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# NON-PROFIT PERSPECTIVE--LOCAL IMPACTS OF WELFARE REFORM

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The Salvation Army

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West Women's, a domestic violence shelter, is one of 12 Salvation Army programs in the Portland area. Together, these programs provide everything from emergency shelter, food and clothing to transitional housing, senior housing and services, emergency assistance, disaster relief, services to street youth, residential programs for pregnant and parenting teens and domestic violence shelter and services. The Salvation Army has a very long history of dedication to the nation's poor and disenfranchised—a dedication which has not diminished through many reforms, administrations and policy changes during the past 100 plus years of our service.

Welfare reform offers specific challenges both locally and nationally. While The Salvation Army is not opposed to welfare reform (the old system often kept people locked in an inter-generation cycle of dependency and poverty), it believes that welfare reform is a process not an event. It is, in their opinion, a process that needs to be approached in a thoughtful, considered manner, and one which should be continually evaluated for effectiveness. In its present configuration, this reform process is not a "quick fix," much as the Salvation Army might like it to be.

Each step taken in an attempt to create a system which will raise people out of cyclical poverty has very real consequences. Examples of the effects of "reform" will be presented later. First, however, is a discussion of the ramifications of welfare reform from a broader standpoint.

## **Ramifications of Welfare Reform**

The fallout that was expected from welfare reform is very difficult to assess. When the reforms were first instituted nationwide, a national increase in demand for food and shelter of about 19-20 percent was seen. A truly national picture is hard to paint, however, since there are many variables due to the differences in the way individual states put their welfare reform packages together. In some counties in the nation, we have seen an increase in demand for emergency help of as much as 300 percent. In a few counties, the increase has been negligible. At the local Salvation Army Harbor Light Center, where public meals are served to indigent people six days per week, there has been an alarming increase in demand. In the past year, the daily service level has increased 67 percent. This number grows even higher toward the end of the month when those who do have access to some benefits are waiting for their next month's food stamps or check.

The other noticeable trend is in the services provided to proportionally more families with children and more unaccompanied youth in both our public meal line and our emergency shelter. There is concern about what this increase in demand will look like once the welfare caps are instituted. Voluntary health and human service agencies cannot single-handedly maintain the social safety net supporting the needy. People earning \$7.00 an hour (which is not unusual for people re-entering the work force) will still require help. The increase in demand that is already noticeable must subside for welfare reform to work or dependency will sim

ply be transferred from public welfare to private charity. At the same time that the burden shifts even further to non-profits, government commitments to funding helping agencies diminish every year.

### **The Working Poor**

The working poor, a segment of our society which is on the increase, will particularly be in need of cash assistance for prescription medicine, utilities, transportation, rent and other necessary items for which there will be few resources. The Salvation Army has been advocating an increase in the federal emergency food and shelter program to absorb the increase in demand for those support services.

In addition, the Salvation Army has found that providing adequate services to the working poor requires a long term commitment—sometimes referred to as case management—because it is frequently necessary to assist someone in rebuilding their support system within the community as well as their economic base and self-esteem. Often, they have been caught in a culture of poverty for years or generations. Learning new life skills and self-advocacy can take time and the committed effort of supportive, non-judgmental “others.” There is concern that unless the process of reform is undertaken in a reasoned and considered manner, this society will grow an ever-expanding underclass—keeping the very people now served disempowered and economically oppressed. This expanded underclass is seen as getting progressively larger and poorer.

Locally, for the Salvation Army to take a family of four from emergency shelter to self-sufficient housing could cost \$12,000—including all costs for their shelter, transitional housing, rent assistance and support services. Because of the dire shortage of low-income housing in the Portland market, it is often necessary to remain in a relationship with a family—providing sup-

port, encouragement and services—for as long as a year or more.

The current level of cash and food assistance to the community's poor could possibly be maintained even though the need grows, but it cannot be increased without additional revenue. Programs can be expanded with the aid of volunteers to assist with job preparation, case work, follow-up and mentoring, but the State needs to be responsive to the on-going need for cash assistance, adequate, accessible medical care, mental health care and supportive services. In addition, it is necessary to have a real commitment to raise the minimum wage if the goal is truly to “lift people out of poverty.”

A recent study suggested that in order for someone to afford market-rate rent on a two bedroom apartment in Portland, a \$15.00 per hour wage would be required. No staff at the Salvation Army's West Women's Shelter—not even licensed and professional staff—are paid at that level. How can a \$7.00 per hour food service worker be expected to survive, let alone succeed, against those kind of odds?

A recent “graduate” of the Salvation Army program completed the state-mandated Job Opportunities and Basic Skills program (JOBS)<sup>1</sup> and vocational rehabilitation—all the while working with counselors on parenting issues, domestic violence issues and her own drug addiction. She did everything required of her—and more—under the new welfare reform guidelines. Her reward? She is working at a sandwich shop and is single-parenting two boys under the age of five. When she proved to be an exemplary employee and received a \$1.00 an hour raise, her publicly-subsidized rent nearly doubled and she lost all of her food stamps. She

<sup>1</sup> JOBS is an employment training program. Oregon Adult and Family Services requires clients who meet program eligibility requirements to participate in self-sufficiency activities such as JOBS.

is far more “cash poor” today than when she was on welfare. It is difficult to understand how this courageous young woman could feel like a welfare reform “success,” yet she will appear as one in the statistics because she is no longer on welfare.

### **Hidden Costs**

Welfare reform has some results which are even more difficult to see on the surface but which may have more lasting impacts to clients as well as staff. Welfare reform has resulted in a decrease of services in the parent education component of the Family and Children’s Program of West Women’s and Children’s Shelter due to mothers being required to work—often longer hours or evening shift hours. They must transport their children on the public bus to and from mandated day care while they are enrolled in the welfare JOBS program or working.

For many—if not most—of them, this may mean as much as two to four hours spent commuting by bus, in addition to the eight-hour work day. Not only is the mother unable to attend parenting classes that would enable the interruption of the cycle of domestic violence and child abuse, but shifting services to evening hours is often not possible because child care is not available on-site. It is also not possible to provide enough training and education before the new mothers go back to work. A grave concern is that while this program may make women more economically independent, it may also cause extreme psychological and emotional harm to them and to their children because of a reduction in services, insufficient time to heal from the devastating effects of domestic violence, and inadequate support for their parenting efforts—thus creating a new generation of welfare-dependent children who have not been parented well.

Women with drug convictions (many women from domestic violence relationships either have their own

drug dependency issues or have “taken the fall” for their drug-dependent, abusive partner) are being denied benefits for the rest of their lives because of a drug-related felony conviction—even though they may have been very young at the time, coerced into such behavior by an abuser, or raised in a family where such activity was expected of them.

In recent years, one case manager at West Women’s Salvation Army Center has worked with no fewer than 12 mothers that had felony drug convictions. These women all worked very hard to get their lives back in order and all are now successfully employed, in permanent housing, and living clean and sober lives. To do this, however, they had to be on welfare for some time to support their families while they sought adequate and appropriate therapeutic services and treatment for their addictions. If they, like mothers now, had been denied welfare based on their legal history, they would have had no way to financially support their family while they were in treatment or living in shelter regaining their lives. They were given the opportunity to get help and are now productive, valued members of our community.

Changes in the regulations for determining the definition of “disabled” have also cut many clients off from resources. Chronically disabled women who are able to work 20 hours per week are no longer eligible for many services because it is assumed under the new regulations that if they can work at all, they can work full-time.

A current case in point: A mother of two children has to go work to comply with welfare reform. Often, she must accept minimum wage employment with alternative work hours. Much of the time the case manager could be spending focusing on therapeutic issues critical to this mother’s long-term stability is taken up by crisis intervention to find day care options for these

alternative hours at the unrealistic rate Adult and Family Services (welfare) is able to pay.

The case manager currently works with a mother who is employed for barely above minimum wage. She relies on public transit. She must leave at 7 a.m. with her two pre-school children and she does not return home until 6:30 p.m. She works a six-hour shift daily. She spends the other five hours on the bus to and from child care, to and from work, and to the shelter. This leaves her little time to connect with the therapeutic services which are offered.

The case manager has made changes in her own schedule, as have most other staff, to meet with the clients after hours and on weekends. This disrupts the lives of the staff members and their families, as well as the lives of the clients. This particular client was under incredible stress because, in order to get back to work, she had to lose almost all of her available shelter-based support system.

Most of the women who call the Salvation Army's West Women's Shelter "home" do not have extended families nearby or if they do, those families are anything but safe havens. The Salvation Army becomes the extended family for these single mothers. It is critical that therapeutic issues are addressed, as well as economic issues, to prevent this client from repeating her pattern of engaging in self-destructive behavior and abusive relationships.

In addition, due to her long work and commuting hours, this client relies on meals provided from our dining room much more frequently than she once did. The Salvation Army's West Women's Shelter has no food budget at all and, therefore, this stretches already thin resources. This client also has had her food stamps cut off because she "makes too much money" and yet, because of the constraints on her time, she can ill-aff-

ord bulk foods and non-convenience foods that are less expensive and more nutritious.

### **Education and Training Needs**

Teen mothers face particular challenges, and their need for parenting help and education is perhaps even more critical. Many, if not most, are marginally employable. Unskilled work is usually unstable work. Another generation of dependent citizens will be raised if there is not adequate investment in parenting education for these women. The consequences of untreated childhood developmental delays, child abuse and the emotional and psychological trauma that is found in domestic violence households will be something for which society will pay a much greater price than the current "welfare" amount.

The Salvation Army would like to see the local junior colleges even more involved with shorter term training courses as well as degree programs. It would particularly like to see the process of reform reflect an understanding of, and sensitivity to, the unique circumstances of its beneficiaries. For many of the poor and working poor in the local area, it is not an entirely economic issue. Life skills training, establishing trusting long-term relationships, mentoring programs, drug and alcohol abuse treatment, mental health treatment, adequate children's services and domestic violence counseling must be included as necessary in each individual's equation when determining a workable "welfare-to-work" plan.

The non-profit sector is well versed but ill-funded to shoulder this larger burden. The focus can be shifted some and the way in which services are delivered can be changed, but that does not remove the very real need for sources of hard cash to provide the much needed rent, utility and other such stabilizing support that makes the difference between someone clinging to the economic ladder and someone sliding off it.

## Conclusion

As the Salvation Army proceeds in collaboration with other non-profit and government entities toward a more workable welfare policy, keep in mind that the difficulties suggested in this paper are occurring during what some would call a “boom” economy. There is grave concern that unless careful planning is done, the best efforts of today could be devastated if the economy takes even a slight downturn.

The situation in the State of Hawaii is an excellent case in point. While the national welfare caseloads dropped 29 percent between the years of 1993 and 1997 (with some states dropping by as much as 50 percent), Hawaii—suffering a severe economic downturn—saw their welfare roles increase by 37 percent. Further, states do not know the status of those who

have left the welfare system. A recent study by two Oregon universities determined that 55 percent of the decline in the state’s caseload can be attributed to business cycle factors, and only 11 percent to welfare waivers.

It is important that policies are created and carried out that truly take people from welfare to meaningful work. Success should not be counted only by the numbers of people who no longer appear on welfare roles but, rather, it should be measured by the percentage of reduced poverty and improved economic well-being of the poor. The Salvation Army has been, and is to this day, dedicated to creating systemic change in the lives of the nation’s poorest and most troubled citizens. This means helping people change their lives—not simply changing their economic status. The message is that true welfare reform is a *process*—not an *event*.