

# THE NEW SAFETY NET?



**Milagros Espinal, 30, left welfare in 1998, and started a child care business soon after. Now a full-time worker, she's still below the poverty line—and makes ends meet with the help of “work supports,” a new generation of government aid.**

**E**arly this April, before the snow had completely disappeared, Milagros Espinal undertook an annual ritual, rustling her three children out of her Bronx apartment for a 15-minute jaunt over the Tri-Borough Bridge. Upon reaching Bayside, Queens, she hunched over an aging Hewlett Packard computer, consulting earnestly with her stepbrother, Veder Velarde. Between slurps of Coke, Milagros and Veder, who works in accounting, focused on the task at hand: painstakingly inputting figures from the receipts and 1099s generated by the child-care business she was running out of her living room. It was a late start for Milagros. She had hoped to finish her taxes months before, but now April 15 loomed just two weeks away, and she was anxious to dispense with the paperwork. “I try to do it in early January, so I can get the refund back,” she later explained with a sheepish smile. “I didn’t have all my receipts ready.”

Today, most antipoverty efforts are aimed at boosting low wages, not offering a check. For many families struggling to make a living, it's still a high-wire act with many dangers.

By Tracie McMillan

Photographs by Jon Veleas

### The New Safety Net: Definitions

**work support** \wûrk s-pôrt, -prt\ *n*: programs designed to encourage employment by increasing the rewards derived from it, usually by **1**: providing expensive services, such as health care and child care, at little or no cost to those who work and remain poor **Medicaid, state child health insurance program (SCHIP), child care subsidy** **2**: putting money in low-wage workers' pockets through tax programs, **earned income tax credit, child and dependent care credit** **3**: helping low-income workers afford basic living expenses like food and heating, **food stamps** **4**: MAKE WORK PAY, REWARD WORK

**usage**: Created in the mid-1970's through tax credit programs, work supports now represent a growing proportion of social aid in the United States. Spending on such programs has increased more than tenfold since 1984, while spending on welfare checks has been cut in half. Work supports include traditional antipoverty programs, such as Medicaid and food stamps, which have an increased emphasis on work, and newer initiatives, such as public child care and tax credits for low-wage workers. Though many workers qualify for such programs, very few receive all they are eligible for, largely due to lack of understanding about program rules and the difficulty encountered in obtaining them.

**welfare** \wlfâr\ *n*: **1**: a public program giving direct cash to people who have no other means of income, offered on the condition of work. **2**: PUBLIC ASSISTANCE, THE DOLE. **3. obsolete**: cash aid offered to recipient based solely on need, without requiring work in return.

**usage**: Introduced as Aid to Families with Dependent Children under the Social Security Act of 1935 and FDR's New Deal, welfare was initially intended to support widows. By the mid-1990s it was largely used as an aid for all who did not find work. In 1996, President Clinton replaced AFDC with Temporary Assistance to Needy Families, which required work in exchange for benefits and put a five-year lifetime limit on aid. As caseloads dropped, states had extra money to spend on antipoverty programs and shifted the surplus towards the work support system.

Like an overachieving high schooler prepping for college, Milagros keeps everything neatly filed and labeled, and can produce the most obscure documents with a swift fluttering of fingers over the file drawer. Milagros had been eyeballing her receipts and she was expecting this year to be a good one; she was right. At \$18,664, her annual income was just shy of the federal poverty line, enabling her to collect the full \$4,300 possible under the federal Earned

Income Tax Credit (EITC). There was more to come: a state EITC, then a city one, and a chunk from the state for child care. By the time Veder and Milagros finished tabbing through the accounting software, they had racked up more than \$5,700 in tax credits, bumping Milagros' take-home income above the official poverty line of \$19,307 for a family of four.

Most Americans pay their taxes, so perhaps Milagros' annual journey appears unremark-

able. It's not. The hefty refund she claimed was emblematic of a reconstituting of America's safety net, begun in the 1970s and blown to full scale with welfare reform. Even as the Great Society has withered, a flurry of programs designed to "make work pay" has sprouted up in its place. Commonly referred to as "work supports," this web of initiatives has extended traditional antipoverty efforts, like Medicaid and food stamps to workers,

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offering them free health care and assistance with buying groceries. There have also been new initiatives, most noticeably in expanded public child care and refundable tax credits for low-income workers. In proportional terms, it marks one of the most dramatic increases in social spending undertaken by the American government in recent memory: By 1999, the most recent year for which numbers were available, more than \$51 billion in health care, child care and tax credits went to the *working* poor. That's nearly 10 times what the feds offered struggling workers in 1984 (in 1999 dollars). Spending on welfare checks plummeted over the same time period, dropping by 60 percent.

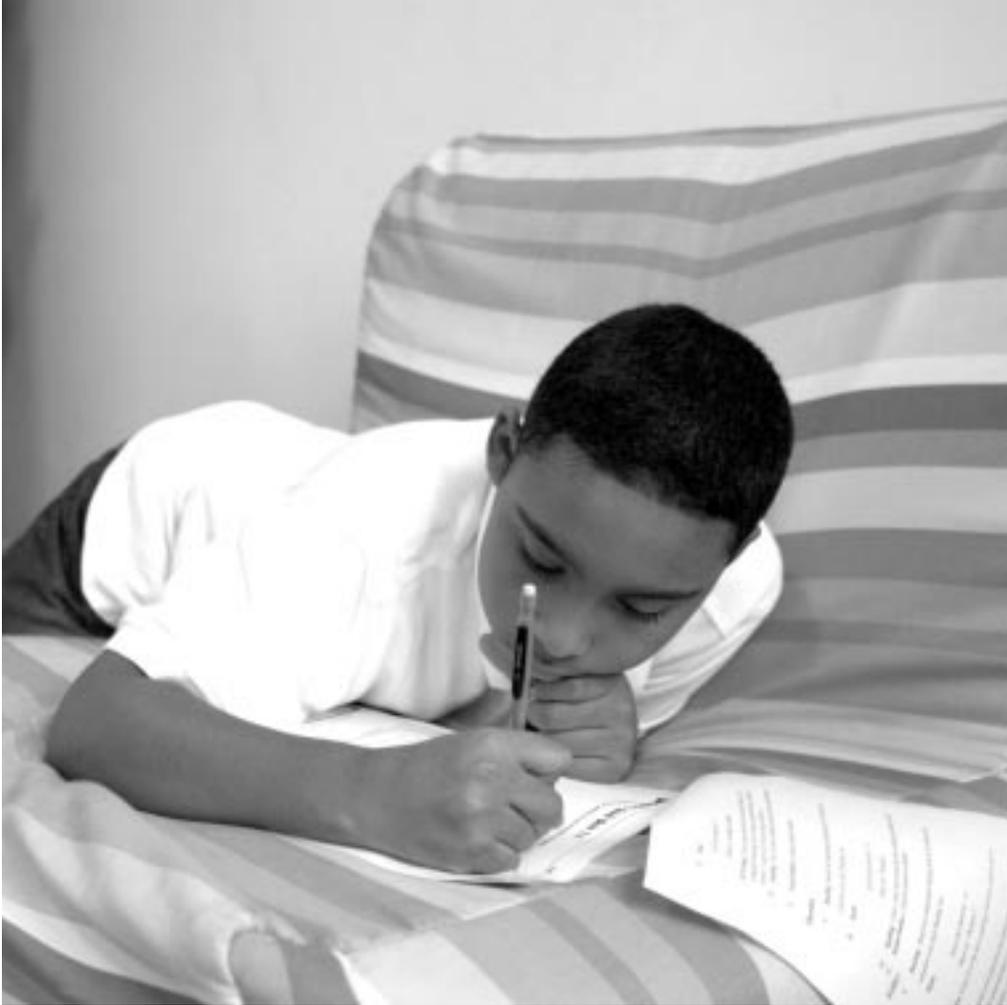
The need for such programs is a telling indicator of just how poorly work in post-welfare America pays, yet work supports aren't reaching all who need them. In 1999, only one in eight children eligible for public child care nationwide received that assistance, despite a child care budget approaching \$7 billion. In New York City, food stamps and Medicaid both miss two out of every five persons who qualify for them. The most successful program, the EITC, reaches 82 percent of eligible New Yorkers. The result is a burgeoning, if patchwork, array of options, for which many qualify but few manage to use. Nationwide, just 5 percent of families making less than twice the federal poverty line—a common threshold for aid—receive assistance from all four sources, according to a forthcoming study from the Urban Institute, a leading research group on work and welfare issues. For families below the poverty line, the figure creeps up to 7 percent.

Work supports are poised to do more than supplement the safety net stitched under FDR's New Deal and LBJ's War on Poverty. They could replace it entirely. Done right, posit some observers, they would slot people into precisely the program they need: new jobs for the jobless, training for those who wanted to move up in the workforce, unemployment assistance for those between jobs, disability for those too sick to work. Public initiatives would solve the problems that kept people from working; and, no longer assailable as handouts, they would be far more defensible from conservative attack than their predecessor. In 2003, Isabel Sawhill and Ron Haskins, two welfare experts at the Brookings Institute, put it simply: If work supports were properly funded and efficiently managed, they wrote, "Welfare as we know it would wither away. It would not be needed."



A FEW MONTHS AFTER FILING HER TAXES, Milagros sat in the kitchen of a new apartment and tried to envision a route to a bigger paycheck. Money had never been in abundance, but after she and her husband separated last June, it almost disappeared entirely. (He has been unable to pay child support.) The only money-maker she could come up with—raising the fees for her child care services—seemed like a dead end. "It's hard as it is for parents to pay me now. I can only imagine if I raised the fees," she said, leaning back in her chair. "Then I wouldn't have no business." She was three classes away from getting a certificate in child development at Lehman College, something Milagros wanted because it "makes you more professional." Yet the only monetary benefit it might send her way was an obscure child care worker bonus she'd tracked down on the state child care agency's website: \$500 a year if she completed her studies, up from the \$300 she was currently able to collect. She had already tried juggling her kids, day care and classes over the summer. "I was going to sleep 3, 4 a.m. I was walking around most of the day like a zombie," sighed Milagros. "I can't do that right now."

As the evening wore on, her three children—Kassandra, a 9-year-old girl, and boys Angel, 11 and Michael, 13—circulated through the apartment, bickering over who got



**Angel, 11, does his homework while his mother, Milagros Espinal runs her child care business in the next room. Because the city has been slow to inspect her new apartment, she's been paying rent on two places since June.**

to use the computer and whether Kassandra was spending too much time brushing her hair. It had been a long day—parents had been late to pick up children, which in turn made Milagros late to pick up a charge from school, leading to a scolding from the schoolteacher—and Milagros' patience was wearing thin.

Angel, a handsome child with cropped black hair, sauntered into the kitchen in his undershirt and school pants. "Angel! Finish! Go do your homework! And stop dancing!" Milagros furrowed her brow, glaring at her son. Angel looked at her for one long beat and raised his eyebrows, then pranced down the hall singing "U Can't Touch This," eliciting a reluctant giggle from his mother.

When her tax return arrived in May, Milagros intensified her ongoing hunt for a larger apartment in a better neighborhood. After six years, she was tired of cramming her three children, her dog, her disabled brother and herself into two bedrooms and serving dinner at tables built for toddlers. "I said, 'It's just getting crowded, and more crowded here. It's time for me to go.'" She was thrilled by the new apartment's three bedrooms and small deck off

the back, but she found its brownish walls and dark floors depressing. So, before moving in July, Milagros spent her days tending children and her evenings ripping up flooring, painting dark walls white and laying down vinyl tile, "to brighten it up." When the refrigerator conked out during a heat wave, as she threw the summer's first barbecue, she called the landlord, who offered her \$400 toward a new one. Having just invested in a freezerful of meat, Milagros high-tailed it to Lowe's and put a stainless-steel Whirlpool on her credit card. She didn't anticipate that the city would take months to inspect her new place and approve it for day care. Unable to conduct business in her new apartment, Milagros reluctantly kept her old one for child care, leaving her responsible for the utility and rent payments on both. By summer's end, she owed more than \$25,000 on her credit cards.

Milagros also worried that unless she figured out a way to get a very big raise, a larger paycheck might actually make things worse. "I was working, and I think I started with \$20,000 a year," she said, recalling the child care job that got her off welfare in 1998. She

rolled her eyes. "Then I went to \$21,000, and because I went over by *twelve dollars* difference, they took away my food stamps." Since then, Milagros hasn't bothered to check if she could qualify.

In fact, she probably would. Her family size, current income and meager savings account would likely make her eligible for nearly \$300 a month from the federal program. About 40 percent of New York City residents eligible for food stamps do not receive them, which is on par with the average for American cities. That's partly because of the bureaucratic application process and the fact that most food-stamp offices keep regular business hours, making it difficult for full-time workers to attend appointments. But it is also a remnant of New York City's initial welfare reform strategy of "diversion," making public benefits so cumbersome that people will turn elsewhere for help.

Changing public perception from "hand-out" to "work support" has been slow going outside of the policy world. Although food stamps and Medicaid aren't tied to welfare, it's commonly thought that they are (Medicaid once was; food stamps have always been available to anyone with a low-enough income.) An Urban Institute study found that among people eligible for food stamps but not receiving them, nearly three-quarters were unaware they qualified. A similar study of parents whose children were eligible for public health care but not receiving it revealed that 58 percent assumed they wouldn't qualify. There's some truth to the fear; most work supports begin to "phase out" in the \$7 to \$10 an hour wage range, decreasing as income rises. What's more, frontline workers—particularly those accustomed to discouraging use of any public benefit, an explicit goal under the Giuliani administration—can be as unaware as their clients.

"When I went to recertify for Medicaid, he looked at my income and said I was making more than him! He was like, 'You don't need this, you make more than me!'" said Milagros, who had showed the caseworker paycheck stubs from one of the agencies that referred child care clients to her. "He told me he would talk to his supervisor, but he didn't think I could get it. I just walked out." Three weeks later, she got a letter informing her that she and her children had been approved for the benefit, making her part of the 60 percent of New York City adults who are both eligible for the program and receive it. Milagros was particularly glad that she and

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her kids were among them this August, when Michael took a brutal fall on his rollerblades. The gash in his chin was so severe that he needed plastic surgery. “I have a stepson in Florida, and he had to pay for a car accident out of pocket, so I can only imagine in New York City what [the cost] would be like,” said Milagros, shaking her head.

A generation ago, Milagros’ best option as a struggling single parent of three would likely have been to collect welfare, along with the accompanying Medicaid, food stamps, and housing subsidies, and to care for her kids herself. Staying at home was something Milagros would not have minded; she opened a child care business largely so that she could easily spend time with her own kids. But if she had tried to buttress her monthly check—\$577 a month—by working, she would have lost a share of her welfare check for every dollar she earned, leading her to lose between one-half and two-thirds of her public assistance. If she had decided to forgo welfare, she would have jeopardized health care for herself and maybe her kids, and she would have had to scramble for child care along with everyone else. When tax time came, she probably would have skipped the process altogether, neither paying into the tax system nor reaping its benefits.

That catch-22—that a person on welfare would be penalized for trying to go to work instead—was a driving force behind welfare reform. Instead of restricting government aid to those collecting a public check, said liberal reformers, the state should reward everyone who worked. For starters, that meant pushing welfare clients into the labor market. But it also meant offering help to workers who struggled to make ends meet, something the traditional entitlement system was never intended to accomplish.

“The working poor were not very visible when this strategy for reform started to emerge. Poverty was considered the problem of people on welfare; those were often synonymous,” says David Ellwood, dean of Harvard’s Kennedy School of Government, who helped lay the groundwork for welfare reform under President Clinton. Working poverty had been rising for decades, driven by plunging wages and the erosion of employer-sponsored health care. Between 1979 and 1999, the number of families who worked but were still poor increased by 84 percent in New York State, according to the Fiscal Policy Institute, an Albany-based policy group. “The starting point had to be to do much more to support working families,” says Ellwood, one of the

## The New Safety Net: By the Numbers

As wages started to fall—making it more likely that you could work and still be poor—antipoverty programs were altered to make working people eligible for benefits. The U.S. spent \$103 billion on work supports in 1996, at least \$51 billion<sup>(a)</sup> of it on people who were working. By 2002, work-support spending totaled \$131 billion, nearly 14 times what the feds spent on welfare checks.

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	Spending on Low-Income Families with Children		% Low-income Families Receiving Benefits	Estimated Annual Cost to Cover Unmet Need
	1996	2002	2001	—
Child Care	\$4 billion	\$12 billion	10%	not available <sup>1</sup>
Food stamps	\$20 billion	\$14 billion	27%	\$11.5 billion (b)+
Earned Income Tax Credit	\$32 billion	\$37 billion	84%	\$3.4 billion (b)+
Medicaid/SCHIP	\$46 billion	\$68 billion	57% (kids) 27% (adults)	not available <sup>1</sup>
<b>All Work Supports</b>	<b>\$103 billion</b>	<b>\$131 billion</b>	<b>5%</b>	<b>not available</b>
<b>Welfare check total (federal)</b>	<b>\$24 billion (c)*</b>	<b>\$9.6 billion (c)*</b>	<b>N/A</b>	<b>\$9 billion (b)+</b>

1. Estimates for child care and Medicaid are difficult to pin down, since cost varies widely between recipients. For a ballpark figure for child care, remember that about 1 in 10 kids eligible for federal subsidy receives it, while the average annual cost of care is between \$4,000 and \$10,000 a year. Reliable numbers were not available for Medicaid.

Sources: Urban Institute unless noted otherwise. (a) Brookings Institute; (b) Government Accountability Office; (c) Department of Health and Human Services.

Notes: Low-income is defined as families earning less than twice the federal poverty line, or \$38,614 for a family of four. All figures in 2002 dollars unless noted otherwise. \*2003 dollars. +2005 dollars.

first to suggest a time limit on benefits—with a full complement of benefits to prevent poverty. He left the administration before the bill was signed, worried that it embraced time limits without allocating sufficient funds for the rest. He may have had good cause to worry. Despite annual federal spending in excess of \$130 billion, only one in 20 low-wage families receive all the benefits available to them.

In many ways, the emphasis on supporting workers makes sense. Evidence is mounting that for many, work simply won't pay for itself. A *Washington Post* survey of Hurricane Katrina evacuees at the Houston Astrodome revealed that most had jobs when the storm struck; less than 15 percent had been unemployed. Nonetheless, 60 percent had family incomes under \$20,000 a year, and 70 percent had no savings.

Closer to home, the picture is no less troubling. When unemployment in the city reached a 17-year low in September, it followed the disconcerting news that poverty had risen over the last year, to 20.3 percent; increased employment accompanied increased impoverishment. Today, nearly one in three New York workers make less than \$38,614, considered the "low-income" threshold for a family of four; nationwide, the proportion softens to one in four, according to a report from the Center for an Urban Future.

The Empire State has been relatively generous to its workers. In addition to being one of 17 states to require a minimum wage higher than the federal one, it offers one of the nation's most generous child care credits and the fifth-most generous earned income tax credit. It has dramatically expanded public health insurance, making it one of just three states where the number of uninsured residents decreased between 2002 and 2004. A substantial chunk of those benefits go to workers, says Annette Berndhardt, deputy director of the poverty program at the Brennan Center for Justice at NYU. Preliminary research by the center suggests that, of New York families getting help from at least one of the four major work support programs or cash benefits, roughly 40 percent are working year-round.

ONE SEPTEMBER EVENING, as summer gave way to fall, Milagros sat in the kitchen with her friend Jackie Quinones. The back door was open, letting a humid breeze pass through the apartment, and Milagros, seated directly in its path, was gratefully taking advantage of a quiet moment. Both women wore their hair pulled

tightly off their faces, a mass of caramel-streaked ringlets—Jackie's golden, Milagros' tinged with auburn—cascading past their shoulders. A quick glance and they would have passed for overgrown teenagers.

At 30, Milagros was older by two years, and she regularly counseled Jackie on the tricks of getting by. When Jackie and her 5-year-old son, Jacob, had nowhere to go, Milagros took them in at her old apartment. When Milagros made plans to move, she

drove Jackie to the new intake office for homeless families and explained to inspectors that her own place was already overcrowded. How to apply for welfare, how to prove you are homeless, where to go for help getting a job; these were lessons Milagros tried to offer. "Sometimes, I feel like her big sister," said Milagros. "I try to help her out."

Discussing finances over soda and Entenman's crumb cake, Jackie largely dismissed her public assistance check. "To tell the truth, I

### The New Safety Net: The Cost of Making Work Pay

In the years immediately after welfare reform, states received the same level of welfare funding even as caseloads plummeted. Many states, including New York, put the surplus toward work supports: offering Medicaid to more families, creating public child care programs, even subsidizing cars for people who left the rolls for work. But that largesse may prove to be a historical anomaly, says Ron Haskins, a former Republican White House staffer and now a senior fellow at the Brookings Institute. "We're always going to think of the years after '95, '96, '97 as the golden age of child care funding," says Haskins. "It's not going to go up that much ever again."

Indeed, funding for work supports—much of it from Temporary Assistance to Needy Families (TANF), the federal block grant at the heart of 1996's welfare reform legislation—could start dropping fast. In many states, it already has, particularly with newer initiatives like child care: 32 states had either already cut child care programs by 2004, or were planning to, driven by tight budgets and shrinking TANF surpluses. Even if federal funding remains level, there's nothing to fill in the surplus hole; analysts estimate that 360,000 kids will lose care by 2008 unless Congress appropriates new funding. At press time, the Senate's proposed bill allocated \$6 billion more for child care, but the House—which tends to prevail in conference committee—was proposing \$1 billion, less than needed to keep up with inflation, according to the Congressional Budget Office. Anything close to meeting the need seemed unlikely to come from a federal administration that, at press time, was proposing deep cuts to food stamps and Medicaid while refusing to rescind tax cuts to the wealthy.

The bigger question revolves around revamping the federal welfare law by a late-December deadline. Advocates for the poor are hopeful that post-Katrina compassion could sway the administration to extend the law, as-is, for a few years. But one possible scenario could see work requirements increase dramatically, an expensive mandate to meet, largely because many of the people left on the rolls are grappling with serious issues like drug abuse and mental illness. If work requirements rise, the states would be forced to re-allocate funds from other TANF programs, thereby diminishing work-support dollars.

If that happens, says Raymond Meier, a Republican New York State Senator and a national advocate on welfare issues, we could end up back at square one. "The easiest and cheapest welfare system to run is to write people welfare checks, and to tell them to show up in the park four days a week to rake leaves," says Meier, who oversaw local social services during his six years as a county executive. "And that's what will happen. The casualties will be the working poor who have left welfare and are trying to grab the next rung of the ladder; it's the old classic pitting the working poor against the welfare poor."

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don't care about the money. What I like is the food stamps and the Medicaid," she said. Her dismissal of the cash was, by her account, a simple function of math: Her monthly checks totaled roughly \$470 for housing and cash to cover herself and Jacob. In return, the city would soon expect 35 hours of "work experience" each week. She had tried job hunting, but gave up after two weeks of "dressing up and going to Manhattan" yielded nothing. Though Jackie tended bar for a five-year stretch, giving her a solid work history, she has struggled to keep a job since then, a problem she attributed to a quick temper. "I want a job so bad, I really do. But I never finished school. I was in foster care when I was little and I had a rough life," said Jackie, looking downward. "You know how many times you go apply for a job, and still you don't get it?"

The downside to work supports is painfully obvious to anyone struggling to find and keep work: They are only helpful for people who can get a job. "When you lose a job—it could be a disaster such as Katrina, it could be a weak economy, it could be something individual—whatever those reasons are, you not only lose your job, you lose your benefits," says Harvard's Ellwood. "That's where the danger of such a program is." Even the traditional net for jobless workers, unemployment insurance, isn't much help. Still configured for the industrial economy that created it, the program rarely reaches low-wage workers, who tend to labor in service and retail. Of low-wage workers who



**Kassandra, 9, isn't sure she wants to do more than finish high school. Her mother is adamant about college; she's already enrolled Michael, 13, in college-prep courses.**

lost their jobs in 1995, the most recent year for which data is available, only one-third received unemployment insurance. The same year, the proportion of high-wage workers who lost their jobs and got unemployment insurance to tide them over was 60 percent.

There are also troubling indications that concentrating resources on workers may be

leaving the most destitute behind. By 2003, one in three poor children was in deep poverty—less than half the federal poverty line, or \$9,154 for a family of four. That's up from one in four just eight years prior. And far fewer of those who qualify for public assistance receive it. Nationwide, less than one-third of poor children get help from welfare checks,

## The New Safety Net: Making Work Supports Work

There's a standard one-liner about work supports that you'll hear from most anyone who helps the poor find jobs: Nice if you can get it—and keep it.

The number of people who participate in work support programs is far lower than the number who qualify. For some benefits, like child care, there's simply not enough to go around. But most of the others—food stamps, Medicaid, and the earned income tax credit—go under-used due to problems that are easier to fix: outreach, administration and access.

"They definitely think it's all linked to public assistance," says Melissa Boukalik of the clients she encounters at a job readiness program at Henry Street Settlement House on the Lower East Side. "Everyone knows about food stamps, Medicaid. They know that child care is avail-

able, but there's this misunderstanding." It's a common one: A recent study found that about 60 percent of children who could get public health insurance do not because their parents assumed they would not qualify, and another study showed the same trend with food stamps—only with 72 percent. Indeed, people on public assistance are often told about such benefits as a matter of course, and when they leave the rolls in New York, they are entitled to a bevy of transitional benefits. Low-income workers who never go on welfare in the first place don't get the same guided tour.

Even once people know about programs, getting into them is a whole other ballgame: Most require multipage applications, official documentation, in-person interviews and a felicitous attention to detail. "It's not just, 'Well, what we need to do is some PSA,'" says Diane Baillargeon, president and CEO of Seedco, a nonprofit specializing in job training and placement,

down from about 62 percent in 1995.

Those who avoid the welfare rolls entirely face a rapidly diverging economy, with a jump in well-paid jobs at one end matched by a surge in low-wage employment at the other. Of the 10 employment fields that added the most jobs last year in New York state, six are in low-paying sectors like food service and health care, where wages average between \$20,000 and \$42,000 a year.

That leaves a yawning gap between what employers pay and what workers need to live. Most experts would estimate that Milagros, with her family size and where she lives—the Bronx, recently named the fourth-poorest county in the country—would need about \$57,000 a year to meet basic living expenses, more than three times her current income. Making up the difference is a tall order for work supports, but some employers are more than happy to let them try. Wal-Mart, for example, has made a practice of directing its workers to public health insurance programs. Some businesses get even more blatant: During the 2002 push for a New York City living wage, the Business Council of New York State defended its opposition to raising wages in part because it would threaten workers' eligibility for public benefits.

**HERDING HER SEVEN** toddling charges to the playground on an unseasonably warm fall afternoon, Milagros and her 11-year-old son, Angel, searched the rubber topping for glass.

They carefully circled the modest jungle gym, picking up sparkling shards and hurtling them deep into the lawn bordering the asphalt. Crotona Park, directly across from Milagros' old apartment—and where she continued to run her business, still waiting for her new apartment to be approved—was more grungy than green in the late-afternoon sunlight. When Milagros gave the all-clear, 14 legs tumbled toward the rubber, gleeful screeches in the air.

Milagros dispatched Angel to fetch some ice pops from the corner bodega and sat down on the park bench next to Michael, who had just arrived home from Brooklyn, where he commutes for middle school. Milagros, worried about stories of girls getting their faces cut at the local junior high, had enrolled him in the Park Slope middle school she herself attended. "The way the schools are out here, there's a lot of fights. He's so quiet and has this little mean look on his face, and people might misinterpret it," she said, glancing at her son, who was scribbling through his algebra homework.

As parents came to collect their children, Jackie appeared with Jacob and Cassandra in tow. Cassandra, prone to daydreaming, sat next to Milagros and chattered about her plans to become a fashion designer, an aspiration her mother had indulged with a set of colored pencils. Milagros was quick to encourage her kids' interest in most anything, but she was pinning most of her hopes on education. In her early 20s, she had started classes at Inter-

borough Institute, a private vocational school that most people find through its subway ads and late-night commercials. Her English teacher there had urged her to aim for something higher. "He told me that I was very smart, and that I should go to a regular college," said Milagros, with pride and regret in her voice. She made it through one semester at John Jay College before the child care for her three small children fell through; she went back on welfare soon after. When Cassandra batted her eyelashes and murmured that she only wanted to finish high school, Milagros responded swiftly and firmly: "You're going to college. You. Are. Going. To college." Cassandra shyly looked away and fidgeted.

Later, at home, after the kids were ensconced in their rooms, Milagros took a deep breath and exhaled a long, slow sigh. "Right now, things are working out, but they're a little overwhelming. Everything's a process," she said, grimacing. Milagros was still considering raising her rates, but she couldn't get the math to work out to where she could avoid pricing people out, have more money coming in, and still keep her work supports (though she didn't necessarily refer to them as such). "I just hope they never take away the Medicaid, because insurances are very high," she said, her eyes wide at the prospect. "If I didn't have that," she said, "I don't know what would be of us." •

*Research assistance by  
Bryan Farrell and Emma Holmgren.*

noting the complicated application and recertification processes that accompany most work supports. "If you work for an employer who's able to offer benefits, they have someone in an HR department. For low-wage working people who need to access work supports, [we should provide] them with a similar kind of help."

That's why Seedco has pioneered EarnBenefits, a "very marketing-based approach" to linking low-wage workers with benefits that go beyond the four major work supports. "Here in New York, we're up to 21 benefits that we screen against," says Baillargeon, "from food stamps to free checking accounts."

Boukalik does the first screening, but she has to keep checking in on her clients, too, helping them troubleshoot, and pushing them to persist when bureaucracies falter. "Some people say, 'I didn't get

this!'" says Boukalik. "So I say, 'Did you call them?'" Often, the answer is no, and Boukalik urges them to follow up, a nudge they might not have gotten otherwise.

There can be a big reward for those who persist. In New York City, a worker making \$7 an hour can be eligible for up to \$25,000 a year in benefits, bringing in-pocket income up to almost \$39,000 a year. To match that in wages alone, a worker would have to make more than \$21 an hour.

It's also a winning tactic to help people not just get jobs, but to *keep* them—and even advance, says Baillargeon. "We make that initial low-wage work experience more financially viable for them," she adds. "And then we work with them on getting skills training, so they can move on to the next position."

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