

# PEOPLE'S PLATFORM Newsletter #12

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## CARTER'S WELFARE PLAN=LOW WAGES



President Carter's proposals to change the Welfare system are as far-reaching as his press releases promised. But the man who campaigned on compassion, and who won election because the votes of Black people and organized labor swung key electoral states, offers a welfare reform that is in spirit much like workfare.

### JOBS FOR SOME WORK FOR ALL

The problem facing the Government in redesigning welfare is that any program that really met human needs would compete with the millions of jobs that pay wages that don't meet human needs. If Carter chose to offer liberal cash benefits to people capable of working, many sectors of the U.S. economy could not offer similar wages and still turn a profit or, for that matter, exist.

### OVERVIEW

The Carter proposal adopts a combined compulsory work and cash benefit approach. Although it "covers" all people regardless of age or family make-up, it treats different categories of people unequally, giving more or less cash benefits, financial incentives to work, or access to public service employment slots, according to category.

The major distinction in treatment is the separation of those "expected to work" and those "not expected to work". Specifically, those "expected to work" are single individuals, married couples with no children, one parent of a two-parent household, and single parents whose youngest child is age fourteen or older. Those "not expected to work" are the aged (sixty-five or over), the blind, and disabled, and single parents of children under the age of six. Single parents with children between the ages of six and fourteen are "expected to work" part time if day

care is available.

"Expected to work" translates: an adult offered a job who refuses it will lose his or her benefits. In all probability, State Employment Security Departments will have two months to match recipients with any existing jobs that can be found. If no job can be found, the recipient is supposed to be offered a Public Service Employment (PSE) slot. People who aren't classified as expected to work, such as single parents, elderly, or handicapped persons, will be lowest priority for Public Employment.

### MONEY

The basic grant level for a family of two adults and two children is \$2300. For single-parent families, the basic grant is \$1100 for two people. If the adult who is expected to work cannot be placed in an existing job or PSE slot, the grant is increased by \$1900. However, during the job search period and during employment, the basis on which the grant is calculated is \$2300. This is the number to use when figuring out how much wages from a job reduce welfare benefits. For two-parent families of various sizes, add \$600.00 per child. In addition, people working in regular jobs will be eligible for an "earned income" credit on their federal income taxes of about 7% of their wages. People who work in PSE won't get the tax break.

When a person accepts a job, the Carter plan would allow them to keep much more of their wages than current welfare allows. The worker in two-parent families can keep the first \$3800 in wages entirely and then have the family's benefits reduced by 50 cents for every dollar of earnings above \$3800. People not expected to work who do work will find their welfare check cut by 50% of their entire earnings.

Wages in Public Service slots will be the minimum wage. The average wage in CETA jobs has been \$3.60 an hour. The present minimum wage is \$2.35 an hour and is expected to be increased to \$2.65 this year. The difference between the average CETA job and a PSE will thus be about \$2000 a year in wages. Carter originally planned to discourage reliance on PSE by reducing the welfare benefit by 50% of earnings above \$1900 for PSE workers, as compared to \$3800 for regular workers. But that provision has been dropped from the Administration's latest

announcements.

All in all, a family of four with one PSE worker will have total gross income of \$6050.

### JOB CREATION OR WAGE DEFLATION

Carter plans to create one million PSE slots and 400,000 training slots (which will pay \$1.95 an hour). This will be about double the number of slots that existed under CETA, which will be phased out. In addition to creating an administrative headache for the former CETA administrators, the shift of public service workers from prevailing wage CETA jobs to minimum wage PSE slots should have a big impact on all wages. While the Carter plan is based on getting unemployment down to below 6%, it does nothing in itself to increase the supply of real jobs. With each PSE paying \$2000 a

year less than CETA, the total difference in income to the poor for the one million work slots would amount to \$2 billion each year. Currently (8-18) all the types of work being talked about for PSEs come under existing civil service job titles. Thus, major questions are developing over both the effect on wages throughout the economy and the potential for displacement of regular government employees.

There are many other parts of Carter's plan that require careful scrutiny, such as the effect on single people or the elderly, the end of food stamps, whether current needs or past needs will determine eligibility and level of benefits, filing units, and administration. To find out more about Carter's plan and what you can do about it, call Sue Ochs or Barbara Lybarger at 617-482-0890, or Mary Geddes at 617-625-6000 ext. 191. J.B.

## FOLLOW-UP: MEDICAID FUNDS AND ABORTION

Will women on medicaid have the right to a safe clinical abortion through the medicaid program, or will they have to resort to self-induced abortions and quack doctors? This was the major question addressed at the public hearing held on the infamous Doyle-Flynn bill. Advocates of abortion rights, including Mass. Citizens for Choice and the Abortion Action Coalition, jammed Gardner Auditorium, while many more rallied outside of the State House.

Moving and realistic testimony was presented to the committee by individuals, doctors, social workers, and officials from the state administration. Ms. Eileen Bailey a mother of two children on AFDC appeared

at the hearing to speak against the bill. "The upper class legislators of this state are imposing their own supposed morals on poor people in the form of legislation such as this", she said of the Doyle-Flynn bill. "But this legislation will not achieve an end to abortion or to the problem of unwanted pregnancies, abused children, and underfed, undernourished children whose mothers cannot afford to clothe and feed them. What it will do is hypocritically allow those same 'moral' people, who can afford to pay for abortions, that privilege while denying poor women like me the freedom to exercise my constitutional right to choose whether or not to bear a child".

*continued on back page*

# Massachusetts Will Adopt Linked Deposit System



Bob Zevin, SCSA chairperson, answers questions at SEOC press conference on the LDS flanked by Paul Houlihan [left] and Jon Bockian [right].



Treasurer Robert Q. Crane announces that the state will adopt a Linked Deposit Program within 90 days.

On Friday, July 29, State Treasurer Robert Q. Crane announced that he will put a Linked Deposit System (LDS) into effect in Massachusetts within 90 days. Immediately following the SEOC's release of its 4-month study report proposing such a state investment program, Crane held a press conference to announce endorsement of the report and to thank the SEOC for bringing the issue into public focus.

The sudden victory for LDS proponents puts an end to a policy under which the Commonwealth for years exported the state's tax dollars. Under a Linked Deposit System, state cash balances will be deposited in those Massachusetts banks which do the most to help the people and the economy of the state.

Crane announced that he will appoint a blue-ribbon special commission to conduct hearings throughout the Commonwealth during September. The hearings will

allow Massachusetts residents, unions, CAPs, housing groups, CDCs, and other interested groups to give testimony about the need in their area for capital investments in housing, jobs, and other productive uses. Such information is crucial, said Crane, in giving them guidance about how to target the LDS so that it encourages the most helpful bank lending patterns.

On Thursday, August 11, an SEOC sub-committee met with Assistant Treasurer David Marchand to suggest panel members and discuss the hearing schedule. Crane will attend each hearing, but will ask the hearing panel to draw up the LDS priorities and formula, said Marchand.

In addition to support from the state treasurer, the LDS idea has already drawn endorsements from Governor Dukakis, Citizens for Participation in Political Action (CPPAX) and several community groups around the state. J.K.

September 4-11

## FULL EMPLOYMENT WEEK

National Full Employment Week will be observed in this state September 4-11, under the sponsorship of the Massachusetts Coalition for Full Employment (MCFE). The Coalition is a recently formed organization of various trade unions, religious bodies and other concerned groups. It is beginning to work locally to heighten public consciousness and concern about the human and economic costs and waste caused by unemployment. Full Employment Week is an effort to concentrate attention on the issue, but it will also serve as a "kick-off" for the building of MCFE as a coalition group to exert strong pressures for a meaningful employment bill.

On the national level the Week is being coordinated by the Full Employment Action Council and the National Council of Churches. The Action Council is co-chaired by Coretta Scott King and Murray Finley, President of the Amalgamated Clothing and Textile Workers' Union (ACTWU). On the state level, endorsements have already come from the three major denominations, as well as local labor leaders.

A number of activities are in the planning stages, but many are already scheduled, ranging from local community "town meetings", to radio and television talk-show specials on full employment.

### MILLIONS REMAIN JOBLESS

The need for action on the unemployment issue is clear. Despite some modest improvements in economic indicators, millions of Americans are jobless. Although the official jobless rate is now 6.9%, more comprehensive measures of unemployment indicate that almost 10% of the work force is without jobs. These overall figures do not reflect the inequitable distribution of unemployment among minorities, young people, women and blue collar workers. While some groups are experiencing relative prosperity, others still face continuing depression levels of unemployment.

If the Massachusetts Coalition for Full Employment is to be successful, we will need the support of a variety of diverse groups. We are building a broad-based coalition because we see unemployment as having harmful effects on all members of society.

If you would like more information about the Coalition and its work, please drop a note to: Massachusetts Coalition for Full Employment, 27 School Street, Boston Massachusetts 02108 or call (617) 523-6339. R.B.

## MEDICAID AND ABORTION

continued from front page

### EDELIN WARNS LEGISLATORS

Dr. Kenneth Edelin, a Black obstetrician at Boston City Hospital speaking from experience stated that ending public funding for abortions would force women to kitchen-table and self-induced abortions. "Women will continue to have abortions whether you pass this bill or not", he warned. "If you dare think that if you fund abortion your hands are somehow bloody, I shudder to think what they will be like — if, God forbid, women die from unsafe abortions".

Welfare Commissioner Alexander Sharp shot down the theory that millions of taxpayers'

dollars are spent on abortions. Sharp said "The state paid less than \$1½ million last year for the 5,000 abortions granted to medicaid recipients", out of all the 33,000 abortions performed in Mass. last year. Governor Dukakis is expected to veto the Doyle-Flynn bill which has passed in the Mass. House by a vote of 156 to 69 as soon as the Mass. Senate completes its action on the bill. At that time the second phase of the battle will begin with both branches (House and Senate) lobbying extensively to either override or sustain the Governor's veto. It's not too late for you to get involved, write your senators and representatives, welfare recipients have rights and votes too. S.M.



Rally outside state house organized by the Abortion Action Coalition.

### PEOPLE'S PLATFORM NEWSLETTER

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