

Poor No More: Work First

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What society owes to the poor has been a recurring question in this country since colonial times. The modern (post 1935) consensus has fostered the creation of an ever-growing panoply of government programs promising to lift, push, or draw people out of poverty and into an existence sufficiently life-sustaining and dignified to assuage the public conscience.

Peter Cove is a veteran of 50 years of struggle to alleviate or diminish poverty. His 2017 book “Poor No More: Rethinking Dependency and the War on Poverty” is an eye opening account of anti-poverty programs over those years, and how most of them went sadly wrong.

It’s significant that Cove was a bona fide 1960s liberal. He frolicked with the hippie crowd at Woodstock, marched for civil rights, denounced the war in Viet Nam, and enthusiastically supported President Johnson’s War on Poverty. He shared the anti-capitalism bias of that young generation, that most poor people were poor because “society” had made them victims, and that greedy for-profit businesses preyed upon consumers and especially the poor.

Back then, Cove now confesses, “along with my colleagues on the left, I continued to think that income transfers, social services and a reliance on improving human capital were the most effective way to reduce the human pain of poverty.”

But Cove was clear-eyed enough to perceive that “the education and training programs we operated weren’t reducing the welfare rolls, and being reliant on government handouts was just as clearly not improving the quality of life of America’s poor.”

One important moment in the steady erosion of faith in the liberal welfare credo came when a New York City activist (later a Congressman) led a mob into his project office demanding funding for their particular interest. Unlike non-violent civil rights advocates, this mob, and many others like it, was “muscular and intimidating.” It dawned on Cove that the War on Poverty programs were actually “building blocks for bringing out the increasingly organized black vote”.

His startling discovery was that the demand for generous budgets for the multiplying anti-poverty programs was totally unconnected to the results expected or obtained. It was a political shakedown racket targeted at the guilty “establishment.” Few of its practitioners much cared whether poor people moved up into decent jobs in the large economy, so long as their power,

patronage, and paychecks were secure. Cove describes this as corruption, “a conspiracy to forswear performance for political support.”

So Cove and his wife Dr. Lee Bowes rejected the liberal paradigm of improving the poor so they could better find work. Instead, they revived a contrary policy that generations of earlier Americans would have well understood: Work first, supplemented with education and training to improve the worker’s skills.

Their company America Works became the first for-profit business organized to help poor people climb out of poverty through immediate work. It contracted with governments to work with employers to place unemployed persons into real-world paying jobs.

Unlike the War on Poverty programs, America Works contracts are performance based. If their client drops out of a job placement, America Works doesn’t get paid. So America Works stays with the new worker to help him or her overcome obstacles and improve work skills to advance up the income ladder.

Cove rightly hails the 1996 Gingrich-Clinton welfare reform law, which is firmly based on work. His preferred form of government support for workers climbing out of poverty is the Earned Income Tax Credit, which amplifies wages earned in real work.

Cove recognizes that the vast array of income-tested federal programs – welfare (TANF), food stamps (SNAP), Medicaid, Sec. 8 Housing, LIHEAP, and loosely administered SSDI disability payments – creates a “benefit cliff” that can make a \$15 an hour job an economically bad deal. His solution is to convert most of those programs into one big EITC-type wage support. This idea, however, is not without its problems.

Anyone interested in helping poor people out of poverty will find this valuable and often entertaining book a gold mine of experience and creative reform.

Historically, the Vermont welfare bureaucracy has promoted “thinking about getting ready to work” programs, and has stoutly resisted meaningful sanctions for able-bodied people who want benefits but do not want to work. (Needless to say, it never contracted with America Works). In 2013 a Cato Institute national survey ranked Vermont 47th in “work activity” – involving a mere 30 percent of its TANF cases.

With employers crying for workers – anybody, so long as they aren’t on drugs, reliably show up, and actually want to earn a paycheck – this would be a great time for AHS to announce a “work first” requirement, as Cove recommends. That won’t happen, of course, unless a governor makes it happen, over the howls of the 1960s anti-business progressive left.