

How Bill Clinton's Welfare Reform Changed America

[Mary Pilon](#) for The History Channel, Aug 29, 2018

Bill Clinton's 1992 presidential campaign placed welfare reform at its center, claiming that his proposal would "end welfare as we have come to know it."

Four years later, with a Republican-dominated Congress, Clinton set about to deliver on his campaign promise, overhauling the government-funded program. In 2018, President Trump declared his intention to implement new changes to the welfare program. Take a look back at how welfare started, what happened and where it is going.

Origins of Welfare in the United States.

In tracing the origins of modern-day welfare in America and Europe, many historians point to German chancellor Otto von Bismarck's 1883 Health Insurance Law. As one of the first government welfare programs for the working class, it was hardly a new idea. In fact, the Roman Empire, the Song dynasty in China, and some parts of the Islamic world in the 7th century collected, and provided, forms of welfare to its people.

It was the stock market crash of 1929 and subsequent Great Depression, however, that brought the idea of welfare to the forefront of American political discourse. Although many nonprofit groups, religious organizations, and state and local governments had long run charitable efforts to help alleviate poverty, the unprecedented levels of unemployment pushed many groups beyond what they could provide. Whether it was the young showing up to school hungry, or not at all, workers struggling to make ends meet, or the elderly living without pensions, Americans were struggling to live without a safety net.

How did President Franklin Roosevelt's New Deal get the American economy back on track, and which components still have a major impact on today's society?

The New Deal.

When Roosevelt used the term "New Deal," it was in reference to poker and the notion that some Americans had been dealt a bad hand. That, Roosevelt argued, was something the federal government could change.

It was a seismic effort from the federal government that, from its inception, ignited debate. In addition to the focus Roosevelt's legislation had on creating more jobs, and passing the Social Security Act, his New Deal sought to expand aid to the elderly and single mother pension programs. Funded by federal tax dollars, welfare use by families ballooned far beyond the Depression era. In 1936, 162,000 families received support. By 1969, that number soared to 1,875,000.

Aid, however, was not always distributed fairly. Families of color were largely left out of, or actively blocked from, government policy. The wealth gap continued, with race-based discrimination becoming a political talking point during Ronald Reagan's bid for the presidency in the 1970s. Politicians and the news media at the time profiled "welfare queens," a stigmatizing term that described a single mother, often African American, who was allegedly manipulating the system to get more government aid, despite welfare fraud being relatively low.

Bill Clinton's promise to "change welfare forever"

Bill Clinton's 1992 presidential campaign placed welfare reform front and center. Striving to act on his campaign promise to "end welfare as we have come to know it," Clinton was hit with a Republican-dominated Congress.

Four years later, The Personal Responsibility and Work Opportunity Reconciliation Act was passed that gave states control of welfare, ending six decades of federal government control of the programs. In dismantling that model, he created something new: the **Temporary Assistance for Needy Families** program (**TANF**), which changed the financing and benefit structure of cash assistance. Instead of welfare being funded in a more open-ended manner, now welfare was funded by federal block grants to states, along with a requirement that states had to match some of the federal dollars.

Building on policies that had been passed by Reagan, and a foundational principle of "personal responsibility," TANF added work requirements for aid, shrinking the number of adults who could qualify for benefits. This legislation also created caps for how long and how much aid a person could receive, and well as instituting harsher punishments for recipients who did not comply with the requirements.

In the late 1990s, the economy was booming and to many analysts, it looked as though the Clinton-era welfare reforms were a success. But when the Financial Crisis of 2008 hit, an additional 1.5 million families with children living in poverty were created, making some wonder if the old framework was as reliable during market downturns as it was in times of success. Critics argued that because the number of funds that states received in block grants had not been adjusted for inflation since the 1990s, states had significantly less money on hand to be able to meet welfare needs in a new era.

In 2012, approximately 52.2 million people, or roughly one in five Americans, received some form of government assistance, according to the U.S. Census. Children actually received the largest amount, with an average of 39.2 percent getting aid in a month, as compared to 16.6 percent of those ages 18 to 64 or 12.6 percent for those 65 and older.

What are the new proposed changes to welfare?

In his 2018 State of the Union address, President Donald Trump said he had a plan to "lift our citizens from welfare to work." But, it's unclear what specific plan the White House may put forward. In April 2018, Trump signed the Reducing Poverty in America by Promoting Opportunity and Economic Mobility, executive order which ordered government secretaries to review their existing welfare programs and propose new regulations. It is believed that these new regulations would focus on cuts, including stronger work requirements.

"Since its inception, the welfare system has grown into a large bureaucracy that might be susceptible to measuring success by how many people are enrolled in a program rather than by how many have moved from poverty into financial independence," the executive order reads.

Many conservatives of the Trump-era are looking toward Clinton's TANF policy as a model, arguing that it succeeded in reducing costs and welfare caseloads.

But based on a number of studies of TANF and its beneficiaries, "it barely reaches even the poorest Americans, and has all but ceased doing the work of lifting people out of poverty," according to the Atlantic. "'Welfare reform' didn't fix welfare so much as destroy it, and if similar changes were applied to Medicaid and food stamps, they would likely do the same."

While the future of welfare remains uncertain, the impassioned debate around it is nothing new.