

Radio Address to the Nation on Welfare Reform

August 1, 1987

My fellow Americans:

Americans always have cared about the less fortunate, and I'm sure it'll deeply gladden the hearts of many of you to know the kind of progress we've made during the past 6½ years in helping the poor. We have between 4 and 6 million fewer low-income families on the Federal income tax rolls. We've tamed inflation rates that were devastating the purchasing power of those least able to afford the basic necessities of life and reversed an upward spiral in the number of poor people that began in 1979. The official statistics released on Thursday show that the poverty rate is down for the third year in a row. The 1.6-percentage drop in poverty over the last 3 years is the largest sustained improvement since 1970. And median family income, adjusted for inflation, rose by 4.2 percent in 1986 -- the largest increase since 1972.

All of us can be pleased with this progress; pleased but not satisfied. More must be done to reduce poverty and dependency and, believe me, nothing is more important than welfare reform. It's now common knowledge that our welfare system has itself become a poverty trap -- a creator and reinforcer of dependency -- and that's why last year, in my State of the Union Message, I called for an overhaul of our welfare system.

Since that time, I've sent to Congress a carefully designed package of proposals that rejects the old Federal approach of sweeping solutions dictated from Washington. The central point of our new proposal -- as outlined in our earlier study "Up From Dependency" and now embodied in our legislative proposal, the Low-Income Opportunity Improvement Act -- is a provision that will allow States and localities to test new ideas for reducing welfare dependency. Through experimental changes, through carefully tested and evaluated demonstrations, this new approach can determine what does work in reducing welfare dependency. When the National Governors' Association met last weekend in Michigan, they gave substantial support to our plans to give them greater flexibility and they promised to work closely with us and the Congress.

But, while we must let loose the creative energies of our States and localities, I think there are some critical improvements we can make at the Federal level. Under the laws now in place, all mothers who have children under age 6 are exempt from participating in work activities that -- as several demonstration projects have shown -- can help Aid For Dependent Children, AFDC, recipients become more self-reliant. Fewer than one-fifth of all recipients now participate in work activities. We must lift this counterproductive exemption and thereby get early help to these women and their children before they become chronically dependent on welfare. We must also reform work requirements so that long gaps in school or in other work-related experiences no longer occur -- and so too, work opportunities for AFDC recipients must be expanded. We must give teenagers on AFDC who have not completed high school the opportunity to continue their schooling and older recipients to participate in employment and training activities. Two proposals we've sent to the Congress -- GROW, or Greater Opportunities Through Work, in AFDC and the AFDC Youth Training Initiative -- will allow us to do all of these things.

So too, changes in our child support enforcement system can reduce welfare dependency. Parents who bring children into the world have a responsibility for these children, whether they live with them or not. The administration is taking steps to ensure that States are able to do a better job in locating absent parents, establishing paternity, and collecting child support on behalf of AFDC recipients. We also have asked the Congress for new laws that would increase child support award amounts for both welfare and nonwelfare families.

Now the question I ask about any welfare reform proposal is: Will it help people become self-sufficient and lead a full life, or will it keep them down in a state of dependency? I'm afraid that several Members of Congress have suggested some proposals that, while claiming to require work-related activities, would make staying on welfare more attractive. Their misguided compassion would only bring more people into the welfare system, encourage them to stay on the welfare rolls longer, and discourage work. For example, the Democratic House bill contains no demonstration authority at all and another Senate bill only a very limited one.

AFDC work program reforms that emphasize early intervention to prevent welfare dependency, child support enforcement improvements to provide children the help that they need, and demonstration projects that give us the information necessary to make changes in the national welfare system: that is my welfare reform strategy; I hope it has your support.

Until next week, thanks for listening, and God bless you.

Note: The President spoke at 12:06 p.m. from the Oval Office at the White House.