

The image shows the interior of a white refrigerator. The top two shelves are empty. The bottom shelf contains a single white plastic gallon jug of milk with a green cap. The text is overlaid on the image in a dark blue serif font.

\$2.00

a Day

LIVING ON ALMOST NOTHING IN AMERICA

KATHRYN J. EDIN & H. LUKE SHAEFER

\$2.00 a Day

Living on Almost Nothing in America

Kathryn J. Edin
H. Luke Shaefer

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*To our children,
Bridget, Kaitlin, Marisa, and Michael*

Introduction

DEEP ON THE SOUTH SIDE of Chicago, far from the ever-evolving steel skyline of America's third-largest city, sits a small, story-and-a-half white clapboard house clad in peeling paint. That's where Susan Brown lives with her husband, Devin, and their eight-month-old daughter, Lauren, the three of them sharing the home with Susan's grandmother, stepgrandfather, and uncle.*

Wooden steps lead up to the age-worn threshold of an enclosed front porch, which slumps noticeably to the left. To enter the house, visitors must sidestep a warped, mold-stained plywood board that covers a large hole in the porch floor. The front door opens into a small, dark room furnished with a worn couch, a shaky wooden coffee table, and a leatherette easy chair with stuffing escaping from the left arm. Up and to the left, you can see a dark patch where the wall meets the ceiling. It seems like the spot is at best damp and at worst crumbling.

The air is dense. It is well above ninety degrees outside, but it feels even hotter inside the house. None of the windows open, although gaps between the frames and their casings let in a little bit of air. The carpeting in the front room has been discolored by footsteps and spills, and its matted surface feels a bit sticky. Where the carpet has worn away, there are the crumbling remains of black-and-white linoleum. Where the linoleum has worn through, there are the vestiges of once-fine hardwood floors.

At the back of the house, a giant 1980s-era refrigerator dominates a small kitchen outfitted with open shelving and a porcelain sink that may well be a century old. Inside the refrigerator, there are just a few bottles of baby formula that Susan has gotten from the Special Supplemental Nutrition Program for Women, Infants, and Children, called WIC. She says of baby Lauren, "She gets WIC, but it don't last . . . They give her, like, seven cans, but it's like the *little* cans." Otherwise, she says with a shrug, "we don't have no food in the freezer right now." The fridge groans as it works to keep its mostly empty shelves cold.

In the heart of all the chaos that is inevitable when six people share a cramped, worn three-bedroom home, there is a small dining area sandwiched between the front room and the empty fridge in the back. In it sits a round dining table covered with a pristine white linen tablecloth, intricately embroidered around the edges. Four place settings are outfitted with gold-rimmed china and silver flatware. Four bright white napkins embellished with the same embroidery as the tablecloth have been carefully folded and placed in large crystal goblets. It is hard to imagine a more elegant table at which to share a meal. Yet here it sits—never used, never disturbed—accompanied by a single chair.

This table harks back to a different era, a better time in the life of Susan's family, when owning this house in this part of Chicago signaled the achievement of middle-class African American respectability. Before the economic anchors of this far South Side neighborhood closed down—the steel yards in the 1960s, the historic Pullman

railway car company by the early 1980s, and the mammoth Sherwin-Williams paint factory in 1995—Roseland was a community with decent-paying, stable jobs. It was a good place to raise your kids.

As the jobs left, the drugs arrived. “It got worse, it’s changed,” Susan says. There’s “too much violence . . . unnecessary violence at that.” Given what her family has been through, this is more than a bit of an understatement. Susan’s brother was shot in broad daylight just one block away. Her great-grandmother, in whose house they are living, has fled for a meager retirement out west. Susan’s family would like nothing more than to find another place to live, safer streets and a home that isn’t crumbling around them. Yet despite all of its ills, this house is the only thing keeping Susan, Devin, and Lauren off the streets. They have spent the past few months surviving on cash income so low that it adds up to less than \$2 per person, per day. With hardly a cent to their names, they have nowhere else to go.

Two dollars is less than the cost of a gallon of gas, roughly equivalent to that of a half gallon of milk. Many Americans have spent more than that before they get to work or school in the morning. Yet in 2011, more than 4 percent of all households with children in the world’s wealthiest nation were living in a poverty so deep that most Americans don’t believe it even exists in this country.

Devin has a high school diploma. A clean record. Some work history. He spent most of the past year working construction gigs off the books for an uncle, until he got a temp job up in the northern suburbs. But that job lasted only a few months, and now he’s gone half a year without finding another. After two months at home following the birth of baby Lauren, Susan began a frantic search for work, but it hasn’t been going well. “I’ve been looking for jobs for forever,” she says, clearly demoralized. “It’s gonna drive me crazy!” Before she became pregnant with Lauren, Susan earned her GED and spent more than a year in community college, completing the remedial courses that would allow her to finally begin earning credits toward a certification in early childhood education. Yet she can’t afford to return to college right now. Somebody has to find work.

Devin speaks with more confidence than Susan. He believes that any day now, things are bound to turn around. On his way to apply for a position at the Save-A-Lot grocery store nearby, his blue jeans are clean and crisp, his short-sleeved button-down shirt pressed. He has heard that there is an opening for part-time work in the produce department, paying \$8.50 an hour. Despite six months of rejections, he is confident that he’s got this one. At only twenty hours a week, it won’t get his family above the poverty line, but it’s a start. Now if only Susan can find something. At least child care isn’t a worry. Susan’s grandmother has had to leave her job to care for her husband, just home after a long hospitalization. She says that while she’s nursing him at home, she can babysit Lauren if Susan finds a job.

Susan is sick of going hungry, sick of eating instant noodles morning, noon, and night. She’s tired of falling further and further behind on her bills, tired of being a freeloader in her own home. With no cash coming in, the whole family is in hock to Susan’s absentee landlord, her great-grandmother, who charges each of her tenants a modest rent to cover the property taxes and supplement her Social Security check. Susan’s uncle has been scraping together just enough to pay the utilities with his slim earnings from the occasional side job fixing cars in the backyard. The whole

household depends on Susan and Devin's food stamp benefits in order to eat. So as Susan goes about the work of caring for her baby and searching for a job, she is also learning another skill—the art of surviving on virtually nothing.

The Rise of \$2-a-Day Poverty

By 2010, Kathryn Edin had spent more than twenty years canvassing poor communities all over the country, sitting with low-income parents at their kitchen tables or as they went about their work, talking about their economic lives. Beginning in the early 1990s, she and her colleague Laura Lein detailed the budgets of hundreds of the nation's welfare recipients. They showed how, despite receiving a few hundred dollars in welfare benefits each month, these families still struggled to survive. Typically, they were able to cover only about three-fifths of their expenses with the cash and in-kind assistance they received from the welfare office. Each month, they had to scramble to bridge the large gap in their budgets. Yet on the whole, Edin and Lein found that by deploying grit and ingenuity, these families were usually able to stave off the most severe forms of material deprivation.

In the summer of 2010, Edin returned to the field to update her work on the very poor. She was struck by how markedly different things appeared from just fifteen years before. In the course of her interviews, she began to encounter many families living in conditions similar to those she would find when she met Susan and Devin Brown in 2012—with no visible means of cash income from any source. These families weren't just poor by American standards. They were the poorest of the poor. Some claimed food stamps, now called SNAP, for the Supplemental Nutrition Assistance Program. A few had a housing subsidy. Most had at least one household member covered by some form of government-funded health insurance. Some received an occasional bag of groceries from a food pantry. But what was so strikingly different from a decade and a half earlier was that there was virtually no cash coming into these homes. Not only were there no earnings, there was no welfare check either. These families didn't just have too little cash to survive on, as was true for the welfare recipients Edin and Lein had met in the early 1990s. They often had no cash at all. And the absence of cash permeated every aspect of their lives. It seemed as though not only cash was missing, but hope as well.

The question that began to keep Edin up at night was whether something had changed at the very bottom of the bottom of American society. Her observations could have been a fluke. To know for sure, she had to find a survey representative of the U.S. population that asked just the right questions. And it had to have asked them over many years so she could see whether extreme destitution had been growing, especially since the mid-1990s, when the country's main welfare program, Aid to Families with Dependent Children (AFDC), was replaced by a system of temporary, time-limited aid.

It was entirely a coincidence that in the fall of 2011, Luke Shaefer came to Harvard, where Edin was teaching, for a semester. Shaefer is a leading expert on the Survey of Income and Program Participation (SIPP), the only survey that could answer Edin's question. The SIPP, administered by the U.S. Census Bureau, is based on survey interviews with tens of thousands of American households each year. Census Bureau

employees ask detailed questions about every possible source of income, including gifts from family and friends and cash from odd jobs. A key goal of the survey is to get the most accurate accounting possible of the incomes of the poor and the degree to which they participate in government programs. No one claims these data are perfect: people may not want to tell a stranger “from the government” about the intimate details of their finances, especially if they think it could get them in trouble with the law. But the SIPP can tell us more about the economic lives of the poorest Americans than any other source. And because it has asked the same questions over many years, it is the only tool that can reveal if, and how much, the number of the virtually cashless poor has grown in the years since welfare reform.

That fall, during an early morning meeting in her office in Cambridge, Edin shared with Shaefer what she had been seeing on the ground. Shaefer immediately went to work to see if he could detect a trend in the SIPP data that matched Edin’s observations. First, though, he needed to determine what income threshold would capture people who were experiencing a level of destitution so deep as to be unthought-of in America. Accordingly, he borrowed inspiration from one of the World Bank’s metrics of global poverty in the developing world—\$2 per person, per day. At the time, the official poverty line for a family of three in the United States worked out to about \$16.50 per person, per day over the course of a year. The government’s designation of “deep poverty”—set at half the poverty line—equated to about \$8.30 per person, per day. As far as Shaefer and Edin could tell, no one had ever looked to see whether any slice of the American poor fell below the even lower threshold of \$2 a day for even part of a year. With the SIPP, it was fairly easy to estimate how many American families with children were reporting cash incomes below this very low threshold in any given month.

Like any good social scientist, Shaefer tried hard to prove Edin’s observations wrong. He wouldn’t just focus on family income (as our official poverty measure does). Instead, any cash coming to anyone in the household—related or not—would be included. He would include any government benefits that came in the form of cash. He’d add private pensions. Gifts from family and friends would be counted as well. Even cash from occasional odd jobs would be added in. In short, any dollar that made it into the house—no matter what the source—would be counted toward a family’s income. And after he made his initial calculations, he’d do another set of calculations, adding in the value of tax credits plus some of the nation’s biggest in-kind assistance programs for the poor, particularly SNAP. SNAP is more like cash than any of the government’s noncash programs aimed at helping the poor.

The results of Shaefer’s analysis were staggering. In early 2011, 1.5 million households with roughly 3 million children were surviving on cash incomes of no more than \$2 per person, per day in any given month. That’s about one out of every twenty-five families with children in America. What’s more, not only were these figures astoundingly high, but the phenomenon of \$2-a-day poverty among households with children had been on the rise since the nation’s landmark welfare reform legislation was passed in 1996—and at a distressingly fast pace. As of 2011, the number of families in \$2-a-day poverty had more than doubled in just a decade and a half.

It further appeared that the experience of living below the \$2-a-day threshold didn't discriminate by family type or race. While single-mother families were most at risk of falling into a spell of extreme destitution, more than a third of the households in \$2-a-day poverty were headed by a married couple. And although the rate of growth was highest among African Americans and Hispanics, nearly half of the \$2-a-day poor were white.

One piece of good news in these findings was that the government safety net was helping at least some households. When Shaefer added in SNAP as if it were cash—a problematic assumption because SNAP cannot legally be converted to cash, so it can't be used to pay the light bill, the rent, or buy a bus pass—the number of families living in \$2-a-day poverty fell by about half. This vital in-kind government program was clearly reaching many, though not all, of the poorest of the poor. Even counting SNAP as cash, though, Shaefer found that the increase in the number of families with children living in \$2-a-day poverty remained large—up 70 percent in fifteen years. And even after throwing in any tax credits the household could have claimed in the prior year, plus the cash value of housing subsidies, the data still showed a 50 percent increase. Clearly, the nation was headed in the wrong direction.

Reflecting on these numbers, we, Shaefer and Edin, sought out even more confirmation that what we had found represented a real shift in the circumstances of families at the very bottom. With this in mind, we began to look for other evidence, beyond the SIPP, of the rise of \$2-a-day poverty. Reports from the nation's food banks showed a sizable rise in the number of households seeking emergency food assistance since the late 1990s. A look at government data on those receiving SNAP revealed a large increase in the number of families with no other source of income. And reports from the nation's public schools showed that more and more children were facing homelessness. Taken together, these findings seemed to confirm the rise of a new form of poverty that defies every assumption about economic, political, and social progress made over the past three decades.

Trends Meet Real Lives

Statistics can help identify troubling trends like these, but they can't tell us much about what's going on beneath the numbers. In fact, these statistics led to more questions than answers. What had caused the rise in \$2-a-day poverty among households with children? Was the landmark welfare reform of 1996 partly to blame? Were these families completely detached from the world of work? Or were they enmeshed in a low-wage labor market that was itself somehow prompting spells of extreme destitution? How was it even possible to live without cash in modern America? What were families in \$2-a-day poverty doing to survive? And were these strategies different from those poor families had been using prior to welfare reform, when AFDC still offered such families a cash cushion against extreme destitution? What was so indispensable about cash—as opposed to in-kind resources such as SNAP—for families trying to survive in twenty-first-century America?

To better understand the lives being lived beneath the numbers, we needed to return to where this exploration started—to the homes of people like those Edin had met in 2010. Only families who were themselves living in \$2-a-day poverty could tell the

story of how they had ended up in such straits. Only their stories could reveal what it actually takes to survive with virtually no cash in the world's most advanced capitalist economy.

In the summer of 2012, we launched in-depth ethnographic studies in locations across the country. If the \$2-a-day poor truly constituted more than 4 percent of all households with children—about a fifth of all families living below the poverty line—then it wouldn't exactly be easy to find families in such circumstances. But it shouldn't be impossible either. The first question was where to start the search.

We wanted one of our sites to represent the “typical” American city. Another site would be chosen because it represented “old poverty”—a rural locale that had been deeply poor for half a century or more. We also wanted to explore the lives of the \$2-a-day poor in a place where widespread poverty was a somewhat more recent phenomenon. With that in mind, we looked for a city that had, up until the 1970s, been characterized by widespread affluence but had experienced severe economic decline in the decades since. Finally, we wanted to include a place that had been very poor in prior decades but had recovered in recent years.

With these criteria in mind, we set up field sites in Chicago; in a collection of small, rural hamlets in the Mississippi Delta; in Cleveland; and in a midsize city in the Appalachian region—Johnson City, Tennessee. As we spent time in each locale, we began by reaching out to local nonprofits, especially those with deep roots in the communities they served. We hung flyers in their lobbies, volunteered in their programs, and approached the most destitute of families who walked through their doors. Because many among the \$2-a-day poor are isolated from such sources of aid, we also enlisted the help of trusted community members embedded in neighborhoods where we knew many families were struggling.

Our work began in Chicago, the “City of the Big Shoulders,” according to the poet Carl Sandburg. We were attracted to Chicago for our first site because of the research of the eminent sociologist William Julius Wilson, who used Chicago as his case study for *The Truly Disadvantaged*, the most important book written about poverty in the past three decades. It was Wilson who first observed, famously, that a poor child fared worse when she grew up among only poor neighbors than she would have if she'd been raised in a neighborhood that included members of the middle class, too. Wilson argued that the reason poverty had persisted in America even in the face of the War on Poverty declared by President Lyndon Johnson in 1964 was that in the 1970s and 1980s, poor African Americans had become increasingly isolated, relegated to sections of the city where their neighbors were more and more likely to be poor, and less and less likely to find gainful employment. For Wilson, it was the rise of joblessness among a black “ghetto underclass” that had left poverty rates so stubbornly high despite billions spent on antipoverty efforts.

As we started looking for families who were living below the \$2-a-day threshold—walking the streets of some of the very same neighborhoods that Wilson had studied—we worried that our efforts might be something akin to looking for a needle in a haystack. But, in fact, it turned out that the extreme poor were surprisingly easy to find. Within just a few weeks in Chicago, we had identified multiple families who qualified. The same would prove true in each of our other sites.

Cleveland's precipitous fall from grace over the past half century is an emblem of the decline of America's once-great manufacturing economy. With industry booming in the 1950s, the city was dubbed by its businesses "the best location in the nation." But the jobs in the steel factories that had driven that wealth disappeared over the decades that followed. The city's Cuyahoga River caught on fire (a couple of times). The glory days of Cleveland Indians baseball and Browns football gave way to decades of losing sports teams, adding to the impression that Cleveland was a place in decline, a "mistake on the lake." The city still boasts world-class cultural institutions such as the Cleveland Museum of Art and a national leader in health care, the Cleveland Clinic. Even so, in 2010 Cleveland was ranked number one in *Forbes's* list of "America's Most Miserable Cities."

Several hundred miles south, in the foothills of the Appalachian Mountains, lies Johnson City, Tennessee. Due to the collapse of coal mining and the prevalence of subsistence farming, the Appalachian region as a whole numbered among America's very poorest places by 1965, with fully a third of its populace below the poverty line. Now, due to economic diversification, current figures put the poverty rate at half that level—a rate that is now in line with the rest of the nation's. Yet the central portion of the Appalachian region, where Johnson City lies, still has pockets of deep need. Just to the north and west of Johnson City, on the Kentucky side of this tristate region, are six of the nation's ten "hardest places to live," according to the *New York Times*. Johnson City thrives due to its "eds and meds"—education and health care—plus the ongoing strength of manufacturing in nearby Kingsport. Elderly migrants from the North are attracted by its very low cost of living. Yet economic need is readily apparent in the city's trailer parks, cheap apartments, and government housing developments.

Even farther south, the Mississippi Delta has long been among America's poorest places, dubbed "the most southern place on earth" by the historian James C. Cobb, due to the fact that its cultural and economic history is so characteristic of the region. Once dependent on generations of black laborers to plant and harvest its highly profitable cash crop, cotton, the Delta's economy has been largely given over to production agriculture—more often corn and soybeans now—which does very little to support local employment. In many of the region's small cities and towns, some with populations of only a few thousand, or even a few hundred, child poverty can top 60 percent or even higher, more than three times the national average. In some of these towns—including the hamlets of Jefferson and Percy, in the central Delta's Sunshine County—you can pretty much throw a stone in any direction and strike the home of someone who is living among the \$2-a-day poor.

In each of these places, we looked for families with children who had spent at least three months living on a cash income of less than \$2 per person, per day. In most cases, these spells of such dire poverty proved to be much longer. We visited with these families over the course of many months—and, in some cases, years—talking with them frequently, sharing meals, and observing their daily lives. As common themes emerged from their stories—such as their surprisingly high level of attachment to the formal labor market and the frequency with which doubling up with family or friends precipitated a spell of \$2-a-day poverty—we looked back to the SIPP and to other sources of data to see if we could see them there as well.

In the end, we followed eighteen families, eight of them featured here. As had been true of those Edin first encountered in the summer of 2010, some of these households received SNAP or lived in subsidized housing. But others weren't getting even those benefits. During the course of our fieldwork, some of these families escaped \$2-a-day poverty; others did not. Most escaped only to fall back into extreme destitution again.

Recent public discussions of rising inequality in the United States have largely focused on the biggest winners of the past decade, the top one percent. But there is a different inequality at work at the other end of the income scale.

In 1995, Senator Daniel Patrick Moynihan famously predicted that the proposed welfare reform would result in children "sleeping on grates." Most observers think history proved him wrong. But does the rise in the number of the \$2-a-day poor represent the (until now unexamined) great failure of welfare reform? Perhaps Moynihan was not so far off after all. Perhaps his only mistake was in assuming that this failure at the very bottom of the economic distribution would be visible and obvious, when in fact, throughout history, American poverty has generally been hidden far from most Americans' view.

America's cash welfare program—the main government program that caught people when they fell—was not merely replaced with the 1996 welfare reform; it was very nearly destroyed. In its place arose a different kind of safety net, one that provides a powerful hand up to some—the working poor—but offers much less to others, those who can't manage to find or keep a job. This book is about what happens when a government safety net that is built on the assumption of full-time, stable employment at a living wage combines with a low-wage labor market that fails to deliver on any of the above. It is this toxic alchemy, we argue, that is spurring the increasing numbers of \$2-a-day poor in America. A hidden but growing landscape of survival strategies among those who experience this level of destitution has been the result. At the community level, these strategies can pull families into a web of exploitation and illegality that turns conventional morality upside down.

None of the people whose stories appear in this book see a handout from the government—the kind that the old system provided prior to welfare reform—as a solution to their plight. Instead, what they want more than anything else is the chance to work. They would like nothing better than to have a full-time job paying \$12 or \$13 an hour, a modest dwelling in a safe neighborhood, and some stability above all else. In the 1990s, we, as a country, began a transformation of the social safety net that serves poor families with children. More aid has been rendered to a group that was previously without much in the way of government assistance—the working poor. Extending the nation's safety net in this way has improved the lives of millions of Americans. But there are simply not enough jobs, much less good jobs, to go around. And for those without work, there is no longer a guarantee of cash assistance.

\$2.00 a Day shows that the transformation of the social safety net is incomplete, with dire consequences. We believe the time has come to finish the job. Doing something more to help these families won't be easy; it will require a commitment by all of us. The government's emphasis on personal responsibility must be matched by bold action to expand access to, and improve the quality of, jobs. But there will always be circumstances in which work as a primary approach to alleviating poverty won't

work. In those cases, we need a system that truly acts as a safety net for families in crisis, catching them when they fall.

Chapter 1

Welfare Is Dead

IT IS ONLY 8:00 A.M., half an hour ahead of opening time, but already a long line has formed outside the Illinois Department of Human Services (DHS) office, which sits on a barren block west of Chicago's Loop. It is a wet summer morning, one of those odd times when the rain is falling but the sun still shines. People are hunkered down, some shielding themselves from the rain with umbrellas or hoods, others holding sodden newspapers and thin plastic grocery bags over their heads. This two-story, yellow-brick office building—windowless on the first floor—is where those seeking help come to apply for programs such as SNAP and Medicaid. But traditionally it has been linked most closely to the nation's now nearly moribund cash assistance program, what many refer to as welfare.

Modonna Harris shuffles to the end of the line. A friend, noticing that Modonna had no food in her tiny apartment, convinced her to make the trip. She and her fifteen-year-old daughter, Brianna, have been living in a North Side homeless shelter for several months. The shelter provides dinner during the week, and Brianna gets breakfast and lunch through a local nonprofit recreation program, but Modonna and Brianna often go hungry on weekends. The shelter's residents can usually count on a "guy who drops off some surplus food" from an unknown source, but recently all he's brought is nasty-smelling milk well beyond its expiration date.

When asked why she hasn't applied for welfare, Modonna shrugs. Actually, it hasn't even occurred to her. She explains, "I've been through this before, and I've been turned down . . . They did send me a letter. But they just say, 'You're not eligible,' they don't explain why." How could she not be eligible, she wondered, without even one cent in cash income and a child to provide for? Her aunt's explanation is simple: Hasn't she heard? They just aren't giving it out anymore. To Modonna, that seemed as good an answer as any. "I don't actually know anybody who is getting it. And, you know, when my auntie was saying that, I'm thinking, 'Okay, well maybe that's making sense of why I didn't get it' . . . I'm like, 'Okay, maybe that's it.'" Despite her now desperate circumstances, Modonna was deeply reluctant even to go to the DHS office and apply for the cash welfare program. Finally, after much persuasion, she relented.

Much of the time, when you ask for help from the government, you can expect the process to take a long time. First, you wait in line to "get a number." (In places like Chicago, you have to get to the DHS office early, because the line can stretch down the block even before the doors open.) Once you get a number, you wait for your name to be called so you can see the caseworker and provide the required documentation. Then you go home to wait while they process your paperwork. Finally, if your application is approved, you wait for the mail carrier to deliver your electronic benefit transfer (EBT) card, which works like a bank debit card.

One way the poor pay for government aid is with their time.

Modonna has a proud, even regal, air about her. Her voice is smooth and her diction precise. Her posture is perfect, her dark skin smooth, her smile warm. But most of the other folks waiting in line look to be in rough shape, with worn, dingy clothing,

decaying teeth, painful infirmities, and an air of desperation. The kind-looking woman in front of Modonna seems prematurely old. She turns to Modonna and relates how she struggled to get Medicaid for her oldest adult son, desperately ill and then hospitalized with AIDS. Roadblock after roadblock held up the process; months passed and he died—the day before his medical card arrived in the mail. Now she is here again, this time to apply for Medicaid on behalf of her younger adult son, who is also chronically ill and in need of treatment.

Modonna is visibly uncomfortable in this line. She would probably say that she's one of the people who doesn't belong here (although you'd perhaps hear that from many of the people in line). Both of her parents worked steadily while she was growing up. She had close to a middle-class upbringing, although it was far from idyllic. Her parents divorced when she was young, and she lived mostly with her unsupportive mother, who suffered from depression. This was better than being with her dad—who was controlling and demeaning. Despite all this, Modonna managed to graduate from one of the better high schools in Chicago and to start college at a decent private university specializing in the arts. But she attended for only two years. With her family unwilling to provide financial assistance, she maxed out on student loans and had to drop out, with a boatload of student debt and no degree to show for it. She left hoping that one day she might go back to complete her degree. But love intervened.

Brianna arrived about a year into Modonna's marriage to Brian, who had swept Modonna off her feet with his drive to make it in the music production business. He had a dream, and he seemed to be doing the work to make it happen. Yet after a few years, it became painfully clear that he was a pathological liar with an addiction to hard-core porn. He would hide his dirty magazines under the rug and deny they were his. "They must have been here when we moved in," he'd claim. One time, the family was evicted because Brian just stopped paying the rent and didn't tell Modonna until it was too late. Brian cheated first, and then Modonna got wrapped up in a turbulent, all-consuming love affair. The marriage broke up about the time Brianna entered the first grade.

Modonna had worked off and on over the years before the marriage ended. Now on her own, she needed a full-time job. With no college degree and a sporadic work record, the best position she could find was a daytime shift as a cashier at Stars Music downtown, which paid \$9 an hour. She would hold that job for the next eight years. Modonna loved the work. "I learned so much at Stars," she recalls. The mother-daughter pair found a tiny studio apartment in the South Shore neighborhood, near Lake Michigan, and for a while things were good. The two scraped by on a combination of Modonna's paycheck, a small amount of SNAP, and whatever child support Brian managed to provide. Brianna was doing well in school—she even made honor roll one semester. Modonna felt proud to be the provider for her little family.

Then their apartment building started going downhill, fast. Deferred maintenance became no maintenance at all. Modonna couldn't handle the "roaches, the size of . . . big water bugs," and the other obvious hazards. She tried to get out of her lease and asked that her security deposit be returned. The tension between her and her landlord escalated, and she ended up calling a lawyer, who requested a list of the building's code violations from the city. When it came, Modonna says, it was "eight pages long!"

Right when it seemed as if she might win some concessions from her landlord, Modonna's cash drawer at Stars came up \$10 short, and she couldn't account for it. She was summarily dismissed, given no benefit of the doubt, despite her years of service and the small amount of money involved. "Ten dollars short, and they found it after they fired me," she says. But no call of apology came, no invitation to return to work.

That's when things really started to fall apart. Modonna was approved for unemployment insurance, which is fairly rare among low-wage workers in the service sector, where low earnings and unstable work hours can make it hard to meet the program's eligibility criteria. She knows she was lucky in this regard. But her benefits—which didn't begin to approach what she was making at Stars—weren't enough to cover the cost of her rent.

She fell behind, and her landlord, usually willing to work with a tenant in a tough situation, used the opportunity to get rid of a troublemaker. Six days after her rent was due, he slipped an eviction notice under her door.

Out on the streets, Modonna and Brianna bounced around, forced to double up with family member after family member, a hard pill to swallow. Her father's new wife didn't want her and Brianna around, so they couldn't stay with them. Her sister, a cop who lived in the western suburbs, had little patience: after just a few days, they were told they had to go. After moving in with her mother, her mother's boyfriend began coming on to Modonna. Meanwhile, the foster child Modonna's mother had taken in—and now doted on—began taunting Brianna, ridiculing her over her late-to-develop figure, her "nappy hair," and the fact that she didn't have a home. Finally, Brianna broke. After a particularly vicious verbal attack by the girl, Brianna grabbed a knife from the kitchen counter and threatened to cut her own throat. The incident was deemed a suicide attempt, and Brianna was admitted to a psychiatric hospital and remained there for nearly a month. Desperate to find a new living situation, Modonna made plans to move down to Mississippi to stay with a friendly aunt once Brianna was released, but Modonna's father blocked them from leaving. Still controlling, he told her that she would be breaking the law by taking Brianna so far away from Brian.

Needless to say, all of these factors made it hard for Modonna to search for a job. Even so, she managed to submit dozens upon dozens of job applications, pounding the pavement week after week. Yet a new job didn't materialize. At one point, Modonna found a temporary gig as a teacher's assistant at a day camp based in her church. This job ended badly for her, though. When she went to pick up her first paycheck, she was told they didn't have the money to pay her because the government grant they had been expecting hadn't come through. "I never got that check. Never."

Finally, with nowhere else to go and just a little money left from unemployment, Modonna and Brianna spent a few special nights at the Marriott downtown. While hardly practical, those few days were some of the happiest the two ever spent together. The mini-vacation repaired some of the damage done by the past few months. Those were days they wouldn't trade for anything. "Oh my God, we loved it there . . . That was cool. That was awesome." Joy radiates from Modonna's and Brianna's faces and animates their words when they talk about their stay at the Marriott. The next stop was the homeless shelter—a succession of them, actually, all across Chicago.

Today, the day she finally visits the DHS office at the urging of her friend, Modonna finds herself in a line she doesn't want to be in, asking the government for help she doesn't think it will give her. After about a half hour, the doors open. After another half hour, the queue has advanced enough to allow Modonna to escape the rain and move inside. Those at the front of the line have checked in at the desk and now claim chairs in the waiting area, which is painted a dispiriting green, the color of pea soup.

After another few minutes, an official-looking woman with a clipboard emerges from a closed door at the side of the waiting room. She approaches those remaining in line, person by person, quietly informing each of the day's "latecomers" that caseworkers will be able to see only those who arrived by 7:30 a.m. and got a number from the staff person who was on duty at the time. Finally, she reaches Modonna. "Do you have a number?" Modonna shakes her head no. "Well, you'll have to come back tomorrow," she says. She urges Modonna to arrive earlier next time, her tone implying, *What were you thinking, showing up at 8:00 a.m.? Everyone knows you have to get here by at least 7:30, a full hour before the office opens.*

As the woman moves on, delivering the same grim message over and over, most people shuffle off. A few hold on to their places until they reach the front desk. Modonna sticks it out, just to see what will happen. Once she makes it to the front of the line, a carefully coiffed woman with eyes glued to a computer screen tells her that there are no appointments left today. "Why don't you consider applying online?" she suggests, making only brief eye contact. When queried, the woman admits that an online application won't get Modonna very far. She will still have to come in for an appointment.

Modonna was right, and her friend was wrong. This was a waste of time.

Modonna is convinced now more than ever that they just aren't giving out cash at the DHS office anymore, and to a certain degree she's right. Out of every one hundred Americans, fewer than two get aid from today's cash welfare program. Just 27 percent of poor families with children participate. There are more avid postage stamp collectors in the United States than welfare recipients.

In 1996, welfare reform did away with a sixty-year-old program that entitled families with children to receive cash assistance as long as they had economic need. It was replaced with a new welfare program, called Temporary Assistance for Needy Families (TANF)—the one Modonna waited in line for—which imposes lifetime limits on aid and also subjects able-bodied adult recipients to work requirements. If they fail to meet those requirements, they risk being "sanctioned"—losing some or even all of their benefits.

At the old welfare program's height in 1994, it served more than 14.2 million people—4.6 million adults and 9.6 million children. In 2012, the year Modonna took her trip to the DHS office, there were only 4.4 million people left on the rolls—1.1 million adults (about a quarter of whom were working) and 3.3 million kids. That's a 69 percent decline. By fall 2014, the TANF caseload had fallen to 3.8 million.

Before 1996, welfare was putting a sizable dent in the number of families living below the \$2-a-day threshold. As of early 1996, the program was lifting more than a million households with children out of \$2-a-day poverty every month. Whatever else could be said for or against welfare, it provided a safety net for the poorest of the poor.

In the late 1990s, as welfare reform was gradually implemented across the states, its impact in reducing \$2-a-day poverty began to decline precipitously. By mid-2011, TANF was lifting only about 300,000 households with children above the \$2-a-day mark.

One reason families in \$2-a-day poverty—whose incomes are far beneath the threshold TANF requires—often fail to claim benefits is because it just doesn't occur to them to do so. Many, like Modonna, believe that getting cash from the government is no longer a viable option, no matter how desperate the need.

Take Susan Brown in Chicago's Roseland community, about twenty miles south of the shelter where Modonna and Brianna are living. Asked if she plans to apply for welfare, Susan recoils a bit, shaking her head emphatically, as if to say, *Of course not*. When pressed to explain her reluctance, she explains, "I just don't want to get rejected again." Every time she gets turned down by a prospective employer, she cries uncontrollably. Why open herself up to certain failure by applying for welfare?

Welfare's virtual extinction has gone all but unnoticed by the American public and the press. But also unnoticed by many has been the expansion of other types of help for the poor. Thanks in part to changes made by the George W. Bush administration, more poor individuals claim SNAP than ever before. The State Children's Health Insurance Program (now called CHIP, minus the "State") was created in 1997 to expand the availability of public health insurance to millions of lower-income children. More recently, the Affordable Care Act has made health care coverage even more accessible to lower-income adults with and without children.

Perhaps most important, a system of tax credits aimed at the working poor, especially those with dependent children, has grown considerably. The most important of these is the Earned Income Tax Credit (EITC). The EITC is refundable, which means that if the amount for which low-income workers are eligible is more than they owe in taxes, they will get a refund for the difference. Low-income working parents often get tax refunds that are far greater than the income taxes withheld from their paychecks during the year. These tax credits provide a significant income boost to low-income parents working a formal job (parents are not eligible if they're working off the books). Because tax credits like the EITC are viewed by many as being pro-work, they have long enjoyed support from Democrats and Republicans alike. But here's the catch: only those who are working can claim them.

These expansions of aid for the working poor mean that even after a watershed welfare reform, we, as a country, aren't spending less on poor families than we once did. In fact, we now spend much more. Yet for all this spending, these programs, except for SNAP, have offered little to help Modonna and Brianna during their roughest spells, when Modonna has had no work.

To see clearly who the winners and losers are in the new regime, compare Modonna's situation before and after she lost her job. In 2009, the last year she was employed, her cashier's salary was probably about \$17,500. After taxes, her monthly paycheck would have totaled around \$1,325. While she would not have qualified for a penny of welfare, at tax time she could have claimed a refund of about \$3,800, all due to refundable tax credits (of course, her employer still would have withheld FICA taxes for Social Security and Medicare, so her income wasn't totally tax-free). She