by Linda Ostreicher
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Â If a series of proposed budget cuts by Governor George Pataki take effect, poor New Yorkers are in for some tough times.

No More “Invisible” Supplemental Security Income

The Pataki administration has proposed new regulations that will affect at least 26,700 impoverished households in which members have disabilities. The changes involve Supplemental Security Income, which is only available to people with major, long-term disabilities.

Until now, Supplemental Security Income has been covered by an “invisibility rule,” which recognizes that people with disabilities need this money for extra costs associated with their conditions; it is not counted toward the household’s income when determining the size of their monthly welfare check. The rule allows people with disabilities to eat nutritious food for special diets, wear clothing modified for their needs, and make small changes to their homes so that they can move around safely, without depriving other family members of income.

The governor proposes counting this as household income. The average loss to a household in which at least one member receives welfare benefits and another receives Supplemental Security Income will be about $90 a month. A single mother with a child who has a disability will see her monthly welfare check reduced from $414 to $250. (The child’s monthly Supplemental Security Income check of $575 in 2003 would not be affected).

This will bring the state only $9 million closer to filling in a budget gap over $5 billion.

The state Office of Temporary and Disability Assistance received dozens of comments in opposition to the new regulation, during the mandatory public comment period that ended March 8. When asked whether this public reaction might convince the state to change its course, Susan Antos of the Greater Upstate Law Project said, “They hardly ever do that. We’ve met with them about this and they didn’t seem to hold out any possibility of that.”

Some advocates believe that the invisibility rule is supported by state legislation passed before federal welfare reform, and that changes in federal welfare law do not affect that aspect of state law. Antos anticipates that people targeted by the new policy may have to take the state to court to win back their benefits.

Fiscal discipline for children

A welfare recipient who does not comply with all the rules, such as showing up for appointments and returning forms on time, can be “sanctioned.” This means that the person responsible for compliance, usually a parent, loses their benefits until they correct the situation. Until now, children in a sanctioned family have continued to receive assistance, even when their parents were cut off. Governor Pataki has proposed full-family sanctions, which will punish children for their parents’ behavior. As of mid-February, 2004, over 15,000 households were being sanctioned in New York City.

The penalty for chronic neediness

Another proposal of the governor’s is to wean welfare recipients off of their benefits by reducing them by ten percent after one year (for childless households), or five years (for households with children). This overlooks the fact that studies have found that long-term recipients have more disabilities and less education, and are less likely than other recipients to find jobs that pay enough to disqualify them for public assistance. About 42,000 families have reached the five-year limit.

Keeping the working poor in poverty

Nearly one in ten welfare recipients are employed, but earn so little that the family still qualifies for public assistance. The governor proposes a change in the complex formula that determines how much of a family’s earned income will be deducted from their public assistance. The result will be to effectively cut benefits even if a family’s earnings are not increasing. For a mother of two starting out at the minimum wage for a 40-hour week, five years of continuous work and five percent annual raises would still leave her below the poverty level.

“If the governor really wants to focus on getting people to work so they can get off of welfare, he needs to raise the minimum wage and make education and training more available to low-income people,” says Cristina DiMeo of the Federation of Protestant Welfare Agencies.

Minimum wage wars in Albany

The New York State Assembly overwhelmingly passed a bill this month that in 2006 would raise the minimum wage from $5.15 per hour to $7.10. The increase would mean a minimum-wage worker supporting two family members could earn a salary almost equal to the poverty level, rather than 20 percent below it, which is the present situation.

“The majority of the Senate supports it,” says James Parrott of the Fiscal Policy Institute. “But as we know, that’s not enough to bring it to a vote.” Senator Joseph Bruno, as Majority Leader, has in past years refused to allow the full chamber to vote on the issue. The governor is opposed to the bill.

Attitude towards the poor

The state budget cuts described above add up to about $77 million in savings, or less than half the value of already enacted tax cuts that will cost the state $164 million in the coming year.

“We’re very concerned that these are all targeting the most vulnerable people,” says Cristina DiMeo of the proposed state changes. When the proposals above are looked at as a group, they reveal the following assumptions:

- Poor people get that way because they refuse to work. If they do work, they refuse to earn high salaries. Their poverty is not related to the shortage of jobs, their lack of education, or the fact that the jobs they can get pay too little to get them out of poverty.
- If you give them too much assistance, the poor will squander it on “luxuries” like grab bars for family members with disabilities. Those who break the rules need to see their children go without necessities before they will change their ways. Those who take too long to find jobs will discover new opportunities if they lose a chunk of their monthly benefits.
- The best way for poor people to earn their way out of poverty is to give tax breaks to rich people who will invest them in creating new jobs, just as they have throughout the current “jobless recovery.”

THE UNEMPLOYED

New York was among the six states with the highest unemployment rate as of December, 2003: 6.2 percent. For the city of New York, the 2003 unemployment rate was 8.5 percent. These days, it takes the average unemployed worker nearly five months to find a new job, the longest time in 20 years.

Yet, last month, the U.S. Senate fell two votes short of passing an extension of unemployment benefits, after the House of Representatives had passed its version of the bill. For the first time in three decades, there is no federal program to extend unemployment benefits in any January when more than 270,000 workers ran out of them â€“ even though in January of this year, 392,000 Americans used up their unemployment benefits, more than in any January since 1983.

During the following month, the number of jobs nationwide increased by only 21,000, suggesting that long-term unemployed workers are not going to find jobs anytime soon.

Seven out of ten workers who stop getting benefits do so because they have run out of time, not because they find jobs. In New York State alone, more than 150,000 jobless workers are expected to run out of unemployment benefits during the first half of the year.

This number does not reflect the full extent of unemployment. Last month, for example, almost 400,000 Americans gave up on trying to find work and were dropped from the official count of the unemployed.

The Bureau of Labor Statistics defines the unemployed as those who “do not have a job, have actively looked for work in the prior four weeks, and are currently available for work”. This leaves out people working part-time, even if they are trying to find full-time jobs.

Job hunting efforts that are not considered active include looking at want ads, taking a job-training course, and letting your friends and acquaintances know that you are looking for work. People who last actively looked for work six weeks ago are not “unemployed,” and prisoners and soldiers on active duty are not even in the labor force.

If part-time workers who wish they had full-time work, and people who want to work and have looked for work any time in the last year are added to the number of unemployed, the national “underemployment” rate is nearly 10 percent.

A recent analysis by the Community Service Society shows that fewer than 52 percent of the African-American men of working age in New York City had jobs in 2003. The picture is only slightly better for African-American women, of whom 57 percent were employed. In contrast, nearly 78 percent of white men had jobs during that year.

Some of this discrepancy is caused by differences in educational levels: 11.2 percent of workers with only a high school degree were unemployed, as were 9.4 percent of those with some college, but no bachelor’s degree. For college graduates, the unemployment rate was 5.2 percent.

As tuition rises for the City University system, it becomes more difficult for low-income people to take the educational route out of poverty. Half of all adult welfare recipients are high school dropouts, but rigid welfare rules discourage them from going to college.

Federal tax cuts will cost the nation $264 billion next year, of which only $1 billion would be

needed to extend unemployment benefits for the long-term unemployed.

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