

The People Left Behind When Only the ‘Deserving’ Poor Get Help

Maine attached work requirements and time limits to its safety net, intensifying poverty in the state.

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ORLAND, Maine—In the eyes of the state of Maine, Laurie Kane is an able-bodied adult without dependents, and thus ineligible for most forms of government support. In her own eyes, it is hard to see how she is going to find housing, work, and stability without help.

Kane is struggling to put her life back together amid a spell of homelessness that has lasted for three years. She has a severe anxiety condition, along with other health problems, and had suffered a panic attack on the day I met her. But she had not managed to sign up for MaineCare, the state’s Medicaid program, because she cannot get a doctor to certify her as being disabled. That’s not because a doctor has evaluated her and found her to be fine, but because she’s been unable to get a doctor’s appointment. “I was denied MaineCare because I’m considered an able-bodied person,” she told me. “A lot of people say, ‘Well, you can just get free care.’ They say, ‘You can go to a clinic with a sliding-fee scale, which would be \$20 a visit.’ But what if I can’t come up with \$20?”

She was also struggling with the state’s newly instated requirement that recipients of food stamps, formally known as the Supplemental Nutrition Assistance Program, work for 20 hours a week or volunteer for 24 hours a month. She rarely leaves her room at the homeless shelter, she said, because it makes her so anxious. Even filling out the paperwork and sending it in to certify her shifts at a soup kitchen seemed like a lot. “I’m very worried about losing my food stamps,” she told me. With no cash income, no savings, no home, no health coverage, no car, and no treatment for her medical conditions, finding steady work seemed impossible. How would she get to a job in this depressed, rural part of the state? What about her panic attacks? If she lost her spot at the shelter, how would she get to her volunteer gig?

Kane is one of tens of thousands of Mainers affected by sweeping changes made to the state’s anti-poverty programs by the state’s Republican governor, Paul LePage. His administration has tightened eligibility for Medicaid, food stamps, and welfare, and hopes to do yet more: adding work requirements to Medicaid, removing young adults from public health coverage, and eliminating the state’s general-assistance funds for the indigent. The broad aim of these reforms is to create a safety net that provides help for the disabled, elderly, and children, but prompts able-bodied adults to help themselves. “It is this idea that all welfare should be workfare,” said Michael Hillard, an economist at the University of Southern Maine.

In implementing these changes, Maine has become a bellwether. A number of other states are copying the state’s reforms or devising similar ones of their own, with numerous states mulling attaching work, volunteering, and job-training requirements to safety-net programs. At the federal level, Speaker Paul Ryan has vowed to remake the safety net to emphasize employment, with the very first plank of his anti-poverty program to “expect work-capable adults to work or prepare for work in exchange for welfare benefits.”

For its part, the Trump administration, in its new budget proposal, suggests deep cuts to programs that help a range of vulnerable groups, including seniors, low-income children, single

parents, the rural poor, and the disabled. It also has repeatedly emphasized the need to save taxpayer money and discourage what it thinks of as welfare dependency—including by extending work requirements to housing programs and increasing them for food stamps, among other initiatives. Ben Carson, the secretary of the Department of Housing and Urban Development, recently told *The New York Times*, “We have some people who are mentally ill. We have some elderly and disabled people ... [but] there is another group of people who are able-bodied individuals, and I think we do those people a great disservice when we simply maintain them.”

In an opinion piece released with the White House budget proposal, Mick Mulvaney, Trump’s budget director, went yet further. “Under President Trump’s leadership, we’re now looking at how we can respect both those who require assistance and the taxpayers who fund that support,” he wrote. “For the first time in a long time, we’re putting taxpayers first. Taking money from someone without an intention to pay it back is not debt. It is theft. This budget makes it clear that we will reverse this larceny.”

“The value of work is about restoring self-confidence, self esteem, and human dignity. That matters not just for the parents, but for the future of their children.”

The point is to separate out the “deserving” from the “undeserving” poor, a concept that has its roots in Tudor England, when local parishes were instructed to punish and even execute the idle.

Where the federal government is now going, Maine has led the way. The state’s experience shows that policies that ask for more in exchange for aid—work requirements, time limits, asset tests, and so on—do slash social spending, and encourage some low-income adults to find a job or find a job more quickly. But they also leave many individuals and families in extreme poverty, without anywhere to turn.

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Paul LePage, a crass and pugnacious Tea Party favorite, won Maine’s 2010 gubernatorial race by taking 38 percent of the vote in a five-way contest. His administration soon undertook dramatic safety-net reforms, with the twin aims of balancing the state budget and cutting back on aid for healthy adults. “Maine’s welfare program is cannibalizing the rest of state government,” the governor said at the 2012 Republican convention, to a standing ovation. “To all you able-bodied people out there: Get off the couch and get yourself a job.”

The issue has been not just principled, but personal, for the governor. One of eighteen children growing up in an impoverished and abusive family, LePage “left home at the age of eleven to escape domestic violence and lived on the streets of Lewiston for two years, making a meager living shining shoes,” an account of his early life written for the Conservative Political Action Conference reads. “At age 13, two families jointly ‘adopted’ Governor LePage. Eddy and Pauline Collins kept him busy washing dishes at the Theriault’s Cafe. Bruce and Joan Myrick kept him busy hauling boxes. Bruce was a Pepsi-Cola truck driver. Later the governor worked at the Antoine Rubber Company and at a meat packing company.”

Others should do as he did, LePage has argued: Deal with their hardships and find a way to rise. To that end, as every other state in New England accepted federal money to provide health coverage to low-income adults, Maine not only rejected the Affordable Care Act’s Medicaid expansion, but tightened its eligibility standards, rescinding coverage for thousands and thousands of adults. It reinstated work requirements for able-bodied adults without

dependents receiving food stamps. It added an asset test to both its food stamp and welfare programs; the administration said the policy was meant to disqualify people who owned things like boats and jet skis, but having a second car or truck, a lot for wood harvesting, or a retirement-savings account counted too.

These reforms, along with a number of other changes, drastically reduced the amount of money the state spent on safety-net programs, as well as the number of people helped. Maine dropped health coverage for an estimated 14,500 parents and 10,000 childless adults, with Medicaid enrollment declining by more than 70,000 over time. The food-stamp program shrank by more than 20 percent. The number of able-bodied adults without dependents on food stamps plummeted by more than 80 percent. The welfare program halved in size.

The LePage administration—as well as a host of right-of-center think tanks, news outlets, and national-level politicians—declared the changes a success, arguing that they not only reduced costs for Maine’s taxpayers but resulted in higher rates of employment and even higher wages for the affected households.

“We refused to define success by ever-increasing caseloads on welfare programs that have been trapping people in poverty,” Mary Mayhew, the director of Maine’s health and human-services department, told me. “We talk about the American Dream, but have designed welfare programs that have trapped people in a nightmare of poverty. Our focus was to not evaluate individuals through the lens of their poverty or their current circumstance, but through the lens of their potential, and to restructure these programs to be pathways out of poverty through employment.”

The LePage administration cites a bevy of statistics to make its case. An analysis of state wage data found that adults that did not or could not comply with the food-stamp work requirement saw their wages go up by 114 percent, with wages for those in compliance increasing by 20 percent. The Heritage Foundation hailed those results: “The federal government should establish a federal work requirement on [able-bodied adults without dependents] receiving food stamps that is similar to the one established in Maine. Such a nationwide policy could save the taxpayers \$9.7 billion per year.”

As for Medicaid, Mayhew argued that the program was better targeted and more fiscally sustainable after LePage’s changes. “With the Medicaid program being awash in red ink, with massive shortfalls every single year, you’re not planning, you’re not managing,” she told me. “We have transformed that program to one that is stable, is able to prioritize its core mission, especially related to our elderly, our disabled, our most vulnerable population.”

Yet poverty experts question the sunny statistics put out by the LePage administration—and said that what happened after Maine’s reforms in the 2010s seems to be roughly akin to what happened after federal welfare reform in 1996. Back then, Bill Clinton and a bipartisan group of legislators attached strict work requirements and time limits to the cash-aid program, Temporary Aid to Needy Families (TANF). The poverty rate and the welfare rolls subsequently shrank. People found jobs.

But a strong economy and rising wages seem to have been the big factors in nudging people into the workforce, rather than the absence of benefits. Between the beginning of 1996 and the end of 1999, the national unemployment rate dropped from 5.6 to 4 percent, with wages and earnings growing across the income spectrum. In that climate, it became easier—and more attractive—to find work. It is true that the work requirements did encourage some people to get a job or get one faster, LaDonna Pavetti of the Center on Budget and Policy Priorities told me. But

they did not increase the overall level of employment in the medium or long term, spurring few individuals to get a job they were not already likely to get in time.

There were other consequences, and they fell hardest on those least able to deal with them. Many individuals unable or unwilling to work due to addiction issues, homelessness, health problems, domestic violence, or the simple trauma of living in extreme poverty, along with their children, ended up with no safety net at all. “Welfare reform got a group of more-able people into the labor market, but left behind families with more significant barriers,” Pavetti said.

With TANF’s federal funding stream frozen at its Clinton-era level of \$16.5 billion, it has become less and less useful as a safety-net program over time. Reform is now in some important ways considered a failure, Pavetti added. “People assumed that what happened with TANF was all good, but that’s not really the true story,” she said, citing an increase in deep poverty, among other statistics. One 2010 examination of the data showed about 1.5 million households living on less than \$2 per person per day.

Similarly, the LePage reforms came into effect after the worst of the Great Recession, as the state’s unemployment rate was declining to its current level of just 3 percent, one of the lowest in the nation. In other words, the administration might be taking credit for declines in the food-stamp and welfare rolls, as well as Medicaid enrollment, that would have happened anyway. On top of that, poverty experts said there is little evidence that the reforms have spurred people to work. That study of SNAP recipients that Mayhew cited, for instance, noted that less “than 60 percent of the non-complying group were found to have wage records in Maine,” implying that more than half of people dropped from food stamps for not maintaining a part-time job or volunteering had no wage income at all a year later.

That said, the changes do seem to have intensified poverty in the state. As Maine’s unemployment rate has dropped, its poverty rate has barely dropped. The share of Mainers experiencing food insecurity has remained elevated. The proportion of children living in deep poverty in the state has increased at eight times the national average—faster than in any other state—between 2011 and 2015.

Other data paints a dire picture for the state’s most vulnerable families as well. A study by Sandy Butler of the University of Maine, for instance, looked at families hit by the LePage time limit on welfare benefits. It found that the median income of families that lost assistance was just \$3,120 a year. Nearly one in three lost their homes after losing their welfare, and more than one in three said they had a work-limiting disability. Nearly 70 percent said they had visited a food bank, with one in three having a utility turned off. One in five got evicted or needed to go to a homeless shelter.

“There’s this fallacy that these people are just lazy, or they don’t care, and that by taking help away, they will be empowered to move off of welfare into employment,” said Robyn Merrill, the executive director of Maine Equal Justice Partners, a nonprofit legal-aid provider. “But there are barriers. There are things that stand in the way, whether it’s affordable child care or transportation or needing more education or training. We aren’t doing anything about those things.”

“They said, ‘You’re not going to get any services unless you’re actually homeless.’ And that Maine wouldn’t let a disabled little old lady stay in a shelter for long.”

I spent a week traveling in Maine to meet people who had lost assistance, were at risk of losing assistance, or had been denied assistance due to the LePage reforms. One was Sandy J. Bishop, who was eating breakfast at the soup kitchen at Preble Street, a major state anti-poverty

organization, in downtown Portland. At the time, Bishop was not receiving any kind of federal or state benefits, and had no cash income or savings. Deep poverty had become its own kind of trap, she explained. “Once you become homeless, then you lose everything,” she told me. “You can’t apply for a job. You can’t apply for an apartment. There are all these little glitches.”

Her wallet had been stolen, so she lacked identification. She had a cell phone, but no money to put on it. She had needed to get her birth certificate replaced twice since becoming homeless. Every morning, she took all her belongings with her when she left the shelter, as there was no storage space for them there and clients cannot stay in the dorm rooms during the day. She piled her bags onto her walker and tossed her handbags over her shoulder, wrapping three scarves around her neck and carting her two canes. “I am not going to get hired like this,” she told me.

The LePage reforms had also disadvantaged low-income individuals and families in the vast reaches of rural Maine, social workers I spoke with explained, where there is scant public transportation and where there are fewer jobs and volunteering opportunities. Kane, for instance, had managed to get some work making wreaths during the holiday season and processing blueberries during the summer. But she worried she would not be able to do the same this year, since she had no way to get to the seasonal factories and the economy was slow. Kane’s case manager mentioned that another indigent client of hers lived on an island without a vehicle, and thus would never be able to meet a work or volunteering requirement.

More broadly, experts argue that work, volunteering, and job-training requirements overly burden individuals in areas with high rates of joblessness and failing economies, such as reservations and isolated rural areas.

Work requirements also disadvantage people who have been incarcerated, given many businesses’ hesitation to hire ex-convicts and many nonprofits’ hesitation to take them on as volunteers—a particular problem in Maine given the state’s rampant opioid-abuse epidemic. (In Portland, the workers at Preble Street had trimmed the bottoms off of its bathroom doors, so that they could see if anyone had overdosed inside and administer naloxone.) Kane’s partner of nearly 20 years, Edmund Osbourne, had been arrested for selling opiate painkillers to a friend to try to raise some cash to pay a past-due bill and ended up serving a few months. “It ain’t been the same since that,” he said, describing his difficulty accessing both the safety net and the labor market.

Other provisions in LePage’s effort to push people off the welfare rolls have proved confounding. Back in Portland, I went with a Preble Street worker to visit an elderly woman named Carolyn Silvius, who had become homeless after getting evicted by a landlord who accused her of smoking inside. (She said she had done no such thing.) She lived with her children for some time after that, but it became too burdensome for them. “We talked it over, the three of us,” Silvius told me. “They said, ‘You’re not going to get any services unless you’re actually homeless.’ And that Maine wouldn’t let a disabled little old lady stay in a shelter for long.”

But Maine did. In the 10 months that she lived on a cot in a homeless shelter, Silvius searched for a new apartment and saved up her Supplemental Security Income money for a security deposit. But that inadvertently put her food stamps at risk, due to the state’s asset test. “The reviewer was like, ‘How much do you have in the bank?’ I told them the amount, because I had not moved in here yet,” she explained. “They said, ‘You have that kind of money? You’re not going to be able to get your full food stamps.’” They slashed the amount to just \$60 a month,

even though by the time the check arrived, Silvius didn't have the money anymore—she was already in her new apartment.

Veterans, too, have been hit hard by the new regime. James Gagne works to end homelessness among veterans for Preble Street. He said that he was often able to get veterans into supportive housing, but without food stamps or other forms income support, many quickly ended back up on the street. “Extreme poverty is a kind of trauma,” he told me. “In no other circumstance do we take traumatized people, slap them across the face, and say, ‘Help yourself! Get a job.’ We support people who are experiencing trauma.”

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I asked Mayhew what she thought of the statistics showing that Maine's poverty rate had failed to fall, and that the share of children growing up in extreme poverty in the state had increased. She questioned the reliability of the numbers, then said: “The notion that the answer to addressing poverty is to build out welfare programs absolutely misses the mark about what is going to be in the best long-term interest of those families and those children. We will never lose sight of our support for helping individuals achieve their potential.”

I asked her what she thought of data showing that measures of hunger had remained level, if not increased, as the unemployment rate dropped in Maine: “These are surveys, and more often than not with these surveys, they tend to change or tweak their methodology, which often makes it difficult to compare year over year.”

More broadly, I asked her what the state owed children whose mothers and fathers could not comply with the state's work requirements and other provisions, who would slip into extreme poverty without state support. Does there need to be a safety net for them? “That's not what the program's for, though,” Mayhew told me, speaking about TANF. “The value of work is about restoring self-confidence, self esteem, and human dignity. That matters not just for the parents, but for the future of their children.”

In many ways, her answers stressed a deeper truth about the safety net during a time of political polarization. Republicans tend to focus intently on individual responsibility and separating out “deserving” from the “undeserving” poor. Democrats tend to focus on universal programs and changing the social and economic structures that perpetuate poverty. Both ultimately stress that a job is the best way out of poverty. Yet neither has managed to make the labor market work for people at its very bottom.

Given that the labor market fails so many families, as Maine demonstrates, it is very hard to cure poverty by requiring people to work—and all sorts of harm ensues for fragile individuals and children when welfare dollars disappear. If implemented at a national level, poverty experts said, such provisions will inevitably end up impoverishing some of society's most vulnerable, like veterans, single parents, addicts, infants, victims of domestic violence, those with chronic health problems, and the formerly incarcerated. On top of that, they would do little to increase net employment among the poor.

I asked Jan Bindas-Tenney, Preble Street's advocacy coordinator, what would happen to the organization if a major cut, like the block-granting of Medicaid or food stamps—which Paul Ryan has proposed—came through.

“We couldn't keep up with need,” she said. “We already can't.”