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TREAT WELFARE RECIPIENTS LIKE WORKERS: PAY THEM A WAGE

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The Los Angeles County Board of Supervisors, responsible for implementing federal welfare reform, has an important choice to make: Will it help move current welfare recipients wage-earning jobs or will it assign them chores that keep them in penury and undermine their ability to become self-sufficient?

In October, a new welfare-to-work program, Community Service Work, will go into effect in the county. By late next year, between 5,000 and 10,000 welfare recipients must participate to continue receiving benefits. This is part of the state's plan to give welfare recipients, mostly mothers with young children, public-service jobs if they are unable to find work within 18 months of signing a welfare-to-work plan. When these recipients go to work, will they continue to receive a welfare check or will they actually earn a paycheck? Under either a grant- or a wage-based system, the county subsidizes participants' income, but the differences are important if we really want, as President Bill Clinton promised, to "end welfare as we know it."

In some states, former welfare recipients are deployed to undermine the wages and job security of existing workers. In New York City, for example, they replaced 7,000 unionized municipal parks-and-recreation employees. In Mississippi, they work off their \$165 monthly workfare grant in sweatshop-like conditions for employers such as Tyson's Chicken. In contrast, in Washington and Vermont, as well as in Detroit, Baltimore, Indianapolis, Oakland, Philadelphia, San Francisco and Seattle, public officials adopted a wage-based approach to community- service jobs. Former welfare recipients earn wages ranging from the minimum to \$8 an hour.

California law requires work assignments to be in the public sector or with private nonprofit employers; to provide participants with job skills that can lead to a regular job; to address unmet community needs; and to avoid displacing regular employees. State law allows counties to decide whether to use the "work for your grant" approach or a wage-based one.

Despite the recommendations of the county's Public Social Services Commission and Community Service Work Group, it appears that the Department of Public Social Services, which runs welfare programs, intends to recommend a grant-based approach to the supervisors.

For years, the county has used a grant-based approach, known as workfare, for people on general relief. Although recipients must work alongside regular employees, they are not considered employees. L.A. County General Hospital, for example, has used more than 60 recipients a day to help keep the hospital running. But the hospital has failed to provide them with the same protections they are required, by federal law, to give regular employees. As a result, some recipients have been exposed to hazardous materials.

The Board of Supervisors should learn from this flawed approach when devising its community-jobs program. Its goal should be to create a ladder for former welfare recipients to climb out of poverty. A wage-based program, rather than a work-for-your-grant system, is the best way to achieve this result. Under this approach, participants earn taxable wages and pay into Social Security. This would generate more local revenue than if they received a grant. Most important, employees would then become eligible for the federal Earned Income Tax Credit, which allows low-wage workers to receive an additional \$3,000 a year to earn their way out of poverty. Making community service workers eligible for the tax credit could channel millions of federal dollars into local communities.

The wage-based approach changes a welfare recipient into a paycheck-receiving employee. As the state Legislative Analyst Office noted, it permits workers to acquire a formal work history, which would boost their appeal to future employers and their chances of moving into regular full-time jobs. The legislative analyst also noted that this approach may "increase recipients' self-esteem and confidence in seeking a job in the labor market."

Initially, the wage-based approach may cost slightly more in county funds, but these costs would be more than offset by the

additional flow of federal earned-income credits into the county's economy and the greater likelihood that participants would move sooner into the mainstream work force. Equally important, community-service workers can help meet county needs without displacing existing employees. For example, they can staff neighborhood after-school programs, do outreach for social-service programs and help rebuild infrastructure in low-income communities.

By adopting a wage-based approach to ending welfare, the board would not only help welfare recipients move into the mainstream work force, it would also provide taxpayers with a more efficient approach to reform. Also, by giving people the opportunity to gain experience, skills and wages, it would contribute to the region's economic prosperity and business climate.

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