Welfare policy choices in the states: Does the hard line follow the color line?

Joe Soss, Sanford F. Schram, Thomas P. Vartanian, and Erin O’Brien

In the 1990s, federal welfare reform shifted control over many aspects of social provision down to the state level. Some observers predicted the states would act as “laboratories of democracy” seeking out new and better ways to solve problems related to poverty. Others suggested the states would “race to the bottom” in an effort to pare costs and avoid becoming a comparatively generous “magnet” for low-income families. State policy choices, however, are more than just efforts to solve problems, and they can rarely be explained solely by the urge to minimize costs. They are, at root, political decisions, reflecting the wide range of values, beliefs, demands, and constraints that shape governance in a diverse democracy.

Under welfare reform, state lawmakers and their constituents confronted fundamental questions about how and when government should extend aid to the poor. As states responded to the new policy prescriptions dictated by the federal welfare law, the political process that sets the terms of relief for poor families was replicated many times, in different places, under different configurations of political forces. In the research summarized here we explore the sources of these decisions, taking advantage of the opportunity to observe how state responses differed within a single time period under a single federal mandate.¹

Until recently, most quantitative research on the political roots of state welfare policies sought to explain differences in benefit levels and spending patterns.² In contrast, we analyze variation in the institutional form of welfare provision—the rules and penalties that condition access to resources and structure the treatment citizens receive in government programs. In the 1990s, public officials showed renewed interest in using program rules as tools to modify poor people’s behaviors. The 1996 federal law emphasized such aid requirements, and as states responded, their policy changes focused less on the amounts of relief offered than on the terms on which aid would be given. Some states adopted a moderate course in this area of reform; others used their enlarged discretion to pursue relatively stringent program rules, with punitive measures for those who did not comply. Here we seek to understand why some states were more likely than others to “use their new authority to limit access to social provision and, most especially, to shift the balance in welfare policy design from rights to obligations.”³ Our findings, as we describe below, suggest that state choices can be traced in significant ways to race-related factors. To a degree that some may find surprising, the “hard line” in welfare reform appears to have followed the color line.

Ending permissiveness, getting tough: Policy choice in the states

With welfare reform, states gained more authority over eligibility rules and administrative procedures than they had enjoyed since the 1960s. Proponents acclaimed the new, less regulatory environment, seeing Temporary Assistance for Needy Families (TANF) as a “devolution revolution” that would liberate states from constricting federal rules and allow them to create more effective poverty policies. In a sense, however, the term “revolution” is a bit misleading: states did not gain unprecedented freedom to shape policy. Rather, they recouped many forms of discretion they had lost to the federal government during the welfare rights era of the 1960s. In addition, the federal law imposed new mandates and constraints on the states. For example, it set quotas on the percentage of adult recipients who must participate in “work-related activities,” and defined these activities rather narrowly. Likewise, it imposed limits on the length of time states could provide cash assistance to residents.

In principle, states can now make benefits more accessible to poor families and enable clients to pursue new opportunities. Indeed, most states have passed policies that offer clients new services, supply transitional benefits, and allow clients to keep higher amounts of earnings. The political momentum toward welfare reform, however, was fueled largely by the belief that the existing program, Aid to Families with Dependent Children (AFDC), was too permissive. As reform advocate Lawrence Mead puts it, “Today ‘welfare reform’ largely means that the government seeks to supervise poor citizens”; public officials have embraced the idea that welfare provision is partly about “telling the poor what to
The federal legislation of 1996 reflected and reinforced this view, with its emphasis on ending welfare dependency and encouraging marriage. In consequence, when it came to program requirements, policy innovation in the states leaned in a restrictive direction. Many states stuck close to the basic federal rules, but the states that deviated from the baseline requirements (for work, time limits, and so on) mostly used their new authority to limit rather than expand access to cash assistance, though some states did increase “work supports” such as child care and transportation assistance.

In selecting policy choices for analysis, we emphasized two goals: covering the major domains of “get-tough” welfare reform (i.e., rules and penalties intended to counter permissiveness) and identifying the policies most salient in public debate and most widely considered by state governments. Surveying scholarly books and articles, policy reports, legislative materials, and mass media, we found a consistent emphasis on four key areas in which federal lawmakers sought to end permissiveness. Each defined a specific policy choice for state governments.

- Imposing obligations in exchange for assistance: states decided whether to demand work from recipients earlier than the federal requirement of 24 months.
- Ending long-term program usage: states decided whether to adopt a lifetime eligibility limit shorter than the federal requirement of 60 months.
- Changing social behavior, especially reproductive choices: states decided whether to impose a family cap denying additional benefits to children conceived by women receiving assistance.
- Imposing meaningful penalties: states decided whether to impose a weak, moderate, or strong sanctions policy for recipients’ infractions.

As a group, these program rules define the key terms of participation for citizens seeking aid under TANF; they also capture some of the fundamental goals of 1990s welfare reform. But there are differences among them. Family caps, time limits, and work requirements are widely viewed as complementary tools for combating permissiveness; each is tied to a distinct goal: deterring childbirth among recipients, combating welfare dependency, and demanding work. Sanctions, in contrast, are punitive tools for enforcing a broad range of program rules that may have diverse political constituencies. Because of this greater reach and ambiguity, one might expect sanction choices to be subject to a wider range of political influences.

The forces that shape state policy choices

The roots of policy choice may be traced in many directions. In the case of welfare reform, we confront a range of plausible explanations. Our analysis tests hypotheses derived from six approaches that offer contrasting, though not mutually exclusive images of welfare policy as a forum of moralistic problem-solving, a site of ideological conflict, an arena for policy innovation, an outcome of electoral politics, a mechanism of social control, and a domain of racialized politics.

**Problem-solving and morality politics**

Critics of welfare in the 1980s and ’90s echoed a long tradition of observers who argued that permissive policies invited personal irresponsibility. AFDC regulations allowed poor women to spend too long on the welfare rolls, discouraged the formation of two-parent families, and perhaps encouraged childbirth among unmarried women and teens. More paternalistic TANF policies aimed to achieve two key goals: changing “deviant” behavior and affirming majoritarian social norms regarding work, marriage, and family.

Political discourses about “dependency” and “illegitimacy” frequently have a weak connection to actual patterns of behavior. Policymakers concerned about such issues, however, may respond at least partly to real conditions, adopting tougher policies when confronted with behavior patterns that deviate more sharply from prevailing values. To counter long-term welfare usage, for example, states with higher caseload-to-population ratios under AFDC might adopt more restrictive policies under TANF. And to counter what is seen as irresponsible reproductive behavior, states with a high rate of births to unmarried mothers might adopt more restrictive TANF policies.

**Welfare liberalism: Ideology and practice**

Beliefs about the proper role of government define an important cleavage in U.S. welfare politics. Relative to conservatives, liberals have historically favored a larger government role in protecting vulnerable people against the vagaries of the labor market. Accordingly, liberals have tended to support more generous benefits and more inclusive eligibility standards in public assistance programs. Although some liberal policymakers in the 1990s were dissatisfied with the existing system—and some even joined calls to “end welfare as we know it”—conservative officials took the lead in promoting the toughest new policies.

Two hypotheses are suggested by the durable relationship between welfare liberalism and specific policy preferences. First, states that earlier had adopted relatively liberal AFDC policies might be expected to continue on a more liberal path after 1996, whereas states that worked to keep their caseloads down under AFDC might simply deepen their efforts under TANF. In contrast to the dependency hypothesis, this “continuity hypothesis” predicts that states with higher caseload ratios under AFDC might adopt less restrictive TANF policies.
Second, previous research has shown that state governments vary significantly in their ideological orientation and that conservative states are more likely to reduce benefit packages and to restrict eligibility for public assistance. To the extent that state policy choices are shaped by the ideologies of current elected officials, we might hypothesize that states with more liberal political representatives would adopt less restrictive TANF policies.

Policy innovation

Research suggests that states can be characterized by a fairly consistent orientation toward policy innovation; some tend to be leaders, some laggards. TANF work requirements, time limits, family caps, and sanctions share a get-tough quality, but within the constraints imposed by federal legislation they also represent real opportunities for policy innovation. Thus our hypothesis suggests that states with a stronger propensity toward innovation will be more likely to adopt restrictive TANF policies.6

Electoral politics

V. O. Key’s classic analysis of Southern politics suggests that two features of state electoral systems can have an important influence on policy choice. The first is the degree of interparty competition. When political parties are more evenly matched and forced to compete with one another for voters, the policy process will be more responsive to the needs of the disadvantaged. Second, in states where higher proportions of low-income voters go to the polls, politicians will be more responsive to the needs of the poor and working class.7 If these arguments hold, we would expect less restrictive welfare policies in states with higher levels of interparty competition as well as in states with higher turnout rates among low-income voters.

Controlling the poor

Complex societies rely on a range of instruments to maintain social order, combating disorder through a mix of informal controls, in families, neighborhoods, and communities, and formal controls deployed by the state. One strand of social control theory identifies welfare systems as auxiliary institutions that serve the broad needs of primary institutions related to states and markets.8 When hard economic times combine with civil unrest, relief is readily extended to mollify the poor and maintain legitimacy for the state. Under better economic conditions, access to public aid is restricted in order to push potential workers toward jobs and ease the pressure of tight labor markets on employers. Given the strong economy of the late 1990s and the relative absence of civil unrest, states with tighter labor markets would, by this hypothesis, be more likely to enforce work and limit access to welfare benefits. Accordingly, we would expect states with lower unemployment rates to adopt more restrictive TANF policies, especially for work requirements.

Social control theory also suggests that TANF policies may reflect a general preference for the use of formal mechanisms to enforce order. Heavier reliance on institutional tools such as incarceration may indicate that a state is more willing, politically, to crack down on marginal or deviant groups, in general adopting “tougher” solutions to community problems such as drug abuse. In the United States during the 1990s, state officials passed stiffer penalties for criminal behavior and increased funding for prison construction and maintenance; incarceration rates soared, though the rate of increase varied considerably among the states.9 Thus our hypothesis predicts that states with larger increases in incarceration from 1990 to 1996 will make more restrictive TANF policy choices.

Race and ethnicity

The entwining of race relations and welfare provision has a long and troubled history in the United States. In debates over the Social Security Act of 1935, southern members of Congress managed to exclude domestic and agricultural workers from social insurance coverage, effectively channeling people of color into public assistance programs controlled at the state level. Many scholars argue that state administration of these programs continued to be shaped by race into the 1990s, and that programs associated with nonwhite clients were more likely to be saddled with popular hostility and punitive rules. Research on welfare spending and benefit levels in the states provides mixed but suggestive evidence. Cash welfare benefits, for example, were systematically lower in states where black recipients made up a higher percentage of the caseload, even when other relevant factors are taken into account.10

Racial differences might, then, have played a key role in shaping the terms of public relief after 1996. Most existing research has focused on blacks as the group most likely to be targeted by less generous policies. But as the percentage of Hispanics in the U.S. population continues to rise, attitudes toward welfare and policy might become associated with perceptions of Hispanics as well as blacks. Our hypothesis, therefore, is that tougher TANF policies were likely to be adopted in states where blacks or Hispanics made up a higher proportion of the welfare caseload in 1996.

State policy choices: Testing the hypotheses

Based on the hypotheses just described, we employed a set of 10 independent, state-level variables to structure our analysis: the unmarried birth rate, the caseload-to-population ratio, government ideology, interparty competition, low-income voter turnout, the unemployment rate, change in the incarceration rate, the percentages of Hispanics and blacks, and propensity to welfare innovation. We began our analysis by assuming that TANF policy choices constituted a single “package” of stringent poli-
cies driven by a coherent set of political forces. Our empirical analysis based on a single equation did, indeed, offer some explanatory power. It told a relatively simple story based in race and ideology: states were significantly more likely to make restrictive policy choices if they had conservative governments and if blacks made up a higher percentage of AFDC recipients. No other factors stood out.

As our earlier discussion suggests, however, the policies we selected express somewhat different political motives and so may actually be influenced by different configurations of political forces. This speculation is strengthened by the fact that states did not in general adopt the entire package of restrictive policies. The median state, indeed, adopted only one, and only five states adopted all four. We thus undertook separate analyses for each of our four policies. Because our outcome measures were dichotomous for work requirements, family caps, and time limits, we employed logit analysis in each instance. By contrast, our sanctions measure, with its ascending values of weak, moderate, and strong, made an ordered logit model more appropriate.

The analyses showed that, in each area, restrictive policy choices were systematically related to the state-level characteristics we identified; 9 of our 10 independent variables were statistically significant in at least one area. For some of the individual hypotheses, the patterns of influence appeared quite strong. To begin with, family caps and strict time limits seemed to arise from virtually identical processes, with each being closely tied to race. All else equal, these policies were significantly more likely in only two kinds of states: those with a higher percentage of blacks and those with a higher percentage of Hispanics in their AFDC caseloads. Our analysis of work requirements also revealed a tight cluster of determining factors—in this case related not to race but to our social control hypotheses. States with larger increases in incarceration from 1990 to 1996 were significantly more likely to adopt strict work requirements, as were states with tighter labor markets.

Sanctions, as we expected, evoked a more complex set of relationships. Race was again prominent: states with larger proportions of blacks in their AFDC caseloads were significantly more likely to adopt strict sanctions. So too were states with conservative governments, less vigorous party competition, higher unmarried birth rates, and smaller AFDC caseloads, and states that were policy innovators. The only characteristic that appeared to have no significant effect on any area of welfare policy was low-income voter turnout—a finding we return to below.

Thus, in three of our four policy domains, the racial composition of welfare recipients turned out to be a sig-

Figure 1. The effect of black caseload percentage on welfare policy choices in a hypothetical “average” state. The black percent of AFDC recipients is shown for the full observed range.

nificant predictor of state choices, even after the effects of other state differences were taken into account. To gauge the scale of these effects, we made use of an interpretive procedure developed by Gary King and colleagues.\textsuperscript{11} First, we created a “hypothetically average” state by setting all our independent variables (except the racial composition of the welfare rolls) at their mean value. We then estimated how the probability of this state making a particular policy choice would change as we shifted the black percentage of its welfare rolls from a low to a high value—assuming that no other state characteristic changed at all. Figure 1 shows that as the percentage of black recipients rises across its full range, so too does the probability that states will adopt strong (full-family) sanctions, institute strict time limits, and introduce a family cap policy. The estimated effects of having more Hispanics on the rolls are similarly large. Most dramatically, as the percentage of black recipients rises from moderately low to moderately high, this “average” state’s chance of instituting a family cap rises from 9 percent to 75 percent; the same shift for Hispanics produces a parallel change from 19 percent to 63 percent.\textsuperscript{12}

This analysis suggests that far from being a pure technocratic search for policy solutions, the construction of public assistance policy in the new era of welfare reform continues to be shaped by forces that are familiar in the history of American welfare politics—particularly race, ideology, and the control of representative institutions. At the same time, it also underscores that important insights may be lost if diverse policy choices are lumped together in a single index and analyzed as an undifferentiated move away from permissive program rules.

The importance of race

To the question of whether “hard line” policy choices under welfare reform have followed the “color line” in the states, our answer must be a qualified—but unequivocal—yes. In two of our four policy areas, time limits and family caps, we find very strong connections to the black and Hispanic proportion of state welfare rolls, and we find no relationship to any other factor. These results focus attention squarely on race as a central problem for contemporary welfare reform.

In contrast, and despite considerable evidence that welfare politics is bound up with racial stereotypes regarding work effort,\textsuperscript{13} our analysis provided no evidence that work mandates have been linked to the racial composition of the rolls. Instead, it pointed to two factors suggested by social control theory: the tightness of state labor markets and the rate of increase in state incarceration rates.

Sanctions policy provided the best example of how racial effects may intersect with other forces to shape state policy choices. Strong sanctions were especially likely in states with large numbers of black welfare recipients. But they were also significantly more likely in states with several other characteristics: conservative governments, less vigorous party competition, higher unmarried birth rates, a history of policy innovation, and smaller AFDC caseloads. We may speculate that the popularity of sanctions is due to their versatility: they raise the stakes for participants who fail to follow any of a variety of new welfare initiatives, and in legislative debates they may not be tied to any specific program goal other than achieving “compliance.”

On balance, these results suggest that policy devolution created new openings for racial distortions in U.S. welfare policy. Indeed, because state policy choices have tracked so closely with the racial composition of welfare rolls, black recipients nationwide are now more likely than their white counterparts to be participating under tough welfare policies. For example, a black recipient who conceives a child is now more likely than a white recipient to live in a state that offers no additional aid for the child. Likewise, a black recipient who misses a meeting with a caseworker is now disproportionately likely to live in a state where this single infraction causes family benefits to be terminated (Figure 2). It is hard to know how such different rates of exposure to sanction policies actually translate into rates of being sanctioned. After all, many intermediary processes are involved within each state. But the numbers do suggest that, if full-family sanctions were applied equally to blacks and whites in each state, national rates of sanctioning would be higher for black recipients than for their white counterparts.

Reflections and extensions: Revisiting our findings

The research reported in this article was conducted immediately after the passage of welfare reform and has circulated among political scientists for some time now. It is
well worth asking how the findings have fared and, as well, whether our findings for race might have represented an evanescent phase—an echo of past policies that disappeared as the system matured. Our central findings regarding the connection between racial composition and hard-line welfare policies proved to be very robust in the face of our own efforts to dislodge them. Statistical tests indicate that they do not, for example, simply reflect the distinctiveness of the American South. Nor do they fade when subjected to additional controls for social behaviors that vary across racial groups.

Over the past few years, the race-related findings have been corroborated and extended by a number of different studies. An analysis by Kent Weaver and Thomas Gais underscored that racial effects are tied to restrictive and punitive welfare policy “sticks,” not beneficial “carrots”; Richard Fording showed that similar connections to race could be found in state policy choices during the AFDC waiver era; and most recently, Matthew Fellowes and Gretchen Rowe have produced a striking extension of the results to state choices regarding TANF eligibility rules and the degree of flexibility in state welfare-to-work requirements. Indeed, Fellowes and Rowe’s analysis offers a persuasive demonstration of racial effects in the one area, work requirements, where we observed none.

Beyond the issue of race, it is also worth asking about findings for other political factors reported here—especially our lack of significant results for some variables we expected to play a role. First, our analysis suggested that turnout rates among low-income voters had no discernible influence on TANF policy choices in the states. Yet in a country with very high wage and income inequality, it struck us as unlikely that income and class divisions played no role. Recent evidence suggests we had the right expectations but the wrong measure. Fellowes and Rowe’s analysis demonstrates that it is not absolute levels of low-income voting participation, but rather class bias in participation (low-income turnout relative to high-income turnout) that actually matters. And it matters in precisely the direction one would expect: restrictive TANF eligibility and work policies are significantly more likely in states where electoral turnout is more biased toward high-income, as opposed to low-income, residents.

Second, in supplemental analyses reported in our 2001 article, we found that none of our four TANF policies were significantly affected by state resource levels, as measured by per capita income, or by the policies of neighboring states. Although brimming state coffers do not guarantee generous welfare policies, states with more resources may provide higher benefits than less wealthy states. With the shift to block-granted funding, however, many observers became concerned that states could compete to avoid becoming a relatively generous “welfare magnet” (attractive to low-income people from other states), and accordingly would engage in a “race to the bottom.” This concern suggested wealthy states might not use their resources to offer greater benefits and would, instead, try to keep pace with the least generous policies of their neighbors. By contrast, our results suggested that neither state resources nor neighboring states’ policies exerted a discernible effect on TANF policy choices. Similarly, Fellowes and Rowe find little evidence that state policies responded either to abundant resources in their own state or to the restrictiveness of policies in neighboring states—although their evidence does suggest that states with more slack resources may be more likely to allow clients to continue receiving benefits, even if they are not fully meeting traditional work requirements.

“The implementation of TANF may have radically changed the power structure of welfare politics by shifting a substantial amount of policy authority to the states,” Fellowes and Rowe conclude, “but it has not changed the politics of welfare policy. . . . For welfare clients, this empowerment of state representatives has meant that their experience on welfare will vary even more widely between the states.”

**The future of state policy experimentation**

Freedom from the tether of federal regulation hitches welfare policy to the social and political forces that operate in each of the American states. In the first half of the 20th century, such state discretion was used for a variety of social purposes. Welfare policies were used to control women’s sexual and parental behaviors (e.g., the “man in the house” rule), and to regulate the labor activities of the poor, absorbing them during slow economic times and impelling work when more hands were needed in the factories or on the farms. Likewise, many states administered benefits in a racially biased manner, withholding aid from people of color and using program rules to punish those who violated race-specific, segregation-enforcing norms of social conduct.

This era largely came to an end with the welfare rights victories of the late 1960s. Today, our post-civil-rights political and legal context makes it unlikely that the TANF system could replicate the worst of earlier practices. Yet TANF policies remain deeply entwined with the politics of gender, class, and race. Recent policies include rules that explicitly target women’s sexual and familial behaviors, primarily related to childbearing among unmarried women. Meanwhile, work enforcement remains central. Finally, our central conclusion in this article is that race and ethnicity continue to be major influences on the terms of relief state governments set for poor families. Indeed, as caseloads have become slightly more skewed toward people of color under the TANF program, people of color (as shown in Figure 2) have become more concentrated in states adopting the stricter policies.
Based on our own study and the research that has followed, we are convinced that the racial composition of the welfare rolls has a significant relationship to state policy choices that “get tough” on TANF recipients. But we also believe this statistical correlation raises more questions than it answers. What does it mean? Do lawmakers operate from different assumptions when they see their policy targets as people of color? Do public preferences change in response to the composition of a state’s welfare rolls, and do these constituent views shape policy outcomes? Does the observed relationship between race and TANF policies reflect divergent patterns of political development in states with different levels of racial-ethnic diversity? The search for a compelling causal account continues. What seems more certain, however, is that the “problem of the color line” and troubling questions of racial justice remain very much with us as we move into the second decade of America’s new era of welfare provision.

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4L. Mead, “Telling the Poor What to Do,” Public Interest 132 (Summer): 97–112.


6As our measure of state propensity toward welfare policy innovation, we employ the first year in which each state requested a policy waiver of any kind under the AFDC program. Although many of these early waivers leaned in a direction more liberal than the choices we examine here, a policy-innovation perspective suggests that the states submitting early waiver requests would be more likely to institute stringent rules and sanctions under TANF.


Race and the Politics of Welfare Reform

Sanford F. Schram, Joe Soss, and Richard C. Fording, editors

Race and the Politics of Welfare Reform investigates race in the United States and its distinctive effects on contemporary welfare politics. Over the last three decades, an impressive body of scholarship has brought the interplay of race and poverty politics into sharper focus. By bringing together diverse scholars with overlapping, substantive concerns, the book aims to foster a more integrated understanding of how race has shaped the past and present of U.S. social policy. Contributors explore the role of race in the historical roots of contemporary welfare dilemmas; questions of racial bias in the ways welfare is reported in the mass media and evaluated by the public at large; the racial dynamics of welfare policy discourse; racial influences on state welfare policy choices and implementation patterns; and the ways racial factors intersect with social policy developments beyond “welfare reform.”

Contributors:

James Avery, Michael Brown, Richard Fording, Martin Gilens, Susan Gooden, Rodney Hero, Robert Lieberman, Martin Johnson, Erin O’Brien, Mark Peffley, Frances Fox Piven, Sanford Schram, Joe Soss, Holloway Sparks, Gertrude Steuernagel, Caroline Tolbert, and Thomas Vartanian.

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