Conflicting aims in AFDC-UP

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Chestnut Hill, Mass.: Social Welfare Regional Research Institute, Region 1, Boston College, August 1972

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CONFLICTING AIMS IN AFDC-UP

SWRR1 PUBLICATION #11

Mildred Rein

This publication was sponsored by Research Grant #10-P56004/1-02 from the Office of Research and Demonstration of the Social and Rehabilitation Service Division of the U.S. Department of Health, Education, and Welfare.
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I. INTRODUCTION

When the Aid to Dependent Children-Unemployed Parent Program came into being in 1961, it was the first time since the inception of the Social Security Act in 1935 that the federal government became involved in relief for the able bodied unemployed. Amending the Act to provide reimbursement to the states for UP, the definition of a deprived child was broadened to include the children of unemployed parents, thus simultaneously increasing the scope of public assistance which, since the "depression", has been geared to aiding only those outside the labor market.

Despite this major shift in assistance policy, the number of UP recipients has remained very small. It is the thesis of this paper that the limited size of this program results from a conflict in aims which is expressed in its legislation and reflected in its practice. This conflict emerges in the selection of the target groups to be served, in eligibility procedures which act as barriers to these groups, and in the lack of goal consistency and goal achievement.

The UP legislation suggests three target groups to be served:
1) the currently unemployed who have previously been regularly employed,
2) the welfare poor, where the family is still intact and where there is no regular work history, and 3) the working poor who work regularly but earn less than they need for family support. In all three groups, of course, there must be dependent children.

The aim for Group 1, the "unemployed", is to provide income to those who are temporarily unemployed, who have exhausted their unemployment
compensation benefits, and who are expected, within a short time, to return to regular employment. However, it is our contention that Group I will not apply for UP for reasons of stigma, and because their resources do not put them in the destitute or near-destitute position.

The aim for Group 2, the "welfare poor", is to keep the family intact by preventing the desertion of the father, in the hope that the father will, in time, work and be responsible for the family's support. This group ostensibly would end up on regular AFDC if UP were not available. It is our belief that Group 2 cannot apply for UP because in most instances eligibility requires a strong work history of the father which he does not have; it also stipulates conformity to certain seek-work requirements and a commitment to regular work which he also does not have.

Group 3, the "working poor", are only eligible for UP in certain instances, where the number of hours they work does not go beyond what state laws specify. They may also be deterred from application for UP for reasons of stigma. They, therefore, cannot and will not apply. The program, then, constrains all three populations from using it: for Group 1 it creates social impediments, for Group 2 it creates structural impediments, and for Group 3 it creates both restrictions.

II. THE SIZE OF THE PROGRAM

The UP program is restricted in terms of several dimensions: the intent of Congress was to make it small; the rate of growth over time has been limited; the growth in state participation has been slow; and the population at-risk is not substantial.
Although Congress did not design the UP program as a major shift in policy in 1961, it was seen, nevertheless, as a measure that would substantially solve the income-maintenance problems of the needy unemployed. This is evidenced by the projected cost and client estimates in the pre-law debates on the first UP bill. It was foreseen, at that time, that 750,000 children and 250,000 adults would become beneficiaries, but by December 1961 after 8 months of operation, the UP rolls consisted of only 222,000 recipients in all. Similarly, the anticipated cost was 200 million dollars for the 14 month period from May 1961 through June 1962, while the actual expenditure was only 33.3 million for the first half of that period. The number of recipients and the expected cost of the program were overestimated by Congress five and three times respectively.

It was not only at its inception that the UP program failed to live up to expectations for its size. Table 1 indicates the number of recipients families and the number of states participating during the 1960's. In March of 1965, the total had climbed to 80,200 families in 18 states, but by March of 1969, the number of recipients was, again, only 80,700, although there were 25 states participating. The primary AFDC program, on the other hand, went from 3,566,000 recipients in 1961 to 7,313,000 in 1969, more than doubling its size. The 446,000 UP recipients in 1969 amounted to only half of the original 1961 estimate of one million.
Table 1 - The Size of the UP Program (6)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of States Participating</th>
<th>Number of Families</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1962</td>
<td>15</td>
<td>61,700</td>
</tr>
<tr>
<td>1963</td>
<td>15</td>
<td>63,100</td>
</tr>
<tr>
<td>1964</td>
<td>16</td>
<td>70,500</td>
</tr>
<tr>
<td>1965</td>
<td>18</td>
<td>80,200</td>
</tr>
<tr>
<td>1966</td>
<td>20</td>
<td>68,000</td>
</tr>
<tr>
<td>1967</td>
<td>21</td>
<td>69,400</td>
</tr>
<tr>
<td>1968</td>
<td>21</td>
<td>79,500</td>
</tr>
<tr>
<td>1969</td>
<td>25</td>
<td>80,700</td>
</tr>
</tbody>
</table>

To illustrate further the meaning of the size of the UP program, a judgement as to what proportion of the population-at-risk it reaches, is helpful. The program has, as its largest possible universe, the population of male-headed poor families with children under 18 years. In 1969 there were 1.7 million such families. This population, however, is delimited by the eligibility criterion of 'unemployment'. Since the heads of an estimated 1.2 million of these families were regularly employed, we are left with 495,000 families, 222,000 of which had a head who did not work at all, and 273,000 with a head who worked only part of the year. Of these 222,000 who did not work at all, 104,000 were ill or disabled. This leaves a potential population of 391,000 families as contrasted with the actual recipient population of 80,700 families.

Due to the varying interpretations that the states have put on the UP amendment, eligibility criteria differed widely before 1969. The federal law itself had internal contradictions built into it (to be discussed later) which were also expressed in different degrees of coverage for different groups. One such aspect of eligibility confines the program to people who
have received unemployment compensation benefits and have exhausted them (or would have received them if their industry had been "covered"). Table 2 below breaks up the population-at-risk into groups delineated by the number of weeks worked in 1969.

<table>
<thead>
<tr>
<th>Group</th>
<th>Size (in families)</th>
<th>Week Worked</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>118,000</td>
<td>None</td>
</tr>
<tr>
<td>B</td>
<td>68,000</td>
<td>1-13</td>
</tr>
<tr>
<td>C</td>
<td>65,000</td>
<td>14-26</td>
</tr>
<tr>
<td>D</td>
<td>68,000</td>
<td>27-39</td>
</tr>
<tr>
<td>E</td>
<td>71,000</td>
<td>40-49</td>
</tr>
<tr>
<td></td>
<td>390,000</td>
<td></td>
</tr>
</tbody>
</table>

The requirement of being eligible for and exhausting unemployment compensation restricts the UP program by excluding many potential recipients in the Groups above. A large number of families in Groups A and B would be ineligible for UP (instances where this requirement existed) because their work record is likely to have been too poor for them to get unemployment compensation (U.C.). Group C includes men who have worked from 14 to 26 weeks; a higher proportion of them will have exhausted benefits but some might still have been eligible. Many of Group D those who worked from 27 to 39 weeks will have been eligible for an exhausted U.C. due to prior irregular work histories. Group E is comprised of those workers who are most likely to have had a strong work history and been eligible for U.C., but since the duration of benefits for those with strong work records is in the range of 20 weeks,
many in this category will not have been unemployed long enough to have become eligible for UP.

The size of the UP program is also small when compared to the two public assistance programs that are most closely related to it - AFDC (non UP) and General Assistance. The AFDC clientele is comprised of families with children which have less than a specified level of income and where the father is either dead, incapacitated or absent. UP differs, basically, in one respect: the father is present and often employable. In 1969, the number of "father absent" AFDC families was equal to 82% of the number of poor female-headed families with children.11 In the same year, the 80,700 families on UP accounted for approximately 20% of the 390,000 potential population. In the total AFDC program there were 75 children on AFDC out of 1000 children under 18 years in the general population,12 while the UP segment accounted for only 4 children per 1000.13

General Assistance is a state and locally-financed program, somewhat different in each state but generally covering those recipients who are not eligible for federally-reimbursed categorical public assistance. Up until the advent of federally-aided UP, General Assistance was the only recourse for the potential UP client and only in some of the states. It still remains the "receptacle" for certain groups of potential UP clients, especially Groups A and B above. In December of 1969 as many as 857,000 persons (or 5.2 per 1000 population under 65 years) received General Assistance14 as opposed to 446,000 recipients of UP (or 2.4 per 1000 of the same population.)15

Basic legislation regarding UP was passed in 1961, 1962, and 1967 but none of these amendments made UP mandatory on the states. Voluntary participation in the program meant that only four states had a UP program at the beginning in 1961, rising to 25 states by 1969. While UP may be considered "small" in this
sense, the participation within those states that have UP is the real demonstration of how limited the program is. The proportion of the total AFDC caseload which was attributable to the UP segment in 1969 was 5.5% nationally and only 8.3%\(^{16}\) in those states with UP programs.

Looking at our previous estimate of the potential UP population, we could also take into account the remaining states in terms of their potential clientele, if they did have a UP program. Based on the fact that the 25 states that did have UP in 1969 also had 64.7% of the total AFDC caseload,\(^{17}\) it can be assumed that the UP caseload would be allocated in the same proportion. All the traditional states, then, would have brought the UP recipient figure from 80,700 families in 1969 to 125,000 families, but would still account for less than one-third of the potential UP population.

III. AIMS OF THE PROGRAM

The aims of the UP program as expressed in both pre-legislative debates and in the final legislation, have always centered around the "unemployed", the "welfare poor" and the "working poor" with concomitant goals for these groups.

1. \(\text{1961}\)

In 1960 the advisory Council on Public Assistance was the first official group to call for extending Aid to Dependent Children (now AFDC) to children of unemployed parents. According to an article by Robert Lansdale, the Council did not regard such a provision as a "large-scale device for meeting the social and economic needs arising from unemployment." Instead, the UP amendments to the Social Security Act could be seen as another piecemeal addition toward the goal of comprehensive coverage of children in need for a variety of reasons.

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However, the Task Force that President Kennedy appointed to deal with such matters recommended such a program "in order to meet the growing emergency needs of families affected by unemployment";2 and Kennedy himself, in the speech to Congress on "Economic Recovery and Growth" in February 1961, argued that "a child should also be eligible for assistance if his father is a needy, unemployed worker".3

This part of Kennedy's statement was reflective of his concern with the unemployed, however, he continued: "Too many fathers, unable to support their families, have resorted to real or pretended desertion to qualify their children for help." In this statement, he addressed himself to the welfare poor who, in the words of the Advisory Council, were manipulated by "public assistance provisions that seem to put a premium on broken homes." These comments refer to the provisions of ADC which called for a father to be absent from the home in order for a family to be eligible for Aid.

Thus the conflict as to whom the UP program was to serve began at its inception in 1960. According to one view, it was seen as a kind of social insurance for the unemployed. Unemployment compensation benefits were also extended in 1961 and both provisions were passed simultaneously by Congress in the spirit of being emergency measures in response to growing unemployment. At the same time, but in another perspective, the UP provision was regarded as an answer to the ever-increasing rates of family desertion in the ADC program, and would, therefore, be geared to the welfare poor who were among the potential ADC population.

The American Public Welfare Association supported the UP bill as "consistent with the program's (ADC's) stated basic purpose of strengthening and preserving family life for children" which was a variant of the latter aim of helping the "less than adequate" welfare family. HEW Secretary Ribicoff set broad aims for
UP when he indicated that the program would help those who did not qualify for unemployment compensation, had exhausted benefits, or were in need of supplemental relief to live in "health and decency." In effect, coverage would extend to 1) the poor who did not qualify for unemployment compensation, 2) the unemployed who had been eligible for and exhausted such benefits, and 3) the working poor who were in need of supplementation.

Senator McCarthy of Minnesota, in opposite vein, would have preferred to see the problem of the unemployed handled "through the expansion of public assistance programs to include a title for federal grants for assistance," and in this way for the federal government to take over the financing of local General Assistance. This would have brought the program out of the category of "aid to children" which has always implied "children of inadequate families" and into the realm of aid to the families of unemployed workers, without this onus.

However, dissenting opinions also had their effect on the shape of the final legislation. Representative Curtis argued that the measure was not consistent with the avowed intent of the ADC program which had been established to help children in permanent rather than temporary need. Underlying this objection was the fear that UP would become an income-maintenance provision like ADC and a "way of life" for the unemployed who would then cease working. Unemployment compensation was a temporary measure and so didn't harbor this danger. Senator Thurmond made this concern more explicit by saying that "if we really wish to help dependent children and not merely make payments to a man to enable him to live without working for a living, we could so provide." The implication was that the able-bodied should work and not be seduced to a life of idleness.

Representative Alger expressed the worry that the program would become "a permanent burden on the taxpayers." This kind of program should be the
business of state and local governments 'without federal intervention.'\textsuperscript{10} Inherent in this criticism was the aversion to federal support for those in the labor market, for the "undeserving" poor—the employable, who should have the less adequate, less permanent relief of the local communities such as General Assistance.

The actual law that emerged from these various aims and points of view was somewhat representative of all of them, yet not fully encompassing any of them. The definition of employment which was essential to defining the target population, was left to the states. Nevertheless, whoever the recipients were to be, they were to have very clear obligations in return for aid. They would have to register and cooperate with the state employment service and the state vocational training service, and if they refused a job offer "without good cause," the family would stand to lose its assistance. In addition, if they were currently in receipt of unemployment insurance benefits, the State Plan had the right to deny assistance for that period of time.

Given this mixed expression of Congressional intent, the states followed suit with an equally confusing mélange of plans for UP which not only lacked uniformity, but did not adhere to any single set of goals. A survey of 15 State Plans for UP in September of 1961 reveals a variety of definitions of unemployment. Connecticut, for example, required active attachment to the labor force within 2 years prior to application for UP. Pennsylvania only asked that the application be "without sufficient work to provide for family." Delaware specified either a former attachment to the labor market or no such attachment. Analysis of these limitations reveals that 3 of the 15 states deemed as eligible those without previous work experience; three other states did not allow eligibility for those outside the labor force; and the remaining 9 states did not stipulate such a condition, with one of these stating that

- \textsuperscript{10}
unemployment is determined on an individual basis.\textsuperscript{12}

In some instances, then, both the "welfare population" and the "unemployed" were eligible, while in others it was only the latter group to whom the program could apply. In the majority of states where there were no stipulations, it may be assumed that aims were again discretionary, muddled, and restrictive. Lansdale speaks of the tendency of local administrations to use General Assistance rather than UP which was seen as a long-term program and hence not appropriate for the able-bodied.\textsuperscript{13}

In the 15 State Plans, the number of hours that a man could work and still be considered unemployed also varied greatly. Three states held that anyone working under 40 hours per week could be considered unemployed for purposes of UP. Two other states used 37 to 39 hours; two states required 35 hours or less; one state had 30 hours or less; and the remaining states were as vague in their criteria as "ongoing," "part-time," "no regular employment," etc.\textsuperscript{14} In some states, then, a person could be working almost full time and be considered eligible for UP while in others it was quite the reverse. The discretionary elements here, too, as in the definition of unemployment in terms of previous work history looms large. The extent to which the "working poor" were eligible (as defined by the number of hours worked per week while receiving UP) was different in each state and probably different within states where the number of hours was not specified.

2. \textit{1962}

The UP program had been authorized in 1961 as a temporary measure for only 14 months. It was thought that after that time, a more permanent solution (and perhaps a better one) could be found for the problems of the unemployed. However, for those concerned with preventing desertion, the location
of the UP provision in the ADC program could not have been more propitious.

In 1962 the UP measure again came up for disposal in Congress, to be extended on a temporary basis, terminated, or made permanent. Although only fifteen states had adopted the program in its first year, this low degree of participation was judged by the administration and by the proponents of extension to be the result of the temporary nature of the 1961 legislation. They were certain that if UP were made permanent or extended for a substantial period, most if not all states would avail themselves of it.

Again, as in 1961, the aims of providing for unemployment and averting desertion were expressed simultaneously. A proposal in the Senate Finance Committee advocated that:

The provisions regarding unemployment are proposed to be made permanent because the level of unemployment requires help to families with unemployed parents. Such aid has the further advantage of encouraging the unemployed parent to stay in the home rather than leave. 15

The House Committee on Ways and Means expressed the merging of the two aims as follows: "The Committee believes that the children of unemployed parents deserve the same treatment as the children where the father is no longer in the home". 16 The statement of the American Public Welfare Association also illustrates the fusion of both aims:

The present outlook is that, especially among the unskilled and the undereducated, the rate of long-term unemployment will persist at a level which will place a substantial number of families in need of assistance. These families are no less in need than those eligible because the father is absent or disabled. 17

The working poor were, in effect, covered in some states due to the liberal interpretations of "unemployment" in terms of number of hours of work allowed. Nevertheless, some quarters called for such coverage to be written into the federal law. The Secretary of the Illinois Public Aid Commission

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decried the "failure to cover the parent or parents who have full-time employment but with earnings insufficient to provide minimum necessities for the family group". 18

Those who wanted to terminate UP were again concerned with federal intervention in assistance to employables, as being the proper arena for state and local assistance. In addition, the Illinois Chamber of Commerce pointed out that if UP was available to strikers and their families (as it was in Illinois and a few other states), this was "contrary to the impartial role a government should pursue in such disputes. The balance of economic pressure would be permanently destroyed." 19

Objections to placing certain groups into a relief status also had an effect on the fate of the definition of target groups in the program. The Secretary of the National Conference of Catholic Charities expressed this thought:

Recognizing that these children deserve to be fed and clothed, we also recognize the basic injustice of putting an able-bodied, willing-to-work father into the category of a relief recipient. What does this do to the family structure, whose leader and provider this father should be?

We wonder about the ultimate effect on this man, denied a job through no fault of his own, of being placed in the much maligned category of relief recipient. 20

Here was recognition of a group of "unemployed" for whom a public assistance program might not be appropriate. The existence of a "welfare" group was not acknowledged, just as those who conceived the program to be for the "welfare poor" did not distinguish between them and the "unemployed".

The Law that grew out of the 1962 debate extended AFDC-UP for 5 years until 1967 at which time it was to be re-evaluated again. It called for the same state role in defining unemployment as before and retained all the features
regarding client cooperation with employment and vocational agencies. There was one important exception in the 1962 Law. Whereas in 1961 a client could not refuse a bona-fide job offer and remain eligible, the new legislation would also make ineligible anyone who refused to undergo work retraining.

The retraining requirement was part of the spirit of the total 1962 AFDC amendments which increased federal reimbursement to the states from 50% to 75% for rehabilitative services to be rendered to clients. 21 The eventual goal of these services was self-care and self-support. The focus on rehabilitation was the result of a growing concern with the rise in the number of clients in the AFDC program, with desertion and illegitimacy among the reasons for dependency. Retraining for independence was a strategy to contain this rise.

The UP program was caught up into this rehabilitative philosophy, and the result was the mandatory retraining of the UP recipient. The stigma of rehabilitation services put retraining the unemployed squarely in the camp of the "welfare poor" who supposedly "needed" such drastic changing.

In line with the goal of training and work, Congress authorized a "community work and training" program which was to be optional for the states and partly reimbursed by the federal government. UP fathers were required to be the primary participants of these programs where they existed. In order to avoid the onus of "work-relief", clients were to be paid reasonable wages and have other such safeguards. The CWT programs had two meanings for UP: 1) they did call for a form of work-relief for the able-bodied, thus circumventing the fear of reduced work incentive and providing a deterrent for would-be "loafers", and 2) they were, by intention, to be a means of rehabilitation for the "welfare poor".
3. 1967

Despite the predictions in 1962 that, if the UP program were made more permanent, many more states would take advantage of it, by 1964, only 16 states were involved, and by 1967, only 21 states had elected to participate. Fauri, writing in 1964, was at a loss to understand why more states had not adopted UP to help the "long-term unemployed", "the needy unskilled unemployed are in need of training or retraining". He pointed out that the welfare poor in most states had recourse only to General Assistance, the purpose of which he compared to "that performed by emergency relief in the depression of the 1930's". Actually, by as late as December 1969, only 32 states were giving General Assistance to an employable person or to a family with an employable head, so that unemployed persons in states without a UP program had no alternatives. In 1967 when UP again was presented for re-evaluation, a Senate version of the Bill made the Unemployed Parent Program mandatory in all states, but was revised in conference when there were objections to the projected cost of this kind of endeavor.

The 1967 version of the UP Law finally made UP permanent and was quite different from the original Laws in 1961 and 1967. It was as if Congress, in trade for permanency, had made some decisions about the population which the program was to serve. The Law stipulated that the definition of unemployment (which was crucial to the definition and nature of the program) would no longer be left to individual states but would be defined by the federal government.

As defined, it called for an applicant to have 6 quarters or more of work in the preceding 13 quarter period within one year prior to application, or to have received or been eligible to receive unemployment compensation benefits within one year prior to application. This definition clearly forced the
states to make ineligible anyone without a strong previous work history and thus eliminated many of the poor from the program. Anyone eligible for UP now needed not only a strong attachment to the labor force, but a recent one, as well.

Some observers recognized that many of the potential welfare population were being cut out by the new Law. Wilbur Cohen, Undersecretary of H.E.W. agreed that the federal government should set a definition of unemployment, but added that "fathers with no work experience have the most need of work training if they are to become independent, productive citizens."25 A criticism in the Senate Finance Committee discusses,

"...the Bill's provisions requiring attachment to the work force: this would not only defeat the Committee's declared aim of revamping the program so as to reduce illegitimacy and reduce absent parent cases. It would also preclude the welfare agency from continuing the AFDC program to this family as a means of cementing the family together and equipping both the father and the mother through the training programs for self-support."26

And Ginsberg, Commissioner of Welfare in New York City, estimated that fifty percent of the families then receiving AFDC-UP in New York would become ineligible.

And these are the families most in need of help. If a man has had some work experience in the past 18 months, the likelihood of his being able to resume supporting his family himself is much greater than if he is one of the long-term unemployed. Our greatest efforts should be devoted to keeping these most deprived families together and helping them succeed.27

Ginsberg correctly identified the "deprived" welfare population as those with a history of long-term unemployment as opposed to those who were recently out of work. In 1964, Fauri had spoken of the UP program as constituted"...to meet the needs of the able-bodied, long-term unemployed who are, or will be-

- 16 -
come, public assistance recipients". 28 The concern in both instances was one of preventing family breakup through the strategy of giving assistance to the still intact family and rehabilitative "training" to the breadwinner.

The other half of the definition of unemployment in the 1967 LAW specified the number of hours that a person could work and be concurrently eligible for UP as being 30 or 35 hours per week, whichever the state chose. This figure was lower than that which prevailed in most states. During Hearings on the Family Assistance Act in 1970, Secretary Finch pointed out that "the reason the regulation (concerning hours) was established in the first place is that when the states were setting their criteria they had gotten up very close to 40 hours a week as a criterion for unemployment." 29

Although the cutback in the number of hours of permissible work was ostensibly effected for the sake of uniformity, the net result was that a sizable population of the "working poor" were eliminated by the restriction. If "fully employed" meant 40 hours, then fewer hours meant a lesser working status. A December 1969 report indicates that in only 17 states did General Assistance funds go to those who were fully employed and not earning a sufficient amount - the working poor - so that the UP limitation on hours had cut out a meaningful alternative for this group. 30

The 1967 UP Amendment curtailed assistance to the working poor in still another way. The 1962 Law had permitted a State Plan to deny assistance if unemployment compensation benefits were being received at the same time; the new Law required it. In effect, those families who were in receipt of unemployment compensation and who had a low benefit due to the previous low earnings of the father, were now no longer eligible for supplementation from UP. One criticism during the Hearings again pointed to the conflict in this provision with the
aim of preventing desertion:

This is not only irrational treatment of fathers who have demonstrated their "attachment to the work force" and supported their families, but such fathers could not be blamed if, in response, they left their families and thus added to the "absent parent" caseload. 31

In summary, the 1967 Amendments created a federal definition of unemployment which was much more restrictive than the states had been using, and to a large extent, eliminated from the UP program both the "welfare poor" and the "working poor." The program, as it would shape up in the future, would be geared to the unemployed who had had a solid attachment to the labor force. The UP grant would, in this sense, be almost contributory and similar to the federally-financed extension of state unemployment compensation benefits. However, UP was still a welfare program, and therefore, contained the elements of stigma and necessary destitution common to all welfare programs.

The trend in 1967 to assist the "deserving" and restrict assistance to the "non-deserving" was inherent throughout the Title IV Amendment. OASDI benefits were raised and the federal AB, AD, and QAA categories were liberalized. The attempted "freeze" on the number of AFDC families with absent fathers did not apply to unemployed fathers. The mandatory nature of the WIN program was a "get tough" stand on work and training, unlike the optional 1962 CWT provision and the 1962 focus on services for rehabilitation. The program was now to be for the temporarily unemployed population who "deserved" assistance.

IV. PRACTICE

1. Compositional Trends

The same confusion of goals present in the legislative aspects of the UP program was reflected in its operations. This is illustrated in the trends in the composition of the UP caseload from 1961 to 1969, the last year in which
state regulations and differences still prevailed, before the 1967 amendments went into effect.

When UP application and recipient rates are related to unemployment and unemployment compensation rates (as in Table 3) some interesting observations follow. If the varying number of states participating in the program each year is taken into account, it becomes noticeable that the UP program has decreased in size. It is also clear that applications for UP are consonant with the over-all unemployment rate each year and with the rate of unemployment compensation.

Table 3  Unemployment Rate, Unemployment Compensation Rate, 1 UP Applications and Recipient Families 1961-1969

<table>
<thead>
<tr>
<th>Year</th>
<th>UP average monthly rate* (families)</th>
<th>Unemployment Rate</th>
<th>Applications* (for UP)</th>
<th>U.C.(insured Unemployment)</th>
</tr>
</thead>
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<td>1961</td>
<td>5645</td>
<td>6.7</td>
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<td>5.6</td>
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<td>3.8</td>
<td>5527</td>
<td>2.3</td>
</tr>
<tr>
<td>1967</td>
<td>3018</td>
<td>3.8</td>
<td>6128</td>
<td>2.5</td>
</tr>
<tr>
<td>1968</td>
<td>3142</td>
<td>3.6</td>
<td>6190</td>
<td>2.2</td>
</tr>
<tr>
<td>1969</td>
<td>2800</td>
<td>3.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Average per state

This relationship is not surprising; the seasonal variations in the use of UP as related to the availability of employment during certain times of the year was demonstrated by Lynch in 1964.2 The number of recipient families is always highest in the Spring and lowest in the Fall of each year. The year 1969 is typical in this respect:
Unemployment is higher in the winter and lower in the summer except for June and July when students temporarily swell the figures. The use of UP followed this pattern but lagged slightly behind it, a lag probably caused by the necessity to exhaust unemployment compensation in some states before becoming eligible for UP.

If the program does, indeed, respond to over-all levels of employment and unemployment, it would be the "unemployed" group of recipients (those who are regularly employed but temporarily unemployed and eligible for unemployment compensation) which would be most reactive; this component of the clientele should fluctuate the most as unemployment rises or falls. Since the number of applications for UP is reflective of the unemployment rate (Table 3), and the number has diminished, we would hypothesize that the drop is due to a decrease in applicants from the "unemployed" group. This would leave more of the "welfare poor" in the program, thus altering the caseload composition. The "working poor" would also probably benefit from higher wages during times of high employment and thus become ineligible and decrease their proportion on UP.

---

### Table 4  Monthly UP Recipient Rates and Unemployment Rates 1969

<table>
<thead>
<tr>
<th>Month</th>
<th>UP Recipient Families</th>
<th>Unemployment Rate (not seasonally adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>70,000</td>
<td>3.7</td>
</tr>
<tr>
<td>February</td>
<td>79,700</td>
<td>3.7</td>
</tr>
<tr>
<td>March</td>
<td>81,500</td>
<td>3.5</td>
</tr>
<tr>
<td>April</td>
<td>79,200</td>
<td>3.2</td>
</tr>
<tr>
<td>May</td>
<td>72,100</td>
<td>2.9</td>
</tr>
<tr>
<td>June</td>
<td>66,700</td>
<td>4.1</td>
</tr>
<tr>
<td>July</td>
<td>63,800</td>
<td>3.8</td>
</tr>
<tr>
<td>August</td>
<td>64,500</td>
<td>3.5</td>
</tr>
<tr>
<td>September</td>
<td>62,100</td>
<td>3.7</td>
</tr>
<tr>
<td>October</td>
<td>61,400</td>
<td>3.5</td>
</tr>
<tr>
<td>November</td>
<td>65,000</td>
<td>3.3</td>
</tr>
<tr>
<td>December</td>
<td>73,900</td>
<td>3.2</td>
</tr>
</tbody>
</table>
We find, in fact, that the acceptance rate (percent of applications received that are accepted for UP) has fallen through the years and the closing rate (percent of active cases closed) has risen.

Table 5  Acceptance Rate and Closing Rate, 1961 to 1968

<table>
<thead>
<tr>
<th>Year</th>
<th>Acceptance Rate</th>
<th>Closing Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>79.7</td>
<td>122.7</td>
</tr>
<tr>
<td>1962</td>
<td>73.5</td>
<td>142.9</td>
</tr>
<tr>
<td>1963</td>
<td>71.0</td>
<td>154.0</td>
</tr>
<tr>
<td>1964</td>
<td>70.7</td>
<td>154.9</td>
</tr>
<tr>
<td>1965</td>
<td>69.3</td>
<td>158.0</td>
</tr>
<tr>
<td>1966</td>
<td>72.7</td>
<td>441.5</td>
</tr>
<tr>
<td>1967</td>
<td>72.7</td>
<td>139.6</td>
</tr>
<tr>
<td>1968</td>
<td>60.8</td>
<td>163.6</td>
</tr>
</tbody>
</table>

This pattern of fewer case openings and more closings could be explained by a greater preponderance of 'welfare poor' applying for and being on UP. However, in many states, this group was not even eligible and their applications were not accepted since they did not have a sufficient prior work history; they could not meet the definition of unemployment prevalent in most states. In 1961, only 10% of applicants did not meet state definitions of unemployment, but by December of 1968, following this trend, as many as 17% were not accepted for this reason. 5

Closings may have increased reflecting the inability of the 'welfare poor' clientele to meet work requirements. The designation 'closed for other reasons' signified, in large part, a failure to comply with requirements; this designation was 30% in 1961, and over 44% in 1968. 6 The proportion of cases that were closed for employment, however, dropped from 68% in 1961 to 51% in 1968, 7 also illustrating that a larger proportion of 'welfare poor' in the caseload resulted in a lower return-to-work rate.
It is difficult to document definitively the precise representation of groups in UP at any one time. An analysis of the program in 1961 gives an impressionistic account of its composition. UP fathers were classified into three groups: 1) about one quarter of the caseload was made up of men who had been unemployed for 3 months or less, who were under 45 years of age and who usually found their own jobs or returned to former employment very quickly; 2) one half of the men had limited education, were very young or very old, and had a work history but needed retraining and other special services in order to return to work; and 3) the remaining quarter were unskilled laborers with poor work experience and physical, mental or emotional handicaps, 'making reemployment extremely difficult'.

Whatever the degree of validity of this description, a more specific source - the national D.H.E.W. study of Aid to Dependent Children in 1961 - indicated that 57% of the UP fathers in that year had been unemployed for less than a year before receipt of UP. In contrast to the above-mentioned 25% of unskilled laborers in 1961, in 1967 as many as 45% of UP fathers were in the occupational class of 'unskilled laborers'. Further demonstration of the changing caseload composition in UP from predominantly 'unemployed' to 'welfare poor' is the receipt of unemployment compensation. In 1961, 51% of fathers were receiving unemployment compensation, had received it within the previous six months, or had such claims pending. In December of 1965, 45% were in this position, in December of 1966, 42%, and by December, 1968, only 35% had a work history strong enough to be eligible for this benefit.

Although the size of the UP program diminished from 1961 to 1969, it started to expand rapidly in 1970. Just as 1961 was a year of high unemployment (this was a major rationale for the initial program), 1970 was the start
of a recession in the economy. The unemployment rate went from 3.5 in 1969 to 4.9 in 1970 to 5.9 in 1971. The use of UP rose accordingly:

<table>
<thead>
<tr>
<th>Table 6</th>
<th>Average Monthly Number of UP Recipient Families and Unemployment Rate 1969, 1970, 1971</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UP-National</strong></td>
<td><strong>UP-per State</strong></td>
</tr>
<tr>
<td>1969 70,000</td>
<td>2800</td>
</tr>
<tr>
<td>1970 108,674</td>
<td>4725</td>
</tr>
<tr>
<td>1971 152,600</td>
<td>5870</td>
</tr>
</tbody>
</table>

The rate of utilization of UP after 1969 was clearly tied to unemployment levels, but it was also strongly affected by the 1967 amendments, which required that by July of 1969 only those with a positive prior work history (defined by the law) who had been eligible for and exhausted unemployment compensation and worked less than 30 or 35 hours per week would be eligible for UP. The new regulations effectively cut out the potential "welfare poor" and a large part of the "working poor" leaving the program with a clear-cut clientele of the "unemployed". At the same time that UP became free of conflict in its target population, the stigma of being attached to the use of public assistance was being minimized. It was this stigma, according to our formulation, which often kept the "unemployed" from applying for and remaining on UP.

The huge rise in AFDC-non UP rates was also due, in part, to the reduction of welfare stigma. General Assistance which rose nationally from 1969 to 1970 by 23% and serves the "welfare poor", the "unemployed" (in some states with no UP program) and the "working poor" rose for both reasons: less stigma and high unemployment levels. The fact that UP increased by 99.7% from November 1969 to November 1970 additionally attests to the responsiveness of its newly legislated clientele to conditions of unemployment and to the degree of social tolerance of the use of public assistance.
3. **Barriers to Take-Up**

   a) **Excess Resources**

   It was our thesis that during the years 1961 to 1969, fewer of the 'unemployed' group applied for UP, and that, even when application was made, a sizeable proportion of cases were denied assistance on account of excess income and assets. Since these men had been regularly employed, they probably would have accumulated some savings, owned some property, or had some non-work related income. During periods of temporary loss of employment, the need to liquidate these assets would be resisted. The UP program, however, was part of the Aid to Dependent Children Title IV of the Social Security Act. As such, it was, like all the other Public Assistance Titles, covered by the stipulation that "resources shall be taken into account in determining need". The philosophy that near destitution must be present in order for eligibility to exist, had its effect on UP. Table 7 depicts the assets allowed in the 25 states that had a UP provision in 1969. (See Table 7 following page)

   In 8 of the 25 states the public assistance agency was permitted to attach a lien, recovery, or assignment on property, insurance, etc. The value of a home, if allowed, ranged from a low in Nebraska of $2000 to a high in Hawaii of $10,000. In most instances, the allowable value was not specified and may have been discretionary, making the high in Hawaii probably atypical. Personal property limits spread from $250 to $2000 with the average of those specified falling under $700.

   The President's Commission on Income Maintenance, reporting on UP in 1969, stated that "in practice most (families headed by employable men) are excluded (from the program) by stringent assets tests."\(^{15}\) We cannot know how many families desisted from application for UP as a result of the stigma associated with public assistance programs or the need to exhaust, assign or liquidate...
<table>
<thead>
<tr>
<th>State</th>
<th>Liens, Recoveries or Assignments Allowed</th>
<th>Value of Home Owned if Allowed, 1964</th>
<th>Family Personal Property Limits, 1964</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>No</td>
<td>$5000</td>
<td>$600</td>
</tr>
<tr>
<td>Colorado</td>
<td>No</td>
<td>Not Specified</td>
<td>2000</td>
</tr>
<tr>
<td>Connecticut</td>
<td>Yes</td>
<td>Not Specified</td>
<td>250</td>
</tr>
<tr>
<td>Delaware</td>
<td>No</td>
<td>Not Specified</td>
<td>300</td>
</tr>
<tr>
<td>Hawaii</td>
<td>Yes</td>
<td>10,000</td>
<td>Item Limit</td>
</tr>
<tr>
<td>Illinois</td>
<td>Yes</td>
<td>Not Specified</td>
<td>1 month's</td>
</tr>
<tr>
<td>Kansas</td>
<td>Yes</td>
<td>Moderate Value + 750</td>
<td>1000</td>
</tr>
<tr>
<td>Maine</td>
<td>No</td>
<td>Not Specified</td>
<td>800</td>
</tr>
<tr>
<td>Maryland</td>
<td>No</td>
<td>Not Specified</td>
<td>300</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>No</td>
<td>Not Specified</td>
<td>300</td>
</tr>
<tr>
<td>Michigan</td>
<td>No</td>
<td>Not Specified</td>
<td>750</td>
</tr>
<tr>
<td>Missouri</td>
<td>No</td>
<td>By Number of Children</td>
<td>By Number of Children</td>
</tr>
<tr>
<td>Nebraska</td>
<td>No</td>
<td>2000</td>
<td>1500</td>
</tr>
<tr>
<td>New Jersey</td>
<td>Yes</td>
<td>Not Specified</td>
<td>Must Liquidate</td>
</tr>
<tr>
<td>New York</td>
<td>Yes</td>
<td>Not Specified</td>
<td>250</td>
</tr>
<tr>
<td>Ohio</td>
<td>No</td>
<td>Not Specified</td>
<td>300</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>No</td>
<td>8000</td>
<td>600</td>
</tr>
<tr>
<td>Oregon</td>
<td>No</td>
<td>Not Specified</td>
<td>600</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>Yes</td>
<td>Not Specified</td>
<td>Considered</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>No</td>
<td>Not Specified</td>
<td>No Cash</td>
</tr>
<tr>
<td>Utah</td>
<td>Yes</td>
<td>Not Specified</td>
<td>800</td>
</tr>
<tr>
<td>Vermont</td>
<td>No</td>
<td>Not Specified</td>
<td>600</td>
</tr>
<tr>
<td>Washington</td>
<td>No</td>
<td>Not Specified</td>
<td>1050</td>
</tr>
<tr>
<td>West Virginia</td>
<td>No</td>
<td>Not Specified</td>
<td>By Item</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>No</td>
<td>Not Specified</td>
<td>500</td>
</tr>
</tbody>
</table>
assets and income. We do know how many were denied assistance on this last count when they did apply. In 1961, 24% of the cases that were denied, were denied because of "income and resources in excess of need". In 1966, 18% of cases were not accepted for UP because "income exceeds determined need" and "resources other than income exceed state's standards". 16

In Massachusetts, one official's interpretation of why the UP program was so small (about 8000 men a month were exhausting unemployment compensation benefits in Massachusetts in 1970 and only 100 of them ended on UP each month), was that "they cannot pass the assets test". Percentages in this state of those UP applications denied for excess income and resources were 19% in 1962, 16% in 1965 and 10% in 1970. 17

b) Non-Compliance

The Income Maintenance Commission Report of 1969 also noted that the "non-financial eligibility requirements imposed" on applicants for UP excludes many people. 18 Some of these requirements involved complying with rigorous work-seeking dictums, to accept work relief in the earlier years and training later, and to take and maintain jobs that are offered by state employment agencies and other sources. Men who have not had regular work histories and regular work habits would have found it difficult to sustain such exacting standards of behavior.

One indication of this inability to conform can be found in the applications that were denied and the cases that were closed for such reasons. Although outright refusals by applicants to accept employment and training were small, (4% in 1961 and 5% in 1968) a full 60% of those denied both in 1961 and in 1968 were classified as being denied for "other reasons". 19 A report to Congress in 1962 on the 1961 experience with UP concludes that of this 60%, "relatively
large numbers withdrew their applications or failed to keep appointments with
the agency, perhaps because employment was obtained. Some applicants
failed to give required information. . ."20 Some part of this 60% would have
been the "unemployed" who after the first contact, chose not to tolerate stigma
or loss of assets. The remainder appears to have been the "welfare poor" who
could not comply with initial eligibility mandates. The proportion of each
group are unknown, but a 60% self withdrawal rate is significant in both instances.
In Massachusetts the category "other" in reasons for cases denied is specified
to include "application withdrawn". The proportion of "other" reasons here
rangd from 21% in 1961 to 9% in 1968.

Reasons for closing cases also reflect the inability of some recipients
to conform. In 1961, 30% of closings were said to derive from the fact that
". . .many received unemployment compensation, moved and left no forwarding
address or failed to comply with requirements." In December of 1968, as many
as 44% were again discontinued for the enigmatic designation "other reasons".
In Massachusetts from 33% to 40% of closed cases were closed for this reason
from 1961 through 1965.22

Still another sign of the disjunction between program requirements and
client characteristics can be found in the procedure of "reclassification" from
UP to AFDC-non UP if the father deserted the family after the receipt of UP.
A Massachusetts welfare official pointed out that in many instances if the father
does not want work or training, he will leave, thus ending eligibility for UP.
In 1961 over 6% of the cases closed in Massachusetts were "transferred to regular
AFDC", while in 1968, 5.4% were so transferred and in 1969, 5.6% were closed
for this reason.23

A study of the General Assistance program in Massachusetts indicates that
1,403 men who were on General Assistance in 1971 had been reviewed for the
possibility of eligibility for AFDC and found ineligible. Though some of these were probably being considered for the "Incapacitated Father" segment of AFDC, many must have been thought to be acceptable for UP and subsequently deemed unsuitable. This ineligibility could have been the result of an adequate work history, or of being currently employed too many hours. It could also have been the case however, that they were not able to comply with the work and training requirements essential to UP and very rarely enforced in General Assistance.

c) Not Unemployed

The Congressional report on the first year's experience of the UP program states that "one of the most important factors affecting the number of families who qualify for ADC-UP is the definition of unemployment which varies from State to State." Such features as prior work history, the receipt of or eligibility for unemployment compensation, and the number of current employment hours determined who was eligible. By 1969, as a result of the 1967 Amendments, only one group - the "unemployed - remained as viable clients of the program.

In the years between 1961 and 1969, a large proportion of the applicants for UP were deemed ineligible because of inability to meet the state definitions of unemployment. In 1961, 10% of applications were denied on this count, while in December of 1968, as many as 17% were not accepted because the applicant was "not unemployed". The increase was partly due to increasingly larger proportions of the "welfare poor" applying. In Massachusetts 23% of cases in 1961 were denied for this reason and as many as 39% in 1966.

Testimony from two states where the UP program was initiated and then discontinued bear out the contention that many who were eligible did not apply and many who applied were not eligible. UP lasted in North Carolina for 21 months, from October 1961 to June of 1963. The eligibility requirements were quite rigid and included the need to have received and exhausted unemployment
compensation and the ability to give evidence of registration for employment and of efforts to secure employment. The Department of Social Services explains the failure of the program in this way:

During the period the AFDC-UP program was in operation, very little use could be made of the provision by county departments because the majority of applicants had never been employed in tax covered employment and therefore were not eligible to receive unemployment compensation. Most of the applicants for the program were unskilled laborers and consequently were found ineligible.

In all, during the time that the program was in effect, fewer than 20 families were found to be eligible. UP in this State was, in fact, geared to the "unemployed" who did not apply, and was not applicable to the "welfare poor" who did apply but were rejected.

Arizona had an even shorter UP history- for four months in the first half of 1963, yielding an average monthly caseload of only 2.8 families. Eligibility requirements were "similar to the present federal regulations (the 1967 Amendments) and lack of participation was the basic reason for legislative decision to discontinue funding the program." Here, too, the requirements were too inflexible for the "welfare poor", while the "unemployed" did not apply.

Just as the barriers to take-up in North Carolina and Arizona resulted in a discontinuance of the program, in other states the same factors must have had similar though not so extreme effects in diminishing the potential size of the program. The several impediments to the wide use of UP as reflected in program requirements expressed the manifold confusions and conflicts of aims and goals discussed earlier.

3. Goal Achievement
   a) Income for the Unemployed

The extent to which the explicit and implicit goals of the prelegislative debates and the UP legislation itself were achieved in practice will give further
testimony to our thesis that aims and goals were confused and in conflict and resulted in underuse of the program. One such goal was the intent to provide income to the regularly working though currently unemployed group as a measure of social security designed to offset the effects of general unemployment.

In 1961 the national UP caseload contained 28.5% of fathers who had been unemployed for less than 3 months, 11.2% from 3 to 6 months, and 17.6% from 6 to 12 months. A full 52.3%, then, were out of the job market for under a year, 16.5% from one to two years, and only 22.3% from 2 to over 5 years. If this measure of length of unemployment is taken to specify the various groups in UP, it can be concluded that from 57% to 74% were the regularly employed, but currently unemployed group and only from 22% to 38% were the 'welfare poor'.

This predominant group of 'unemployed' behaved characteristically. In 1961, 68% of cases that were closed, were closed for employment; in 1968, 51% were closed for this reason. In 1961, 23% of the fathers whose cases were closed for employment went back to their former jobs, as did 21% in 1968. Forty-two percent found work on their own in 1961, while 39% found their own jobs in 1968. The median length of time on UP in 1967 was nine months, compared with 2 years for all AFDC families.

The 'unemployed' in UP appear to have used the program as a temporary measure during times of unemployment, and to have then found work on their own within a short period of time, in many instances going back to former employment. They did, indeed, seem to need no services other than the provision of cash. To the extent that they applied for UP, they were well served. Aside from times of very high unemployment, however, (when they applied in huge numbers) factors such as the stigma of public assistance and the need to sacrifice
almost all their resources prevented many from making use of UP to any significant extent. Those who took advantage of UP were only a very small proportion of the unemployed men in the population who were fathers of families (see section on "Size").

b) Rehabilitation for the Welfare Poor

One of the original stated goals of UP was to provide work and training, often referred to as "rehabilitation", to a group of fathers who were unprepared either by choice or necessity to stay firmly rooted in the job market. These were often the intermittently employed or long-term unemployed who seemed either unwilling or unable to support their families. When the 1967 Law eliminated the 'welfare poor' from UP, one of the major concerns expressed was that there would then be no agency to rehabilitate this group.

In contrast to the large groups of UP fathers who found their own employment (ostensibly the 'unemployed' group), the state employment agencies attempting to perform this function for the 'welfare poor') helped very few. In reviewing the UP experience from 1961 to 1968, a Congressional report states that "it is significant to note that... the public employment service has played a minor role in returning these people to work." In 1961, only 3% of those who returned to work, were so placed; in 1967, 4% were placed on jobs by public employment agencies; and in 1968, 6.5% were assisted in this way.

Training in the early years of the UP program fared no better. The above report adds that few UP fathers profited from the Manpower and Development programs. Another source indicated that although 7 of the 13 states in 1961 had work-relief (Community Work and Training programs) for UP recipients, "... available data indicated a relatively small number (of UP fathers) was included in most states." It should be remembered that in 1962 the law stipulated that although CWT programs were not mandatory on the states, they were an essential eligibility feature for the UP client. In those states where
CWT existed, UP fathers were to have the highest priority.

The 1967 Work Incentive law (WIN) required all employable recipients of AFDC to take part in work or training programs and was mandatory on all states. Again the UP father was accorded the highest priority. Work and training in this latter phase of UP did better, at least in terms of welfare agency effort. The WIN program was initiated first by some states in August of 1968, and by all states by May of 1970. During 1969 a total of 34,000 fathers or 45% of all UP fathers were enrolled in work and training in this program.36 This high proportion, however, did not result in an equivalent proportion of case closings. A total of only 5817 UP cases were closed for employment or increased earnings of the father as a result of participation in WIN, from the start of the program until of December of 1969 (17 months). Of these 5817, 2017 were closed for regular employment or on-the-job training, 3652 were involved in work-training, and 148 were on special projects.37 Whatever was operating to produce this ratio of high enrollments to low case closings, was not peculiar to UP. In 1969, 64,300 AFDC mothers were enrolled with WIN and only 3840 cases were closed as a result of this association.38 As a work and training measure designed to rehabilitate the UP father, WIN's record was not impressive.

The priority status in the WIN program mandated to the UP father by law, did not become a reality in practice. Cumulatively through December of 1968, the composition of WIN referrals was 50% UP fathers and 46% AFDC mothers; in the month of October-December 1969, only 36% were fathers and 58% mothers.39 The first four months of 1970 showed a ratio of only 30% men to 70% women.40 The continually diminishing degree of male participation may, again, reflect the changing client group in UP, as more of the "unemployed" who secure their own employment are not in need of rehabilitation, enter the UP program. The fact that only 35% of all UP fathers were enrolled in WIN in 1971 compared to 45%
in 1969, gives further weight to this interpretation.

c) Assistance for the Working Poor

The group that we have designated the "working poor" is better defined by such concrete measures as hours of work and income from work, than (as the other two groups) by types of attachment to work ("regular" for the "unemployed" and "tenuous" for the "welfare poor"). Since the definition of the "working poor" is not parallel with the definition of the other two groups, the "working poor" cannot be distinguished from the other two groups and consequently overlaps with both of them. If a distinction must be drawn, we could say that those of the "working poor" who work full-time would probably have some of the characteristics of the "unemployed" group, while the part-time "working poor" might share some identity with the "welfare poor".

As confluent as the "working poor" group is with the others, it is, nevertheless, unlike the others, a group whose size is easy to measure. Within UP those who are employed and receiving UP supplementation are the "working poor". The only national data that could be obtained on this measure is for the year 1969 during which 18,431 UP fathers or 24% of all UP fathers were employed. Since this was the last year in which varied State Plans permitting longer hours of employment were still in effect, we would expect that after this time, this proportion would be lower.

Until the enforcement of the 1967 law, states had varying restrictions on the amount of hours that one could work and still be eligible for UP. In some states, fathers could work 40 hours or full-time and receive a UP grant. After 1969, full-time workers who did not earn enough to support their families, no longer had this recourse. The only public assistance program in existence for them is General Assistance, and only 17 states give supplemental relief to fully employed persons. It is doubtful whether even in those states many of the
fully employed poor are in this program. In Massachusetts in 1971, out of 18,964 males on General Assistance, only 1743 were working full-time. 44

Those fathers who were employed while on UP after 1969, were employed part-time. The unavailability of assistance while working full-time, when not able to meet maintenance costs, in itself, provides an incentive for some fathers to reduce their work effort to a part-time status. The proposed Family Assistance Act (HR1) attempts to do away with such disincentives to work effort, and with some of the inequities accorded the fully working poor under the current provision.

d) Prevention of Family Break-Up

One of the explicit intents of the UP legislation was the prevention of family break-up as a result of the desertion of the father. The assumption was that the father in a poor family would desert in order to make the family eligible for assistance; the prediction was that UP would make this desertion unnecessary. So "self-evident" was this formulation that in 1969 when a report on the UP experience in the previous 8 years was made to Congress, it said:

In those states which have taken substantial advantage of the program, hundreds of thousands of children in need have had their out-of work fathers remaining in the home with them and been granted at least minimum economic security until their fathers again found work. The availability of AFDC-UP to intact families removed temptations which might be present for fathers to abandon families in order to make them eligible for aid.45

No documentation was offered to support this conclusion. It was only when it became evident that desertion in the over-all AFDC program was continuing to rise, that some observers began to raise the question of whether UP, in fact, had had an effect on desertion. A review of AFDC in New York City prepared for the House Ways and Means Committee in September of 1969 noted that between 1961 and 1968 AFDC cases of deserted or informally separated wives rose by 412% in that city.46 The UP segment of AFDC also grew in the same years,
with the increase in recipients from 1961 to 1968 reaching 171%. 47 The availability of UP, which was more of a recourse in New York City than in other places (the N.Y.C. acceptance rate of UP cases went up from 1962 to 1968, 48 while the national rate went down) apparently did not have an effect on the desertion rate which climbed over twice as fast as the UP caseload itself.

In 1971, Gilbert Steiner, in The State of Welfare, tackled directly the relationship between desertion and the UP program. He presents a state-by-state description of changes in AFDC desertion rates and changes in UP recipient rates between 1961 and 1967, and notes that there was no effect on desertion rates as a result of the UP component being present. 49 Nationally, too, the desertion rate in AFDC from 1961 to 1967 increased by 38%, the informal separation rate increased by 64%, 50 while the number of states where UP was available continued to grow.

One explanation of the failure of the UP program to prevent desertion may lie in the erroneous notion as to the extent to which, even theoretically, it could play such a role. Table 8 sets out the options for prospective UP families in states where there is no UP, where the father is employed, and where the father is unemployed.
Table 8  Financial Consequences of Desertion and Non-Desertion Options

<table>
<thead>
<tr>
<th>Cases</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Case 1</strong></td>
<td></td>
</tr>
<tr>
<td>Unemployed Father</td>
<td></td>
</tr>
<tr>
<td>UP in State</td>
<td>a) Father Stays No Application for UP No Money</td>
</tr>
<tr>
<td></td>
<td>c) Father leaves wife goes on AFDC Full AFDC Grant*</td>
</tr>
<tr>
<td><strong>Case 2</strong></td>
<td></td>
</tr>
<tr>
<td>Unemployed Father</td>
<td>a) Father Stays No Money</td>
</tr>
<tr>
<td>No UP in State</td>
<td></td>
</tr>
<tr>
<td><strong>Case 3</strong></td>
<td></td>
</tr>
<tr>
<td>Part-Time Employed</td>
<td></td>
</tr>
<tr>
<td>Father UP in State</td>
<td>a) Father Stays No Application for UP Part Time Earnings ($30 per week)</td>
</tr>
<tr>
<td></td>
<td>c) Father leaves Wife goes on AFDC Full AFDC Grant* Fathers part-time earnings ($40 + $70 per week)</td>
</tr>
<tr>
<td><strong>Case 4</strong></td>
<td></td>
</tr>
<tr>
<td>Part-Time Employed</td>
<td>a) Father stays part-time earnings ($30 per week)</td>
</tr>
<tr>
<td>Employed Father</td>
<td></td>
</tr>
<tr>
<td>No UP in State</td>
<td></td>
</tr>
</tbody>
</table>

* greatest financial gain
If the father in an intact family were unemployed and lived in a state where UP was present, (Case 1) the financial gain for the family would be greatest if they all went on UP rather than if the father were to desert and the mother and children were to go on AFDC (option b). The father would be included in the UP grant thus making it larger than the AFDC grant which would only support the mother and children. In Case 2, where there is no UP in the state and the father is unemployed, the family would clearly benefit if the father deserted (option b). The financial incentives for desertion are thus nullified by UP in the instance of the unemployed father.

When, however, the instance of the part-time employed father (or full-time employed father who is in some states eligible for General Assistance) is considered, the availability of UP (or General Assistance) does not have the same effect. In states where there is no UP (Case 4) it is to the family's financial advantage for the father to desert (option b), since the combination of a full AFDC grant and his earnings are obviously more than his earnings alone. In Case 3, where the state does have a UP program, it is still to the family's best financial interest for the father to leave since the largest total income is obtained that way, (option c) although the incentive to desert is reduced since UP (option b) does, in fact, afford more income than only the father's earnings, although less income than the desertion option (option c). In the case of the employed father, then, UP does not act as a complete deterrent to financial desertion.

This process of "rational desertion" is partly based on the notion that people will act in such a way as to maximize their money gains. A report of the Commission on Income Maintenance clarifies this:

A low-paid, but steadily employed father may become separated from his wife and pay nominal child support as required by the courts. The mother then becomes eligible for AFDC, and their combined income may be in excess of the single income despite the cost of separate residences. While this strategy could constitute fraud if they
continued to live together, it is a sound tactic for poor people to bring in a second income.51

While this view sees desertion merely as an income-maximizing technique, the contending view expressed by Moynihan and others carries the charge that the AFDC program itself causes desertion. If the means are present whereby people can, somewhat dishonorably, maximize their income, they will use these means. Steiner discounts this criticism and concludes that the fact that UP has not made a difference in desertion rates, provides proof that the theory which held that the program caused desertion is untenable. If changes in the program (the addition of the UP component) cannot 'cure' desertion, then the original program could not have used it. If indeed, desertion is caused by forces other than the availability of AFDC, then AFDC-UP cannot eliminate it. Even when families are already on the program, some fathers deserted. In Massachusetts in the years 1961 to 1968 an average of 5% of the cases that were closed, were closed as 'transferred to regular AFDC'. 52 The father had deserted.

Another interpretation of the neutral effect of the UP program on desertion (and one more in line with our original hypothesis), is the judgement that the program did not, in fact, reach the population where desertion is a viable alternative - the 'welfare poor' or reach it in sufficient numbers for it to have made a difference in desertion rates. In many states, the 'welfare poor' were not eligible for UP; even where they were, there were barriers to their remaining on UP. This, in effect, was one of the major reasons for the small size of the program throughout the years. A provision intended to prevent desertion, because of a confusion of target populations and conflicting goals, could not have successfully achieved this goal in any case.

Whether the UP provision failed to affect desertion rates because it didn't fully eliminate the financial incentives for desertion, or it was not an appropriate strategy against desertion (desertion having its roots in other phenomena), or...
it didn't reach enough of the population-at-risk to make a difference, the fact remains that this goal, like the other, defended so vociferously at each critical junction in UP's legislative history remained unachieved.
11. The Size of the Program

1. Congressional Quarterly Almanac, 1961, p. 280


8. The regularly employed include all family heads who worked full-time or part-time for 50-52 weeks during the preceding year. In 1969 there were 1,708,000 male headed poor families with children under the age of 18. A poor family is a family with an income below the Social Security Administration's poverty index. This index was $3720 for a non-farm family of four in 1969. We will first estimate the proportion of male headed families with children under age 18 in which the male head did not work at all; this is Group I in Table 2. Data on this subgroup was not available, but data was available on the number of children in this category of families. In 1969 there were 655,000 children living in male headed poor families with children under the age of 18, in which the head of the household did not work all year. In the same year there were 5,095,000 children living in male headed poor families with children under the age of 18. Taking the ratio or (655,000/5,095,000) = .13 we derive a number which can be used to estimate the proportion of all male headed poor families with children under the age of 18 in which the head was unemployed all year. The actual estimate of the number of families in this category is (1,708,000)(.13) = 222,000. Next we will estimate the number of families in which the head worked only part of the year. For this we must return to the data on the number of children. In 1969 there were 792,000 children in poor male headed families in which the head worked, but was unemployed part of the year. Taking the ratio (792,000/5,095,000) = .16 we derive a number
that can be used to estimate the proportion of all male headed poor families with children under the age of 18 in which the head was unemployed part of the year. The actual estimates of the number of families is \( (1,708,000) \cdot (0.16) = 273,000 \). Finally we estimate the number of regularly employed family heads as \( 1,708,000 - 222,000 = 1,486,000 \) or approximately 1.2 million. For data these estimates are based on see ibid., Tables 8, 14, 17.

9. In 1969 of all male headed poor households in which the head did not work all year \( (1,156,000) \), disability or illness was given as the reason in 47 percent \( (540,000) \). Assuming the same percentage for male headed poor families with children under age 18 in which the head did not work at all during the previous year, our estimate is \( (0.47) \cdot (222,000) = 104,000 \) heads who were ill or disabled. For data see ibid.

10. For an explanation of the procedure for estimating the size of Group A and the estimate of 272,000 for Groups B, C, D, see footnote 8. We will now estimate the size of Group B. In 1969 there were 114,000 poor male headed families in which the head worked 1 to 13 weeks part-time. This gives a total of 216,000 families out of 868,000 poor male headed families in which the head was out of work part of the year. This yields a ratio \( (216,000/868,000) = 0.25 \) which can be used to multiply the total number of unemployed families to derive an estimate of the size of Group 2; that is \( (273,000) \cdot (0.25) = 68,000 \) families. A similar procedure is used to derive estimates for Groups C, D, and E. The result is Group C= \( (273,000) \cdot (0.24) = 65,000 \) families. Group D= \( (230,000) \cdot (0.25) = 68,000 \) families; Group E= \( (230,000) \cdot (0.26) = 71,000 \) families. For data see ibid.

11. In 1969 there were 1,229,000 AFDC families with absent fathers. In the same year there were 1,497,000 female headed families. Thus the AFDC population was approximately 82 percent the size of the total potential population. (i.e. \( (1,229,000/1,497,000)(100) = 82 \)). The AFDC data is from U.S. Department of Health, Education and Welfare, Social and Rehabilitation Service, National Center for Social Statistics, March 1970, Preliminary Report of Findings - 1969 AFDC study, p.23, Table 16. The data on number of poor female headed families with children is from ibid., Table 8, p. 51.

12. Public Assistance Annual Statistical Data, Calendar Year 1969, op. cit. p. 8


III. Aims of the Program


2. Ibid., p. 41

3. Congressional Quarterly Almanac 1961, p. 863

4. Ibid., p. 863

5. Lansdale, op. cit., p. 40

6. Congressional Quarterly Almanac, op. cit., p. 281

7. Ibid., p. 281

8. Ibid., p. 282

9. Ibid., p. 282

10. Ibid., p. 281

11. Ibid., p. 282


13. Lansdale, op. cit., p. 47


15. Ibid., p. 65


17. Ibid., p. 444

18. Ibid., p. 620

24. Congressional Quarterly Almanac 1967
26. Ibid., p. A153
27. Ibid., p. 946
28. Fauri, op. cit., p. 180
30. Ibid., p. 355

IV. Practice


6. Ibid., p. 133
7. Ibid., p. 133
8. Ibid., p. 114
13. Ibid., November 1970
18. Poverty Amid Plenty, op. cit. p. 124
20. Ibid., p. 131
23. Massachusetts Department of Public Welfare, op. cit.
25. Public Assistance Act of 1962, op. cit. p. 113
26. Ibid., p. 131 (and) "Unemployed Parent Segment of Aid to Families with Dependent Children, December 1968", op. cit.
27. Massachusetts Department of Public Welfare, op. cit.
28. State of North Carolina, Department of Social Services, Correspondence dated March 26, 1971.
30. Characteristics of Families Receiving Aid to Families with Dependent Children, November-December 1961, op. cit., Table 22
38. Findings of the 1969 AFDC Study: Data by Census Division and Selected States, op. cit. Part 1, Table 19 (and) Reports on the Work Incentive Program, op. cit., p. 186, Table 15
39. Reports on the Work Incentive Program, op. cit., p. 176, Table 6
40. Ibid., p. 32, Table 2
42. Findings of the 1969 AFDC Study: Data by Census Division and Selected States, op. cit., Part II, Table 74 (and ) Part I, Table 13, (and ) U.S. Department of Health, Education and Welfare, Correspondence received from Director of National Center for Social Statistics, June 7, 1972.


44. A Survey of General Assistance in Massachusetts, op. cit. p. 62

45. Social Security and Welfare Proposals, op. cit. p. 708

46. Special Review of AFDC in New York City, op. cit. p. 28

47. Ibid., p. A-5

48. Ibid., p. A-9


50. Special Review of AFDC in New York City, op. cit. p. 65

51. Poverty Amid Plenty, op. cit. p. 124

52. Massachusetts Department of Public Welfare, op. cit.