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Re-examining the U.S. Social Safety Net for Working-Age Families:

Lessons from the Great Recession and Its Aftermath

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Abstract

The Great Recession's lingering aftermath keeps challenging the federal and state governments' capacity to weave a responsive, equitable, and adequate social safety net. Through the lens of Schneider and Ingram's Policy Design Theory, this paper critically reviews existing evidence on policy responses of five cash or near-cash programs to the Great Recession. I argue that the bifurcated, decentralized structure of the US social welfare system contributed to uneven policy responses across programs and states. The findings suggest that politically and socially disadvantaged poor families were doubly hurt by the economic shock and the least responsive, uncoordinated state social safety nets.

Key words: social safety net, the Great Recession, economic well-being, poverty and inequality, policy design theory

Introduction

The Great Recession, which officially started in December 2007 and ended in June 2009, has been marked as the most historically deep and prolonged economic shock to American society since the Great Depression in the 1930s (Grusky, Western, & Wimer, 2011). According to the U.S. Census Bureau, the official poverty rate for people aged 18 to 64 increased from 10.9 percent in 2007 to a peak of 13.8 percent in 2010, and that for children under age 18 increased from 18.0 percent in 2007 to a peak of 22.0 percent in 2010. Neither of these two poverty rates had statistically significant decreases in the years following 2010 (DeNavas-Walt, Proctor, & Smith, 2012; DeNavas-Walt, Proctor, & Smith, 2013). This raises concerns about the role of government in providing a robust social safety net for working-aged families during the Great Recession and its aftermath.

Despite the growing literature on the Great Recession and social safety net programs, to date scholars have not yet systematically examined social policy responses within a theoretical framework that considers the structural features of the U.S. social welfare system and its policy implications for social justice. With a particular focus on the bifurcated and decentralized structures of the U.S. welfare system in the context of its unique social welfare history and American federalism, in this paper I investigate five major cash or near-cash programs available to working-age individuals and families for which states have some level of control in policy design and/or administration.

This paper contributes to the current literature in three respects. First, through the lens of Schneider and Ingram's policy design theory, this paper identifies two structural features of the U.S. social welfare system that explain variation in policy responses across programs and states.

Second, filling the gap in existing academic literature that mainly focuses on federal responses, this paper also reviews states' policy responses to the Great Recession and its aftermath. Third, this paper synthesizes evidence on policy actions/inactions and evaluates them by using three criteria: efficiency, equitability, and adequacy.

In spite of the divergent scopes of the social safety net, most researchers agree that the primary function of the social safety net is reducing or preventing poverty. In this paper, I use the term "social safety net" to refer to public social welfare policies that seek to provide income support (cash or near-cash transfers) and ensure economic security of the disadvantaged people who have difficulty in meeting basic needs or who have been unable to keep work. I use the term "working families" to refer working-age adults and their dependents.

This paper proceeds as follows. In the first section, I introduce the policy design theory which informs my analysis on social safety net programs. In the second section, I identify two structural features of the U.S. social welfare system in relation to the policy design theory. In the third section, I describe my analytic approach to reviewing existing evidence. In the fourth section, I synthetically examine five social safety net programs and evaluate their policy responses and potential impacts. Finally, I discuss findings across five programs, draw conclusion and offer implications for policy practice.

Theoretical Lens of the Policy Design Theory

Policy scholars have been interested in studying policy problems brought to the government for solutions, exploring the relationship between the political structure and policy designs, and evaluating the implementation of policy solutions. Given the complexity of the policy process, a theory framework helps identify relationships among policy problems, policy actors, and policy products (Sabatier, 2007). Among a variety of policy process theories, Schneider and Ingram's (1997) policy design theory makes a distinct contribution because it integrates insights from political resource, institutional and social construction theories and offers implications for social justice and democracy.

Schneider and Ingram's policy design theory have two central propositions for explaining the formation of a policy design and predicting future policy directions. First, policy designs differ according to the political resources and social construction of different target populations (Ingram, Schneider, & deLeon, 2007; Schneider & Ingram, 1997). That is, an advantaged group with high levels of political power resources and positive social perception is more likely to receive benefits than burdens through public policy process. On the other hand, a disadvantaged group in low political and socio-economic positions and negative social status receives fewer benefits and more burdens.

Second, different policy designs produce different patterns of policy changes and policy outcomes. That is, established policy structures and the institutionalized relationships among social groups shape future policy choices, continuity, and changes (Ingram, Schneider, & deLeon, 2007). This policy "feed-forward effect" suggests that policy structures reflect the political power and social status of different social groups and, once established, reinforce or even exacerbate social and political inequality (Schneider & Sidney 2009, p.110).

Schneider and Ingram's policy design theory specifically outlines policy design elements which can be applied to guide research on social policy responses. These elements include policy rationales, goals/ problems, target populations, benefits and burdens, rules, tools, and implementation structures (Schneider & Ingram, 1997, p.81-100). In a recent review of the policy design theory, Schneider & Sidney (2009) suggest that the next generation of policy design and evaluation scholars "look at a more macro level at the intersections and interactions of multiply policy designs on particular social problems or target groups (p.114)." Drawing insights from the policy design theory and literature on the U.S. welfare system, I next identify two important structural features of the U.S. welfare state and explain how these features relate to policy responses of the safety net programs.

The Structural Features of the US Social Welfare System

The U.S. social welfare system has two structural features that explain the development of social policies in response to economic insecurity that results from a market-based economy: (1) the bifurcated structure of social insurance for advantaged populations and social assistance programs for disadvantaged populations; (2) the federalist structure that grants authority and responsibility to individual states. As Figure 1 shows, two dimensions of the bifurcated and federalist structures create a set of social programs with different policy design characteristics that consist of the US social welfare system.

(Insert Figure 1)

Bifurcated Structure

The U.S. social welfare structure has been shaped by the unique social and economic history of the country. Prior to the enactment of New Deal programs under the 1935 Social Security Act (SSA), public social assistance or relief was primarily provided through by local and state governments. The SSA authorized direct federal intervention in individuals' economic well-being in response to the widespread problem of economic insecurity caused by the 1929 Great Depression (U.S. Social Security Administration, 1997). However, by structural design the U.S. created and institutionalized a bifurcated social welfare system that distributed different quality of benefits to groups that differed by political power and social status. Social policy scholars have described these differences in policy designs as a "two-track" or "two-tier" welfare system for advantaged and disadvantaged citizens respectively, suggesting the relationship of policy design and unequal social rights across different racial and gender groups (Lieberman, 1998; Orloff, 1996; Fraser & Gordon, 1994).

The upper-tier social insurance is a contribution-based or earnings-based income support program provided to people who suffer income loss due to retirement or unexpected life events such as unemployment, injury, or disability. These programs include Old Age Insurance (OAI), Survivor's Insurance (SI), Disability Insurance (DI) and Health Insurance through Medicare (HI), and Unemployment Insurance (UI). Historically, social insurance programs disproportionately benefit male and white workers who have strong labor market attachments and are positively portrayed as deserving senior citizens or workers losing jobs through no fault of their own. This reflects the history of racial and gender biases in American political resources (Lieberman, 1998; Orloff, 1996).

On the other hand, lower-tier social assistance programs provide benefits only to disadvantaged groups who are unable to meet their basic needs, such as food, clothing, medical care, and housing. The 1935 SSA provided federal grants-in-aid to states for three social assistance programs --Aid to Dependent Children (ADC), Old Age Assistance (OAA), Aid to the Blind (AB). These grants-in-aid programs have been expanded and revised many times and now include cash assistance such as Temporary Assistance to Needy Families (TANF) and the Supplemental Security Income (SSI), food assistance such as the Supplemental Nutrition Assistance Program (SNAP), and health assistance such as the Medicaid (U.S. Social Security Administration, 1997).

In terms of policy design theory, lower tier social assistance programs provide limited benefits and impose burdens on target groups who are negatively perceived and politically weak in the society. Social values attached to people in poverty differentiate deserving poor and undeserving poor, and these social constructions are evident in the history of social assistance programs. For example, single mothers, a particularly controversial social group, were initially included among the deserving poor assisted through the ADC program. As the numbers of stigmatized unmarried mothers and racial minorities on the program increased, the target group was labeled as increasingly "deviant" over time and consigned to increasingly weak programs with burdensome eligibility tests (Schneider & Ingram, 1997, p.109; Schneider & Sidney, 2009, p.107). The federal welfare reform of 1996 fundamentally changed the funding structure, eligibility rules, and duration of benefits of the Aid to Families with Dependent Children (AFDC, formally the ADC), which was replaced by the TANF.

Another example is able bodied men without stable work history, who are historically constructed as underserving poor and have been left to even weaker and less generous state General Assistance (GA) programs. GA is a generic name for state or local means-tested assistance programs that are financed and administrated by the state or local governments. Different names are used by states, including "General Public Assistance," "General Relief," and "State Aid." In fact, not all states offer GA programs (US Social Security Administration, 1997, p.103). It was documented that beginning with the state welfare reforms in the 1980s, states have tightened eligibility requirements for people considered employable (Gallagher, Uccello, Pierce, & Reidy, 1999).

By focusing differences in administrative structure, some scholars argued that social assistance programs with high state-level discretion on eligibility rules and benefit levels actually increase the difference between the two tiers of social welfare programs and reinforce socioeconomic disparities among advantaged and disadvantaged American citizens (Lieberman, 1998; Bruch, Meyers, Peck, & Gornick, 2009).

Decentralization

The particular structure for decentralization varies from programs that are fully funded by the federal government but administered by states to those that funded and administered jointly by federal and state officials, and those that are fully designed and operated by states. This creates a situation in which federal and state policymakers must negotiate many features of program design and administration. An important consequence is that rather than commanding states to act, federal policymakers must rely on more complex and uncertain mechanisms such as regulation, financial incentives, contingent funding and, more recently, performance-based funding.

Federal social welfare policy changes in the 1990s substantially increased state authority on social assistance programs. The most notable policy change is the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996. Federal and state lawmakers increased the emphasis on employment and “personal responsibility” for economic security in a number of safety net programs. A critical debate on welfare devolution has been whether or not the unique state social problems and needs can be addressed through the state policy making process. In terms of policy design theory, the underrepresentation of the interests of minority and poor people and negative perception on them in the state policy making process is expected result in less benefit for and more burden on them, especially when state governments experience severe revenue shortfalls due to economic shocks.

The Great Recession tested the robustness of the bifurcated, devolved U.S. social welfare system. It also offered an opportunity to rethink the role of and new challenges to the U.S. social safety net. Given this paper's interest in public cash and near-cash programs available to working-age individuals and their families for which states have some level of control in design and/or administration, the reviewed programs are restricted to UI, TANF, SNAP, SSI, and GA. Other major income support programs with a nationwide standard and implemented by the federal government (e.g., OASDI) are beyond the scope of this paper. Table 1 summarizes policy designs and structural features of the five programs before the onset of the Great Recession. By program characteristics, UI is an upper-tier, decentralized program; SNAP and SSI are lower-tier, centralized programs; TANF and GA are lower-tier, decentralized programs.

(Insert Table 1)

Analytic Approach

This paper synthesizes empirical evidence on policy responses and performance of these programs. Policy responses refer to both ordinary responses subject to existing policy designs and extraordinary legal or administration actions taken during and after the Great Recession. In order to assess the quality of policy responses across programs, I establish three criteria for assessing the quality of policy responses across five programs: efficiency, equitability, and adequacy. See detailed description in Table 2.

(Insert Table 2)

My review is based on published research and reports on federal and state policy responses during and after Great Recession. Initially sources were identified by major academic databases, including the Web of Science, the EBSCO, the Public Affairs Information Service (PAIS), and the Google Scholar. In order to collect the most complete and current information, I included academic papers and reports from reputable policy institutes, think tanks, university policy centers and government agencies. Because social policy changes are not systematically or comprehensively tracked by any government or private organization, my review may not be exhaustive, particularly for changes at the state level. For the purposes of this paper, my goal was to provide an up to date overview and relevant examples of state policy actions.

Findings: Policy Responses of Five Key Social Safety Net Programs

Following the economic and housing collapse that began in 2007, Congress and the Obama Administration took several steps to respond to job and earning losses and associated hardships. Most visibly, in the American Recovery and Reinvestment Act (ARRA), passed in February 2009, the U.S. Congress took steps to strengthen or improve the established U.S. social safety net. Ideally, federal government and states should timely provide income supports in respose to increased needs, provide equal supports and treatments to people in the same situation, and be able to provide sufficient income supports for people in needs. However, policy responses varied by program designs and their structural features.

1. Unemployment Insurance (UI)

(1) Policy Responses

UI provides temporary wage replacement for those who leave the labor force involuntarily (through no fault of their own). UI is financed through the Unemployment Trust Fund which is composed of federal and state taxes that employers pay on behalf of their employees. The federal trust fund is used to support the administrative expenditure of the UI program and other related work-support programs; a state trust fund is used to pay UI benefits. A state may borrow from the federal trust fund if its unemployment trust fund contains too little money to pay for current benefits. Although UI is financed through a nationwide insurance structure, the federal government leaves many decisions (e.g., tax rates, eligibility, benefits and requirements) to state policymakers.

UI has both ordinary and extraordinary mechanisms to offer extended benefits for jobless workers when a state experiences high unemployment. With regard to the ordinary mechanism, the state-level Extended Benefit (EB) program is triggered when a state's average total unemployment rate (TUR) and average insured unemployment rate (IUR) reach certain levels. States are required to offer EB if their IURs exceed a certain threshold. However, states are allowed, at their discretion, to choose different optional thresholds for additional weeks of benefits. Normally, the federal and state governments share the costs of the EB program equally. Under the ARRA, the EB benefits were fully paid by the federal government (Whittaker & Isaacs, 2012).

In addition to this automatic response, several extraordinary actions were taken by Congress during the Great Recession. In terms of benefit duration, the Emergency Unemployment Compensation (EUC) was passed by Congress in July 2008 to extend benefits up to 53 weeks to those who had exhausted their regular 26-week UI benefits. The ARRA of 2009 extended the EUC and provided an extra $25 weekly benefit, which was paid by the federal government.

Under the ARRA, the federal government also provided $7 billion to states as a monetary incentive to modernize their programs by August 2011. Policy choices for states included adopting an alternative base period, allowing searching for part-time jobs, providing extended benefits for recipients in worker training programs, providing an allowance for dependents, and allowing family reasons for leaving work such as domestic violence, spousal relocation, and taking care of sick family members (Lindner & Nichols, 2012). The goal of this policy reform was to remedy the unfair disqualification for certain unemployed workers who had been disproportionately excluded from UI benefits. For example, low-educated, single mothers are less likely to participate in UI program due to disqualification of good causes of involuntary unemployment (Shaefer & Wu, 2011).

(2) Assessment

Efficiency. UI providing benefits to all individuals who meet eligibility criteria should have an efficient process for distributing benefits without long application-related delays. In addition, the ordinary EB and extraordinary EUC mechanisms allowed the federal government and states to rapidly extend benefit duration in response to the increased unemployment problem. Evidence has indicated that UI showed a countercyclical pattern in expenditure and caseload, particularly a dramatic increase after 2008 (Bilter & Hoynes, 2010; Skinner, 2012; Moffitt, 2013). The observed accelerated expansion relative to pre-recession levels reflected the historically high unemployment as well as the ordinary and extraordinary means taken by the federal government and states.

Equitability. UI eligibility rules and recipiency rates have historically varied across states and demographic groups. For example, in 2008 the recipiency rate varied from 19 percent in South Dakota to 67 percent in New Jersey (U.S. Department of Labor, 2009). The federal incentives for

UI modernization would be expected to increase the share of jobless individuals who receive benefits and reduce inequities between different populations and regions of the U.S. However, great variation was observed in state policy choices in response to these incentives, including the failure of twelve states to follow the federal guidelines to make any of the suggested reforms (National Employment Law Project, 2012). Despite that implementing UI modernization would benefit disadvantaged worker including young low-wage workers, single parent workers, and rural workers (Lindner & Nichols, 2012; Shaefer & Wu, 2011), Governors of those resisting states expressed their concern that modernization would create permanent financial burdens that would eventually impose higher taxes on employers in their states (Lou, 2008, February 27th).

Adequacy. An insurance model with federal backup reduced reliance on state revenues so that more unemployed workers could be adequately supported. Evidence showed that UI per capita expenditure increased about four times between 2007 and 2010 (Moffit, 2013). Although the federal government financially supported for EB, EUC, and extra monthly benefits in response to the Great Recession, states started to cut regular benefits in the post-recessionary period. During the post-recessionary period, at least seven states have cut their unemployment benefits by shortening the regular 26-week benefit (e.g., Georgia's and North Carolina's regular UI benefits were reduced to 18 and 19 weeks respectively) or reduced benefit amounts (e.g., Arkansas, Indiana, and Rhode Island) in order to restore state UI trust funds, undermining state capacity to offer adequate support to the unemployed (Skinner,2012; Evangelist, 2013).

2. Supplemental Nutrition Assistance Program (SNAP)

(1) Policy Responses

SNAP aims to provide food assistance through use of Electronic Benefits Transfer cards to increase the purchasing power of low-income households. Benefits are fully paid by the federal government, but states share the administrative costs. Despite the feature of entitlement, after the 1996 welfare reform many legal immigrants became ineligible, and most childless adults under age 50 who are not working or participating in a workfare program may be granted only short-term benefits (three months) in a three-year period. States can exempt 15 percent of recipients from this Able Bodied Adults without Dependent (ABAWD) rule or request a waiver for areas with high unemployment.

The ARRA provided more than $6 billion for additional SNAP benefits and offered about $300 million for extra administrative costs to help states deal with rising poor families. In addition, the ARRA temporarily suspended the time limit for ABAWD participation in SNAP. That is, all states who met the criteria for waivers could implement their waivers immediately without requesting them. However, after the Great Recession policy debates in Congress shifted toward eliminating waivers that states can use to relax the time limits for unemployed, childless adults (Bolen, Rosenbaum, & Greenstein, 2013). On November 1, 2013, temporary expansion of SNAP under the ARRA ended and benefits for poor, childless people who had experienced unemployment longer than three month were cut (Rosenbaum & Keith-Jennings, 2013).

(2) Assessment

Efficiency. Studies have shown that SNAP participants and spending sharply increased after the onset of the Great Recession (Moffitt, 2013; Skinner, 2012). All states experienced increases in the percent change in caseloads during the Great Recession (Pavetti & Rosenbaum, 2010). Several reasons explain why SNAP could quickly reach increased families in need. First, earlier nationwide service delivery reforms in the 1990s resulting in simplified procedures improved the accessibility of SNAP benefits to needy people (Moffitt, 2013). Second, SNAP is an entitlement program without other additional eligibility restrictions, excepting the ABAWD rule. States could request waivers for the ABAWD rule which were triggered by high unemployment rates. Third, extra administrative funding from the ARRA supported states in efficiently processing increased number of applicants.

Equitability. The relatively centralized structure of SNAP contributes to small state-to-state variations in policy choices. First, the federal benefits schedule equalized benefits across states and regions. Second, the federal suspension of restrictions on childless adults without requiring states' requests for waivers contributed to providing equal accessibility for working-age adults across states. According to the U.S. Department of Agriculture (2012), a total of thirty-five states were on trigger due to high unemployment rates when the ARRA was passed. Among them only seven states had requested waivers before the passage of the ARRA. Without the changes in ABAWD rule at the federal level, some eligible states might not adopt waivers and extend benefits when experiencing high unemployment.

Adequacy. The SNAP structure provides more reliable funding sources for states to support needy working families because the benefits are fully funded by federal dollars without budget constraints. Also, full federal funding of benefits creates an incentive for states to enroll individuals, thereby bringing federal dollars into the state economy. States cannot manipulate benefit levels to control costs. The benefits are also adjusted for changes in living costs over time, ensuring the real value of benefits. Evidence shows that compared to other means-tested programs, SNAP demonstrated the most dramatic increase in expenditure per capita (Moffitt, 2013).

3. Supplemental Security Income (SSI)

(1) Policy Responses

The SSI program is funded by general tax revenues and offers cash benefits to low income elderly, blind, or disabled people. The disabled category makes up 80 percent of the SSI caseload (Moffitt, 2013). The federal government sets standard eligibility rules and the benefits formula. Most of states offer their state supplemental payment amounts to all or some of the people who receive federal SSI benefits, and the state payment amounts vary based upon income, living arrangements, and other factors determined by the states (Bailey & Rom, 2004).

In response to the Great Recession, the ARRA offered a one-time $250 payment to individuals who were, or were found to be Social Security or SSI beneficiaries. The ARRA also provided $500 million for the SSA to address increased workloads and $90 million for administering extra payments (U.S. Social Security Administration, 2012). Like other safety net programs, state SSI payments inevitably experienced cuts when a state had sizeable budget shortfalls due to the severe downturn. For example, Arizona suspended state SSI program in May, 2009 (U.S. Social Security Administration, 2010); California has suspended three cost-of-living adjustments of its state payments since 2008 and reduced the maximum monthly benefit for individuals from $907 in 2009 to $803 in 2011(California Budget Project, 2011).

(2) Assessment

Efficiency. As a part of extraordinary government responses, the one-time payment of $250 was issued to all currently eligible in May 2009 (U.S. Social Security Administration, 2012). However, the complicated determination of the SSI eligibility limited the efficiency of benefit distributions for newly enrollments. Researchers often assumed that the SSI program would not be expected to be significantly responsive to the Great Recession because the SSI target population (the elderly and the disabled) has a weak attachment to the labor market. However, evidence shows a moderate increase in SSI caseloads and expenditure during the recession (Schmidt, 2013; Moffitt, 2013). This suggests that the increase in SSI caseloads might be related to its relatively important role for disabled women and children in the post-welfare-reform era, as an “alternative safety net” to the diminishing cash benefits of the highly devolved, less generous TANF program (Schmidt, 2013, p.21).

Equitability. Federal benefit standards and eligibility rules equalized benefits and accessibility across states. State-to-state variation in SSI accessibility and payments may result from states’ discretion over their own supplemental programs. But this does not affect recipients’ qualification and benefits of the federal SSI program. As mentioned earlier states have made active efforts to enroll eligible individual to the federal program, typically as an alternative to the other state funded programs.

Adequacy. The SSI program is primarily funded by the federal government with reliable and sufficient funding resources to provide adequate and stable income support to working-age families with disable members. Research observed increased expenditure per capita after 2008, reflecting the extra funding and one-time benefits offered by the ARRA (Moffitt, 2013). Like SNAP benefits, federal SSI benefits keep up with inflation through cost-of-living adjustments. States, however, could control their costs of supplemental payments by suspending cost-of-living adjustments or reducing benefit levels. These actions might offset the ordinary and extraordinary means from the federal government to support needy people.

4. Temporary Assistance for Needy Families (TANF)

(1) Policy Responses

TANF provides cash benefits and work supports for poor families with dependent children, primarily single-parent families. After the Welfare Reform of 1996, the federal-state funding structure changed from an uncapped matching fund to a fixed block grant which eliminated the entitlement feature of the AFDC. States have wide discretion in the usage of the block grant, the work requirement, and time limits.

TANF also has both ordinary and extraordinary mechanisms to assist needy families' workers during economic contractions. States have discretion as to whether and how they use these provisions. A $2 billion TANF Contingency Fund (CF) was designed for states to have extra resources during periods of economic distress. According to the Administration for Children and Family (2012), about twenty states used the Contingency Fund in one or more years during and after the Great Recession. In addition, a total of $5 billion in the 2009 ARRA for a TANF Emergency Contingency Fund (ECF) was offered to states through September 30, 2010 as additional resources to help needy families by providing one-time benefits or offering subsidized employment programs for low-income people (Pavetti & Rosenbaum, 2010). The ECF supported 80 percent of the increased costs to the states. States also took different approaches to using the ECF. Most of states draw on their funds for TANF basic assistance; over forty states provided non-recurrent, short-term benefits such as emergency assistance, and housing and utility assistance; thirty-nine states used for placing low-income individuals in subsided employment programs (Administration for Children and Family, 2012).

Unlike UI program, the extraordinary measures taken under the ARRA did not make substantial changes in program design such as work requirements and time limits. Several states even reduced benefit levels, tightened time limits, or set restrictions on legal noncitizens due to ongoing budget pressures. For example, Arizona State reduced the lifetime limit for benefit receipts from thirty-six to twenty-four months; California State cut the benefit level by 8 percent; and Maine State excluded legal noncitizens, those not residing in the U.S. for at least five years, from the TANF program (Skinner, 2012).

(2) Assessment

Efficiency. Although CF and ECF supplemented the ordinary block grants to support states to serve the increased needs during the Great Recession, research has consistently found that TANF caseload only slightly increased and has come to the conclusion that TANF was a very weak safety net in relative to other programs (Pavetti & Rosenbaum, 2010; Bitler & Hoynes, 2010; Moffitt, 2013; Pavetti, Finch, & Schott, 2013). One major explanation is that the capped block grant and non-entitlement feature severely limited TANF caseload in response to the Great Recession (Moffitt, 2013; Skinner, 2012). Moreover, the untimely economic hardship trigger of the CF also limited efficient policy responses to the recession (Schott & Pavetti, 2011).

Equitability. The highly devolved structure of TANF also produced large state-to-state differences in policy responses. At the state level, observed caseload changes varied considerably across states, reflecting state macroeconomic conditions as well as variation in state program designs and implementations. According to a national report, the percent change in caseload from 2007 through 2009 ranged from a decrease of 27.7 percent in Rhode Island to an increase of 38.2 percent in New Hampshire (Pavetti & Rosenbaum, 2010). This gap among states was widening during the post-recessionary years. A follow-up report shows that the change in caseload from 2007 through 2011 ranged from a decrease of 54 percent in Arizona to an increase of 81 percent in Oregon, partly reflecting the fact of state variation in maintaining or cutting their TANF programs (Pavetti, Finch, & Schott, 2013). Some states cut TANF by imposing restricted eligibility rules resulting in excluding poor families with least political and social resources such as immigrant families or racial minorities (Skinner, 2012).

Adequacy. The discretionary, capped block grant strained state resources and limited states' capability to provide adequate benefits. The TANF block grant has been fixed at $16.5 billion since 1996 (Skinners, 2012). Both block grant and benefit levels have eroded in terms of inflation adjustment. When states faced budget shortfalls, state discretion over benefit levels and duration resulted in deep cuts in some states, as noted above. Despite states could qualify to receive the CF or the ECF as supplemental resources, evidence showed that TANF expenditures per capita did not substantially increase during the Great Recession, suggesting the insufficiency of the CF and the ECF to support the numbers of increased needy families with children (Bitler & Hoynes, 2010; Moffitt, 2013). Besides, the ECF also ended too soon to address the prolonged economic hardship after the Great Recession (Schott & Pavetti, 2011).

5. General Assistance (GA)

(1) Policy Responses

GA servers people who are ineligible for or awaiting approval for other federally-funded programs. It is often a resource for individuals whose benefits are inadequate or exhausted. Some states restrict eligibility to those who have physical or mental incapacities, and some states include ABAWDs in their GA programs. There are still some states offering GA to families with children living with an unrelated adult.

Limited scholarly attention has been paid to the severely shrinking trend of GA programs, which has been accelerated by the recent economic downturn. A national survey conducted by the Center on Budget and Policy Priorities revealed that among thirty states that had a GA program as of January 2011, at least ten states considered the elimination of their GA or a reduction of their benefits. For example, Illinois and Kansas eliminated their programs. Minnesota, Michigan, and Rhode Island restricted eligibility and/or cut benefits (Schott & Cho, 2011).

(2) Assessment

Efficiency. States' GA programs serve as a last resort for poor people who are least resourceful. Its short application process responds in timely fashion to increased local needs, filling the gap among other cash support systems. For example, the Washington State Caseload Forecast Council documented a countercyclical pattern that the caseload was correlated with the unemployment rate. Its forecast predicted a 37 percent increase in caseload between July 2009 and July 2013 (Pennucci, 2010).

Equitability. Full state discretion on operating GA programs results in unequal availability and benefit treatments. As of the beginning of 2011, about twenty states did not have GA programs that either operated statewide or were administered at a local level. Maximum monthly payments ranged from $688 in New Hampshire to $95 in Delaware. Time limits vary by state categorical eligibility rules, ranging from no limit to nine months (Schott & Cho, 2011).

Adequacy. The structural feature of state and local funding limited adequate GA policy responses to the Great Recession. Even though the maximum monthly benefits offered to GA recipients were minimal and far below the poverty line, states still largely eliminated and cut their GA programs during and after the Great Recession (Pennucci, Mayfield, & Nunlist 2009; Schott & Cho, 2011).

Discussion

To investigate the U.S. social safety net and its implications in supporting working families, it is important to consider the bifurcated and decentralized structures of the U.S. social welfare system. Table 3 presents my overall assessment of the relationship between structural features, three criteria of policy responses, and policy impacts on target populations.

Bifurcated Structure and Uneven Responses across Programs

A social insurance structure with extraordinary federal expansions and federal legislative reform contributed to efficient, equitable, and adequate UI responses, compared to other social assistance programs. Under the ordinary UI policy design and the extraordinary ARRA provision, state financial capacity was backed up by the Federal Trust Fund to provide benefits to the unemployed during and after the economic downturn. Federal and state policy responses (including expanded benefits and relaxed eligibility rules) made the UI system undoubtedly the first line of defense for jobless workers and their families.

On the other hand, a means-tested structure without strong federal funding support and progressive policy reforms constrained the efficiency, equitability, and adequacy of its policy responses. Among the four reviewed means-tested programs, SNAP performed well during and after the Great Recession because it has reliable, sizeable funding support from the federal government as well as an entitlement feature with a temporarily suspended ABAWD rule under the ARRA. Full federal funding of benefits was an incentive for states to cooperate in enrolling the needy. In contrast, the major limitations of TANF and GA are their highly state discretionary fiscal and administrative features.

As the policy design theory suggested, weak political resources and negative social construction of TANF and GA recipients limited these two programs to gain collective power to make substantial policy changes to protect the economic security of their target populations. States cutting these two programs would result in negative policy impacts on the economic security of poor single parent families, immigrant families with children, and poor people falling outside of other federally-funded safety net programs.

Decentralized Structure and Uneven Responses across States

The decentralized structure in which the federal government grants authority and responsibility to individual states contributes to uneven state policy responses, raising concern over the geographical disparities in income supports for working families. Higher state discretion over funding usages, eligibility rules, and benefit levels were associated with more uneven responses across states. In the case of UI modernization, substantial state variation in the availability of UI programs makes it very difficult to achieve national reform goals to remedy the unequal qualification for UI benefits among jobless workers.

In the case of TANF and GA, policy makers have encountered very difficult decisions in budget trade-offs when their states experienced ongoing revenue shortfalls. Under such budget constraints, common strategies adopted by states include enforcing tight eligibility rules, reducing benefit levels, cutting services, and shortening benefit duration. In the case of the SNAP and SSI programs, relatively uniform federal benefit schedules and eligibility rules, with low state discretion, equalized benefits and accessibility across states and regions.

Conclusion and Implications for Policy Practice

Through the lens of Schneider and Ingram's policy design theory, this paper critically reviews existing evidence on policy responses of five cash or near-cash programs to the Great Recession and its aftermath in an attempt to rethink the role of social safety net in the U.S. today. My findings shows that the Great Recession has exposed weaknesses in the government's capacity to weave an efficient, equitable and adequate social safety net for American working-age families.

I argue that the bifurcated, decentralized structure of the U.S. social welfare system contributes to uneven policy responses across programs and states, potentially widening the gaps in economic well-being between the advantaged and the disadvantaged working families. The findings suggest that politically and socially disadvantaged poor families were doubly hurt by the economic shock and least responsive or uncoordinated state social safety net programs. The U.S. social welfare system continuously reinforces the race, gender, and class relations.

The Great Recession also offered an opportunity to rethink the consequence of diminishing cash-based social assistance on poor, disadvantaged working families at the state level, especially when jobs are not widely available due to the structural limitations of the labor market. Policy practitioners and social workers should be alert to the relationships among policy process, policy design, and it consequences on working families when advocating for socially just policies at both federal and state levels. Social workers are not only direct service providers, but also are key players in analyzing, informing, and influencing social policies. Especially in the historical context of the U.S. social welfare system, social policy decisions have been considerably devolved to state and local governments. Reforming existing state policies is more viable for social work practitioners and scholars in state capitals than the federal one. Compared to policy practitioners in other disciplines, social workers have higher commitment to the well-being of vulnerable and oppressed social groups. It is important that social work practitioners, students, and educators gain more knowledge about state policy designs and their impacts on the economically disadvantaged.

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Figure 1 Structural Features of the US Welfare System and Characteristics of Social Programs

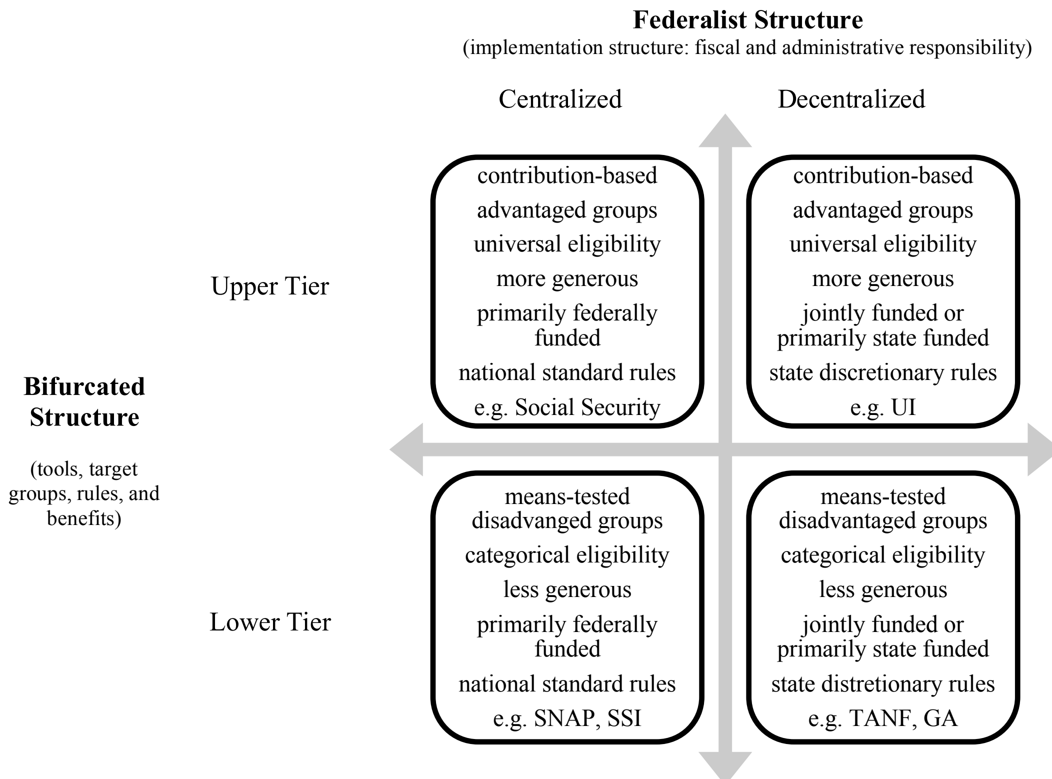

Table 1 Policy Designs and Structural Features of Five Programs

	UI	SNAP	SSI	TANF	GA
Target population	unemployed workers	poor families	poor disabled and elderly people	poor families with children	poor people
Monetary Eligibility Rules	work/ earning history	means test	means test	means test	means test
Non-monetary eligibility rules	involuntary unemployment actively seeking jobs	(see time limits)	disability age (the elderly)	workforce participation (adults) age (children)	categories of people who are not eligible for other cash programs
Funding structures and responsibility of benefit payment	Social insurance model with federal and state trust fund (state tax rates varied) states pay benefits	federally-funded benefits state share administration cost	federally-funded benefit state supplementary benefit	fixed block grant (discretionary funding) states pay benefits	state or local funded benefit
Benefit type	cash entitlement	near-cash entitlement	cash entitlement	cash non-entitlement	cash non-entitlement
Benefit standards	state discretion	nationwide standard	nationwide standard and state discretion on SSI-S	state discretion	state or local discretion
Time limits of benefits	regular benefits up to 26 weeks (varied by states)	3 months in a 3-year period for childless adults (varied by states)	none (need a recertification)	up to 60 months lifetime (varied by states)	varied by states
Bifurcated feature	upper-tier	lower-tier	lower-tier	lower-tier	lower-tier
Decentralized feature	high	low	low	high	high

Table 2 Criteria for assessing of efficient, equitable, and adequate policy responses

Criteria	Definition	Measures	Supporting evidence
Efficiency	Ordinary program elements and extraordinary policy actions that would contribute to a rapid distribution of resources in responses to increased needs	• Eligibility determination procedures that process claims quickly • Rules that create criteria or triggers in responses to increased needs • Extra administrative resources for processing increased claims	Increased caseloads and expenditures
Equitability	Ordinary program elements and extraordinary policy actions that would promote equal treatment of individuals in same situation	• Nationwide or state discretionary rules • Nationwide or state varied policy actions (or non-actions), including efforts on expanding or restricting eligibility	Variation in increases in caseloads and recipiency rates across states
Adequacy	Ordinary program elements and extraordinary policy actions that would provide sufficient income supports to meet basic needs	• Funding structures (share responsibility between the federal government and states) contribute to sufficient financial capacity to pay benefit • Benefit schedules that proportionately replace wage loss or reflect cost of living • Efforts to offering extra benefits/funding or cutting existing benefits/funding	Changes in expenditures per capita (or per recipient)

Table 3 Assessments of Structural Features, Policy Responses, and Potential Policy Impacts

Features of Programs / Policy Responses & Assessments		Upper tier	Lower tier			
		Decentralized	Centralized		Decentralized	
		UI	SNAP	SSI	TANF	GA
Efficiency	Ordinary means	+ short application process + EB mechanism triggered by high unemp. rates (URs)	+ simplified process + waivers for ABAWD triggered by high URs	- long application process	+ CF mechanism triggered by high URs	+ short application process
	Extraordinary means	+ federal EUC mechanism	+ ARRA extra benefits and administrative funding for processing increased caseloads	+ ARRA extra benefits and administrative funding for processing increased caseload	+ ECF mechanism under the ARRA	- N.A.
Equitability	Ordinary rules	- high state discretion in eligibility and benefit rules	+ standard nationwide rules - states variation in requesting waivers and administrative capacity	+ standard nationwide rules - state discretion in supplemental payments	- high state discretion in eligibility and benefit rules	- high state discretion in eligibility and benefit rules
	Extraordinary change in rules	+ UI Modernization Act - state variation in policy reforms	+ ARRA automatically issued waivers of ABAWD rule for states	- state variation in maintain or cutting state supplementation	- state variation in drawing and using CF and ECF - state restricted eligibility rules	- states restricted eligibility
Adequacy	Ordinary funding & benefits	+ insurance model with federal trust fund back up + benefits partially replace wages, relatively generous than assistance	+ benefits are fully funded by the federal gov. + benefits are COL adjusted	+ benefits are primarily funded by the federal gov. + benefits are COL adjusted	- discretionary fixed block grants - limited benefits not COL adjusted	- discretionary funding - limited benefits not COL adjusted
	Extra funding & benefits	+ federal support for EB, EUC and extra benefits - state cut regular benefits	+ extra funding supports states' administrative costs + additional benefits for participants	+extra one-time benefit provided by the SSA - states suspended COL adjustments and cut benefits of state programs	- insufficient CF and ECF (ended in 2010) - states cut benefits, reduced time limits	- states cut benefits and reduced funding
Potential policy impacts on target populations		+ insured workers in most responsive states - non-insured workers in least responsive states	+ poor families	+ poor disable people qualifying to the federal program	- poor single parent families, immigrant families with children	- poor people falling outside other cash programs

Note: + or – refers to positive or negative impact of a given policy response on a program's target population. The very bottom row gives an assessment of potential policy impacts on economic well-being of target populations.