost the means to protect themselves in the labor market. When they suffered discrimination or unfair treatment or labored under unsafe conditions, they were not clearly protected by federal and state laws and were not permitted representation by unions or other workers’ groups. In fact, they were monitored by their caseworkers and sanctioned for complaints or acts of non-compliance. In many instances they did not make the minimum wage, and they entered work with none of the tools on which previous generations of workers have relied to negotiate or demand fairer and safer conditions. They thus moved into the swing shifts and poorly regulated spaces of the low-wage economy with a second hand tied squarely behind their backs.

Both hands tied: The race to the bottom in the low-wage labor market

These two “tied hands”—the inadequacy of support for women’s family responsibilities while working outside the home and the erosion of economic citizenship—are inextricably connected through the institutions of reformed welfare. The ever-present and unmet need for time to care for families throws women back into a punitive and stigmatized welfare system again and again. Our case histories show that women could weather a few crises—a sick child, a divorce, an illness—while continuing to work, but combinations of crises generally led them to leave their jobs so they could get their family back on sound footing. Each time they left work and relied on welfare, they were channeled back into the workforce in ways that marked them as dependent and undermined their economic citizenship. In most cases, workfare proved to be a “downward mobility machine” placing them in jobs less skilled and remunerative than the one they had left. And each time they worked their way up out of workfare positions and back into the labor market, gaining a better salary and seniority, the lack of flexibility and supports in their jobs left them just one illness or injury away from being churned back to the bottom.

Conclusions and policy implications

State data on employment and social program use in 2006 support the pattern we had identified: a period of work would end and in that quarter a woman would receive cash payments. This pattern suggested that women continued to work until childbirth or a health or care dilemma led them to turn to the state for aid. After the immediate crisis or need was resolved, caseworkers would switch them to a community service job; most would then return to work. There were some exceptional cases, and, as in the major quantitative studies of

welfare leavers, some women simply disappeared from the records. We could not know whether they had moved out of state, were being supported by family or friends, were working in the informal economy, or had died. Trends in the state data, like our earlier interviews, spoke to how closely work and welfare intertwined. This connection was apparent in the lives of participants, but it emerged from policymakers' visions of how the two *should* be connected—from their vision of welfare as an institution that could discipline participants and teach the value of work.

We have argued that to understand welfare in any era, we must pay attention to changes in the low-wage labor market. Since 1980, these labor markets in the United States have been shaped by two trends: one economic and one political. The economic trend is an explosion of low-wage service sector jobs, fueled by the growth of fast food chains, big box retailers, daycare centers, cleaning franchises, and other businesses that replace the labor of women in the home. The political trend is the ascendance of a “market orthodox” mentality that eschews regulation and has provided the rationale for dismantling many of the labor protections built up over the 20th century. These two developments have shaped policy in arenas of welfare and work.

These trends were not unique to the United States, but were part of a global reconfiguration of working arrangements and social safety nets. In the 1970s, manufacturing industries faced with declining profits began to lobby government for roll-back of regulations and to renegotiate their bargains with workers. They experimented with sending jobs overseas. This started a global “race to the bottom” in wages and working conditions in the manufacturing sector, as employers used the threat of closing plants and moving jobs to extract new bargains from industrial employees, and then often left anyway. These events devastated industrial cities like Milwaukee and Racine. But during this period, service sector industries experienced profitability crises as well. Many low wage service sector jobs—like cleaning hotels and serving food or caring for children or the elderly—cannot be moved. By placing women in low wage service jobs, attenuating their rights as workers and “reschooling” them in what to expect from low-wage employers, the designers of welfare reform fostered a race to the bottom in the service sector as well.

What are the alternatives to such a punitive and ineffective system? An outpouring of work from scholarly collaborations and think tanks has addressed this question.¹¹ Many suggested reforms are targeted at low-wage employers or entail new state programs outside of welfare, such as universal health care, paid family leave, expanded subsidies for child care, living wage ordinances, an expanded Earned Income Tax Credit, making unionization easier, new ways to promote asset ownership, or expanded education and training opportunities. There is no shortage of new ideas for ways to recreate a safety net for low-wage workers and to reconfigure a societal division of labor that would support social reproduction. While we have not weighed the pros and

cons of such programs, our analysis of what is wrong with the system that exists—and of the way its failures play out in the lives of individuals, suggests two key starting points for any program of change.

First, such programs must be based on the recognition that poor women with children are already working, and thus wage work must be compatible with the care they must provide. In some cases—for example, if they are disabled or if they are caring for the seriously ill—work outside the home will not be practicable.

Second, new programs to replace workfare must be premised on what Alice Kessler-Harris has called economic citizenship.¹² She uses this term to refer to the ability to work at an occupation of one's choosing and to the “customary and legal acknowledgement of personhood” that flows from it. This means that all who work should be entitled to societally agreed-upon protections. We should work toward a wage that can support families—no longer paid only to certain groups of men, as in the family wage bargain—but to all workers. Perhaps the best way to do this is to insure that workers have the tools and resources to negotiate their own bargain with employers through unions.

The women in our study had a vision of such changes—not fully formed, in most cases, but in fragments. It structured their responses to those aspects of programs that they found profoundly unfair, such as mandatory placements. It animated their frequently expressed desire for more time at home with infants, their worries about their older children, and their wishes for the future. “I want my kids to have more than what they have;” “I need a better job;” “If I could just go to school.” Touching in their modesty, these goals spoke of an alternative vision of economic justice. Policymakers have made poor women raising children a demonstration project for market-led deregulation of work—a move that has figuratively tied their hands as they negotiate the low-wage labor market. We hope that the struggles of the women in our study might serve as another kind of demonstration project—as a guide to the supports needed by embodied and encumbered workers and a call for a new vision of economic citizenship. ■

¹C. Rampell, “As Layoffs Surge, Women May Pass Men in Job Force,” *New York Times*, February 6, 2009, accessed at www.nytimes.com/2009/02/06/business/06women.html.

²J. De Parle, “Welfare Aid Isn't Growing as Economy Drops Off,” *New York Times*, February 2, 2009, accessed at www.nytimes.com/2009/02/02/us/02welfare.html.

³This article is based on J. L. Collins and V. Mayer, *Both Hands Tied: Welfare Reform and the Race to the Bottom of the Low-Wage Labor Market*, (Chicago: The University of Chicago Press, 2010). This work began as part of the Child Support Demonstration Evaluation (CSDE). For more information on the CSDE, see <http://www.irp.wisc.edu/research/childsup/csde.htm>. For a summary of the original report, see J. Collins and V. Mayer, “Livelihood Strategies and Family Networks of Low-Wage Wisconsin Mothers,” *Focus* 24 No. 2 (Spring-Summer 2006): 8–17.

⁴L. Mishel, J. Bernstein, and S. Allegretto, *The State of Working America, 2004/2005* (Ithaca: ILR Press, 2005), p. 111.

⁵L. M. Mead, *Beyond Entitlement: The Social Obligations of Citizenship* (New York: Free Press, 1986), p. 21; M. Wiseman, "State Strategies for Welfare Reform: The Wisconsin Story," *Journal of Policy Analysis and Management* 15, No. 4 (1996): 518.

⁶L. M. Mead, *Government Matters: Welfare Reform in Wisconsin* (Princeton: Princeton University Press, 2005): p. 133.

⁷Mead, *Beyond Entitlement*, p. 74.

⁸S. Thistle, *From Marriage to the Market: The Transformation of Women's Lives and Work* (Berkeley: University of California Press, 2006).

⁹Mead, *Beyond Entitlement*, p. 87.

¹⁰Mead, *Beyond Entitlement*, p. 86.

¹¹J. Edwards, M. Crain, and A. L. Kalleberg, eds., *Ending Poverty in America: How to Restore the American Dream* (New York: New Press, 2007); R. Kazis, and M. S. Miller, eds., *Low-Wage Workers in the New Economy* (Washington, DC: The Urban Institute, 2001); S. White, *The Civic Minimum: On the Rights and Obligations of Economic Citizenship*. (New York: Oxford University Press, 2003); J. Hacker, *The Great Risk Shift* (New York: Oxford University Press, 2006), pp. 65–95.

¹²A. Kessler-Harris, *In Pursuit of Equity: Women, Men and the Quest for Economic Citizenship in 20th Century America* (New York: Oxford University Press, 2001), p. 13.

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Reactions to *Both Hands Tied*

Lawrence M. Mead

Lawrence M. Mead is Professor of Politics and Public Policy at New York University and an IRP affiliate.

The following comments refer to Both Hands Tied: Welfare Reform and the Race to the Bottom of the Low-Wage Labor Market. A response from the book's authors follows.

I read *Both Hands Tied* with close attention; it is one of the most serious rejoinders I have read to the argument I make in *Beyond Entitlement*.¹ I appreciate the attention given by the authors to my ideas, and also the fact that they quote me accurately—not all of my critics have.

I differ only on one detail: The authors say that I and other advocates of welfare reform supported the cuts in worker rights that they criticize, the better to get welfare mothers serious about work. I have never said that. My goal was only that welfare adults should have the same rights and obligations as other citizens, no more and no less. In the private sector, they should certainly enjoy the same protections as other workers. I took no definite view on whether the protections now recognized are enough or not. I am not antigovernment and I have never advocated cutbacks in the welfare state.

It is true, as the authors emphasize, that recipients placed in workfare get fewer protections than regular workers. However, this is because they do less—they are placed in work rather than finding jobs on their own. In Wisconsin Works (W-2), recipients who get no cash aid receive the same rights as others. I believe that it is misleading to emphasize the workfare component of W-2; while most recipients *on the rolls* were assigned to workfare, they were vastly outnumbered by those who left cash aid to work in the private sector. For that much larger group, there was no reduction in labor rights.

To assess welfare reform fairly, it is necessary to look at its effects on the whole low-wage working population, not just on the very few still receiving cash aid. With the new child and health care and the enhanced wage subsidies that came as part of reform, the average former recipient is better off than before reform, provided she works and claims remaining benefits such as SNAP (Supplemental Nutrition Assistance Program, formerly food stamps).

The authors make an important contribution by describing the work experience of welfare recipients today. There has been little other research on this topic. Most of the research on welfare reform, including W-2, has focused on the changes in welfare itself rather than on the work experiences of mothers. Also, what study there was of employment after

leaving welfare was mostly during the prosperous 1990s and not during the more difficult 2000s. *Government Matters*, my own book on the Wisconsin reform, ended in 2002.² The authors' description of W-2 is largely consistent with mine.

The authors found that mothers mostly use W-2 episodically, to tide them over during periods when work is too difficult, due to childbirth, health problems, or family demands. Soon they are put in workfare and go back to regular jobs. This is how the system was supposed to operate, avoiding the long-term dependency that developed under Aid to Families with Dependent Children (AFDC).

The picture that the authors paint of the new system is surprisingly benign. They find that it is overly demanding, but not abusive. W-2 caseworkers are described as generally responsive to the mother's needs; advocates of the new system would hardly claim more.

The main criticism in the book is that welfare reform, as well as changes in private employment, have left poor mothers insecure. They now have no way to support their families other than through a "solitary wage bargain." They have to deal with employers as if they were men without dependents, ignoring their family needs.

I would agree that some advocates of welfare reform, myself included, initially paid too little attention to the family responsibilities of poor mothers. However, since *Beyond Entitlement* I have given this topic considerably more attention, and I still stand by my original recommendation. It is fairest to society and best for the mother and child if the mother is required to work. While working in today's labor market is difficult, mothers who are not on welfare get no better. America never promised more.

The hard evidence on welfare reform programs shows mostly good effects. Evaluations show that most mothers benefit, both economically and personally, if they face a work test. Their children are less affected, but on balance they too gain. Surveys also show clearly that most recipients accept the work test.³ The women interviewed for *Both Hands Tied* did not appear to question it, although they had many specific complaints.

I disagree, as the authors claim, that business or government ever accorded workers a right to a "family wage." Some unions won high wages, but I doubt the employers accepted any overt responsibility for families, only for the workers themselves. And, as the authors concede, workers enjoying such deals were never more than a small minority of all workers. Government never accepted a "family wage" either. It did establish a minimum wage, but again with no explicit reference to family. It also, in 1939, added survivor benefits

to Social Security, but this was for families after the worker retired or died, not during his or her working years.

There was certainly never any idea that workers had a right to public support while *not* working for family reasons, or even to be particular about when and how they would work. Rather, workers qualified for Unemployment Insurance (UI) only if they had a steady work history and were fired involuntarily, and they were expected to begin searching for another job immediately. “Suitable work” rules limited how selective they could be. As the authors note, poor women typically work too erratically to qualify for UI.

On the whole, welfare reform meant applying similar expectations to cash welfare. One need not have worked prior to claiming welfare, as in UI, but a mother must now work or seriously look for work while receiving aid. One must work alongside the taxpayers on whom one relies. That was not a reactionary change as the authors present it, but rather the revocation of the right not to work that AFDC had come to embody.

I also would contest that either employers or government deliberately cut back worker or family protections in the same jobs as the authors suggest. It is true that the service jobs that poor women hold today provide worse pay and benefits than the unionized factory jobs of earlier decades. But the latter were never typical of the economy, and few mothers ever held them. Industrial employers did not cut pay and benefits so much as they simply moved their factory jobs elsewhere. The service jobs that then dominated had never paid so well. To present the shift from factory jobs to services as if it were a deliberate cut in wages and benefits is to misrepresent what happened, to compare apples to oranges.

In fact, wages for low-skilled women in service jobs rose in the 1990s. Without those gains, we could not have seen the sharp reductions in child and family poverty that Wisconsin and the nation achieved in that decade, although poverty has rebounded since. The case made by the authors would be stronger if they could say that jobs were simply unavailable or wages had fallen compared to what the same jobs used to pay. At most, they say that wages have not risen and that service employers have resisted increases.

Nor did government cut back its efforts. The authors present welfare reform as if it meant the wholesale dismantling of social programs. That was true neither in Wisconsin nor the nation. Wisconsin saved money on reform in the short term, as I showed in *Government Matters*, but only because the caseload fall in AFDC and W-2 was far greater than projected.⁴ The new child and health care provided to facilitate work eventually proved too heavy to carry, forcing the cutbacks described by the authors, but spending did not fall relative to before reform. On the national level, the shift of spending from cash aid to support services was less drastic, and spending grew. Part of this was EITC, which is vastly more generous since 1993 than it was before, including a state supplement for Wisconsin residents.

While it is true that many of these support services and benefits have been cut back in the current state fiscal crisis, that has nothing to do *per se* with welfare reform. It is a crisis that has hit all domestic programs, including those serving the middle class.

The main reason that poor mothers are struggling today has nothing to do with these changes—rather, it is the sharp rise in unwed pregnancy. The collapse of marriage is the principal reason why combining work with family has become more difficult for poor families. In the past, more families benefited from the inherent efficiencies of having two parents. It was then possible for women to reconcile children with work (usually part-time) without huge difficulty. With two parents (usually) working, there was a *de facto* family wage even if there was no explicit policy. That is still true today for intact families.

Far from ignoring the marriage problem, government has tried to compensate by providing far more child and health care than it ever did before welfare reform. That safety net is highly visible in the authors’ account of how poor mothers mix erratic work with occasional welfare. None of these supports existed in the 1930s, or even in the 1960s. Far from abandoning the poor, government’s role has grown. It is now doing part of the job that intact families used to do. Welfare reform has not changed that. If anything, government’s role has increased, since it now includes promoting employment as well as just transferring resources to families.

In only one respect is government less generous than it was—the denial of entitlement. The new benefits are mostly conditioned on employment. Mothers must be accountable for the support they get, and are no longer the sole judges of whether to work. Government has decided that to expect work is fair and also best for families. The authors obviously differ in this opinion, but they do not rebut these judgments directly throughout most of their book. Rather, they make the more limited argument that the new work-based safety net is insufficient. Mothers need not only child and health care, but also more flexibility about leaving work to deal with child and health emergencies. It is true that Europe has more generous family leave policies than we do, and that a case can be made for improvements. I am open to that, as I take no definite view of how much government should do for workers, either men or women.

My point, rather, is that the case for improved leave must be a general one, pitched to the needs of all mothers. Leave cannot be a privilege confined to welfare mothers, as the right not to work used to be. And it cannot amount to a *de facto* cancellation of the work requirement.

At the end of the book, the authors finally reject the work requirements *per se*. They say that the poor single mother deserves support because she is “already working” by caring for her child or other family members. They also call for improved pay, benefits, and other conditions if she does work. But implicitly, work would again be the mother’s choice, as

it was under AFDC. This is a lot less persuasive than improving work benefits and conditions. It is unfair to taxpayers, few of whom have a choice not to work, and it would mean a loss for most mothers and children.

The authors say that Stuart White and others defend caretaking as “civic labor” that should be accepted in lieu of paid work. In fact, White in *The Civic Minimum* sets conditions on civic labor that, in my view, would deny support to a welfare mother caring for her own child without work.⁵ Christopher Beem, however, has developed an argument for supporting the mother during infant care that differs from entitlement because the mother has to satisfy several civic conditions. She must have worked or be enrolled in education and training, and she must receive instruction in parenting.⁶ That position is not far distant from the authors’ call for improved family leave and support services. All these arguments are set out in *Welfare Reform and Political Theory*, which Beem and I edited in 2005.

The authors’ case against conditionality ultimately rests on the same conviction as AFDC, that mothers coping with children alone cannot be expected to work. The authors virtually ignore the major cause of the mother’s dilemma—runaway unwed pregnancy. No response is fully satisfactory. Society is not about to enforce marriage, but single parenthood is too damaging for society not to hold the mother accountable in some way (as we also do the father through child support). We cannot simply hold the mother harmless, as the authors’ proposals would do. That shifts all the responsibility to so-

ciety. The moderate position, embodied in current policy, is to require work and also help the mother to work. Thus, she gets some support, but she is still accountable for some functioning to the larger society, just as other adults are.

In *Both Hands Tied*, the authors have usefully portrayed the work experience of many mothers after welfare reform. However, I find their larger indictment of the system unpersuasive. While well-paid factory jobs are gone, on balance poor single mothers are better off than they used to be. Their greatest problem is single parenthood, not anything the society has done to them. Their conditions might be improved, but there is no cause to return to entitlement. We have already been down that road. ■

¹L. M. Mead, *Beyond Entitlement: The Social Obligations of Citizenship* (New York: Free Press, 1986).

²L. M. Mead, *Government Matters: Welfare Reform in Wisconsin* (Princeton: Princeton University Press, 2004).

³T. Brock, D. Butler, and D. Long, “Unpaid Work Experience for Welfare Recipients: Findings and Lessons from MDRC Research,” (New York: Manpower Demonstration Research Corporation, September 1993), table 5.

⁴Mead, *Government Matters*, ch. 10.

⁵S. White, *The Civic Minimum: On the Rights and Obligations of Economic Citizenship* (Oxford: Oxford University Press, 2003), ch. 5.

⁶C. Beem, “Restoring the Civic Value of Care in a Post-Welfare Reform Society,” in *Welfare Reform and Political Theory*, eds. L. M. Mead and C. Beem (New York: Russell Sage, 2005), ch. 7.

The Minimum Wage and Labor Market Outcomes

Christopher J. Flinn

In *The Minimum Wage and Labor Market Outcomes*, IRP affiliate Christopher Flinn argues that in assessing the effects of the minimum wage in the United States and elsewhere, a behavioral framework is invaluable for guiding empirical work and the interpretation of results. Flinn develops a job search and wage bargaining model, and uses previous studies from the minimum wage literature to demonstrate how this model can be used to evaluate the diverse results found in widely varying institutional contexts. He also shows how observed wage distributions from before and after a change in the minimum wage can be used to determine whether that change improved people’s well-being. More ambitiously (and perhaps controversially), Flinn proposes the construction and formal estimation of the model using commonly available data; model estimates then enable the researcher to determine directly the welfare effects of observed minimum wage changes. This model can be used to conduct counterfactual policy experiments—even to determine “optimal” minimum wages under a variety of welfare metrics. The development of the model and the econometric theory underlying its estimation are carefully presented so as to enable readers unfamiliar with the econometrics of point process models and dynamic optimization in continuous time to follow the arguments. Although most of the book focuses on the case where the unemployed search for jobs in a homogeneous labor market, later chapters introduce on-the-job search into the model, and explore its implications for minimum wage policy.

The book is dedicated (in memoriam) to Arthur Goldberger and Irving Piliavin, two longtime associates of and contributors to the IRP and close friends of the author from his days on the faculty at the University of Wisconsin.

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Response from the authors

Jane L. Collins and Victoria Mayer

We want to thank Larry Mead for the thoughtful reading of and response to our book. We clearly consider our work in dialogue with some of the ideas he has put forward in *Beyond Entitlement* and other writings, and we welcome the opportunity to keep the dialogue going. We appreciated his acknowledgement of the gaps our book fills in the literature on the work experience of welfare participants, as well as our documentation of the episodic nature of welfare use in recent history, and our picture of how the system of provision works on the ground.

We agree with Mead that structured welfare programs have an important role to play in our society. We also agree that low-wage workers require supports, such as child care subsidies and medical assistance. However, we believe that Mead misreads our main point when he suggests that we are calling for a return to “entitlement” as it previously existed or argue that “mothers coping with children alone cannot be expected to work.” Rather, our critique of the current system is not aimed at the expectation that citizens work, but at the way that contemporary labor markets and mediating institutions allocate and reward work. As Mead notes, many of the mothers in our study really wanted to work. “If they could just make sure we have enough health care and child care benefits ...” one woman told us, “it would change the outcome.” Therefore, we think this exchange establishes a good basis for the discussions we hoped the book would spark—a broad rethinking of the proper responsibilities of government, employers and families for providing the support working American families need.

If this assertion of shared responsibility seems surprising at first glance, we need only remind ourselves that workers do not arrive on the scene fully grown and ready to labor; they need to be cared for and educated as children, their health needs to be safeguarded, they need clean water, food, and safe housing. In our book we use the rubric of “social reproduction” to refer to the work necessary to keep households and communities functioning and to allow them to send productive members out into the world. Because labor has a dual character, being both a commodity traded in the market and a human activity that cannot be “detached from the rest of life, stored or mobilized” as market demand changes, workers and their families require social protection.¹ The politicians who enacted New Deal legislation recognized this, regulating labor conditions and creating social programs to insure families against the risks entailed in depending on labor markets for income, including unemployment, retirement, and disability. In the post-World War II era, government-administered programs were augmented by an extensive private benefit system administered by employers but publicly subsidized and regulated. For middle class workers, these benefits included medical insurance, guaranteed benefit pension programs, and sick leave. In the book we refer to

this model as the “family wage” bargain. Finally, although the welfare state attached its most valuable benefits to wage work, federal lawmakers also created a series of programs that comprised a “second channel” for providing benefits to poor families who could not participate in the workforce.² Initially limited to Aid to Dependent Children, these benefits were later expanded when policymakers allowed widows and children to claim social security earned by a deceased breadwinner, and again when they created new means-tested programs such as food stamps, medical assistance and Supplemental Security Income.

These arrangements were designed to compensate for economic insecurity experienced during the post-World War II period; however, that economy and the labor market agreements we associate with it are largely gone now. When product markets became more volatile and profitability declined during the 1970s, companies began restructuring work and workplace contracts through automation, relocation, subcontracting and new contingent labor agreements. Structural unemployment and new labor contracts shifted much of the risk produced by market instability onto working families. Jacob Hacker points out that even those workers who were able to hold onto jobs or to find new long-term employment have had to assume greater responsibility for retraining and for their medical care and retirement.³

These shifts are consistent with the labor market models envisioned by free market advocates who designed welfare reform. In our book, we discuss how they “imagined a labor market in which each worker was free to pursue his or her best interest and was on his or her own (unaided by employers and unencumbered by family responsibilities) in doing so.” To highlight how these shifts strained the ability of working families to engage in social reproduction, we called this new set of labor agreements the “solitary wage bargain.” In the book, we show how Wisconsin’s Temporary Assistance for Needy Families program buttressed this new contractual model when it required welfare agencies to press mothers to take positions in low-wage jobs which left them dependent on the government for food, child care, and medical insurance. In his response to our book, Mead rejects our characterization of changes in low-skilled work, casting doubt on the prior significance of the family wage model. Nevertheless, dramatic increases in income inequality and income instability from the mid 1970s on suggest otherwise.⁴

Supporters of welfare reform and others have noted the movement of working class and middle class mothers into wage work after 1970. This movement helped to offset declining male income, but it also created a care shortage and new forms of income vulnerability when parents separated or when a parent had to leave the labor market to care for a young child or an ill or disabled family member. Mead

mentions several times that welfare reformers were simply asking of poor women what our society asks of all women. This is something we often receive questions about: “Isn’t it just incumbent on poor women to figure out how to do what other women are doing?” And we agree this makes some sense. But how do middle class and working class women manage to combine work and family? They do it by purchasing services on the market that substitute for their labor in the home, services such as day care, nursing home care, and restaurant food. We argue in the book that the ability of women of all classes to work—their ability to purchase on the market services they formerly performed at home—depends on some women (poor women) working non-standard hours in low paid work in these venues. And we argue that we need to have a discussion, in our society, about whether this is the way things should be.

Mead points to the importance of out-of-wedlock births in creating difficulties for poor women. We agree that loss of the family supports that came with marriage are part of what has changed for poor mothers over the past few decades. But as we note in the book, social policy has paid a great deal of attention to this issue while neglecting, relatively speaking, changes in jobs. The fact is that single-parenting has increased across the socio-economic spectrum over the past twenty years. Furthermore, as our research and child support research demonstrate, deindustrialization and employment discrimination in southeastern Wisconsin have made it very difficult for many low-skilled fathers to provide economic support for their children whether they live with them or apart from them.

We believe that the best way forward is to provide services and supports for working families that allow them to combine work and care. This could include things like Unemployment Insurance for compelling family emergencies and more broadly accessible healthcare. We agree with Mead when he writes that “the case for improved leave must be a general one, pitched to the needs of all mothers.” This goes to the heart of our points about economic citizenship in the book. If these programs are universal, they will not compromise the dignity and citizenship of those who participate. The worst thing about the old system of welfare was that it stigmatized participants (and we would argue that the kinds of paternalism Mead advocated in *Beyond Entitlement* were intertwined with and increased that stigma).

In conclusion, we argue that the array of social programs designed to protect families during the latter half of the twentieth century, and redesigned under welfare reform, needs to be reassessed in light of changing labor market practices and the new strategies families pursue to maintain their income. We disagree with Mead’s assertion that “[n]either employers [n]or government deliberately cut back worker or family protections.” Just as the welfare state was constructed through many political contests over social relations across multiple institutional sites, welfare state retrenchment has been an ongoing process prosecuted by multiple actors in the public and private sectors. Service sector jobs that comprise a majority

of employment opportunities today are not degraded by nature—we trust the health and education of our children and our parents to service sector workers. Employers have used labor restructuring to weaken unions as we document in the book, and employer-funded foundations like Milwaukee’s own Bradley Foundation promote legislation banning “living wage” and mandatory sick leave ordinances, and lobby against the minimum wage.⁵ The passion with which political struggles over the future of unions, good jobs, and social programs are being waged today—in Wisconsin and elsewhere—suggests that recent trends in labor contracting and neoliberal policy-making do not represent a social consensus on the way Americans want to move forward as a country. For this reason we especially appreciate this opportunity to participate in debates over how the division of responsibility for social reproduction—between government, employers, and families—might be recalibrated. ■

¹K. Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 1957): 72.

²B. Nelson, “The Origins of the Two-Channel Welfare State: Workmen’s Compensation and Mother’s Aid.” in *Women, the State, and Welfare*, ed. L. Gordon (Madison: University of Wisconsin Press, 1990).

³J. Hacker, *The Great Risk Shift: The New Economic Insecurity and the Decline of the American Dream* (New York: Oxford University Press, 2006).

⁴Hacker, *The Great Risk Shift*; M. Morris and B. Western. “Inequality in Earnings at the Close of the Twentieth Century,” *Annual Review of Sociology* 25 (1999): 623–657.

⁵2009 Annual Report, The Lynde and Harry Bradley Foundation, Milwaukee, WI, 2009. Retrieved May 12, 2011 from <http://www.bradleyfdn.org/pdfs/Reports2009/2009AnnualReport.pdf>