

# CAN WE PUT POOR MEN TO WORK?

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*Compared with Britain, welfare reform in the United States has relied less on incentives and more on administrative work tests. Parallel to welfare reform, American states have begun requiring men to work who owe child support or are on parole from prison. Evaluations of men's work programmes to date are encouraging, but implementing these programmes is demanding. The federal government should promote their further expansion and evaluation. Britain has yet to take serious steps in the same directions.*

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## Introduction

In Britain, the recent election has installed a new government, but the struggle to reform welfare and get more adults to work is less likely to see dramatic change. That effort goes back to the previous Conservative government, and it was the major domestic initiative of the recent Labour government. But despite some valuable developments, progress has been slow. The number of unemployed claiming support from government dwindled in the early 2000s, but has recently soared to nearly 1.5 million with the recession. The number of lone parents claiming support has fallen below 700,000, but the number on incapacity benefits has remained well above 2 million. Overall, the number of Britons of working age living off government has continued to grow and is today close to 6 million.<sup>1</sup> The Labour government aspired to raise the share of working-aged people who actually worked to 80%, but the level has remained well short of that.<sup>2</sup>

What is the problem? Allowance must be made for the current recession, which has made jobs less available than formerly. Government, also, has found no easy answer to the rise in disability claimants, even though a large minority of these appear more unemployed than incapacitated, especially in the north of England where jobs are scarcest.<sup>3</sup>

However, to someone involved in American social policy, the British approach to welfare and work also has clear weaknesses:

- *A preoccupation with poverty traps:* Most analyses of welfare in Britain that I have read assert that a major reason for dependency is the disincentives to work

and family created by welfare itself. It can appear that if benefit claimants take jobs or marry they will lose almost as much income in benefits as they gain in earnings.<sup>4</sup> But there is no evidence in American research that these disincentives affect the *actual behaviour* of the poor much at all. Nor do I know of such evidence in Britain.

- *Weak administrative work tests:* What promotes work much more than benefit changes is administrative demands that claimants work or seek work as a condition of aid. The Conservatives' revival of work tests, Labour's New Deal, the creation of Job Centre Plus, and the recent Welfare Reform Act were all important steps towards conditioning benefits more seriously on work. But to an American eye, British welfare is still dominated by entitlement, the traditional idea that people qualify for aid on objective criteria regardless of lifestyle. Only after they receive assistance, if at all, are they pressed to work. Serious reform means ending entitlement by clearly imposing work as a requirement for aid.<sup>5</sup> Even in disability, some obligations to prepare for work can be imposed, as the government has begun to do.
- *A fixation on the benefit system:* In Britain, the struggle to raise work levels is largely confined to welfare reform. Changes in the benefit system are expected to do the whole job. But whether employable adults work or not depends on many other factors as well. In America, work levels among the poor are also well short of optimal,<sup>6</sup> even though we have many

fewer people on benefit in proportion to our population. So we pursue higher work levels by other policies, including those I discuss in this paper. Britain should do the same.

In American welfare reform, little attention was paid to disincentives. Benefit reduction rates were improved to reward people for working. But to get them to go to work, the main reliance was on strong administrative work tests. These were far more forceful than in Britain. In some states, working was effectively demanded even to apply for aid, let alone receive it.<sup>7</sup> This despite the fact that reform focused on lone mothers, whom most Europeans (including Britons) see as among the least employable recipients. The effort to get them to work also embraced changes outside welfare – for example, in childcare, healthcare, wage subsidies and training. The quest for employment thus was much wider than welfare reform.

### The men's work problem

The problem of low work levels among poor men illustrates the potential of the American approach even more clearly.<sup>8</sup> Efforts to promote work among men have only just begun in the United States, but they have almost nothing to do with disincentives or welfare. Rather, they are based on administrative work tests constructed outside the welfare system. They can be seen as a second front in the struggle to get the poor working, alongside welfare reform.

Benefits are hardly in the picture – poor men in America are not usually eligible for cash aid, and few draw any benefits of any kind. Yet in 2008, only 42% of poor men worked at all in the year, only 14% full-time and full-year; the corresponding figures for the population were 73% and 52%. Among poor men aged 16–50, who are the most expected to work, 51% did not work at all, 64% among blacks.<sup>9</sup> Since non-work lowers income, of course, it becomes another name for poverty. Employment among low-skilled men has been low or falling for years, and even the hot economy of the 1990s – which helped drive welfare mothers to work – did not improve matters by much.

Falling men's work levels has been devastating for families. Men who do not work are unlikely to marry, nor are absent fathers likely to pay child support to their children unless they work. Non-work is also linked to crime, drug addiction and many other social problems. It is devastating, as well, for the men themselves. For most men, to achieve something as a worker is essential to self-esteem. Only the man who first 'cuts it' at the workplace is likely also to succeed as a husband and father. By failing to work regularly, poor men condemn themselves to failure.

### Reasons for non-work

Could the men work more than they do? Prior to welfare reform, many experts believed that social barriers of various kinds – benefit disincentives, lack of jobs or childcare, lack of skills, and so on – made it simply impossible for most welfare mothers to work. The evidence for this was never strong, and in the 1990s reform showed that many more welfare mothers could work than anybody imagined. In general, social barriers

have little to do with whether poor adults work. They have much more to do with how well they do if they work, with the educated doing much better than the unskilled. Barriers, in short, explain inequality much better than poverty.<sup>10</sup>

Due to that experience, few have seriously argued that jobless men literally cannot work. Sheer lack of jobs is a far smaller problem in America than in the depressed areas of Britain. Rather, economists make the weaker claim that unskilled men are discouraged from working by low earnings. Real wages for the unskilled have fallen in recent decades, apparently leaving non-workers little reason to labour. But it is unclear whether this should drive work levels lower or higher. Reduced pay might motivate men to put in more working hours, rather than fewer, in order to cover their budgets.<sup>11</sup> In any event, higher wages in the 1990s did little to raise work levels.

Much more clearly, work discipline among low-income men has deteriorated. Lower wages do not directly reduce work levels. Rather, *both* wages and work have been driven down by the fact that low-skilled men have become less reliable employees than they once were. Fewer today are able to show up for work on time, take orders and co-operate with co-workers. They usually can find jobs, but they tend to be fired from them or just leave. In part the problem is that many unskilled men today are in prison for crimes, making them less employable when they emerge. Many also, if they work, have their wages reduced to pay child support orders, which may deter working.<sup>12</sup> But the patterns of life that lead to crime or unwed parenthood also show a loss of social discipline.

As was true for welfare mothers, simply to offer poor men higher wages, job training or other benefits on a voluntary basis has little effect on work levels. To reach this group, evaluations show, employment programmes must be highly directive, telling their clients that they are supposed to get jobs and keep them, rather than leaving work as a choice. The best programmes are also paternalistic – using case managers to oversee clients closely, both to assist them and to ensure that they fulfil their obligations to seek work and keep jobs.<sup>13</sup>

### Mandatory work programmes

The best approach for getting men to work is to build programmes around the obligations to work that some men already bear. Absent fathers who owe child support must work to pay their judgments, and ex-offenders exiting the prisons on parole in most states are obligated to work as a condition of parole. America currently has 2.3 million people behind bars, a record number, due to recent efforts to suppress crime. Over 700,000 ex-offenders are returning from prison every year. That has given new prominence to the problems of poor men. I estimate that in 2007, 1.2 million American low-income men failed to meet their work obligations. That is, they failed to pay all the child support they owed to poor women, or they were on parole while not working regularly.

Programmes aimed at requiring such men to work have begun to appear at the state level in the United States. In child support, the programmes arose to help enforce orders to pay support. When men fail to pay support they appear before child support judges. They often claim to lack jobs and income, but the judges have no way to verify that. If they tell

the men to get jobs, they cannot determine if they comply. If they remand them to work programmes, however, that is an obligation that the men cannot evade. Their compliance can be monitored and enforced. Now many men will admit to having jobs and pay up. If they are really jobless, on the other hand, the programme can help them to work. Evaluations of programmes like this show that they can raise the share of men paying child support by as much as half and the share that works by around 20%.<sup>14</sup>

In criminal justice, there are prison re-entry programmes meant to help ex-offenders adjust to regular life after prison, above all by going to work. In the past, rehab programmes have generally failed to reduce recidivism, meaning the commission of new crimes after prison. The best of the recent work programmes, however, reduce recidivism by 10% to 20%. They also can raise employment substantially, although to date they have done so mainly by creating jobs for clients rather than placing them in the private sector.<sup>15</sup>

In both child support and criminal justice, the sanction that enforces participation is ultimately incarceration. In child support, men who are assigned to work programmes and fail to show are sent to local gaols for contempt of court. In prison re-entry, ex-offenders who fail to work or attend work programmes can be sent back to prison. Those sanctions are more forceful than anything to do with benefits. Well-administered, they could raise work levels.

Men's work programmes arose because society wanted to get more money out of absent fathers, and it wanted to forestall new crimes by ex-offenders. But American experts and officials are starting to view higher work levels as important more broadly. If poor men did better as workers, they would also do better as husbands and fathers. Government has found no sure way to strengthen the family and curb the rise of unwed parenthood. But welfare reform has taught us how to promote work among poor women. By doing the same for poor men, we can strengthen men and reduce poverty. Over time, that should strengthen the family as well.

## Implementing work programmes

Welfare reform began as small experimental work programmes in the 1980s that evaluated well but were peripheral to regular welfare operations. Reform began to bite, in the later 1980s and 1990s, only when these programmes were implemented widely enough so that the majority of welfare recipients faced serious pressures to work. Only then did the nature of welfare change 'on the ground'. Only then was entitlement displaced by conditionality. That was the change that finally drove most welfare mothers off the rolls into work. Most mothers needing income now went directly into jobs and bypassed welfare entirely, because it was clear that in any event they would have to work. These diversion effects were the most fundamental that reform achieved.

Welfare had to expand administratively to get control of its caseload. Agencies staffed up so they could supervise cases more closely, to be sure they took work seriously. They also had to convince their own personnel that work was a good idea, so they would enforce it with conviction. Only when the majority of cases were driven off welfare could the bureaucracy again shrink along with the rolls. Today, welfare is far smaller

than it was, but by continuing to enforce work it helps to maintain the work norm, not only on welfare but in the surrounding society. Even in the current recession, the welfare rolls have rebounded only slightly.

Men's work programmes in America today are roughly where welfare work programmes were 30 years ago. They are typically small and detached from regular child support or criminal justice operations. Many are also voluntary; making no attempt to enforce participation, even though it is clear that just offering services to poor men achieves little. Without a requirement, few men with work problems even come forward. Some 'fatherhood' and re-entry programmes have had such trouble filling their rolls that they had to resort to mandatory referrals from child support or the parole system. For the programmes to impact the work problem seriously, they will have to become much larger and more mandatory, as welfare work programmes did. Above all, they will have to be integrated into routine child support and criminal justice operations.

The key to implementation is that child support and criminal justice agencies that already deal with poor men accept work as a central mission, the way welfare did in the 1990s. Right now, neither system typically does this. Child support assumes that absent fathers are working or could easily do so, and the main task is to get 'deadbeat dads' to pay their judgments. Only recently has the system realised that perhaps a third of men simply cannot pay due to their own employment problems.<sup>16</sup> Officials have therefore come to support work programmes in many states. Criminal justice is typically less receptive to change. Officials recognise that whether ex-offenders find jobs quickly is crucial to whether they stay out of prison, but they see employment as the men's responsibility rather than their own. With the current concern over prison re-entry, however, that attitude may be changing.

## State efforts

Efforts to expand work programmes for men are surprisingly common, although they have been little noticed in Washington. A survey of most states in 2009 revealed that almost half had already implemented some kind of work programmes for child support defaulters. Nearly two-thirds had done the same for ex-offenders. Some of the efforts were short-lived due to funding problems. Some drew funding from welfare, which sees a need to help non-custodial fathers, and many were run by other federal training programmes.

Interviews in six states during 2008–09 clarified the political and bureaucratic factors behind whether a state innovated in this area or not. In many states, welfare reform had been divisive, as it was in Washington. Advocates and some politicians resisted the idea of making welfare mothers work to get aid. The idea of enforcing work on poor men has generally been less contentious. Elected leaders usually accept that absent fathers should pay child support, and they will enforce work to this end. The idea of expanding work programmes in criminal justice is somewhat more disputed, as it means releasing more convicts on parole, where they might commit renewed crimes.

In three of the states visited – New Jersey, New York and Wisconsin – leaders had not focused on the men's problem, so

work programmes were still small and mainstream agency operations were little affected. In contrast, in the other three states – Ohio, Michigan and Texas – stronger leadership had led to major innovations. Michigan has launched an ambitious criminal justice reform meant to reorient the system away from incarceration toward re-entry, while in Ohio the prison agency had paid for work programmes in child support in order to reduce the number of defaulters being sent to prison.

Most notably, Texas had implemented large-scale work programmes in both child support and criminal justice and had evaluated both to show positive effects. The state had initially implemented welfare reform poorly, but it had learned from this and done better with the men's programmes. Administrators had persuaded the state legislature to expand the child support programme by stressing the financial gains to be had from improved child support collections.

Administratively, the key to innovation was that the affected agencies worked together to address the work problem. This required that child support develop a common computer system with the training agency running the work programme, so that all staffs could track the same cases and data. This was crucial to monitoring attendance to be sure men do not give up or disappear. And while child support and parole already had staffs supposed to oversee their clients, work programmes required a different kind of case manager – oriented not to paperwork but to helping the men actually find and keep jobs out in the field.

## Recommendations

Based on current evidence, in either child support or criminal justice, work programmes for men should be mandatory and paternalist – requiring participation and using case managers to enforce it. They should focus on placing men in available jobs, even if low-paid, rather than training them for better positions. Since training programmes for this group have evaluated poorly, the best way to raise wages is through wage subsidies. To achieve work, especially for ex-offenders, it may be necessary to create jobs, as employers willing to hire these men may be insufficient. In welfare reform, in contrast, the private sector was quite willing to hire most welfare mothers, and job creation was seldom needed.<sup>17</sup>

To implement such programmes for the 1.2 million men estimated above would cost between \$1 and \$5 billion (£0.7 to £3.5 billion) a year, based on existing programmes. That sum is not large compared to the cost of welfare reform. It is also offset by the added child support that government would collect and – even more – by the economies it would achieve in prisons through lower incarceration. With imprisonment at record levels, some states – like Michigan and Ohio – have been driven toward work programmes simply as a cheaper alternative to putting more men behind bars.

These programmes, if well implemented, would enforce work more effectively on men who are already supposed to be working. But, as in welfare reform, help should be joined with hassle. The main men's problem is to work more reliably in any available job, but even men who work steadily can be poor due to low wages. Welfare reform succeeded, in part, because of expanded wage subsidies given to low-paid workers. The Earned Income Tax Credit (EITC) fattened the earnings of low-

paid family heads by as much as 40%. This helped many welfare mothers to leave aid for work. But EITC pays only a small subsidy to workers without dependants. That is the situation of most low-income men, many of whom are absent fathers.

Some have proposed a much more generous subsidy aimed at low-paid workers generally, with or without dependants. That would allow unskilled men to make significantly more than now and give them more hope of supporting families. Ideally, receipt of this credit would be conditioned on the men working at least 30 hours a week and paying any child support judgment they had. The cost would be much more than for work programmes – in one proposal \$29 to \$33 billion a year – because all low-paid workers meeting these conditions would qualify, not only the much smaller numbers that are obligated to work.<sup>18</sup> Together, the combination of work enforcement and wage subsidies should do more to get poor men working than any earlier approach.

## Next steps

The evaluation record of men's programmes is not strong enough for Washington to mandate them immediately. While work programmes, if well implemented, could help raise men's work levels, they have not yet demonstrated the strong gains in employment and earnings seen in welfare work evaluations. Rather, national policy should promote cautious expansion of these programmes at the state level while conducting further evaluations to learn more about them.

Since 1975, Washington has funded most of the cost of state child support operations in an attempt to recoup the cost of paying welfare to the families that fathers had abandoned. States, however, are not currently allowed to use this funding for child support work programmes. To ease that restriction is the main thing Washington could do to expand work programmes for men. In criminal justice, the federal role has always been much smaller. Here, the main federal funding is closed-ended project grants, and that is sufficient for now.

The other thing Washington must do is commission more high-quality evaluations of men's programmes. Of the existing evaluations, only two are of the highest quality – experimental designs involving random assignment of clients between the tested programme and a control group.<sup>19</sup> Other studies have used quasi-experimental designs, and some programmes reported only how well their clients did, without any comparison to equivalent men not in the programme to prove an impact. Thus, men who went through a programme often emerged with higher work or education levels than before, but we do not know that they would not have done so on their own, without the programme.

In welfare reform, a string of high-quality, experimental evaluations in the 1980s and 1990s were crucial to establishing that welfare employment programmes worked and how best to design them. These studies made clear that the programmes should be mandatory, not voluntary, and that a policy of work first – placement in available jobs – achieved more than education and training. In men's programmes, it is already clear that mandatoriness and work first are best, but other issues are unresolved – such as whether creating jobs is really necessary, if so how to create them, and how large

programmes should be relative to all the men who are obligated to work yet do not do so reliably.

## Implications for Britain

Despite substantial efforts, Britain still has not fully implemented welfare reform. Due to the New Deal and other measures, work tests for the unemployed are now moderately serious, but requirements for lone mothers and the disabled are still inchoate. The demands are still short of the level that would trigger diversion – people going directly to work without going on aid at all.

Nor is there much sign of any effort to get men to work outside welfare. In child support, the system has not got beyond simply collecting support from absent fathers, a task it finds sufficiently challenging. In criminal justice, minor offenders can be made to do community service, but the aim is more to repay a debt to the community than to promote work as an end in itself. Some offenders can be remanded to training programmes, but the focus is more on skills than work in available jobs.

Any effort to promote men's employment would no doubt face stiffer questions about job availability than America has faced, particularly in the North. Non-workers might have to be moved to the South before they could reasonably be expected to work, or jobs might have to be created for them. Whether the benefits of enforcing work outweighed the costs would be less clear than in America. But a broader effort to enforce work outside welfare should be seriously considered.

We have to stop thinking about dependency or non-work mainly as economic problems, as we are prone to do. That tendency is all the stronger today because of the fiscal deficits threatening all affluent countries. Rather, assuming jobs exist, enforcing work, on either men or women, poses mainly administrative challenges. Laws must be passed and programmes funded, but to achieve work requires, above all, the building of local institutions. Benefit administrators and the staffs of work programmes must collaborate to make clear to recipients that they can receive aid only if they work.

Politics may finally be even more important than administration. America learned from welfare reform that the threat of losing benefits was not sufficient to get many mothers to go to work. Faced with that demand, many left welfare without working. In an affluent society, there are many ways for poor families to survive, even without either welfare or work.<sup>20</sup> To get more poor adults to work, either men or women, will also take social pressures, beyond any programme or policy. It has to become clear that society demands work for the employable as a condition of citizenship, and elected leaders must express that demand. Work levels will rise when employment for the employable is once again seen as among the common expectations of the society.

1. Department of Work and Pensions, 'DWP Quarterly Statistical Summary', 12 May 2010.
2. David Freud, *Reducing Dependency, Increasing Opportunity: Options for the Future of Welfare to Work* (London: Department of Work and Pensions, 2007), pp. 1–2.
3. Christina Beatty and Stephen Fothergill, 'Hidden Unemployment among Men: A Case Study', *Regional Studies*, 36, no. 8 (2002): 811–823.
4. This is a theme, for example, of the Centre for Social Justice's recent *Breakdown Britain* and *Breakthrough Britain* studies.

5. Lawrence M. Mead, *Beyond Entitlement: The Social Obligations of Citizenship* (New York: Free Press, 1986).
6. In 2008, only 37% of poor adults worked at all, only 10% full-time and full-year. Source: U.S. Bureau of the Census, March 2009 Current Population Survey, Table POV22.
7. Lawrence M. Mead, *Government Matters: Welfare Reform in Wisconsin* (Princeton, NJ: Princeton University Press, 2004).
8. The following summarises Lawrence M. Mead, *Expanding Work Programs for Men* (Washington, DC: American Enterprise Institute, forthcoming).
9. Calculated from U.S. Bureau of the Census, March 2009 Current Population Survey.
10. Lawrence M. Mead, *The New Politics of Poverty: The Nonworking Poor in America* (New York: Basic Books, 1992).
11. To use economists' language, when wages fall, it is unclear *a priori* whether the substitution effect or the income effect dominates. The former would tend to reduce work effort, but the latter to raise it.
12. Harry J. Holzer, Paul Offner and Elaine Sorensen, 'Declining Employment among Young Black Less-Educated Men: The Role of Incarceration and Child Support', *Journal of Policy Analysis and Management*, 24, no. 2 (Spring 2005): 329–350.
13. Lawrence M. Mead (ed.), *The New Paternalism: Supervisory Approaches to Poverty* (Washington, DC: Brookings, 1997).
14. These results come from NCP Choices in Texas, the largest child support work programme yet evaluated.
15. These results come from the Center for Employment Opportunities and ComALERT, both local re-entry programmes in New York City.
16. Ronald B. Mincy and Elaine J. Sorensen, 'Deadbeats and Turnips in Child Support Reform', *Journal of Policy Analysis and Management*, 17, no. 1 (Winter 1998): 44–51.
17. Job creation occurred primarily in New York City and Wisconsin.
18. Gordon L. Berlin, 'Rewarding the Work of Individuals: A Counterintuitive Approach to Reducing Poverty and Strengthening Families', *The Future of Children*, 17, no. 2 (Fall 2007): 17–42.
19. These are the studies of Parents' Fair Share, a child support work demonstration of the 1990s, and Center for Employment Opportunities, a current re-entry work programme. Both were conducted by MDRC, a leading evaluation firm in New York.
20. Kathryn Edin and Laura Lein, *Making Ends Meet: How Single Mothers Survive Welfare and Low-Wage Work* (New York: Russell Sage Foundation, 1997).

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