

## The 'Undeserving Poor' Deserve More Help Commentary

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*Stephen H. Bell, a senior economist at the Urban Institute, has published widely on the effects of government employment and training programs and other antipoverty policies. The views are those of the author and not necessarily of the Urban Institute.*

With his proposal to boost the role of religious groups in providing taxpayer-funded social services, President Bush is pushing a sharp change in social policy.

But, as the nation reconsiders who delivers social services, shouldn't we also look again at who gets government assistance?

These two questions are connected. Historically, religious and community groups have helped anyone who came to them in need regardless of family circumstances, age, or medical status.

In contrast, government decisionmakers in Washington and state capitals with command of much greater resources typically divide America's poor into two groups: those who "deserve" help and get it, and those who don't.

Current policies direct most government assistance to families with children, senior citizens, and persons with disabilities. Effectively ignored are the needs of nearly 5 million Americans—known in legislative jargon as "able-bodied adults without dependents"—who live in poverty or within its reach.

Healthy adults of working age with no dependents largely lost their food-stamp benefits in the reforms of the mid-1990s. State and local cash assistance to this group has also fallen, reflecting the belief that all but the elderly and disabled can and should take care of themselves.

A recent study by the Urban Institute shows most of these "undeserving poor" to be working but simply not making it. Nearly 80 percent hold jobs, many of them full time, yet most earn less than \$20,000 a year. When not working, most are looking for jobs, going to school, or caring for a family member.

Despite their hard work, over half have no health insurance and a third worry at times about being able to afford food. Almost none receive government support. Education levels are low and family life limited: All live without children, and two-thirds have no spouse or partner at home.

A central tenet of Mr. Bush's conservative-but-compassionate social agenda is to offer the needy a hand up, rather than a handout. In keeping with this approach, policymakers should expand income-assistance strategies for adults without dependents to help more of these workers enter the economic mainstream.

A good place to start would be the nation's education and training system.

The nation's job-training system is currently awash in funds earmarked for poor working parents and parents on welfare. Diverting some of this surplus to help adults who are not raising children can increase their earnings and productivity, while cutting dependency and boosting tax revenues.

An even more powerful tool for "making work pay" is the Earned Income Tax Credit (EITC), which raises the after-tax incomes of low-wage workers. Since 1990, policymakers in Washington have tripled the value of the EITC for working families, lifting more children out of poverty than all other income-support programs combined. Substantially raising the now-meager dollar value of this credit for adults without dependents could have an immediate positive impact on their living standards.

Other work-support policies have also proven effective. Temporary income assistance following job loss is one. Yet only 30 percent of unemployed workers receive unemployment insurance benefits currently, and rates

are even lower for low-skilled workers whose jobs often don't qualify.

Some promising new strategies are also worth trying, such as giving low-skilled workers, larger paychecks by adding a government supplement to the earnings provided by their employers. This approach has been successfully tested in Canada and on a small scale in Milwaukee.

Research shows that such reforms can raise incomes while making better use of the nation's human resources.

Adopting these measures would also bring government policies more in line with the approach of many faith-based service organizations that do not distinguish between the "deserving" and "undeserving" poor.

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