Contact: Ron Haskins
Brookings Institution
rhaskins@brookings.edu
202-797-6057

Last work: 11/12/11

Work and Welfare: What the U.S. Can Learn from Europe
Ron Haskins

Our goal at this conference is to discover what OECD nations can learn from each other about active labor market policies in times of high unemployment. The purpose of this summary paper, which focuses on work programs associated with welfare (the bottom tier of the social benefits in OECD nations), is to describe the US welfare system with a particular focus on its goal of getting welfare recipients into work, to summarize the successes and problems the US has experienced in conducting the work programs associated with welfare, and then to summarize the potential solutions to these problems identified by the authors of the papers on European work activation programs associated with welfare. In addition, given the expected impact of a nation's economy on the attempt to increase the share of adults who have jobs, I also briefly review the current status of the American economy, especially with regard to employment and unemployment.[1]

Work and Welfare in the US

By the mid-1980s, the US federal government was feeling pressure to reform a welfare system that many analysts and conservative politicians thought was fostering dependency.[2] The intellectual side of the debate about welfare dependency had been framed by Charles Murray in *Losing Ground* (1984) and Lawrence Mead in *Beyond Entitlement* (1986) in a way that stirred US conservatives to look for opportunities to deeply reform welfare. On the political side, Republicans won both the House and Senate in the elections of 1994, giving conservatives the ability to initiate and pass legislation. Their legislative plans had been prompted by at least three factors. The first was the apparent failure of the welfare reform legislation enacted primarily by Democrats in 1988. Charles Murray and others predicted that the 1988 reforms would not do enough to get people on welfare to work and were therefore likely to lead to increases in the welfare caseload. These predictions were confirmed by a rapid rise in the welfare caseload;

between 1988 and 1992 the caseload increased by around 35 percent. The second factor was that, beginning in 1992, a small group of House Republicans had worked with conservative, Washington-based, interest groups and Republican governors to develope welfare reform legislation that strongly emphasized work. Within months, the legislation was supported by nearly every House Republican, by conservative advocacy groups, and by a sizeable number of Senate Republicans. As it turned out, within just a few months after the election, Republicans were able to unite their forces inside and outside Congress and pass radical welfare reform legislation that ended the entitlement to cash welfare, imposed strong sanctions on recipients who did not meet the work requirements, changed the financing of welfare benefits so that states had a strong financial incentive to help recipients leave welfare, and established limits on the length of time most adults could receive cash welfare.

The third factor pointing to reform was that in the presidential election of 1992, Bill Clinton had campaigned on the issue of welfare reform and had used language well-suited to a conservative. He said he would "end welfare as we know it" and also seemed to promise to get people off welfare within two years through the use of strong work requirements. But in his first two years in office President Clinton did not introduce welfare reform legislation in time to have it considered by the Democratic Congress. Thus, when Republicans took over the Congress after the elections of 1994, they had an open field to create and enact their own legislation. Although President Clinton vetoed two versions of the Republican legislation, he signed the legislation when given a third chance at a bill that had been changed in some ways that he approved. The result was that the bill passed on a huge bipartisan vote. As Clinton well knew, polls showed that the American public wanted mothers on welfare to work (about 90 percent of the families on cash welfare were headed by mothers), even if they had young children. With the presidential election of 1996 pending, Clinton signed the Republican bill in August of 1996, less than three months before the election.[3]

The initial effects of welfare reform more or less confirmed what both Republicans and President Clinton had predicted upon passage of the legislation. The welfare caseload in nearly every state declined. By 2000, the average state had experienced a 50 to 60 percent decline in their caseload. Studies showed that up to 70 percent of the mothers leaving welfare worked at some time within a year of leaving the rolls and between 50 and 60 percent of them were working at any given time.[4] But the effects of the reforms were apparently not just on mothers who were on the welfare caseload. Nationally representative data from the Census Bureau showed that the entire group of low-income single mothers demonstrated a dramatic increase in employment. Never-married mothers, the most disadvantaged group of single mothers, had a 40 percent increase in employment over a four-year period following welfare reform. Given the dramatic increase in employment, it is little surprise that poverty among female-headed families and among black children fell sharply and quickly reached their lowest level ever. All these data are summarized in the three panels of Figure 1.

[Figure 1; (a) Welfare caseload; (b) employment/population ratio; (c) child poverty]

In addition to the increase in employment among single mothers, a major reason poverty fell so sharply was that Congress and a series of presidents from both political parties had greatly improved the programs that provided support to low income families that work. Five major programs – the child tax credit (CTC), the Earned Income Tax Credit (EITC), child care, food stamps, and child health insurance – had been either created from scratch or substantially expanded in the decade or so leading up to welfare reform and were re-engineered so that low-income working families could receive benefits that usually amounted to a substantial augmentation of their earnings. A study by the Congressional Budget Office showed that the creation or expansion of these programs vastly increased the amount of money and benefits that low-income working families could receive.[5] Thus, the combination of the rapid rise in earnings by poor mothers and benefits from the work support programs increased the income of mothers who took low-wage jobs and brought many of them and their children above the poverty level.

[Figure 2 here; work, benefits, poverty]

These developments are nicely captured by data presented in the *Green Book*, a nonpartisan volume of descriptions of American social programs and their effects published by the Committee on Ways and Means in the House of Representatives. The first bar in each of the first two sets of graphs in Figure 2 shows the raw poverty rate among families headed by never-married mothers in 1989 and 2006 respectively. Due primarily to the low level of work among these mothers in 1989, nearly half of the families were in poverty before receiving any government benefits. But in 2006, after implementation of welfare reform and the sharp increase in work by never-married mothers, the raw poverty rate before transfers had fallen to about 40 percent. The second bar graph in each set shows the effects of social insurance and means-tested cash and in-kind government transfer payments. In 1989, the transfer programs brought the poverty rate down to a little over 39 percent or by about 20 percent. But in 2006, despite the lower raw poverty rate before benefits, government transfers nonetheless reduced the poverty rate from around 39 percent to around 30 percent, a reduction of almost 25 percent. The third bar in the two sets show the impact of government benefits paid through the tax code, primarily the CTC and the EITC. These additional benefits had no impact on the poverty rate in 1989 but a substantial impact that reduced poverty by an additional 13 percent in 2006. The tax provisions had a bigger impact in 2006 because so many more never-married mothers worked in 2006. These impacts on poverty are summarized in the last set of bar graphs.

Thus, the US had a kind of welfare-work revolution in 1996 that represented very strong work activation provisions. But the US also had a companion revolution that greatly expanded transfer programs and benefits through the tax code that were specifically designed to help low-income workers, especially parents. It seems fair to hold that both activation and, to use a European term, solidarity are driving forces of US welfare-work policy.

<u>Welfare Activation Issues</u>

Welfare reform has not been without problems. Of course, there has been great controversy about the legislation both during congressional consideration and since. As a result, selecting specific problems for attention, especially in a brief summary paper like this one, calls for culling. Even so, three problems are widely seen as important. First, there appear to be some mothers at the bottom of the income distribution who have great difficulty holding a job. Under the new US system that emphasizes work and time limits, states are not reluctant to end welfare benefits for mothers who do not meet their work requirements.[6] One outcome has been that the number of single mothers who go an entire year without income from cash welfare or earnings has doubled.[7] Not surprisingly, a related consequence has been that the percentage of poor families receiving welfare benefits is now the lowest it has been for several decades (about 16 percent in 2009 as compared with nearly 60 percent in the late 1980s). Although some of these mothers live with someone who has earnings and shares resources, many analysts and especially child advocates are concerned that living without cash income is inherently risky and precarious. It seems possible that helping or cajoling a large number of families to make the transition from welfare to work, an outcome that almost everyone thinks is highly desirable, is being purchased at the cost of creating a system that is too demanding for a smaller number of adults. Even those who think this tradeoff is justified believe it would be good policy to find ways to provide additional help to families that find it difficult or impossible to maintain steady employment. The trick is to provide such help without reducing the incentives that are clearly having a great impact on welfare dependency and poverty.

A second problem is that the TANF program has not been very responsive during the recession.[8] It is a common understanding among policymakers that a safety net program is one that catches people who are desperate. During a recession, when jobs are hard to find, families need access to cash or to food, clothing, shelter, and other basic goods. Indeed, the 1996 welfare reform legislation had a provision, called the Contingency Fund, that gave additional money to states to pay welfare benefits or other forms of assistance to families that could not find employment during recessions. The American Recovery and Reinvestment Act (ARRA), signed into law as an anti-recession measure by President Obama on February 17, 2009, contained a provision that made another $5 billion available to states to help families who could not find work and were not covered by unemployment insurance. Nonetheless, many states with high unemployment rates did not provide cash TANF benefits to a large fraction of adults who lost jobs. By contrast, the Food Stamp program, the Unemployment Compensation program, and the Medicaid health care program increased dramatically during the Great Recession and are still providing benefits to many more families than before the recession. These programs, plus additional programs that were created or expanded by the ARRA, provided substantial assistance to US families. Studies show that despite the modest increase in the TANF program during the Great Recession, the other safety net programs responded so vigorously that poverty did not increase between 2008 and 2009 despite the rapid increase and continuing high level of unemployment.[9]

A third issue is that mothers leaving welfare have not enjoyed very substantial increases in earning power as they gained experience in the labor market.[10] The problem of low and stagnant wages among workers with modest levels of education is far broader than simply mothers leaving or avoiding welfare. In fact, the connection between education and income has never been stronger than it is now and appears to be getting even tighter every year.[11] Over the past three decades in the US, wages at the bottom of the distribution have not increased and only Americans with a four-year college degree or above have enjoyed increased family income. All of which suggests that the US needs a more effective way to help adults acquire the education and skills that are in demand in the economy and that will bring higher wages and employee benefits.

These three issues provide an agenda for research and demonstration in the US and Europe. One goal of the OECD conference should be to explore solutions to these issues that are being initiated and tested by OECD nations. Based on the background papers prepared for the conference, European nations are experiencing some of these same problems.

The U.S. Economy and Employment

Before exploring the issues common to the background papers prepared for this section of the OECD conference, it seems reasonable to review the impacts of the Great Recession on unemployment in the US, an important factor influencing the success of US work activation programs. There is good reason that the recession that officially began in December of 2007 and "ended" in June of 2009 is called the "Great Recession" in the US. The depth of the Great Recession is especially evident in a host of figures capturing unemployment. I begin with the employment-to-population (E/P) ratio, the broadest measure of a nation's employment in both Europe and the US. On both sides of the Atlantic, an explicit goal of policy in the last two decades and more has been to encourage, often through the use of both positive and negative incentives, more adults to work. There are important differences across the US and European nations in the nature and cost of welfare programs – although the differences may be more modest than they are often portrayed[12] – but economic and demographic developments have forced every country to worry about paying for their welfare state. An approach favored by OECD countries, and made official by the Lisbon goals in 2000, is to boost the fraction of the population that is employed.[13] To recall a famous US analogy, the goal is to have more people pulling, and fewer riding in, the wagon.

[Figure 3 here; E/P for selected nations]

Figure 3 summarizes the E/P ratio for selected European nations and the US. Two remarkable features of the figure deserve attention. First, the US has experienced both a secular E/P decline and a decline correlated with the recessions of 2001 and the Great Recession. After a substantial increase in the 1980s, a decline associated with the recession of the early 1990s, and another rise after the early 1990s recession, the E/P ratio declined every year for three years beginning in 2000, and then recovered only slightly before very sharp declines in 2008 and 2009. Not shown in the figure is the underlying fact that male employment has been declining slowly for three decades, falling from 72.0 in 1980 to 63.8 in the first three quarters of 2011 or by around 11 percent.[14] The figures for young black males are even worse. In 2010, black males between 18 and 24 had a shocking E/P ratio of just 37.9.[15] The second important development portrayed in Figure 1 is that the E/P ratios of the Netherlands, Germany, and the UK have all surpassed that for the US. We will have to wait for another five to ten years to determine whether the US will continue its relatively low level of adult employment, but without a boost in the E/P ratio both US government finances and the prospects for employment by low-income adults could suffer.

[Figure 4a and 4b here; duration of unemployment & change in employment rate from peak by recession]

Several unemployment statistics also indicate the depth of the Great Recession in the US. Figure 4a shows the median duration of unemployment by year between 1980 and 2011. The serious recession of the early 1980s sent the duration of unemployment to an average of over 12 weeks, up from just over 5 weeks prior to the recession. But this jump was modest compared with the jump during the Great Recession. In fact, perhaps indicating a secular trend in long-term unemployment, the average weeks unemployed did not fully return to pre-recession lows after the recession of the early 1990s or especially the recession that began in 2001. The US went into the Great Recession with a median duration of unemployment of about 9 weeks, well above its average duration of around 6 weeks during the second half of the 1980s. But no one could have anticipated the spectacular leap from the 2007 level of about 10 weeks to the relatively high level of between 20 and 25 weeks during much of 2010.[16]

Another serious employment problem the US is now experiencing is that recovery from the high level of unemployment following the Great Recession is much slower than the recovery of employment levels following any previous recession going back to the 1970s (see Figure 4b). Three years after the onset of the Great Recession, the employment rate was still 7 percent below the pre-recession rate, more than twice as high as the average of the five previous recessions. The major cause of the high rates of long-term unemployment and the slow recovery of employment levels following the Great Recession is the continuing shortage of job openings. The monthly survey of job openings conducted by the Bureau of Labor Statistics shows that during the Great Recession, the number of unemployed workers per job opening jumped from about 2 to nearly 7.

By comparison, the number of unemployed workers per job opening following the recession of 2001 barely reached 3.[17]

Taken together, these facts show that the current US employment situation is exceptionally difficult. Optimists might predict that within a few years the US economy will be off and running and jobs will again be plentiful. But this optimistic scenario is by no means certain. For those of us interested in employment by poor and poorly educated adults as an alternative to welfare, the shortage of jobs intensifies the underlying and permanent problem of convincing the poor to work and using government programs to provide positive and negative incentives to do so. Perhaps temporary measures would be appropriate to offer more relief to the poor having difficulty finding jobs, but finding a reasonable balance between a demanding welfare system that requires work and a compassionate system that offers relief where necessary is still a major challenge. The challenge is simply greater during times of high unemployment.

Welfare and Work in OECD Nations

Rather than offer detailed reviews of each of the four papers for the conference section on work and welfare programs, which I intend do for the final summary paper after I have had time to digest the papers and hear the conference discussions, for now I simply draw four generalizations from the conference papers and other papers about welfare activation programs in OECD nations.

Convergence. The first generalization is that the papers show a remarkable convergence between welfare activation policy in the US and European nations. The convergence is not just in the goal of activating as many workers as possible, but in sorting out the policy goals and strategies being pursued in adopting work activation policies. The US's major cash welfare program, Temporary Assistance for Needy Families (TANF), is one of the OECD's most work oriented welfare programs. A review of the arguments offered by both President Clinton and conservatives during the debate leading up to the 1996 reforms reveals that the work promoting reforms hinged crucially on values. A major problem that concerned the authors of the legislation was that able-bodied young people were becoming dependent on welfare, taking themselves off the ladder to economic self-sufficiency and setting a bad example for their children and others in their community. Although the word "inclusion" was rarely heard at the time, US reformers were worried that too many young people were taking themselves out of the economic game at too early a point in their lives, with broad implication for themselves and their families. This certainly qualifies as a concern with inclusion whatever name one chooses. Similarly, the Lisbon strategic goals issued by the European Council in 2000 called for a substantial increase in employment to increase the E/P ratio in member nations to 70 percent and to increase the number of women with jobs to 60 percent, both within a decade.[18] The rationale for these employment goals was not just to increase the sustainability of social programs but also to fight social exclusion. Again, as in the case of the US, the rationale for activation policy emphasized the value of work for the economic and social futures of individuals, their families, and society.

An unfortunate example of convergence between the US and other OECD nations is that none of our nations can afford the broad social policies that we now operate or operated in the recent past (in the case of nations like the UK, Sweden, and the Netherlands that have already initiated broad reforms). Indeed, the Lisbon goals, set in 2000, seem to reflect a realization by European leaders that their social programs could be maintained only if more people work and pay taxes. Now, more than a decade later, with the examples of Greece and Italy (and soon perhaps Ireland and Portugal as well) before us, it is increasingly apparent that spending cuts are going to be necessary. At this writing, the US is in the midst of an increasing ugly and partisan debate about how the rapidly growing federal deficit can be tamed. The spending cuts that most OECD nations are now contemplating or enacting seem likely to have major consequences for activation policy.

The conference paper by Professor Walker seems to depart somewhat from the convergence generalization I draw. Although recognizing shared values and similarities between the US and Europe welfare activation movements, based on his reviews of political culture, public opinion (as captured in the World Values Survey), and the work activation movements in the US and three European nations (UK, Germany, Sweden), Walker concludes that the US has a greater "commitment to individualism, self help and a strong version of the work ethic" while the European social model that underpins the activation policy in European nations "gives greater weight to inclusion, social cohesion and universal values" (pp. 29-30). He nonetheless concludes that there is enough "overlap" between "the ways that things are done on both sides of the Atlantic" that "policy learning" between and among the nations is possible. From the perspective of an American who is undoubtedly less tutored in the "way things are done" in Europe than Walker, I am nonetheless struck by the similarities in welfare and employment problems in the

US and Europe and equally by the broad similarities in the activation policies being pursued on both sides of the Atlantic.

The Role of Education and Training. In setting forth the Lisbon goals, the EU made it clear that European nations were not abandoning the European social model with its commitment to solidarity and economic and social integration. The Lisbon statement contains numerous references, for example, to the importance of education and training in the context of employment services, especially to "promote special programmes to enable unemployed people to fill skill gaps." The emphasis on training can be seen as an attempt to preserve aspects of the European social model, especially the concern with exclusion. If a major antidote to exclusion is economic integration, and if a not insignificant fraction of the population lacks the skills to move beyond low-wage jobs, assistance in acquiring skills is an obvious way to promote economic advancement and integration. On both sides of the Atlantic, social policy attempts to help young workers and displaced workers acquire these skills.

The fascinating analysis of European activation programs by Professor Lodemel is somewhat discouraging in this regard. Based on a sophisticated analysis of the types of activation programs being operated by eight European countries (Denmark, Norway, Netherlands, France, Czech Republic, Portugal, Germany, and UK), he finds that there have been two waves of activation reforms across Europe. In the first, beginning roughly in the 1990s, activation became a requirement to qualify for minimum benefits. In the second, beginning around the turn of the century, activation as a requirement for benefits continued, but in addition many nations attempted to improve the delivery of services. Unfortunately, the move to improve services, as well as movement toward education and training as an activation strategy, was interrupted by the financial crisis beginning in the middle of the first decade of the new century. Declining revenues and the increased pressure on both insurance and minimum benefit programs forced many governments to increase the conditioning of benefits on activation, reduce the value of benefits, and reduce spending on education and training. In perhaps the most pessimistic outlook of any of the papers for this section, Lodemel thinks that what lies ahead for the uninsured, who are disproportionately young workers, is "both less opportunities and less protection" (p. 17). Having participated in the debate about the US debt and the necessity of finding a solution in the immediate future, I would agree that Lodemel's conclusion applies to the US.

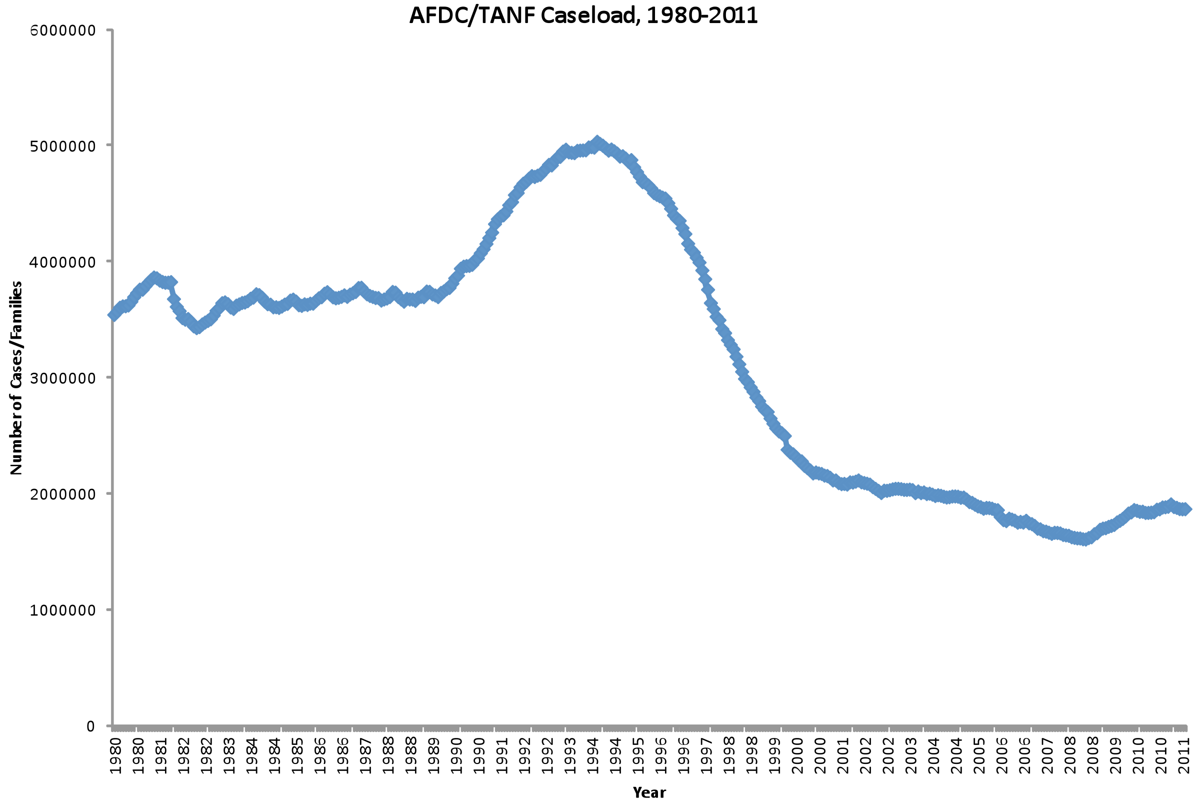
<u>Empirical Evidence of Program Effectiveness</u>. An important and encouraging characteristic of the papers for this section is the sophisticated collection and analysis of empirical evidence. The Lechner paper provides a combination of administrative and survey data to analyze the effects of the Hartz reforms in Germany; the Lodemel/Moreira paper uses descriptive data of programs in eight countries to map the types of activation programs for minimum benefit recipients and administrative data to gauge the impacts of the economic crisis that exploded in 2008; the Kluve paper presents a sophisticated meta-analysis of 187 program evaluations that include indicators of the business cycle and labor market institutions across a host of OECD nations. Although only s modest number of the program evaluations are experimental, there is nonetheless an accumulating evidence base of the effects of various activation policies. Now and in the future, these evaluations can provide valuable evidence to guide policy.

In this regard, consider the Kluve paper. He first divides activation programs into four categories: training, private sector incentive programs (such as wage subsidies), public sector employment programs (similar to workfare), and services and sanctions (measures that enhance job search efficiency). He and his colleagues then identified 187 programs that produced useable estimates of activation effects. He supplements these program results data with indicators for GDP growth in the nation in which the study was conducted, unemployment rates, spending on activation programs (as a percentage of GDP), the OECD's composite indicator of labor protection strictness, and the replacement rate. His surprising results show that, at least as defined by correlations, GDP growth rates, unemployment rates, spending on activation programs, and employment protection strictness bear little relationship with program effectiveness. By contrast, he finds that his indicators of program type show much stronger relationships. Using public sector employment as the base category, Kluve finds that job search programs produce short-term (less than nine months) effects on program outcomes but training and private sector incentive programs do not; programs for youth have negative impacts on labor market outcomes (probably because, relative to comparison groups, young people are neither looking for jobs nor working while they participate in activation programs); and programs with durations of more than 9 months are associated with negative effects of employment. Regarding this last finding, however, a similar meta-analysis performed by Kluve and his colleagues found that the detrimental effects of longer-term training tended to reverse over a longer period of observation.[19]

Conclusion

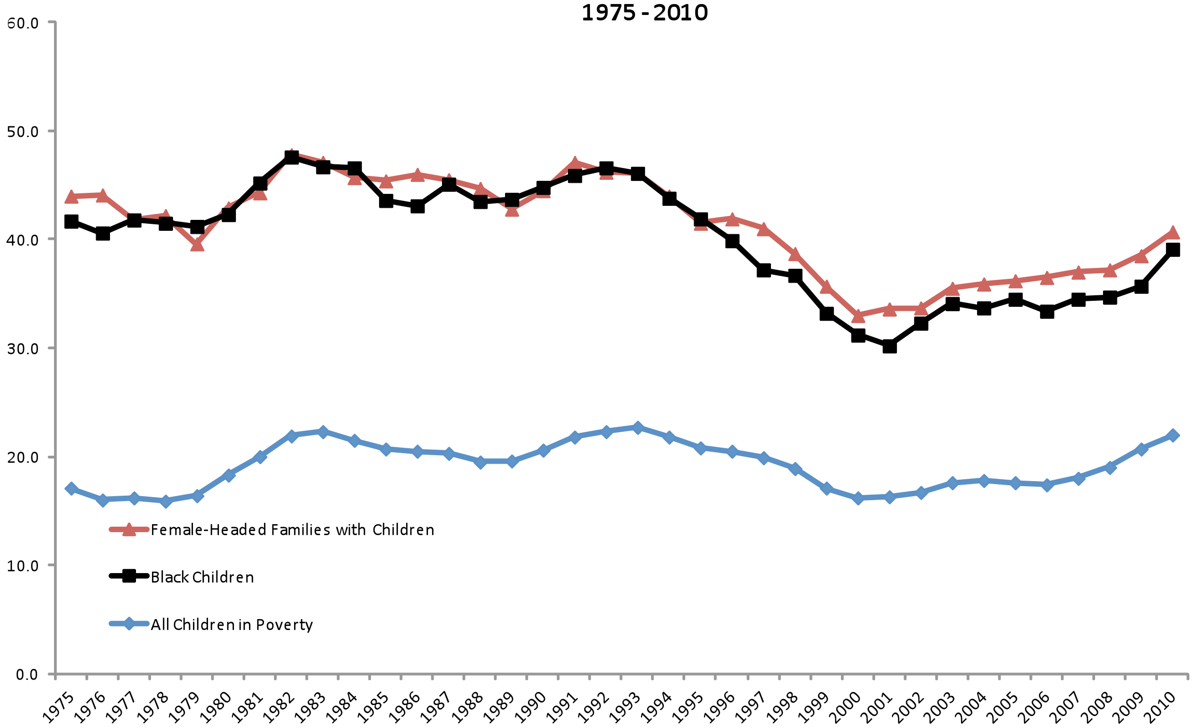
The big stories portrayed by the background papers for the conference session on activation programs associated with welfare are that there is convergence between the US and other OECD nations in the emphasis on work activation; that many of the nations are attempting not just to promote employment but to equip unemployed workers and young workers having trouble entering the workforce with skills that can enable them to advance beyond entry-level, low-wage jobs; and that a large body of empirical evidence is accumulating that can inform policymakers about the strengths and weaknesses of activation programs. Although evidence on this point is weak (but see a recent paper by Alber and Helsig[20] on the Hartz reforms in Germany), people with jobs would seem to be more integrated into the economic life of a nation, and perhaps the social life as well, than people without jobs. Another and regrettable story that emergences from some of the papers is that the ongoing economic crisis and government budget crisis affecting both European nations and the US are leading to reduced benefits, more stringent work requirements, and diminished spending on human capital programs in some nations. How far this trend will proceed is a vital question for the future.

Figure 1a
AFDC/TANF Caseload, 1980-2011



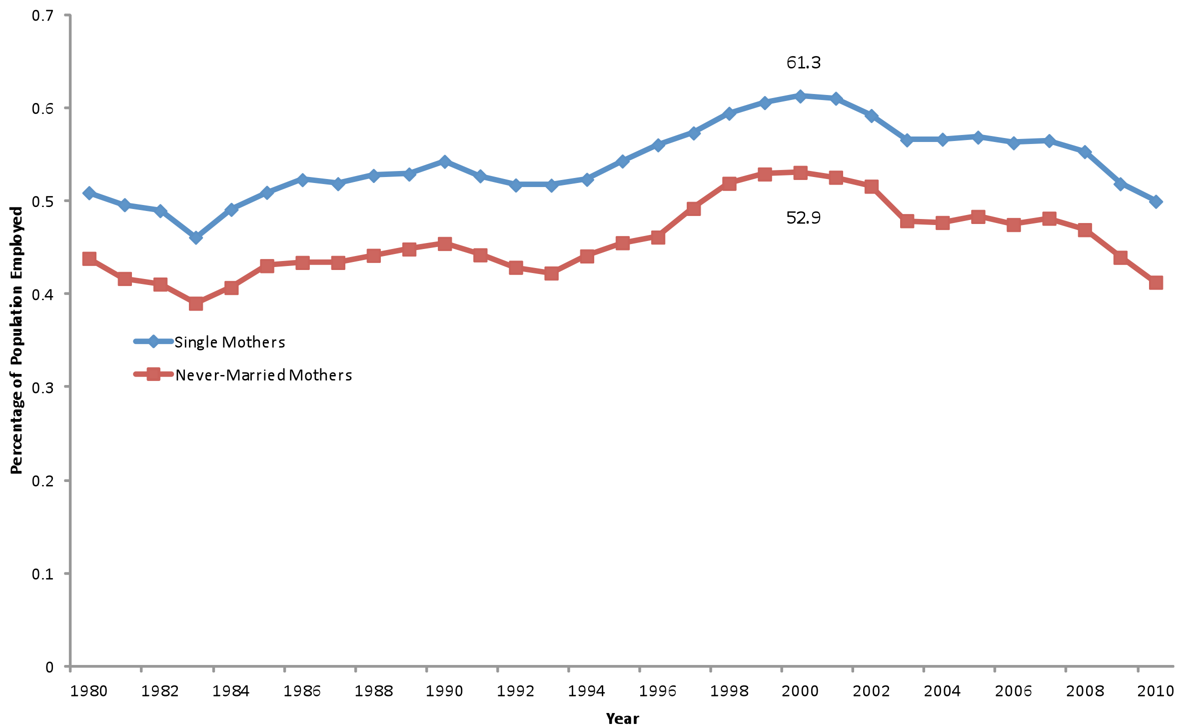
Source: HHS TANF Data---http://www.acf.hhs.gov/programs/ofa/data-reports/index.htm

Figure 1b
Poverty Rates for Black Children, Female-Headed Households with Children, and All Children, 1975 - 2010



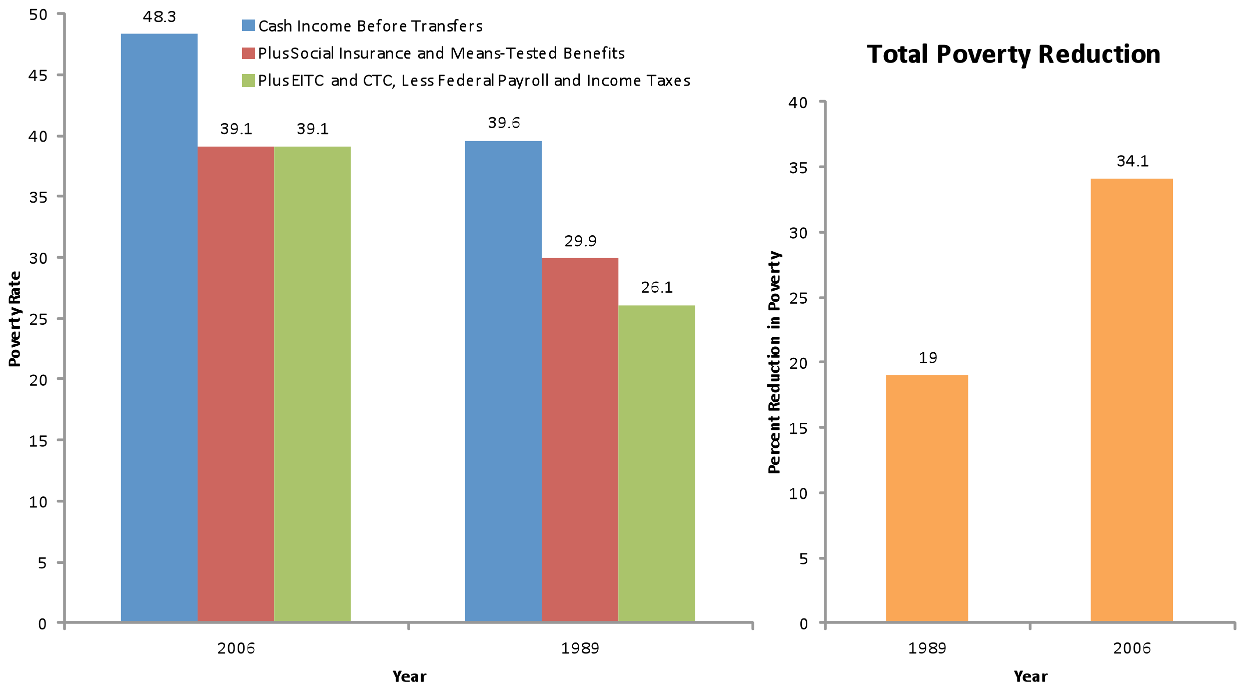
Source: U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2010.*

Figure 1c
All Single Mothers and Never-Married Mothers, 1980-201



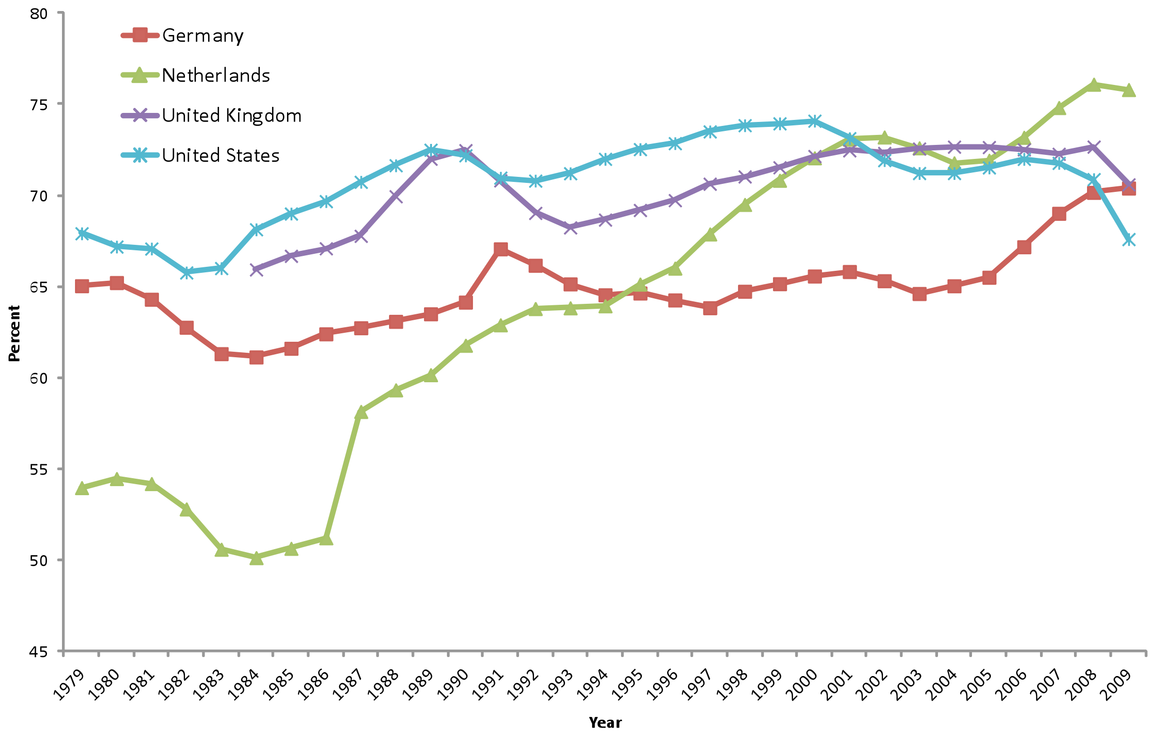
Source: Brookings Tabulations of the Annual Social and Economic Supplement to the Current Population Survey

Figure 2
Earnings and Work Support Program to Reduce Poverty, Among Never-Married Mothers, 1989 and 2006



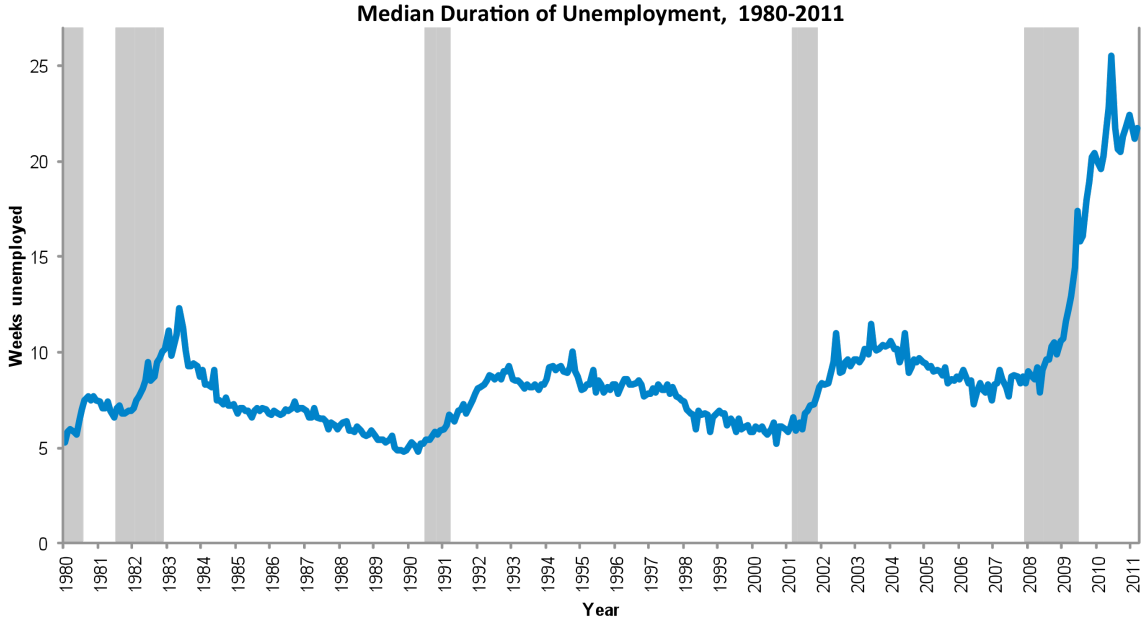
Source: U.S. House of Representatives, Committee on Ways and Means, *2008 Green Book*, Appendix E, Table E-31.
Note: The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are refundable tax credits designed to help lower income families, particularly single parent families.

Figure 3
Employment-Population Ratio in Select Countries, 1979-2009



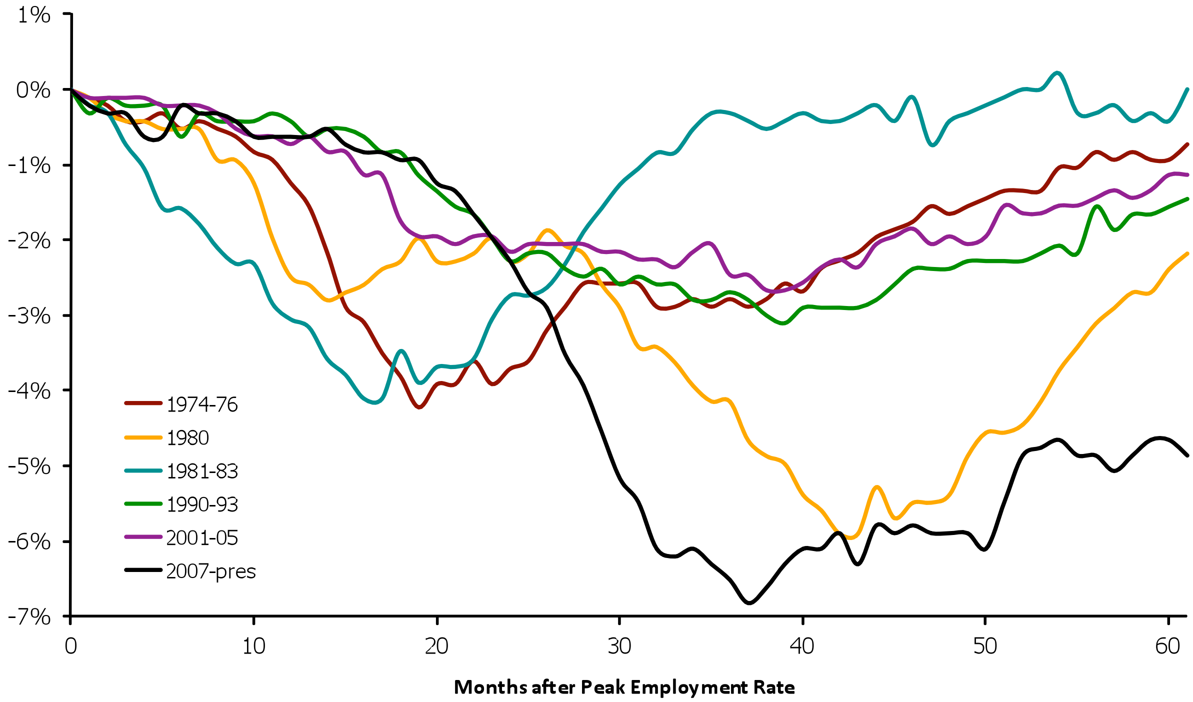
Note: These are employment-population ratios for the population between the ages of 15 and 64.
Source: OECD Stat Extracts (http://stats.oecd.org/Index.aspx?DatasetCode=LFS_SEXAGE_I_R)

Figure 4a
Median Duration of Unemployment, 1980-2011



Sources: FRED2 (http://research.stlouisfed.org) compiled from Bureau of Labor Statistics data; National Bureau of Economic Research, US Business Cycle

Figure 4b
Change in Employment Rate from Peak, by Recession



Source: Bureau of Labor Statistics, "Unemployment Rate, 20 Years & Over, White Men, 1954-2011."

[1] The short amount of time I have had most of the papers prepared for the conference did not permit adequate time to absorb all the material the authors offer in their papers.
[2] Charles Murray, *Losing Ground: American Social Policy 1950-1980* (New York: Basic Books: 1994); Lawrence Mead, *Beyond Entitlement: The Obligations of Social Citizenship* (New York: Free Press, 2001).
[3] For a detailed version of the events leading up to passage of the 1996 legislation, see Ron Haskins, *Work over Welfare: The Inside Story of the 1996 Welfare Reform Law* (Washington, DC: Brookings, 2006).
[4] Greg Acs and Pamela Loprest, *Leaving Welfare: Employment and Well-Being of Families that Left Welfare in the Post-Entitlement Era* (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2004); Ron Haskins, "Fighting Poverty the American Way," Paper presented at the conference "Anti-Poverty Programs in a Global Perspective: Lessons from Rich and Poor Countries," Social Science Research Center, Berlin, June 20-21, 2011, available at http://www.brookings.edu/papers/2011/0620_fighting_poverty_haskins.aspx.
[5] Congressional Budget Office, Policy Changes Affecting Mandatory Spending for Low-Income Families Not Receiving Welfare, Washington, DC: Author, 1998.
[6] A total of 44 of the 50 states have laws that allow them to terminate cases or zero out the benefits of mothers who do not comply with work requirements. See: David Kassabian, Tracy Vericker, David Searle, and Mary Murphy, *Welfare Rules Databook: State TANF Policies as of July 2010* (Washington DC: Urban Institute, 2011).
[7] Ron Haskins and Rebecca M. Blank, "Welfare Reform: An Agenda for Reauthorization," from *The New World of Welfare*, edited by Rebecca M. Blank and Ron Haskins (Washington DC: Brookings, 2001); Rebecca M. Blank, "Welfare and the Economy," CCF Brief Number 7 (September, 2001).
[8] LaDonna Pavetti, Danilo Trisi, and Liz Schott, "TANF Responded Unevenly to Increase in Need during Downturn" (revised and updated), Washington, DC: Center on Budget and Policy Priorities, January 2011.
[9] Arloc Sherman, *Despite Deep Recession and High Unemployment, Government Efforts — Including the Recovery Act — Prevented Poverty from Rising in 2009, New Census Data Show* (Washington DC: Center on Budget and Policy Priorities, 2011); Richard Bavier; APPAM papers
[10] Haskins, "Fighting Poverty the American Way."
[11] Ron Haskins, Harry Holzer, and Robert Lerman, *Promoting Economic Mobility by Increasing Postsecondary Education* (Washington DC: Pew Trusts, Economic Mobility Project, 2009).
[12] Irwin Garfinkel, Lee Rainwater, and Tim Smeeding, *Wealth and Welfare States: Is America a Laggard or a Leader?* (Oxford University Press: 2010).
[13] European Council, "Presidency Conclusions," Lisbon European Countil, March 2000; available at http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/00100-rl.en0.htm.
[14] Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," Series LNS12300001Q Seasonally Adjusted Employment-Population Ratio, Men 16 years and older.
[15] Brookings Tabulations of the Annual Social and Economic Supplement to the Current Population Survey.
[16] Federal Reserve Economic Data, "Median Duration of Unemployment, Weeks, Monthly, Seasonally Adjusted," Federal Reserve Bank of St.Louis.
[17] Based on data collected from the Bureau of Labor Statistics website and analyzed by my Brookings colleague Scott Winship.
[18] European Council, "Presidency Conclusions."
[19] David Card, Jochen Kluve, and Andrea Weber, "Active Labour Market Policy Evaluations: A Meta-Analysis," *Economic Journal* 120 (November), pp. F452-F477.
[20] Jens Alber and Jan Paul Helsig, "Do New Labour Activation Policies Work: A Descriptive Analysis of the German Hartz Reforms," Social Science Research Center Berlin, September 2001, especially pp. 41-47.