

Fresh Start

A Proposal to Rebuild Lives through the Redemptive Power of Work



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PROJECT SUMMARY

This document was created in the Fall of 2006 by The Breakthrough Institute, The Center for American Progress, and American Envionics.

Many believed that the images from New Orleans of poverty, inequality, and destitution would become indelibly etched in the American consciousness, creating a “teachable moment” and a long-overdue national conversation about race, class, and poverty. Yet America was no more open to such a conversation after Hurricane Katrina than before. Rather than seeing victims of systemic injustice, many Americans saw social dysfunction and crime. To whatever extent people were talking about race, class, and poverty in the months immediately following the hurricane, it was the same conversation they had always been having.



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A prominent narrative in the media asserted that Katrina was fundamentally a “social disaster,” laying bare the impact of social injustice. But we believed that this narrative, “Human Nature—Left,” was likely to run afoul of the way most Americans think about poverty and social assistance. Our values research into the Constituencies of Opportunity indeed revealed deep complexities. Many groups hold values such as *Largesse Oblige* and *Social Responsibility* as part of their worldview, values we believe come from a genuine need to see themselves as generous and caring—yet this need sometimes conflicts with other values such as *American Dream* (in this context, meaning that those who remain poor wasted the opportunity for success that all Americans have) and *Work Ethic* (people just need to work harder in order to better their lives).

We attempted to create a policy proposal that both flows directly from the way most Americans view these issues and allows us to enact the kind of social policy that we believe is necessary and beneficial. We considered the idea of a *Fresh Start* initiative, a more individualistic approach to the poverty discourse that proposes giving people more options and the choice of leaving their poverty-stricken communities or staying to help renew these communities through various forms of government support.

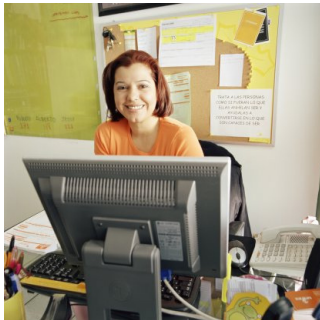
I definitely agree with the idea of people working for it rather than just here’s a check, here’s some money.

—Focus group participant

When we began initial focus group testing on *Fresh Start* to refine the concept, we found neither the right-wing narrative about a morally corrupting welfare state nor the liberal narrative about systemic discrimination and predatory capitalism. What we discovered instead was that people experience a profound moral dilemma, wanting to help those in need and think of themselves as compassionate and generous while also requiring that



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the aid is deserved and that it will help people learn to support themselves. It became clear that winning support for greater assistance, and for the very idea that government's proper role is to assist those in need, means helping people resolve this dilemma.

Participants in our focus groups all pointed us in the same direction: the idea of earning assistance through work. Participants used work as a way around the dilemma: it is fair, it demonstrates that the aid is deserved and earned, and it helps instill confidence in the recipients and cultivate the kinds of traits that all success in life requires. We heard again and again that no matter what the job, if recipients are working or if they can start working, it means that they are motivated to improve their lives, and if they are not so motivated, work will instill the confidence and other traits necessary to better their condition.

In a second round of focus groups, we tested the idea of a work requirement for government assistance and the idea of a government-run work program for unemployed Americans. Participants overwhelmingly supported a work requirement over any version of a standard government-run work program, which they saw as another probable path to more government bureaucracy and inefficiency. They were enthusiastic about the work requirement—with it, they never once questioned the role for government in providing assistance, nor did they express concern about how much additional assistance the initiative would include. With work as a requirement for government assistance, participants were freed from their moral dilemma and were therefore able to support additional assistance that would have otherwise only deepened their concerns about deservedness and handouts. Because the initiative did not advocate generosity, it was able to create it.

In this way, the focus group participants' thinking both overlaps and departs from traditional thinking on both the Left and the Right. They fixate on the centrality of individual initiative while not making any strong moral judgments about failures of character, and they also do not deny the problems brought about by one's environment. They reason about social concerns through the lens of individual circumstances and actions, but they do not automatically reject any role for government. They may fault government welfare programs for giving people a fish rather than a fishing pole, but they continue to believe that government has a role to play in addressing bad social conditions and the negative effects they produce on individuals.

“I don't care if it's after school they go out on the side of the highway and pick up trash and then they get paid for it. You've got to do something to make them feel good.”

—Focus group participant

This confirms other research we have done about the deep complexity Americans feel about the role of government and government assistance. Despite superficial support for more government programs such as universal health care, when we take a hard look at the values and worldviews underlying these opinions we realize that most individuals are not asking for government services alone. While Americans warily accept government role as a service provider, they are most comfortable with government setting “rules”: they want boundaries and limitations in place to ensure that everyone receiving assistance is deserving of the help and playing by the rules. When we start to frame rules alongside new government services, we provide individuals with a sense of security that allows a new side of generosity to emerge.

In the discussion of work, the participants revealed what helps them cope with the inherent moral complexity of issues involving race, class, and poverty. “Work” must therefore be put at the center of the initiative, but not in a way that cedes important ground to the conservative worldview. On the contrary, Fresh Start represents an opportunity to reclaim the inherently communitarian role of work in this country—work as a means, not to amass extraordinary amounts of personal wealth, but to help build and rebuild our communities and better the lives of others.

Fresh Start

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W H I T E P A P E R

In November 2005, the Nathan Cummings Foundation supported the Breakthrough Institute and the Center for American Progress (CAP) to conduct research and develop one or more Strategic Initiatives that would better prepare America for future disasters. Together, Breakthrough and CAP considered the idea of a Fresh Start initiative, a more individualistic approach to the poverty discourse that proposes giving people more options and the choice of leaving their poverty-stricken communities or staying to help renew these communities through various forms of government support.

COMPLETENESS OF THIS INITIATIVE



We are continuing to refine these initiatives with further research and testing, so the white papers that have come out of this project are in varying stages of development.

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America works. From our fabled beginnings settling Plymouth Rock, to the rugged exploration of the American Frontier, to the successive waves of immigrants who built our cities and streets, Americans have prided ourselves on our capacity to work. It is this work ethic that led to the greatest expansion of economic progress the world has ever witnessed in the immediate aftermath of the two World Wars. Led by the private sector but regulated by government, America's expansion was built on a fundamental agreement that hard work would come with the opportunity to succeed and build a better future.

America is a prosperous country, yet millions of Americans still live in poverty. Unable to support themselves or out of work, too many Americans still depend upon government assistance. Most Americans agree that it is best when we can break this cycle through our own labors, building the satisfaction and accomplishment that comes from an honest day's work. Work breaks dependence. When able-bodied, working-age Americans on government assistance cannot find jobs in the private sector, then government should create opportunities to put their skills to work in giving back and rebuilding their communities.

We do not do people any favors when we give them a handout instead of a hand up, offering inadequate and short-term relief without building skills or providing the necessary supports that can help guarantee long term success. It is important that people on assistance give back through working for what they receive. It is equally vital that society provide Americans who are down on their luck with the help they need—a roof over their head, food on their table, basic medical care, and a decent education—to get back on their feet. When those in need demonstrate a commitment to contribute responsibly to society, they should receive meaningful support

in breaking out of poverty and finding lasting self-reliance.

When an honest day's work is required in return for assistance, it also carries with it the responsibility to provide the necessary supports needed to offer a fresh start through genuine opportunities to work, prosper, and succeed. Only this will fix our broken system and truly honor work. This commitment to rewarding work through stable jobs will also rebuild stable communities. The modern economy continues to change at a rapid pace, and America must return to a culture that puts work at its core and invest in the supporting resources that enable



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those who are willing and able to work to enter or re-enter the workforce as fully productive and contributing members of their communities.

The last major effort to retool our government programs around a commitment to work—the welfare reform law of 1996—helped reduce dependency on cash assistance. Buoyed by a strong economy,

the law spurred an unprecedented 60-percent reduction in welfare rolls. But the real transformation—enacting policies that truly reward work—has yet to occur. Many former welfare recipients work in jobs where they do not earn enough to meet the federal definition of poverty. More than one-quarter of former welfare recipients have returned to welfare at some point, and even for those who have left the rolls, many still rely on other government programs because they make too little to make ends meet.

Successful efforts not only provide relief to those in need, but also create a pathway to new skills and the dignity and esteem that comes from work while giving back to the nation, rebuilding strong communities, and leaving a legacy of public works and needed services that make us all better off.

Americans want to see a commitment to work in return for benefits, and we want to see services that really work to help people claim the self-sufficiency we all desire, rather than cultivating hopelessness, cynicism, and all too often a culture of dependence. Requiring a real commitment to contribute to the community while offering the services that get the job done in restoring hope, opportunity, and economic mobility to those who want to productively contribute to the economy is the right thing to do, and it is deeply rooted in the American commitment to reward hard work with a better life

This is a generous country, but one that is committed to results. We can and must do better. The Fresh Start program will help us meet both of these American commitments.

As we continue to develop this proposal, we will work to develop specific policies that are feasible, promising, and flow from this commitment to reducing poverty and dependence through work. The policy ideas that appear below are only possible ways to elaborate a Fresh Start Initiative.

Rewarding Work: The Plan

1. **Requiring Work in Return for Benefits.** Enforceable work requirements in return for benefits was introduced under welfare reform, but this concept should be toughened and built upon to require not only a strong commitment to work, but also the supports that make meaningful work possible. The Temporary Assistance for Needy Families (TANF) program established the requirement that public benefits are conditioned on a recipient's willingness to work or seek work if he or she is able to do so. Such work requirements ensure that beneficiaries are employed, looking for work, or engaged in on-the-job training, community service, or other activities to prepare for work. Recipients must meet these requirements or lose benefits. This linkage of work and benefits builds skills and self-reliance even as it gives back to the community and provides a framework for increasing—not decreasing—the supports that society is willing to provide beneficiaries. Yet welfare benefits under TANF are only a small piece of the puzzle of putting the unemployed back to work. This principle should be expanded, to move more low-skilled and unemployed workers into jobs that are unfilled and meeting pressing community needs. Stronger work requirements should be matched with the creation of a large-scale transitional jobs program to ensure that every individual's commitment to work is met with assistance that is truly capable of facilitating his or her full re-entry into the workforce.

2. **Create a Citizen Corps.** As the unemployed and recipients of public assistance are moved back into the workforce, the federal government should work in partnership with state and local governments to create more opportunities to facilitate that re-entry in a way that builds skills, meets pressing public needs, and rebuilds our communities. A Citizen Corps will put people back to work through a program open to unemployed, underemployed, and low-income workers to work in their communities and receive living wages and benefits in return. The emphasis of the Citizen Corps will be on giving meaningful jobs to low-skilled workers in community-enhancing jobs as a way to escape poverty, receive a living wage, and help improve civil society in towns and cities across the nation. Such jobs include building roads; improving schools, health



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clinics and housing; expanding and improving green space; and mentoring the young. Placements with nonprofit community groups and faith-based organizations will also be encouraged. The Citizen Corps will create a pathway of transitional jobs to bring more people into the labor force while meeting urgent but unmet needs, from crossing guards to street cleaning to weatherization of our homes. These transitional jobs will build skills and give needed experience while bestowing the rights and dignities of workers on the unemployed. This program, modeled on successful pilots like Wisconsin's New Hope project will reduce dependence and improve the condition of families and children.



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The first principle of the Citizen Corps is a renewed commitment to work and community service expressed in the expanded work requirement for public assistance. The flip side of this agreement is a robust program of services that make decent work possible. The poor should work, and no one who works should be poor. Building on this agreement involves several necessary supports for decent work under a work requirement, including the following:

- a. **Ensuring high-quality placement.** Eligibility for transitional work will be targeted not only at the unemployed, but also at those who are currently employed in full-time jobs that do not pay a living wage. Many former welfare recipients were placed in minimum wage jobs that provided no benefits and little career advancement, leading them back to welfare programs during economic downturns and increasing dependency over time. The Citizen Corps will offer a sustainable pathway to the middle class by placing these employees in jobs with benefits that improve skills and require one thing and one thing only: a commitment to dedicated, full-time work. Before placement in the Corps, the employee must complete a screening for market availability (similar to the labor market test used widely in immigration law) to ensure that no private-sector jobs are available. Where needed services are going unmet while able-bodied workers sit idle, a transitional work program will form a vital link in strengthening communities and the overall economy. Hurricane Katrina exposed waste and corruption in the subcontracting process. The Citizen Corps will help avoid this through direct placement in jobs that meet public needs when similar disasters strike.

- b. **Healthy workers and stable families.** Workers who are required to work and willing to make the

commitment to give their fair share must be healthy in order to help their community. The Corps health care program will emphasize training in wellness measures that have been proven to reduce costs and improve care, including guaranteeing access to preventive care. All Corps members will also receive Medicare benefits, guaranteed by the federal government and supplemented with state Medicaid programs. Participation in the Corps will also include support for child care and access to successful Head Start programs, both of which promote healthy and stable families. Valuing work should not only build esteem and opportunity—it should also provide the resources that children and families need to make poor and working communities more stable.

c. **Getting to work.** Increasingly, the American workforce is mobile, no longer grounded in local jobs within walking distance of neighborhoods and affordable housing. For many who want to work, transportation is a real barrier to reentry into the stable workforce. Housing developments and job sites are increasingly separated, requiring transportation for



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employees to get to work and care for their children. Where transit services are available the work requirement will be backed with support for access to public transportation. However, nationwide, a majority of workers must be able to drive to work and need help in doing so. Corps members will receive a refundable tax benefit (up to \$3,000) for all employees to maintain a vehicle.

d. **Educating our workforce.** A basic principle of this initiative is that to receive benefits you must give back in return, both to benefit the community and to build self-esteem and pride in work. However, for some, especially those who lack skill development due to the impacts of concentrated poverty and poor educational options, the most important step in moving into stable employment may be a period of initial training or an apprenticeship or pre-apprenticeship program that trains the chronically unemployed in the basic skills required for long-term employment. Expanding access to education is critically important for low-skilled workers to reach the middle class. Corps members will be eligible to receive subsidized adult-education programs for retraining in emerging industries within their communities. Moreover, the children of Corps members who successfully complete the program will be eligible for expanded federal loans in order to attend community colleges or universities.

3. **Reducing Taxes.** Nothing could be more American than offering a fair financial recompense to people who are willing to earn it. To offer a fair return for the commitment to work, low income individuals who re-enter the workforce will receive the earned income tax credit (EITC), which experts agree was a vital element in reducing the welfare rolls after welfare reform was passed. To truly benefit the chronically unemployed as

they reenter the workforce, the EITC should be increased and expanded to offer greater benefit to childless workers who currently receive little incentive from this tax benefit. For those struggling to escape poverty and reach the middle class and beyond, financial adjustments such as the EITC are essential to increase purchasing power and put more money in families' pockets while protecting the incentive to work. More than 20 million families receive refunds from the targeted aid that EITC provides—millions more could use it to lift themselves and their families from the working poor to the middle class.

3. Revise the Definition of Poverty. The requirement to work should also lift out of poverty those who are committed to rejoining the workforce. However, as America asks the poor on assistance to do their part by working in exchange for benefits, it is only right that the government have the tools to assess the real nature of the needs faced by the working poor. How poverty is defined is a critically important tool for tracking the real circumstances of those on the bottom rungs of the economic ladder—and this benchmark is woefully out of date. Based on consumption and living patterns from 40 years ago, the current federal definition of poverty is extremely low (less than \$19,000 annually for a family of four) and systematically underestimates the number of poor people in the nation. The National Academy of Sciences should be engaged to undertake an updated study to provide a more contemporary definition of poverty that properly accounts for regional disparities in costs of living and increased costs of child care, housing, and medical care. Revising this metric will offer policy makers an accurate gauge of the extent of poverty in the United States and increase awareness of the need to create better-paying jobs that reward actual work—like those found in the Citizen Corps.

4. Ensure that Employers Share Responsibility for Honest Work. Just as individual workers must show up every day to work and do their part, employers too bear responsibility for making sure that the economy is fair and that those who participate receive their due. As we ask all able-bodied citizens on assistance and the unemployed to rejoin the workforce, we must also restore the principle that an honest day's work deserves an honest wage. Coupled with a renewed commitment to work should be a restored commitment to protect those that play by the rules, with fair enforcement of labor laws and the institution of an enhanced minimum wage that offers a living wage to cover basic necessities, recognizing regional differences in the cost of living and indexed to inflation to ensure that these protections and the incentive to work persist over time. Everyone who can work should, and everyone who works should be able to support a family's basic needs.



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5. Provide a Real Safety Net in the Event of Disaster and Life Disruptions. Hurricane Katrina exposed many breakdowns in our nation's protections for all Americans, but especially for those who, due to lack of options and economic resources, are most vulnerable to unavoidable circumstances like natural disasters. For anyone requiring emergency assistance in times of disaster and dislocation, emergency services like access to basic medical care, temporary housing assistance, food aid, and job training and referral programs should be streamlined and expedited procedures should be developed and the qualification and renewal procedures should be harmonized across government agencies, so that those in need can get the help they need to quickly restore their lives and get back to work contributing to society. When people find themselves in hard times through no fault of their own, Americans want to be generous and help people get back on their feet. This generosity of spirit should not fall victim to bureaucracy and mismanagement through cumbersome and poorly coordinated rules.



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