

Center for Public Policy Priorities

Twenty Years: 1985 to 2005

Diane Rath, chair of the Texas Workforce Commission, is misguided in her statement that welfare reform has been “one of the most successful social reforms of the last 50 years” (Austin Business Journal, Sept. 8-14).

We agree that it is preferable for families to work—especially since families on welfare receive an average of less than \$150 a month in cash assistance. However, in Texas, work alone is rarely enough to pull a former welfare family out of poverty. Although Texas’ welfare caseloads have declined 75% over the past 10 years, the percent of families living in poverty has stayed about the same.

Rath mentions that former welfare recipients who have found jobs earn just above \$7.19 an hour. To put this in perspective, a family of three (with two kids) that works full time at \$7.19 an hour brings home about \$15,000 a year.

Rath’s statement that this same family can more than double its earnings with the help of child care, food, and medical assistance is also misleading. Due to Texas-sized waiting lists and a lack of funding, the family would not be guaranteed child care. Without child care, the parent would be forced to place her children in a potentially unsafe environment or quit her job and return to welfare. In Texas, child care costs more on average than a semester of tuition and fees at the University of Texas.

Rath neglects to even mention housing, the single costliest item in a family’s budget. In Austin, more than two-fifths of low-income households live in substandard housing because they can not afford a decent place to live. Like child care, subsidized housing is woefully inadequate in Texas—five out of six families eligible for assistance do not receive it due to a shortage of subsidized housing.

While it is true that a family earning \$15,000 a year would be eligible for food stamps, the Earned Income Tax Credit, and health care, this is not enough. According to a conservative estimate of the cost of living in Austin, the family would still be more than \$4,000 a year short of meeting their most basic needs. This begs the question: what has welfare reform really accomplished if low-income families are still not self-sufficient?

It’s true that welfare reform got a lot of people into low-paying, low-skill jobs. But let’s not just cut people off welfare without giving them the means to climb their way out of poverty. Texas needs to increase its investment in job training, education, affordable housing, child care, and other essential services. Only then can welfare reform truly be considered a success.

Don Baylor is a Senior Policy Analyst at the Center for Public Policy Priorities, an Austin-based research organization committed to improving conditions for low-income Texans.

Walter Moreau is the Executive Director of Foundation Communities, a provider of affordable housing and social services in Austin.