Asset Building Program

The Rise of the Dynamic Welfare State

Its Roots, Evolution, and Opportunities

David Stoesz*

April 2013

The American welfare state has been more malleable than its European counterparts. While this can be attributed to historical circumstances, adverse effects of social programs, notably public assistance and child welfare, are contributing factors. In recent decades, the private sector has become more influential in shaping American social welfare through demonstrations emerging from the nonprofit sector, the shaping of public philosophy by policy institutes, and the ability of corporate providers to conform policy to their preferences. In interaction, these reflect the emergence of a dynamic welfare state. In contrast to the classical welfare state, the emergence of what can be termed the dynamic welfare state highlights three themes: mobility, empowerment, and innovation. The implementation of evidence-based policy and programs can serve as a source of continual renewal of social welfare in the United States.

Since its deployment with the passage of the Social Security Act of 1935, the welfare state has become embedded in the American experience. It represents a public institution by which citizens are ensured protection against poverty, unemployment, illness, disability, and discrimination, and has become embedded in the American experience. At variance from the ideal of the classical welfare state that emerged in Europe, American lawmakers crafted a welfare state that included shared governance between the federal government and the states, differentiated benefits according to social insurance and public assistance, and incorporated nonprofit and commercial providers. Subsequently, the American welfare state generated any number of contradictions which provided the grist for the policy debate about optimizing social welfare in the U.S.[1] Empirical research on the actual performance of social programs as experienced by citizens has, by comparison to the ideological disputes, only recently become available. The interaction of these features is essential to comprehending social welfare in the United States. In contrast to its characterization as a stolid, public institution, the American welfare state has been promiscuously

*The author was a welfare caseworker in Connecticut, directed a welfare department in Maryland, and planned a mental health center in Ohio. He coauthored American Social Welfare Policy, 7th ed, (Pearson). His book, Quixote's Ghost: The Right, the Liberati, and the Future of Social Policy (Oxford) won the 2007 Pro Humanitate Literary Award. He can be reached at davestoesz@aol.com

[1] In this respect, the American welfare state became a paradigm that produced many anomalies, see Kuhn (1970).

adaptable and is likely to be more so in the future. This is assured by the nation's civic character as an open society as well as its political economy as democratic-capitalist, features represented by voluntary, nonprofit organizations as well as for-profit firms. The ambit of the American welfare state would be circumscribed by an extant infrastructure of public social programs, a vigorous debate about the proper role of the private versus public sectors, and data demonstrating that program performance is often inconsistent at best.

Typologies

The welfare state varies with respect to how nations manage their mandated obligations to citizens. As an ideal type,[2] the classical welfare state evolved in Europe as a bureaucratic institution through which the state assured essential benefits as a right of citizenship.[3] Concurrent with industrialization, nations established welfare states that differed from the classical welfare state.[4] Esping-Anderson posited three types of welfare states: the "liberal" type where universal social insurance is compromised by public assistance that is rigorously means-tested (the United States, Canada, Australia); socially conservative "corporatist-statist" regimes where status differences originating in sectarian beliefs are preserved through social programs (Austria, France, Germany, and Italy); and "social democratic" arrangements where universal programs effectively de-commodify labor to the extent that social benefits erase class distinctions (Sweden and Norway).[5] The validity of Esping-Anderson's typology was challenged as non-Western nations, such as Japan and South Korea, industrialized and evolved a Confucian social infrastructure that focuses on "filial piety, respect for authority, industry, self-help, and mutual support."[6] Further expansion of global capitalism accompanied by the rapid growth of China, India, and Brazil, nations that first qualified as Third World only a generation ago, increases the difficulty of typifying welfare states.[7]

The ambit of the American welfare state would be circumscribed by an extant infrastructure of public social programs, a vigorous debate about the proper role of the private versus public sectors, and data demonstrating that program performance is often inconsistent at best.

Also confounding the task of classifying welfare states is the fact that the ideological evolution of welfare states has been anything but unilinear.[8] Welfare historians have chronicled the gradual, but episodic, expansion of citizen protections from Prussia's 1839 proscription of child labor and Bismarck's introduction of social insurance in Germany in 1883 and 1889, to the American bifurcation of social insurance and public assistance introduced in 1935, and the publication of Britain's Beveridge Report of 1942.[9] Recapping events, Marshall grandly proclaimed that the 18th century witnessed the establishment of civil rights, including the freedoms of speech and religion, the 19th witnessed the establishment of political rights and

[2] Gerth and Mills (1946).

[3] The definition of a welfare state is somewhat nebulous. Safire (1993) defined it as "government that provides economic protection for all its citizens" (865), while Ginsburg (1998) stated, "The welfare state is a phenomenon of the industrialized world . . . The rise of metropolitan areas, the decline of the extended family, the recurring incidence of economic crises, and the increasing need for objective help from strangers in the form of government, all made the welfare state and its current patterns inevitable" (70). Zijderveld (1999) held that the welfare state "tries to cover not just the social security of its citizens, insuring them against risks beyond their control, but also their economic, social and even psychological well-being, all of which is also seen as a package of social rights, and as a completion of democratic citizenship" (3). Reflecting the evolution of policy studies, Van Den Bosch and Cantillon (2006) differentiate academic discussions of the welfare state from empirical studies of policy reforms (301-8).

[4] Chatterjee (1996).

[5] Esping-Anderson (1990), pp. 26-28.

[6] Oorschot, Opielka, and Pfau-Effinger (2008), p. 166.

[7] Friedman (2006).

[8] Lawmakers who favor social welfare probably work from a mental framework that serves as an ideal type, but realize that resources and circumstances require compromises in attaining that objective, hence the irregular development of welfare states..

[9] Kaufmann (2012).

representative democracy, and the 20th saw economic rights and the establishment of the welfare state.[10] Titmuss expected the welfare state to presage a "welfare world," propelled by government investments spurring growth justified by Keynesian economic theory.[11]

American welfare philosophers concurred with the trans-Atlantic accord on welfare state expansion:

> The late 1940s ushered in a period of social reform, which continued unabated until the end of the 1960s. This period may be considered the heyday of the welfare state. In the immediate postwar period every capitalist country coordinated and extended its social security system, and benefits were increased. In Western European countries coverage became increasingly comprehensive and universal. In the United States social security expanded more gradually than it did in Europe, and it was not until the 1960s that provision became a little less selective. Almost everywhere expenditure on health and education rose absolutely and as a proportion of GDP.[12]

American analysts predicted the expansion of social programs commensurate with economic growth: "Under conditions of industrialization all institutions will be oriented toward and evaluated in terms of social welfare aims. The 'welfare state' will become the 'welfare society,' and both will be more reality than epithet."[13]

The arc of welfare expansion would be intercepted by an ascendant conservatism, however. During the 1980s, the elections of Margaret Thatcher and Ronald Reagan introduced neo-liberalism to counter welfare-state expansion, thereby attenuating social program growth.[14] In both nations, nongovernmental institutions would serve as alternatives to public provision. A German sociologist observed that even in the "classical welfare states" where government policy dominated, there was increasing "pluralism and partial privatization of the social service agency structures."[15]

The aspirations of liberals to replicate the classical welfare state in the United States foundered on the shoals of political reality. In formulating the Social Security Act, the administration of Franklin Roosevelt incorporated state public assistance programs for households headed by single mothers; but, in mandating state control of welfare, the Social Security Act permitted a discriminatory eligibility process and lower public assistance benefits to mothers than those available to men who predominated in federalized social insurance programs.[16] In addition, the New Dealers capitulated to Southern members of Congress by excluding agricultural and domestic workers from inclusion in Social Security, effectively denying a generation of African Americans a public pension.[17] During the following decades social welfare policy would be confined to "a Southern cage from which there would be no escape."[18] Federalism thus institutionalized sexism and racism in the American welfare state.

In order to evade wage and price controls during World War II, American companies offered health and pension benefit plans to attract workers, which evolved into a parallel structure of welfare capitalism under corporate control.[19] Since company pensions had been the model for Social Security, welfare capitalism had been embraced by the business community.[20] Subsequent court decisions that permitted corporate benefits to qualify as tax expenditures further embedded them in businesses' personnel practices.[21] When added to governmental social programs, the value of corporate tax expenditures for health and

[10] Marshall (1964).
[11] Titmuss (1968).
[12] Johnson (1987), p. 19.
[13] Wilensky and Lebeaux (1965), p. 127.
[14] Rogowski (2010). Esping-Anderson (2002) noted that the appeal of neo-liberalism seemed limited to the U.S. and U.K., while it was resisted by other European welfare states.

[15] Kauffman (2012), p. 149.
[16] Ibid.
[17] Franklin (1980). Southern members of Congress shaped other New Deal provisions to their requirements as well. See Menand (2013).
[18] Katznelson (2013), p. B16.
[19] Jacoby (1997).
[20] Berkowitz and McQuaid (1980).
[21] Howard (2007).

pension benefits brought the ranking of the American welfare state up to the level of social provision by European counterparts.[22]

As funding for public assistance programs came under scrutiny, advocates of the poor would apply tax expenditures that had evolved under welfare capitalism to antipoverty policy, developing refundable tax credits like the Earned Income Tax Credit (EITC) for low-income households. Refundable tax credits for low-income households were not only a way to build bipartisan support for an anti-poverty strategy but were also open-ended, thus evading the time limits and fixed budget of programs like Temporary Assistance for Needy Families (TANF), enacted in 1996.[23] Tax expenditures for the working poor would expand significantly; within four decades benefits from the EITC would exceed TANF by a factor of three and have a significantly higher take-up rate as well.[24] As anti-poverty policy, refundable tax credits were not a panacea, however. While tax expenditures served as a convenient alternative to public assistance, they were part of a "submerged state" that, once credits for health insurance, pensions, and mortgage interest were factored-in, actually redistributed resources upwardly: "federal largesse is allocated disproportionately to the nation's most well-off households," observed Suzanne Mettler. "Such policies consume a sizable portion of revenues and leave scarce resources available for programs that genuinely aid low- and middle-income Americans."[25]

State and corporate involvement in social provisions thus prevented the evolution of a unitary, comprehensive governmental welfare state in the United States. In addition, the role of the private sector increased: "private actors can play a key role in the management and distribution of public benefits and services," noted a Canadian critic. "In recent decades, governments have been increasingly eager to contract out the delivery of a wide range of social services."[26] Having institutionalized welfare capitalism, corporations perceived a new social market that could be exploited.[27] Such developments prompted welfare philosophers to reconsider the nature of the American welfare state: Neil Gilbert concluded, "the United States is not just a variant of the conventional welfare state but an alternative form—the enabling state."[28] Moreover, charitable foundations further fragmented American social welfare by subsidizing an extensive network of nonprofit agencies. According to two British observers: "This tradition of philanthropy encouraged America to tackle its social problems without building a European-style welfare state, and to embrace modernity without abandoning its traditions of voluntarism, decentralization and experiment."[29]

> Refundable tax credits for low-income households were not only a way to build bipartisan support for an anti-poverty strategy but were also open-ended, thus evading the time limits and fixed budget of programs like Temporary Assistance for Needy Families.

The infrastructure of welfare states thus shows considerable variation from the classical welfare state: private agencies were enlisted to address need; government programs were mandated to serve citizens; corporations evolved parallel benefit structures; nonprofit organizations and commercial firms were subcontracted by government to provide services. While these have been evident in the European experience to some extent, they have been more distinctive in the American experience. Equally distinctive would be the damage that social welfare often inflicted on citizens.

[22] Hacker (2002).
[23] Howard (1997).
[24] Tax Policy Center (2011).
[25] Mettler (2011), p. 5.
[26] Beland (2010), p. 55.
[27] Gilbert (1983), p. 6.
[28] Gilbert (1995), p. 151.
[29] Micklethwait and Wooldridge (2004), p. 329.

Adverse Effects

As a mature institution, the welfare state began to suffer from bureaucratic sclerosis and its consequence: degraded service. "The welfare state grew into an over-bureaucratized, excessively interventionist megastructure in which the values of equality, solidarity, and liberty" were subverted, observed a European social scientist. "The comprehensive welfare state suffered from a kind of administrative elephantiasis which in terms of public policy was exceedingly burdensome."[30] So, too, the American welfare state evolved into an accretion of haphazard programs that, sustained by their self-reinforcing "path dependence," resisted innovation.[31] The outcome of retrograde services would be "social iatrogenesis," pathology induced by the professionals committed to the alleviation of social problems:[32] educators ejecting children from school by promoting "zero tolerance policies,"[33] psychiatrists causing permanent damage to the central nervous system of patients by prescribing psychoactive medication,[34] child welfare workers disabling maltreated children by shunting them from foster home to foster home.[35] Over time these would be way stations for thousands of minority youngsters who would be inducted into the "cradle-to-prison pipeline."[36]

Archaic programming ultimately derogated citizenship, notably among the poor. The experience of welfare recipients was institutionalized in agencies, where "bureaucratic disentitlement" effectively denied low-income citizens the benefits to which they were eligible.[37] An evolved network of social welfare agencies and their professional employees gradually eroded the natural coping capacity of communities.[38] The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) did little to alter the experience of the poor with respect to public welfare. One researcher concluded that the "preferred institutional outcome [was] having applicants drop out of the welfare system."[39] Another summed up the futility of applying for welfare:

> Waiting and wending one's way through the government assistance bureaucracy subjects poor people to physical discomfort, emotional aggravation, and sometimes despair. When recipients of welfare are required to perform bureaucratic gymnastics that result in the denial of benefits, the "customer" is hardly satisfied. But unlike in a competitive business environment, poor customer service has no downside for welfare bureaucrats. In fact, losing a "customer" has an upside---the welfare count is reduced, and this is the primary criterion of [welfare reform]'s success.[40]

Adverse public welfare would reduce the already diminished economic prospects of low-income households. In 1996, 68 families received TANF out of every 100 poor households; by 2010, only 27 families out of 100 poor households benefited from TANF.[41]

Child welfare deteriorated similarly. An assessment of state children's services by the Department of Health and Human Services, the Child and Family Services Reviews (CFSR) revealed abject failure of states to protect maltreated children.[42] The structural failure of child welfare prompted Children's Rights (CR) to pursue class action litigation against states; by 2013 CR had obtained nine consent decrees against state child welfare systems with three in pre-action status.[43] Prominent child welfare researchers lamented that services have not only failed to be evidence-based, but were often damaging to children who had suffered from abuse and neglect.[44] One study of "graduates" of foster care found that 37 percent had dropped out of high school, 18 percent had been

[30] Zijderveld (1999), p. 164.
[31] Hacker (2002), p. 305.
[32] Illich (1975).
[33] Schoonover (2009).
[34] Whitaker (2010).
[35] Gelles (1996).
[36] Edelman (2013).
[37] Lipsky (1980).
[38] McKnight (1995).
[39] Ridzi (2009), p. 36.
[40] Lawinski (2010), p, 67.
[41] Trisi and Pavetti (2012).
[42] ACF (2003).
[43] Children's Rights (2013).
[44] Wulczyn et al. (2005).

incarcerated, and 12 percent had been homeless.[45] Another study of youth who had aged out of foster care revealed that 20 percent had suffered from major depression, 20 percent were dependent on alcohol and drugs, and 25 percent had symptoms of Post-Traumatic Stress Disorder.[46] Approximately 1,560 children died from abuse and neglect in 2010.[47] More recently social services at the Spirit Lake Reservation in North Dakota were taken over by the federal government as a result of rampant sexual abuse of children, including the homicide of a 9-year-old girl and her 6-year-old brother after they had been sodomized and raped.[48] Instead of being constructive influences in the lives of poor families, public assistance and child welfare all too often contributed to their debilitation.

The Nonprofit Sector

The provenance of innovation in American social welfare has been traced to the nonprofit sector. Historically, organized responses to need have evolved at the local level from which leaders convinced lawmakers to promulgate public policy. The institutionalization of the welfare state, initially applauded by Progressives, would generate its own debris field, however, prompting calls to reform the welfare state. The nonprofit sector has thus served as the catalyst for advancing and renewing social welfare.

Civic values were imported to the New World by European colonists,[49] although the expansion of a discernible network of organizations committed to social betterment would not be evident until the Progressive Era, when altruistic citizens addressed social and economic dislocations attendant with urbanization, industrialization, and immigration.[50] Eventually, service organizations attained a distinct identity, such as Charity Organization Societies (COSs) and Settlement Houses,[51] and their funding was subsequently organized through community chests, precursors of the United Way. Regardless, local concerns prevailed: "Arrangements to improve the efficiency of social welfare machinery were subordinate to the wider objectives of primary group association in neighborhood life, widespread citizen participation in civic affairs, and the shaping of a community loyalty which transcended allegiance to special interest factions," concluded Roy Lubove, "the future of democracy depended upon the ordinary citizen's ability to regain control of his own destiny through intensive civic association."[52] The prevalence of poverty and its association with tenements, unemployment, and corruption, led reformers, many veterans of Settlements and COSs, to advocate for state welfare programs, prototypes of public assistance programs included in the 1935 Social Security Act.[53]

The relationship between government and the nonprofit sector has been reciprocal. Subsequent to the establishment of the American welfare state, government contracted purchase-of-service agreements with voluntary sector agencies. By 1980, 58 percent of the revenue of nonprofit agencies was derived from government.[54] Due to conservative influences, the 1996 welfare reform law included a "charitable choice" provision permitting state governments to fund faith-based organizations.[55] While voluntary organizations have focused on service delivery, nonprofits have also been the catalysts of social change. Social transformations, such as the labor and civil rights movements as well as equal rights for women, were the result of mobilization of citizens by private, voluntary organizations, the AFL-CIO, NAACP, and NOW respectively. "Institutions of the nonprofit sector are in a position to serve as the guardians of intellectual and artistic freedom. Both the commercial and political marketplaces are subject to the leveling forces that may threaten standards of excellence," noted John Gardner, "In the nonprofit sector, the fiercest champions of excellence may

[45] House Ways and Means Committee (2004), p. 11-50.
[46] Pecora (2005).
[47] Child Welfare Information Gateway (2011), p. 1.
[48] Williams (2013).
[49] Bellah (1985).
[50] Levine and Levine (1970).
[51] Leiby (1978).
[52] Lubove (1965), p. 173.
[53] Gordon (1994).
[54] Gilbert (1995), p. 132.
[55] Karger and Stoesz (2010), p. 56.

have their say. So may the champions of liberty and justice."[56]

Much as voluntary ventures have been the source of historical advances in social welfare, so contemporary nonprofits have already made an imprint in the nation's social infrastructure. In promoting their innovations, advocates often adopt an entrepreneurial approach, employing outcome research to advance initial support from foundations to government funding through public law. Optimally, social entrepreneurs aspire to have their program codified in public policy.[57] Consider the following examples.

- Recognizing the risks that young mothers faced, David Olds began a series of field experiments through which nurses visited first-time mothers to improve their parenting skills and child development knowledge: Elmira 1977, Memphis 1988, and Denver 1998. The results of the Nurse Family-Partnership (NFP) demonstrated that participating families had fewer encounters with the criminal justice system, had fewer children, used Medicaid less, had fewer behavioral and intellectual problems among children, and had fewer reports of child maltreatment.[58] For high-risk mothers, NFP returned $5.70 in benefits for every dollar invested.[59] Subsequently, NFP was budgeted for $1.5 billion in the Affordable Care Act.[60]

- In 1989 Wendy Kopp founded Teach For America (TFA) to encourage college students to teach students in poor neighborhoods after a summer training course.[61] In short order, TFA became a primary objective of graduates of selective colleges. TFA veterans founded the Knowledge is Power Program, which became a popular charter school format that was adopted throughout the U.S.[62] A comparison of classes taught by TFA teachers with a control group found that the students of TFA teachers showed better math and reading scores.[63] A subsequent analysis of TFA veterans reported that they were more racially tolerant, more optimistic about the chances of poor students, and more likely to continue working in education.[64] In 2012 TFA received $26 million from the federal Department of Education.[65]

- In 1991, Michael Sherraden, a professor of social development at Washington University, published *Assets and the Poor,* in which he proposed Individual Development Accounts (IDAs), matched savings accounts for designated purposes: finishing post-secondary education, purchasing a first-time home, or starting a business.[66] IDAs became the centerpiece of the 1998 Assets for Independence (AFI) Act of 1998, funded at $125 million over five years.[67] Between 1997 and 2001, the American Dream Demonstration (ADD) enlisted thirteen community-based organizations to establish 2,300 IDAs, with the average participant saving $16.60 per month, accumulating to an average of $700 annually.[68] Subsequently, foundations funded a demonstration of Child Development Accounts (CDAs) through Savings for Education, Entrepreneurship, and Downpayment (SEED), savings accounts that last from childhood into adulthood. By 2010, 1,171 children in twelve states had established CDAs. With an average deposit of $30 quarterly, the accounts accumulated an average savings of $1,500

[56] O'Connell (1982), p. 6.
[57] Bornstein (2004); Bornstein and Davis (2010).
[58] Olds et al. (2004); Olds et al. (2010).
[59] Karoly, Kilburn, and Cannon (2005).
[60] Bornstein (2012), p. 1.
[61] Kopp (2003).
[62] Mathews (2009).
[63] Decker, Meyer, and Glazerman (2004).
[64] Dobbie and Fryer (2011).
[65] Montoya (2013).
[66] Sherraden (1991).
[67] Boshara (2012).
[68] Sherraden (2009); Corporation for Enterprise Development (2010).

over three years, an amount projected to reach $6,000 upon reaching age 18.[69]

- In the late 1970s, Geoffrey Canada expanded a conventional social service agency into an innovative "conveyor belt" of educational and social services from pre-natal care to college-prep for children, the Harlem Children's Zone (HCZ; Tough 2008). An evaluation of HCZ by researchers from Harvard concluded that, "Harlem Children's Zone is enormously effective at increasing the achievement of the poorest minority children. Taken at face value, the effects in middle school are enough to reverse the black-white achievement gap in mathematics and reduce it in English Language Arts. The effects in elementary school close the racial achievement gap in both subjects."[70] HCZ's success prompted the Obama administration to use it as the template for its Promise Neighborhood initiative, funded at $60 million for 2012.[71]

- Frustrated at the recidivism of the low-income population his agency served, Maurice Lim Miller introduced the Family Independence Initiative (FII) in Oakland, California in 2003. Instead of dispatching a caseworker to guide low-income families, Miller organized them into groups that report monthly around six activity areas—health/wellness, income/savings, education/skills, housing/environment, networking/helping others, and resourcefulness/leadership—and paid them according to their progress. Typically, families earn $25 to $30 for specific accomplishments, up to $600 per quarter.[72] FII provides families with a computer for reporting and a staff person who is specifically instructed to facilitate family groups, not direct them; according to Miller, "giving the families control and choice at the outset led to an organic process of change."[73] After two years, 86 households in Oakland, Oahu, and San Francisco reported increased earnings of 23 percent (excluding FII incentives) and savings increases of 240 percent, which permitted 17 percent to purchase homes and 33 percent to expand or start businesses.[74] In 2012 Miller was awarded a MacArthur Foundation "genius" award.

This limited selection illustrates how the voluntary sector serves as an incubator for social program innovation, transitioning from local pilots that attract foundation support to modest governmental funding to full-scale federal support.

Policy Institutes

Since its inception, the American welfare state has been shaped by policy institutes, private, nonprofit organizations dedicated to enhancing the public's understanding of public policy. During the Progressive Era, groups of intellectuals crafted policies at the state and federal levels, an activity that involved the collaboration of Republicans and Democrats.[75] Once the defects of the American welfare state became more apparent, think tanks assumed a more ideological posture, aggressively competing for the attention of the public and lawmakers in the "marketplace of ideas," particularly around welfare reform.

Predicated on the Progressive Era belief in social engineering, experts in policy innovation proliferated.[76] Republican Senator Robert LaFollette brought luminaries of the social sciences to the University of Wisconsin, making Madison a pilot for a novel idea, the "brain trust."[77] While the nation struggled with the Great Depression, Raymond Moley, head of Franklin Roosevelt's brain trust, conscripted Harold Moulton, the first president of the

[69] Sherraden and Stevens (2010).
[70] Dobbie and Fryer (2009), p. 1.
[71] Department of Education (2012).
[72] Stuhldreher and O-Brien (2011).
[73] Miller (2011), p. 2.
[74] Family Independence Initiative (2013).
[75] Medvetz (2012), p. 48.
[76] Ricci (1993).
[77] Hofstadter (1963), p. 155.

Brookings Institution, which had been established in 1916, to develop an economic plan for a bereft nation.[78] As the New Deal unfolded, the growing influence of professional reformers provoked detractors, including H.L. Menken who savaged their pretensions: "A few years ago all the New Deal Isaiahs were obscure and impotent fellows who flushed with pride when they got a nod from the cop at the corner; today they have the secular rank of princes of the blood, and the ghostly faculties of cardinal archbishops."[79] Reservations about the emergence of a policy elite notwithstanding, the organization of policy experts gradually became institutionalized in the nation's political life. Between the consolidation of the New Deal and the Social Security Act, the Brookings Institution expanded, becoming an intellectual laboratory for social policy.

Reservations about the emergence of a policy elite notwithstanding, the organization of policy experts gradually became institut-ionalized in the nation's political life.

The subsequent deployment of antipoverty programs during the Johnson administration's War on Poverty would introduce a decidedly liberal policy organization, the Urban Institute, to the nation's policy infrastructure. The growth of policy analysis as a scientific method to evaluate the effectiveness of social programs also spawned university-based research centers and private organizations, forming a burgeoning network that employed an increasing number of liberal policy "wonks." With respect to social welfare "an analytic subculture, or "subgovernment" as it is sometimes called, effectively colonized poverty knowledge by creating and then subsidizing several newer research organizations expressly created as extensions of policy analysis."[80] In extending professional expertise into public affairs, policy institutes, such as the Children's Defense Fund, the Kennedy School of Government at Harvard, the Center for Budget and Policy Priorities, the Economic Policy Institute, and the Center for Law and Social Policy, prospered after the War on Poverty, establishing liberalism as the nation's public philosophy.

None of this was lost on conservatives who chafed at the seemingly infinite expansion of social entitlements, introduced in 1935, which had been engineered by liberals. In 1973, Ed Fuelner and Paul Weyrich leveraged funding from the Coors family to create the Heritage Foundation, as a more assertive organ for the Right. The founders of Heritage used military metaphors to inspire conservatives: Burton Pines likened Heritage and sister organizations, the American Enterprise Institute (AEI) and the Hoover Institution, as "armies of the battlefield of ideas."[81] Weyrich proclaimed their mission as "a war of ideology, it's a war of ideas, and it's a war about our way of life. And I believe it ought to be fought with the same intensity, I think, and dedication as you would fight a shooting war."[82] Upstaged by Heritage, the president of AEI was prompted to announce that liberal public philosophy was, with a Reagan White House, about to be eclipsed by conservatism.[83] In one of its first acts, conservatives required that research contracts be competitive, deeply cutting revenues to liberal think tanks; between 1980 and 1982, the Urban Institute lost $8 million in federal funding.[84] By the mid-1990s conservative think tanks outnumbered liberal policy institutes at the national and state levels.[85]

Conservative think tanks published counterpoints to liberalism. AEI established the Mediating Structures Project through which it commissioned Peter Berger and John Neuhaus to develop a counter theory to the welfare state, *To Empower People.*[86] Brigitte and Peter Berger published a rebuttal of liberal designs to help lower-class,

[78] Davis (1986), p. 20.
[79] Hofstadter (1963), p. 218.
[80] O'Connor (2001), pp. 215-16.
[81] Pines (1982), p. 254.
[82] Quoted in Dionne (1991), p. 229.
[83] Baroody (1982).
[84] O'Connor (2001), p. 244.
[85] Rich (2004), p. 23.
[86] Berger and Neuhaus (1977).

minority families: "the origins of both social work and the welfare state lie in the missionary efforts by which the bourgeoisie sought to propagate its family ethos among the lower classes."[87] The Hoover Institution printed a refutation of Marshall's chronology of economic progress; Rose and Milton Friedman employed "tides of man" to chart a different future: the 19th century was dominated by laissez-faire (the Adam Smith tide), the 20th by the welfare state (the Fabian socialist tide), and the 21st by global capitalism (the Hayek tide).[88] The Heritage Foundation promoted critiques of liberal social programs: Charles Murray boldly called for ending all public assistance for working-age recipients;[89] while Lawrence Mead proposed a paternalist regime which would eventually find its way into the welfare reform of 1996.[90]

By aggressively promoting their authors in "the marketplace of ideas," conservative think tanks eclipsed the more staid methods of their liberal counterparts; by the mid-1990s the Heritage Foundation overtook the Brookings Institution in influence.[91] By the end of the 20th century liberalism was in retreat, as two British journalists observed, "Conservatives laboriously built a counter-establishment of think tanks, pressure groups and media stars that was initially intended to counterbalance the liberal establishment but has now turned into an establishment in its own right—and one with a much harder edge than its rival."[92] Notably, when the Obama administration looked to Congress to craft health reform, legislators adopted the Massachusetts model that included the "individual mandate" and health insurance exchanges, provisions that had been championed by the Heritage Foundation.[93]

In their strategy to reform welfare, conservatives challenged the liberal presumption that poverty produced dysfunctional behavior by suggesting the reverse. Coining "behavioral poverty" intellectuals from the Right argued that unconditional welfare sustained nonproductive conduct: dropping out of school, having children out of wedlock, and dabbling in drugs. Suddenly, the welfare debate shifted: the liberal contention that welfare was necessary to alleviate deprivation was countered by conservative arguments that welfare created dependency.[94] In effect, conservatives stole a page from T.S. Kuhn: "Since no paradigm ever solves all the problems it defines and since no two paradigms leave all the same problems unsolved, paradigm debates always involve the question: Which problem is it more significant to have solved?"[95]

Suddenly, the welfare debate shifted: the liberal contention that welfare was necessary to alleviate deprivation was countered by conservative arguments that welfare created dependency.

Marking the paradigm shift, Ron Haskins transitioned from a Congressional committee instrumental in drafting the 1996 welfare reform law to appointments with the Annie E. Casey Foundation and the Brookings Institution where he inveighed against behavioral poverty:

> Given the serious problems caused both by the decline in two-parent families and by failed inner-city schools, the nation will have many poorly educated and low-skill individuals often single mothers, heading families for the foreseeable future. Policymakers, experts, and the American public all agree that welfare is a lousy way to help adults who can qualify only for low-wage jobs.[96]

[87] Berger and Berger (1983), p. 5.
[88] Friedman and Friedman (1988).
[89] Murray (1984).
[90] Mead (1986).
[91] Rich (2004), p. 81.
[92] Micklethwait and Wooldridge (2004), p. 382.
[93] Jacobs and Skocpol (2012), p. 87.
[94] Medvetz (2012), p. 20.
[95] Kuhn (1970), p. 110.
[96] Haskins (2006), p. 348.

By collaborating with established poverty scholars, Haskins would draw the Brookings Institution to the Right.[97]

As liberalism was gradually decaying, Daniel Patrick Moynihan, a widely respected intellectual, policy advisor, and politician, associated a tired liberalism with a welfare state that had run out of credible solutions to public problems: "*The issues of social policy the United States faces today have no European counterpart nor any European model of a viable solution. They are American problems and we Americans are going to have to think them through ourselves.*"[98] In response, liberal intellectuals established think tanks to counter conservative think tanks that had shifted public philosophy to the Right. The Progressive Policy Institute (PPI), founded in 1989 by "new Democrats," was affiliated with the centrist Democratic Leadership Council. In 1999, the New America Foundation was established to pursue a liberal-centrist agenda. Reeling from the successes of the Right, liberal veterans of the Clinton White House created the Center for American Progress in 2003. Significantly, this new generation of liberal think tanks modeled themselves after the Heritage Foundation, aspiring to out-compete the Right in an increasingly volatile policy arena.

Table 1: Selected Think Tanks by Ideological Orientation and Revenues

Brookings Institution	Centrist	$133.7 million
Heritage Foundation	Conservative	$81.3 million
Urban Institute	Liberal	$73.2 million
Hoover Institution	Conservative	$37.1 million
Center for American Progress	Liberal	$34 million
American Enterprise Institute	Conservative	$32.3 million
Cato Institute	Conservative	$21 million
New America Foundation	Centrist-Liberal	$20 million

[97] Blank and Haskins (2001); Haskins and Sawhill (2009).
[98] Moynihan (1988), p. 291. Original emphasis.

The reelection of President Obama, would effectively halt the ascent of conservative policy institutes, although they would remain formidable adversaries on the battlefield of ideas.

The proliferation of policy institutes represents the organization of policy elites under private auspices; think tanks are nonprofit organizations funded largely by gifts from individuals and corporations, less often by government grants. Their influence in social policy is due to their narrow targeting of policy makers as an audience, making their cost-effectiveness higher than institutional competitors, universities and research organizations.[99] The Kennedy School of Government counts about 150 think tanks in the U.S.[100] Policy institutes have not only become prevalent in Washington, DC, but state capitals as well, representing "most every ideological orientation."[101] The ascent of conservative policy institutes not only expelled liberals from hegemony in social welfare, but also demonstrated that policy is penultimately a moral matter, and ultimately ideological. In assessing how the Right commandeered poverty policy, Alice O'Connor noted how the intellectual terrain had shifted:

> What matters in determining whether or how knowledge connects to policy is not only the classical enlightenment properties of rationality and verifiability; nor is it only the way knowledge is mobilized, packaged, and circulated; nor even whether the knowledge corresponds with (or effectively shatters) popularly held values and conventional wisdom. All of these things have, indeed, proved important in affecting the course of poverty and welfare policy. Even more important in determining the political meaning and policy consequences of poverty knowledge, though, has been the power to establish the terms of debate—to contest, gain, and ultimately exercise ideological

[99] Weidenbaum (2011), p. 88.
[100] Harvard Kennedy School (2013).
[101] Deleon (2006), p. 41.

hegemony over the boundaries of political discourse.[102]

In a post-industrial, information age, this transforms public policy fundamentally insofar as the groundwork for legislation is a product of private organizations whose staffs sift through plausible solutions to social problems, select data supportive of ideological preference, and massage the media in order to cultivate public support, all of which is brought to bear on public officials. Much as Marx posited the central question of capitalism as, Who controls the means of production? and Weber suggested the central question of the regulatory state was, Who controls the means of administration? the central question for the information age became, Who controls the means of analysis?[103]

Corporate Providers

As the American welfare state was configured in relation to a capitalist economy, corporations loomed large not only as supporters of think tanks, but also as beneficiaries of public programs that policy institutes advocated. Since the advent of industrialization, corporations had been instrumental in the evolution of social welfare, evolving in three stages during the 20th century. Initially, the industrial titans of capitalism established foundations to fund nonprofits, which included the Ford Foundation, the Rockefeller Foundation, the Carnegie Foundation, the Pew Charitable Trust, and, much later, the Gates Foundation, among many others. The captains of American industry held an expansive vision of their social responsibility. "Shall we cling to the conception of industry as an institution, primarily of private interest, which enables certain individuals to accumulate wealth, too often irrespective of the well-being, the health and happiness of those engaged in its production? Or shall we adopt the modern viewpoint and regard industry as being a form of social service, quite as much as a revenue-producing process?" asked John D. Rockefeller. He continued, "The soundest industrial policy is that which has constantly in mind, the welfare of employees as well as the making of profits, and which, when human considerations demand it, subordinates profits to welfare."[104]

As the American welfare state was configured in relation to a capitalist economy, corporations loomed large not only as supporters of think tanks, but also as beneficiaries of public programs that policy institutes advocated.

During the latter decades of the 20th century, corporations pursued dual strategies related to social welfare, constructing a parallel system of benefits to employees through welfare capitalism, and funding think tanks that shaped social policy congruent with markets. Welfare capitalism blossomed and companies began providing an array of benefits to employees. Employee benefits became more common as court decisions allowed the benefits to be claimed as tax deductions by businesses and labor unions increasingly fought for benefits in collective bargaining contracts. Building on corporate experience with foundations and welfare capitalism, a robust group of corporations emerged during the last decades of the 20th century to exploit emerging health and human service markets, in the process hiring lobbyists to shape state and federal legislation so that it served their purposes.

[102] O'Connor (2001), p. 17.

[103] Medvetz (2012, p. 140) makes this point nicely by defining four sources of capital that think tanks mobilize: academic capital, political capital, media capital, and economic capital. It is worth noting that Russell Jacoby (1987) lamented the passing of "public intellectuals," but failed to note that individual scholars had been organized by policy institutes that made their work even more influential than that of the solo scholar of the pre-think tank era.

[104] Quoted in Furniss and Tilton (1977), p. 156.

Government purchase-of-service contracts introduced commercial providers into social welfare, a role that expanded as government privatized services.[105] Privatization came to scale as a result of the expansion of for-profit health companies that had emerged with the implementation of Medicare and Medicaid and that were structured to avoid the considerable costs of direct government provision of health care. Policies favored reimbursing private providers instead. "Market rationalization" thus served as a justification for reform: by placing control in the hands of consumers, bureaucracies would be less indifferent to citizens and more accountable to the public.[106] During the last decades of the 20th century, a protean "social market" evolved,[107] capturing major sectors of the nation's economy. For the first time, the "mixed-economy of welfare" included more than a benign nonprofit sector dominated by government, but a corporate sector that, while initially dependent on government payments, would become a political power in its own right. Initially, corporations controlled markets in health care, eldercare, childcare, but would rapidly exploit welfare, corrections, and education as well. Such market distinctions are somewhat artificial, though, insofar as companies diversify their portfolios by entering and leaving various markets. A half-century after the introduction of Medicare and Medicaid, corporations rivaled governmental agencies with respect to annual revenues and number of employees.

[105] Gilbert (1995), p. 132.
[106] Alford (1975), p. 1.
[107] Gilbert (2009), p. 237.

Table 2: Selected Corporations by Revenue and Employees, 2012

Corporation	Revenues in $ billions	Employees
Hospital Corporation of America	32.5	180,000
UnitedHealth Care	28.3	199,000
Humana	6.5	43,000
Coventry Health Care	6.3	14,400
Tenet Health Care	4.2	99,000
Maximus	2.3	8,800
Bright Horizons	.97	1,095
KinderCare	.85	24,000

By comparison, state and federal funding for the California Department of Health and Human Services, the largest state agency, totaled $105 billion for 2012; the agency had 32,000 employees.

Recognizing the quite extraordinary benefits from government programs, corporations invested heavily in lobbying. In strengthening their position vis-à-vis lawmakers, lobbying firms recruited legislators and staff who were intimately familiar with areas of concern. Anticipating the Obama administration's health reform initiative, for example, lobbying firms expended $552 million in 2009 and $522 million in 2010 in order to influence health policy.[108] During the convoluted deliberations on health reform, health insurers hired lobbyists to oppose the single-payer option, which would have severely contained, if not eliminated, much of the health insurance market, finally convincing the Senate Finance Committee to delete it in 2009.[109] Health reform would be but one area in which lobbyists were prepared to deploy its well-equipped legions, holding in reserve experts in content area and legislative process in virtually any field in which legislation might be proposed. According to the

[108] Center for Responsive Politics (2013).
[109] Jacobs and Skocpol (2012), p. 72.

Center for Responsive Politics, 669 former Congressional staff and 374 former members of Congress were registered lobbyists in 2012.[110]

The evolution of Part D of Medicare, the prescription drug benefit, during the administration of George W. Bush illustrates corporate influence in public policy, reflective of what a former editor of the *New England Journal of Medicine* labeled the "medical industrial complex."[111] In response to President George W. Bush's call for Medicare reform, the pharmaceutical industry invested $37.7 million in lobbying during the first part of 2003 alone, directed at a provision that would include prescription coverage for retirees.[112] The sticking point for reform was a price tag of $400 billion over a decade affixed to the bill by the White House, an amount objected to by many Republicans.[113] Finessing the cost issue fell to Thomas Scully, former head of the Federation of American Hospitals, a trade association of for-profit health firms, appointed to be Director of the Centers for Medicare and Medicaid Services. While Scully minimized the costs of Medicare expansion in line with the White House projection, Medicare's chief actuary, Richard Foster, prepared a memo projecting a cost that was considerably higher: $551.5 billion over ten years. Approaching a vote on the legislation, Scully threatened to fire Foster if his memo became public, despite Federal law prohibiting interference of communication between agencies and Congress. "If Rick Foster gives that to you, I'll fire him so fast his head will spin," Scully told a House aide who had requested the memo.[114] But by the time the flap over Foster's memo had come to the attention of the media Medicare reform had been signed into law by President Bush, and Scully had decamped for a lobbying job with Alston & Bird. A subsequent House investigation lacked subpoena power, so Scully's response to a request to testify was that "he was unable to appear" because he was traveling.[115]

[110] Center for Responsive Politics (2013).
[111] Relman (1980).
[112] Connolly (2003), p. A4.
[113] Cohn (2003), p. 18.
[114] Stolberg and Pear (2004), p. A1.
[115] Stolberg (2004), p. A15.

As the evolution of the Medicare Modernization Act and the Affordable Care Act demonstrate, major legislative initiatives attract industry-hired lobbyists. Asymmetrical influence has become a compelling problem because it subordinates the public's interest to that of specific industries, patterns that have become extraordinarily difficult to discern as stakeholders' influence, once routinized as "iron triangles," enduring relationships involving oligopolistic industries, Congressional committees, and lobbyists, have morphed into free-floating "issue networks."[116] Severely limiting or outright prohibiting lobbying, however, is not only unconstitutional but also risks denying lawmakers essential information on important institutions that have become increasingly complex.[117] The Supreme Court's *Citizens United* decision of 2010 makes constraints on corporate influence in public policy even more unlikely.[118]

The Dynamic Welfare State

In contrast to the classic welfare state, an infrastructure administered by government, the engagement of the private sector through nonprofit and commercial entities is evidence of the emergence of a dynamic welfare state. In the United States this has been attributed in part to historical factors, such as de Tocqueville's observation that Americans contrive intermediate, local interventions to address needs as opposed to relying on government legislation.[119] Adoption of a market economy complemented Americans' preference for non-governmental solutions to problems: "the major political traditions have shared a belief in the rights of property, the philosophy of economic individualism, the value of competition," wrote Richard Hofstadter, "they have accepted the economic virtues of capitalist culture as necessary qualities of man."[120] In part, the American sensibility has differed from the European with the former preferring, in the words of Isaiah Berlin, "freedom to" with the latter partial to "freedom from"—in

[116] Ricci (1993), pp: 8, 139.
[117] Mann and Ornstein (2012).
[118] Ibid, p. 71.
[119] Tocqueville (2003).
[120] Hofstadter (1973), p. xxxvii.

other words opting for liberty over security.[121] This orientation to social welfare, labeled "residual" by American welfare philosophers, places an emphasis on the family, voluntary organizations, and the community as a first-line response to need, as opposed to an "institutional" conception that relies on government social programs.[122] Peter Berger and Michael Novak subsequently elaborated the residual conception, coining the phrase "mediating structures"—the neighborhood, family, church, and voluntary association—in proposing a basis for social policy that was local, immediate, and private.[123] More recently, Jonathan Haidt has proposed six values that undergird the American ethos—liberty, care, fairness, loyalty, authority, and sanctity—that reflect an ideology of "social conservatism" that contrasts with a liberalism that holds a primary role of the federal government in addressing social concerns.[124] The institutionalization of morality through public policy has altered the form of the American welfare state over time. Just as it may be argued that the General Welfare clause of the Constitution served as the rationale for disaster relief and the emergence of the Sympathetic State,[125] so the diverse influences of the private sector have shaped the dynamic welfare state.[126]

Three central themes are evident in the dynamic welfare state: mobility, empowerment, and innovation. Together, they create a synergy that is quite different from the classic welfare state through which benefits are inadequate, citizens subordinate to public agents who determine benefits and services, all controlled by a government bureaucracy.

Mobility

Economic inequality has increased significantly in recent decades, especially as the Great Recession worsened unemployment, plundered retirement savings, and diminished home values.[127] While attention has been focused on the wealthiest 1 percent of income earners who received 93 percent of income growth in 2010,[128] as well as the disparity in incomes of CEOs and the average worker, which increased from a factor of 27 in 1973 to 262 in 2005,[129] less concern has been paid to the poor, particularly those whose wages are so low that they tend to receive welfare benefits. Many minority children experience downward mobility: Of black children with middle class parents, 45% fall to the bottom of the income distribution, compared to 16% of white children. Poor black children fare the worst: 54% of children in families in the bottom quintile remain there, compared to 31% of white children.[130] A study of children's prospects revealed that those from poor families encounter roadblocks to the middle class: "by the end of adolescence, children with less advantaged birth circumstances are 29 percentage points less likely to succeed. At age 40, there is a 22 percentage point gap between 'advantaged-at-birth' and 'disadvantaged-at-birth' children in the likelihood of being middle class."[131]

Asset tests subvert the upward mobility of low-income households because the means test requires applicants to have minimal assets. A typical asset limit is $1,500, a minimal value for a functioning car; once this is exceeded, the family is ineligible for further assistance. Under these circumstances, welfare operates not as a mechanism to achieve prosperity, but a poverty trap. As Ron Haskins and Isabel Sawhill have observed, "there is a link between a high degree of inequality in a society and low mobility: if the rungs of the ladder are far apart, it becomes harder to climb from one rung to another."[132] The innovations noted above address static mobility of low-income households: the Nurse Family Partnership improves the parenting skills of poor mothers and the developmental benchmarks of their

[121] Berlin (2002), pp. 166-182.
[122] Wilensky and Lebeaux (1965).
[123] Berger and Neuhaus (1977).
[124] Haidt (2012), p. 306.
[125] Dauber (2013).
[126] Significantly, Esping-Anderson (2002, p. 12) reconsidered the centrality of government in social provision: "Too often our attention is myopically focused on government."
[127] Stiglitz (2012).
[128] Stiglitz (2013).
[129] Noah (2012), p. 152.
[130] Julia Isaacs (2006), p. 5.
[131] Sawhill, Winship, and Grannis (2012), p. 7.
[132] Haskins and Sawhill (2009), p. 67.

children; Teach For America provides motivated teachers for children attending school in poor neighborhoods, which improves students' academic performance; the Harlem Children's Zone coordinates social services and schools by constructing an integrated network of opportunities for children from poor families; Individual Development Accounts provide assets to low-income households, a superior strategy for prosperity compared to public assistance; the Family Independence Initiative introduces social capital into the antipoverty equation by encouraging working-poor families to rely on each other as opposed to the dictates of public welfare agents. Notably, these benefits are the product of private ventures, quite apart from the conventional welfare bureaucracy. Although advocates of such program innovations are grateful for governmental support, commitments to extant programs already embedded in the welfare bureaucracy often preclude bringing them to scale.

Empowerment

An assumption of democratic capitalism is that citizens and consumers enjoy choice in commercial products and elected representatives; yet this assumption is often suspended in the case of the poor when they receive assistance through the government welfare monopoly. Low-income Americans must accept the benefits, caseworker, or contract provider assigned to them. The denial of choice has several implications for social welfare: there is no demand that the quality of benefits improve; providers are indifferent to consumer demand regarding location and hours of provision; since they have nowhere else to go, beneficiaries can be treated with indifference, if not contempt. As a former welfare recipient complained, "*There is no accountability in the social service field.* None demanded, none supplied."[133] The exception has been vouchers that afford limited choice to the poor; however, vouchers are problematic insofar as the options are real only in relation to providers accepting them, moreover the cost of administering any voucher program is high. The explicit presumption of American social welfare has been that the poor are unable to manage their affairs hence they must depend on an agent assigned by the state or those providers agreeing to terms established by government, an arrangement that has been aptly derided as "the nanny state."

An assumption of democratic capitalism is that citizens and consumers enjoy choice in commercial products and elected representatives; yet this assumption is often suspended in the case of the poor when they receive assistance through the government welfare monopoly.

Theory and practice from behavioral economics have improved our understanding of choice in a complex society. Primarily, behavioral economists have refuted the presumption of the rational man, derived from neoclassical economics. "In conventional economics, the assumption that we are all rational implied that, in everyday life, we compute the value of all the options we face and then follow the best possible path of action," observed Dan Ariely, "but we are really far less rational than standard economic theory assumes. Moreover, these irrational behaviors of ours are neither random nor senseless. They are systematic, and since we repeat them again and again, predictable."[134] Thus, the wealthy investor who bets on the hedge fund structured as a Ponzi scheme is not all that different from the working stiff who routinely resorts to a payday lender when confronted with expense shocks. Cass Sunstein makes the point succinctly: "People should be entitled to choose as they like, even if they end up choosing poorly. In a free society, people must be allowed to make their own mistakes, and to the extent possible learn from them, rather than facing correction and punishment from bureaucratic

[133] Funicello (1993), p. 252. Original emphasis.

[134] Arielly (2008), p. xx.

meddlers."[135] In response to making choices in a devilishly complicated world, a "choice architecture" directs consumers to optimal alternatives. A mechanism advocated by behavioral economists, for example, is the "default option," through which workers are automatically enrolled in an employer-sponsored retirement plan unless they specifically request to opt out.[136]

The applications of behavioral economics to social welfare have yet to be fully explored. One option would be to devise a simple pencil-and-paper test of consumer competence vis-à-vis literacy and numeracy, similar to that administered by the Department of Motor Vehicles; those passing would have their voucher benefits cashed-out. Another would be to provide profiles of caseworkers to prospective clients and allow them to select the one they prefer. Significantly, the innovations noted above incorporate choice for consumers whether the charter schools developed by Geoffrey Canada or the goal of an Individual Development Account. The most radical of the innovations is arguably the Family Independence Initiative, which not only permits families to form their own reporting groups, but also minimizes the role of the welfare caseworker.

Innovation

A fundamental schism in American social welfare is a vestige of federalism: the federal government operates social insurance programs, such as Social Security and Medicare, while states have primary responsibility for public assistance programs, such as TANF and Medicaid.[137] The intersection of race and poverty has contributed to the volatility of the federalism debate; as noted above, the exclusion of agricultural workers and domestics denied a generation of southern African Americans Social Security benefits, and southern states provided minimal family welfare benefits to black families furthering their dependence on sharecropping.[138] Not only would the "failure to extend full citizenship to African Americans" be the foundation for American "exceptionalism" to the welfare state ideal,[139] but it would also serve as the basis for Southern resistance to federal efforts to systematize welfare, most recently the expansion of Medicaid through the Affordable Care Act. Nowadays the bureaucracies that maintained the American welfare state consist of an extensive network managed by the Department of Health and Human Services and 52 agencies that administered vastly different state programs, many of them punitively. Over time "welfare bureaucracy" would evolve in the American lexicon as an organizational epithet, symbolizing red tape and disregard to need, all the while demonstrating a reptilian capacity for self-preservation. As Director of Innovation at the Harvard Kennedy School of Government, Stephen Goldsmith would observe, "too frequently the leaders within social service delivery systems—donors, community foundations, and government officials—are part of a community or professional network that restricts the incentives for disruptive change."[140]

Planned innovation in social welfare originated with the Health Maintenance Organization (HMO) Act of 1973, which encouraged health care provision alternatives to conventional fee-for-service arrangements. As HMOs cornered an ever-larger segment of the health care market, physicians responded by establishing Preferred Provider Organizations; regardless, American health care was being restructured. The Affordable Care Act in 2010 encouraged further innovation through two provisions. First, the designation of Accountable Care Organizations (ACOs) encouraged physicians, clinics, and hospitals to coordinate care in order to enhance efficiency. ACOs spread rapidly; by 2012 *Forbes* reported that 150 ACOs were serving 2.4 million Medicare beneficiaries.[141] Consolidating earlier efforts to identify effective treatments, the Affordable Care

[135] Sunstein (2013), p. 10.
[136] Thaler and Sunstein (2008), pp. 137, 83-87.
[137] The Supplemental Nutrition Assistance Program and Supplemental Security Income are exceptions insofar as they have been federalized.
[138] A plantation owner in Mississippi calculated that during the Depression, 24 families in his employ each earned $437.64 per year for working 150 days, which included "free water and fuel, free garden plot and pasturage, a monthly credit for six months to cover food and clothing, a credit for doctor's bills and medicine, and a house to live in." Percy (1941), pp. 279-80.
[139] Quadagno (1994), p. 191.
[140] Goldsmith (2010), p. 139.
[141] Japson (2012).

Act also established the Patient-Centered Outcomes Research Institute to promote research, funded by a trust funded by Medicare and private insurance and projected at $500 million annually by 2015. As a result, American health care will be constantly improved as more efficient delivery networks and effective treatments are identified.[142] Innovation has also been embedded in other federal agencies. The Department of Education coordinates funding for evidence-based projects through Investing in Innovation, awarding $140 million to 20 ventures in 2012. The Corporation for National and Community Service manages a Social Innovation Fund through which, by 2013, had raised $350 million to fund evidence based projects initiated by 201 nonprofits.

Collaborating with foundations and other private sources, innovation funds have provided revenues to demonstration sources, such as those noted earlier. In contrast to many social programs that have evolved in response to political influence, ventures such as the Nurse Family Partnership, the Harlem Children's Zone, and Teach For America, have developed a track record of empirically based efficacy. Adequately funded, demonstrations such as these could reach critical mass and be a source of "disruptive innovation" that would redefine social welfare in America.[143] Federal support for innovations in social welfare reflect the type of innovation policy advocated by Robert Atkinson and Stephen Ezell:

> The federal government could be a catalyst for innovation if it tied its funding more closely to performance. Indeed, the federal government should explicitly use its power of the purse strings to drive innovation among the recipients of those funds. It should allocate money to agencies, departments, or other beneficiaries that implemented innovative policies and approaches. The idea is to take the same amount of money, but allocate it as an incentive to drive performance improvements and innovation.[144]

The extension of flexible service delivery networks and evidence-based policy to program activities beyond health care, education, and social services could be a catalyst of innovation in social welfare.

An Experimental Era

The impact of nonprofit innovations, the crafting of public philosophy by policy institutes, and the role of the corporate sector in promoting privatization are evidence of a process of organizational evolution that is in stark contrast to the staid infrastructure of the classic welfare state, an inflexible bureaucracy sustained by government. In an open society any institution, regardless of how firmly anchored, is subject to public review. Politically, this occurs through a democratic electoral process, candidates establishing positions in relation to various social claims, their ideological orientation and party affiliation serving as shorthand for preferences of their constituents. Since the election of Ronald Reagan in 1980, the political vector of public policy in the U.S. has been to the Right, the election of Bill Clinton and Barack Obama, both centrist Democrats, notwithstanding. Public opinion polls confirm this shift. According to the nonpartisan Pew Economic Mobility Project, 80 percent of Americans think that government is ineffective at helping poor and middle class citizens. Only 38 percent of Americans favor "a bigger government offering more services" compared with 56 percent who prefer "a smaller government with fewer services." Slippage in the faith of government as a provider of services to the general population is also evident with respect to benefits to the poor: "the public majority in favor of the social safety net has slipped from 69 percent in 2007 to 63 percent in 2009 to 59 percent in 2012."[145] As snapshots of public sentiment, polls can vary considerably over time; however, the appearance of the Tea Party coincides with the rise of the expansion of tax expenditures that are opaque to the

[142] Jacobs and Skocpol (2012).
[143] In effect, "disruptive innovation" in the public sector is an analogue to Schumpeter's characterization of capitalism as "creative destruction." See Schumpeter (1942).

[144] Atkinson and Ezell (2012), p. 256.
[145] Stokes (2013), pp. 7, 4.

vast majority of taxpayers.[146] Combined with widespread indignation about the questionable performance of public education and public welfare, the Tea Party can, in part, be considered a referendum on the welfare state.

Public defection from the bureaucratic welfare state is remarkable insofar as it has occurred during the Great Recession. Reports from independent organizations have attested to increased need by Americans as economic and social supports collapsed beneath their families. The Great Recession effectively erased the economic gains of minority households[147] and slowed their upward mobility.[148] A survey of the unemployed showed that many resorted to borrowing to meet routine expenses, but that they all too often found that inadequate. Subsequently, many missed bill and mortgage payments, which in turn contributed to bankruptcy and foreclosure.[149] A post-recession analysis of economic mobility concluded that one-fourth of middle class children had fallen out of the middle class as adults.[150] For Americans adversely affected by the Great Recession, the welfare state had been of little help if not altogether irrelevant.

The inability of the classic welfare state to protect the gains of those who had entered the middle class, to say nothing of actively impeding similar aspirations on the part of poor Americans, provided the basis for reassessing the classic welfare state. In developing his theory of justice, Amartya Sen, winner of the 1998 Nobel Prize in economics, has proposed a capability approach to development, which enhances what a person "has reason to value," as opposed to a utility based orientation defined by resources alone. "The capability approach is a general approach, focusing on information on individuals advantages, judged in terms of opportunity rather than a specific 'design' for how a society should be organized," Sen has argued. "The capability perspective does point to the central relevance of the inequality of capabilities in the assessment of social disparities, but it does not, on its own, propose any specific formula for policy decisions."[151] In this regard, the capability approach errs on the side of competence, honoring individual discretion: "if a person attaches importance to some goal, or some role of behavior, than to personal well-being, it is a decision that could be seen to be for him or her to make."[152] In proposing ten central capabilities, Martha Nussbaum has insisted on one universal value: "the opportunity to think and choose for oneself."[153] Explicit in the capability approach is a critique of welfare because it has devalued the poor: "women and minorities frequently underinvest in their own human capital, where education and training are concerned, making bad decisions because they have been brought up to believe that they can't do certain things that other people can do," a belief system that is perpetuated by institutions affirming the second-class status of recipients.[154]

The inability of the classic welfare state to protect the gains of those who had entered the middle class, to say nothing of actively impeding similar aspirations on the part of poor Americans, provided the basis for reassessing the classic welfare state.

If the paternalism implicit in the bureaucratic welfare state has been challenged by capability philosophy, so program evaluation has subjected federal policies to scientific assessment. Restructuring public programs to make them more congruent with the abilities and expectations of citizens, had been championed by David Osborne in the early 1990s.[155] Subsequently, the National Performance

[146] Mettler (2011).
[147] Taylor, Kochhar, Fry, Valasco, and Motel (2011), pp. 1, 23,
[148] Issacs (2006).
[149] Borie-Holtz, Van Horn, and Zukin (2011), p. 12.
[150] Acs (2011), pp. 21, 11.
[151] Sen (2009), pp. 231, 232.
[152] Ibid., p. 289.
[153] Nussbaum (2000), p. 51.
[154] Ibid., pp. 126, 127.
[155] Osborne and Gaebler (1992).

Review (NPR) was introduced by the Clinton administration under the supervision of Vice-President Gore. Federal agencies, including the Office of Management and Budget and the Government Accountability Office, were assigned the task of evaluating the performance of programs receiving federal funds. In 2001 the Coalition of Evidence-Based Policy was established as a nonpartisan, nonprofit organization; by 2013, the Coalition had evaluated six federal programs. The Brookings Institution also commissioned papers on program effectiveness, notably a series by Julia Isaacs.[156] In short order prominent liberal and conservative think tanks embraced evidence-based policy. In 2010, the Center for American Progress reported that, "more than 80 percent of Americans think the federal budget process should be reformed so that spending decisions are based on what works.[157] In 2011, the Heritage Foundation's David Muhlhausen argued that all federal programs be evaluated by large scale, multi-site, randomized experiments in order to determine their efficacy.[158]

A bureaucratic welfare state comprised of redundant programs that provide dated services through unaccountable agents is difficult to defend given global competition, unmanageable debt, and a protracted recession.

Innovations noted earlier in this paper, such as the Nurse Family Partnership and Teach For America, have been evaluated through field experiments. In a fascinating application of experimental methodology to tax expenditures, Suzanne Mettler and Matt Guardino asked a random sample of citizens about their perceptions of the home mortgage interest deduction, tax credits for retirement savings, and the EITC, measured before and after basic information was provided, and concluded that more knowledgeable respondents tended to view upward redistribution of resources more negatively.[159] Experiments on social programs have also been deployed in developing nations, refuting skeptics who claim that such methods are not applicable to chronic poverty.[160]

Mandating evidence-based policy in social welfare would be a disruptive innovation for the American welfare state. After all, most social programs have been justified as an expression of social justice for those who are deemed worthy of assistance, including the aged, infirm, young, and disabled. Yet, social justice has often been illusory when programs are discriminatory, eligibility is arbitrary, and consumer preferences are ignored. Why social program managers would evade formal accountability for their programs is understandable insofar as three outcomes are logically possible: the data may show that programs improve the lives of citizens, have indeterminate impacts, or harm citizens. If only one of these outcomes affirms positive outcomes, while the others lend doubt to skeptics if not fuel outrage due to damage inflicted on citizens, why would any program manager consent to formal evaluation? Such evasion underscores the allegation of critics that social programs serve the interests of employees primarily and citizens secondarily, leaving taxpayers with the tab. Thus the support of professional associations sustains social programs even when evidence suggests they result in harm. Moreover, when the nation's opportunity structure has been compromised by discrimination according to race, gender, age, and disability, and yielded hard-fought concessions in the form of social programs, constituent groups are reluctant to accede to program evaluation. These factors notwithstanding, a bureaucratic welfare state comprised of redundant programs that provide dated services through unaccountable agents is difficult to defend

[156] Isaacs (2007).
[157] Kohli, Eggers, and Griffith (2011).
[158] Muhlhausen (2013).

[159] Mettler (2011), pp. 59-67.
[160] Banerjee and Duflo (2011).

given global competition, unmanageable debt, and a protracted recession.

Eight decades after its deployment through the Social Security Act and five decades after its expansion during the War on Poverty, the American welfare state is on the verge of renovation. Public opinion has documented misgivings of citizens about the vector of welfare; during the Great Recession when the public would be expected to endorse social programs, increasing number of citizens were expressing reservations about them. Philosophers have charted a more expansive view of human capability, which acknowledges the varied aspirations of people, while allowing for their fallibility. Meanwhile, the economic straits attributable to increasing expenditures for social entitlements during the Great Recession have prompted calls to evaluate programs for their efficacy. As nonprofit organizations deploy innovative programs that are endorsed by think tanks, demonstrate effectiveness by experimental evaluations, and receive federal support, momentum builds to reconsider programmatic commitments sustained by the classic welfare state. Gradually, the bureaucratic welfare state is being replaced by a more dynamic infrastructure, a development that may portend a renaissance in American social welfare.[161]

Conclusion

As an ideal, the classical welfare state that evolved in Europe did not graft well onto the American experience. The American welfare state would be confounded by structural features producing jurisdictional discontinuities, program inefficiencies, benefit discrepancies, and adverse effects. Toward the end of the 20th century initiatives emanating from the private sector reflected themes that had been given short shrift in the classical welfare state: mobility, empowerment, and innovation. Insofar as these themes have been advanced through public policy, they represent the emergence of a dynamic welfare state, an ideal more suitable to the U.S. The systematic application of experimental methods in social welfare can be a source of constant renewal of the dynamic welfare state.

Undoubtedly, the dynamic welfare state will discomfit liberal social activists who have advocated benefits without attending to taxpayer concerns about the cost of open-ended entitlements or the pernicious effects of social programs on recipients of services. But a dynamic welfare state will provide the justification for increasing investments in social capital to which conservatives have reflexively objected. Continual experimentation of social programs will prove of substantial public benefit in the long run as harmful programs are replaced by more effective interventions. Ultimately, the dynamic welfare state, which values consumer preference, optimizes program investments, and incorporates continual renewal will be more congruent with the requirements of 21st century America.

[161] Notably, Esping-Anderson (2002) argued for a "new welfare state" based in a "dynamic method," although he referenced "a life course framework" for justification. A decade ago he wrote, "*The foremost challenge we face is to avert that social ills become permanent, that citizens become entrapped in exclusion or inferior opportunities in such a way that their entire life chances are affected,"* without conceding that the welfare state itself might be the source of entrapment and marginalization.

References

Acs, Gregory. 2011. "Downward Mobility from the Middle Class." Washington, D.C.: Pew Charitable Trusts.

Administration for Children and Families. 2003. "Summary of the Results of the 2001 and 2001 Child and Family Services Reviews."

Alford, Robert. 1975. *Health Care Politics.* Chicago: University of Chicago Press.

American Enterprise Institute. "Annual Report, 2012." Washington, D.C.: American Enterprise Institute.

Ariely, Dan. 2008. *Predictably Irrational.* New York: HarperCollins.

Atkinson, Robert and Stephen Ezell. 2012. *Innovation Economics.* New Haven: Yale University Press.

Banerjee, Abhijit and Esther Duflo. 2011. *Poor Economics.* New York: Public Affairs.

Baroody, William, Jr. 1982. "The President's View." *AEI Annual Report 1982-1982*. Washington, D.C.: American Enterprise Institute.

Beland, Daniel. 2010. *What is Social Policy?* Malden, MA: Polity Press.

Bellah, Robert. 1985. *Habits of the Heart.* New York: Harper & Row.

Berger, Brigitte and Peter Berger. 1983. *The War Over the Family.* New York: Anchor Books.

Berger, Peter and John Neuhaus. 1977. *To Empower People.* Washington, D.C.: American Enterprise Institute.

Berkowitz, Edward and Kim McQuaid. 1980. *Creating the Welfare State.* New York: Praeger.

Berlin, Isaiah. 2002. "Two Concepts of Liberty." In *Liberty, Isaiah Berlin,* edited by Henry Hardy. New York: Oxford University Press.

Blank, Rebecca and Ron Haskins. 2011. *The New World of Welfare.* Washington, D.C.: Brookings Institution.

Borie-Holtz, Debbie, Carl Van Horn, and Cliff Zukin. 2011. *No End in Sight: The Agony of Prolonged Unemployment*. New Brunswick, NJ: Rutgers University Heldrich Center for Workforce Development.

Bornstein, David. 2004. *How to Change the World: Social Entrepreneurs and the Power of New Ideas*. New York: Oxford University Press.

———. 2012. "The Power of Nursing." *New York Times,* May 16, 2012.

Bornstein, David and Susan Davis. 2010. *Social Entrepreneurship.* New York: Oxford University Press.

Boshara, Ray. 2012. "From Asset Building to Balance Sheets." St. Louis, MO: Center for Social Development.

Brookings Institution. 2012. "Annual Report, 2012." Washington, D.C.: Brookings Institution.

Cato Institute. 2012. "Annual Report, 2011." Washington, D.C.: Cato Institute.

Center for Responsive Politics. 2013. "Revolving Door: Former Members." Washington, D.C.: Open Secrets.

Chatterjee, Pranab. 1996. *Approaches to the Welfare State.* Washington, D.C.: NASW Press.

Children's Rights. 2013. "Class Actions."

Child Welfare Information Gateway. 2011. "Child Abuse and Neglect Fatalities 2010." Washington, D.C.: Department of Health and Human Services.

Cohn, Jonathan. 2003. "Careless." *The New Republic,* December 15, 2003.

Connolly, Ceci. 2003. "Drugmakers Protect Their Turf." *Washington Post,* November 21, 2003.

Corporation for Enterprise Development. 2010. *State IDA Program Support*. Washington, D.C.: Corporation for Enterprise Development.

Cramer, Reid. 2012. Personal communication, February 9, 2012.

Dauber, Michelle. 2013. *The Sympathetic State.* Chicago: University of Chicago Press.

Davis, Kenneth. 1986. *FDR: The New Deal Years 1933-1937*. New York: Random House.

Decker, Paul, Daniel Meyer, and Steven Glazerman. 2004. "The Effects of TFA on Students: Findings from a National Evaluation." Princeton, NJ: Mathematica Policy Research.

Deleon, Peter. 2006. "The Historical Roots of the Field." In *The Oxford Handbook of Public Policy*, edited by Michael Moran, Martin Rein, and Robert Goodin. New York: Oxford University Press.

Department of Education. 2012. "2012 Promise Neighborhoods Competition Opens, $60 Million Available to Continue Reform and Award New Planning and Implementation Grants." Washington, D.C.: U.S. Department of Education.

Dionne, E.J., Jr. 1991. *Why Americans Hate Politics.* New York: Simon & Schuster.

Dobbie, Will and Roland Fryer, Jr. 2009. "Are High-Quality Schools Enough to Close the Achievement Gap: Evidence from a Bold Social Experiment in Harlem." Cambridge, MA: Harvard University.

———. 2011. "The Impact of Youth Service on Future Outcomes: Evidence from Teach For America." NBER working paper no. 17402.

Edelman, Marian Wright. 2013. "The Cradle to Prison Pipeline: An American Health Crisis." In *Preventing Chronic Disease.* Washington, D.C.: Centers for Disease Control and Prevention.

Esping-Anderson, Gosta. 1990. *The Three Worlds of Welfare Capitalism*. Princeton, NJ: Princeton University Press.

———. 2002. *Why We Need a New Welfare State*. New York: Oxford University Press.

Family Independence Initiative. 2013. "How We Use Data."

Franklin, John Hope. 1980. *From Slavery to Freedom.* New York: Knopf.

Friedman, Milton and Rose Friedman. 1988. "The Tides in the Affairs of Men." In *Thinking about America*, edited by Annalise Anderson and Dennis Bark. Stanford: Hoover Institution.

Friedman, Thomas. 2006. *The World is Flat*. New York: Farrar, Straus, and Giroux.

Funicello, Theresa. 1993. *Tyranny of Kindness.* New York: Atlantic Monthly Press.

Furniss, Norman and Timothy Tilton. 1977. *The Case for the Welfare State.* Bloomington, IN: Indiana University Press.

Gelles, Richard. 1996. *The Book of David.* New York: Basic Books.

Gerth, Hans and C. Wright Mills. 1946. *From Max Weber: Essays in Sociology.* New York: Oxford University Press.

Gilbert, Neil. 1983. *Capitalism and the Welfare State*. New Haven, CT: Yale University Press.

———. 1995. *Welfare Justice.* New Haven, CT: Yale University Press.

———. 2009. "Welfare Pluralism and Social Policy." In *The Handbook of Social Policy*, edited by James Midgley and Michelle Livermore. Thousand Oaks, CA: SAGE.

Ginsburg, Leon. 1998. *Conservative Social Welfare Policy.* Chicago: Nelson Hall.

Goldsmith, Stephen. 2010. *The Power of Social Innovations.* San Francisco, CA: Jossey- Bass.

Gordon, Linda. 1994. *Pitied But Not Entitled.* Cambridge, MA: Harvard University Press.

Hacker, Jacob. 2002. *The Divided Welfare State.* Cambridge, UK: Cambridge University Press.

Haidt, Jonathan. 2012. *The Righteous Mind.* New York: Pantheon.

Harvard Kennedy School. 2013. "Think Tank Search." Harvard Kennedy School Library and Knowledge Services.

Haskins, Ron. 2006. *Work Over Welfare.* Washington, D.C.: Brookings Institution.

Haskins, Ron and Isabel Sawhill. 2009. *Creating an Opportunity Society.* Washington, D.C.: Brookings Institution.

Heritage Foundation. 2010. "Annual Report, 2010." Washington, D.C.: Heritage Foundation.

Hofstadter, Richard. 1963. "*Anti-intellectualism in American Life.* New York: Vintage.

———. 1973. *The American Political Tradition.* New York: Vintage.

Hoover Institution. 2010. "Annual Report, 2010." Stanford, CA: Hoover Institution.

House Ways and Means Committee. 2004. *Overview of Entitlement Programs.* Washington, D.C.: US GPO.

Howard, Christopher. 1997. *The Hidden Welfare State.* Princeton, NJ: Princeton University Press.

———. 2007. *The Welfare State Nobody Knows.* Princeton, NJ: Princeton University Press.

Illich, Ivan. 1975. *Medical Nemesis*. London: Marion Boyars.

Isaacs, Julia. 2006. *Economic Mobility of Families Across Generations*. Washington, D.C.: Brookings Institution.

———. 2007. "Cost-Effectiveness Investments in Children." Washington, D.C.: Brookings Institution.

Jacobs, Lawrence and Theda Skocpol. 2012. *Health Care Reform*. New York: Oxford University Press.

Jacoby, Russell. 1987. *The Last Intellectuals.* New York: Basic Books.

Jacoby, Sanford. 1997. *Modern Manors: Welfare Capitalism Since the New Deal.* Princeton, NJ: Princeton University Press.

Johnson, Norman. 1987. *The Welfare State in Transition.* Amherst, MA: University of Massachusetts Press.

Karger, Howard and David Stoesz. 2010. *American Social Welfare Policy*. New York: Pearson.

Karoly, Lynn, M. Rebecca Kilburn, and Jill Cannon. 2005. *Early Childhood Interventions.* Santa Monica, CA: RAND.

Katznelson, Ira. 2013. "When Democracy Meets Fear." *Chronicle of Higher Education*.

Kaufmann, Franz-Xavier. 2012. *European Foundations of the Welfare State*. New York: Berghahn.

Kohli, Jitinder, David Eggers, and John Griffith. 2011. "The Secret to Programs that Work." Washington, D.C.: Center for American Progress.

Kopp, Wendy. 2003. *One Day, All Children…: The Unlikely Triumph Of Teach For America And What I Learned Along The Way*. New York: Public Affairs.

Kuhn, Thomas. 1970. *The Structure of Scientific Revolutions.* Chicago: University of Chicago Press.

Lawinski, Terese. 2010. *Living on the Edge in Suburbia.* Nashville, TN: Vanderbilt University Press.

Leiby, James. 1978. *A History of Social Welfare and Social Work in the United States.* New York: Columbia University Press.

Levine, Murray and Adeline Levine. 1970. *A Social History of the Helping Services.* New York: Appleton Century Crofts.

Lipsky, Michael. 1980. *Street-Level Bureaucracy.* New York: Russell Sage Foundation.

Lubove, Roy. 1965. *The Professional Altruist.* New York: Atheneum.

Mann, Thomas and Norman Ornstein. 2012. *It's Even Worse Than It Looks.* New York: Basic Books.

Marshall, T.H. 1964. *Class, Citizenship, and Social Development.* Chicago: University of Chicago Press.

Mathews, Jay. 2009. *Work Hard, Be Nice.* Chapel Hill, NC: Algonquin.

McKnight, John. 1965. *The Careless Society.* New York: Basic Books.

Mead, Lawrence. 1986. *Beyond Entitlement.* New York: Free Press.

Medvetz, Thomas. 2012. *Think Tanks in America.* Chicago: University of Chicago Press.

Menand, Louis. 2013. "How the Deal Went Down." *New Yorker,* March 4, 2013.

Mettler, Suzanne. 2011. *The Submerged State.* Chicago: University of Chicago Press.

Micklethwait, John and Adrian Wooldridge. 2004. *The Right Nation.* New York: Penguin.

Miller, Maurice Lim. 2011. "The Uphill Battle to Scale an Innovative Antipoverty Initiative." Washington, D.C.: New America Foundation.

Montoya, Danielle. 2013. Personal communication, February 8, 2013.

Moynihan, Daniel Patrick. 1988. *Came the Revolution.* San Diego: Harcourt Brace Jovanovich.

Muhlhausen, David. 2011. "Evaluating Federal Social Programs." Washington, D.C.: Heritage Foundation.

Murray, Charles. 1984. *Losing Ground.* New York: Basic Books.

Noah, Timothy. 2012. *The Great Divergence.* New York: Bloomsbury Press.

Nussbaum, Martha. 2000. *Women and Human Development.* Cambridge, MA: Harvard University Press.

O'Connell, Brian. 1982. *Origins, Dimensions, and Impact of America's Voluntary Spirit.* Washington, D.C.: Independent Sector.

O'Connor, Alice. 2001. *Poverty Knowledge.* Princeton, NJ: Princeton University Press.

Olds, David, Harriet Kitzman, Robert Cole, Carole Hanks, Kimberly Arcoleo, Elizabeth Anson, Dennis Luckey, Michael Knudtson, Charles Henderson, Jessica Bondy, and Amanda Stevenson. 2010. "Enduring Effects of Prenatal and Infancy Home Visiting Nurses on Maternal Life course and Government Spending." *Archive of Pediatric Adolescent Medicine* 164(5): 419-24.

Olds, David, Jo Ann Robinson, Lisa Pettitt, Dennis Luckey, John Holmbert, Rosanna Ng, Kathy Isacks, Karen Sheff, and Charles Henderson. 2004. "Effects of Home Visits by Paraprofessionals and by Nurses: Age 4 Follow-up Results of a Randomized Study." *Pediatrics* 114(6): 1560-8.

Pecora, Peter. 2005. "Improving Family Foster Care: Findings from the Northwest Foster Care Alumni Study." Seattle: Annie E. Casey Foundation.

Percy, William Alexander. 1941. *Lanterns on the Levy.* Baton Rouge, LA: Louisiana State University Press.

Pines, Burton. 1982. *Back to Basics.* New York: William Morrow.

Quadagno, Jill. 1994. *The Color of Welfare.* New York: Oxford University Press.

Relman, Arnold. 1980. "The New Medical Industrial Complex." *New England Journal of Medicine* 303(17): 963-70.

Ricci, David. 1993. *The Transformation of American Politics.* New Haven: Yale University Press.

Rich, Andrew. 2004. *Think Tanks, Public Policy, and the Politics of Expertise.* New York: Cambridge University Press.

Ridzi, Frank. 2009. *Selling Welfare Reform.* New York: New York University Press.

Rogowski, Steve. 2010. *Social Work: The Rise and Fall of a Profession*. Portland, OR: Policy Press.

Safire, William. 1993. *Safire's New Political Dictionary.* New York: Random House.

Sawhill, Isabel, Scott Winship, and Kerry Grannis. 2012. "Pathways to the Middle Class." Washington, D.C.: Brookings Institution.

Schumpeter, Joseph. 1942. *Capitalism, Socialism, and Democracy.* New York: Harper.

Sen, Amartya. 2009. *The Idea of Justice.* Cambridge, MA: Harvard University Press.

Sherraden, Michael. 1991. *Assets and the Poor*. New York: M.E. Sharpe.

———. 2009. "Individual Development Accounts and Asset-building Policy." In *Insufficient Funds*, edited by Rebecca M. Blank and Michael S. Barr. New York: Russell Sage Foundation.

Sherraden, Michael and J. Stevens. *Lessons from SEED*. St. Louis, MO: Washington University, Center for Social Development.

Silverstein, Ken. 2013. "The Great Think Tank Bubble." *The New Republic,* February 19, 2013.

Skocpol, Theda. 1992. *Protecting Soldiers and Mothers.* Cambridge, MA: Harvard University Press.

Stiglitz, Joseph. 2012. *The Price of Inequality.* New York: W.W. Norton.

———. 2013. "Inequality is Holding Back the Recovery." *New York Times,* January 19, 2013.

Stokes, Bruce. 2013. "Public Attitudes toward the Next Social Contract." Washington, D.C.: New America Foundation.

Stolberg, Sheryl. 2004. "2 Decline to Testify on Drug Cost." *New York Times*, April 2, 2004.

Stolberg, Sheryl and Robert Pear. 2004. "Mysterious Fax Adds to Intrigue Over Drug Bill." *New York Times,* March 18, 2004.

Stuhldreher, Ann and Rourke O-Brien. 2011. "The Family Independence Initiative: A New Approach to Help Families Exit Poverty." Washington, D.C.: New America Foundation.

Sunstein, Cass. 2013. "It's for Your Own Good." *New York Review of Books*, March 7, 2013.

Tax Policy Center. 2011. "What Is the Earned Income Tax Credit?" Washington, D.C.: Brookings Institution and the Urban Institute, 2012.

Taylor, Paul, Rakesh Kochhar, Richard Fry, Gabriel Valasco, and Seth Motel. 2011. "Wealth Gaps Rise to Record Highs between Whites, Blacks, and Hispanics." Washington, D.C.: Pew Research Center, 2011.

Thaler, Richard and Cass Sunstein. 2008. *Nudge*. New Haven, CT: Yale University Press.

Titmuss, Richard. 1968. *Commitment to Welfare*. New York: Pantheon.

Tocqueville, Alexis de. 2003(1835). *Democracy in America*. New York: Penguin.

Tough, Paul. 2008. *Whatever It Takes: Geoffrey Canada's Quest to Change Harlem and America*. New York: Houghton Mifflin.

Trisi, Danilo and LaDonna Pavetti. 2012. "TANF Weakening as a Safety Net for Poor Families." Washington, D.C.: Center on Budget and Policy Priorities.

Urban Institute. 2011. "Annual Report, 2011." Washington, D.C.: Urban Institute.

Van den Bosch, Karel and Bea Cantillon. 2006. "Policy Impact." In *The Oxford Handbook of Public Policy*, edited by Michael Moran, Martin Rein, and Robert Gooden. New York: Oxford University Press.

Van Oorschot, Wim, Michael Opielka, and Birgit Pfau-Effinger. 2008. *Culture and Welfare State*. Northampton, MA: Edward Elgar.

Weidenbaum, Murray. 2011. *The Competition of Ideas.* New Brunswick, NJ: Transaction.

Whitaker, Robert. 2010. *Anatomy of an Epidemic.* New York: Crown.

Wilensky, Harold and Charles Lebeaux. 1965. *Industrial Society and Social Welfare.* New York: Free Press.

Williams, Timothy. 2013. "Child Abuse at Reservation is Topic for 3 Lawmakers." *New York Times,* February 15, 2013.

Wulczyn, Fred, Richard Barth, Yung-Ying Yuan, Brenda Harden and John Landsverk. 2005. *Beyond Common Sense.* New Brunswick, NJ: Transaction.

Zijderveld, Anton. 1999. *The Waning of the Welfare State.* New Brunswick, NJ: Transaction.

Main Office
1899 L Street, NW
Washington, DC 20036
Phone 202 986 2700
Fax 202 986 3696

New York Office
199 Lafayette Street, Suite 3B
New York, NY 10012

New America Foundation
www.newamerica.net