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This Is No Way To Reward Work

Until very recently, a deep bipartisan consensus has given force to the propositions that any American who can work should work, and that no one who works hard should end up destitute. But now Congress threatens to abandon long-held common ground on the central value of work.

More than those of most nations, our social safety net has been woven deliberately into the world of work. To make work pay for all Americans, Social Security retirement and disability are provided in exchange for work. A national minimum sets a floor on wages. Instead of giveaways, our anti-hunger programs hinge on food stamps—vouchers incorporating subsidies that phase out gradually as earnings rise rather than stopping suddenly when a recipient gets a job. Medicaid has been expanded over time to cover more children of the working poor.

This same consensus has long supported national investments in education and job training, and in unemployment insurance and job search assistance, in order to equip all Americans with the tools they need

to get ahead on their own.

Another striking manifestation of the bipartisan consensus to make work pay has been the earned income tax credit, which Ronald Reagan called "the best antipoverty, the best pro-family, the best job creation measure to come out of the Congress." The EITC uses the tax code to amplify the incentives to work, boosting the incomes of the working poor while signaling our national preference for work over passive dependency. The EITC was expanded under President Reagan in 1986, President Bush in 1990 and President Clinton in 1993.

This national commitment to rewarding work has gained even greater urgency in recent years as many Americans have found themselves working harder for less. The new economy is more demanding and less forgiving than the old. Between 1979 and 1993, average real weekly earnings fell by 26 percent for male high-school dropouts and by 18 percent for men whose schooling stopped with a high-school diploma. For women, real earnings fell 9 per-

cent for high-school dropouts and stagnated for those who only finished high school. (Nearly half of all American workers have a high school education or less.)

More and more people are unable to earn enough to escape poverty no matter how hard they work. In 1993 (the last year for which data are available) more than 10 million workers—nearly one in four of them working full-time, all year—lived in poverty. This is 7.4 percent of all workers. Over half of the 39 million Americans who live in poverty either work or live with somebody who works. This harsh reality is far more than an economic problem. It poses a profound moral challenge for our work-oriented culture.

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So it is ironic—no, make that tragic—that just when America's work-promoting policies are bearing their greatest strain, just when our commitment to making work pay matters most, the Republicans in Congress appear to be walking away from the bipartisan consensus to reward work. Welfare proposals that have already passed the House and are under consideration in the Senate cut off benefits while neglecting training and job placement, and cut support for child care. Both the House and the Senate budget plans slash Medicaid, threatening the health care of 7 million poor children. They also savage education and job-training programs that boost the earning power of the disadvantaged. And in response to the president's call for an increase in the minimum wage—whose value has been eroded by inflation to its second-lowest level in 40 years—Congress has refused to act. Indeed, reversing decades of bipartisan support for a realistic minimum wage, some House leaders call for abolishing it.

Perhaps most disturbing are congressional plans to cut the earned income tax credit by more than \$21 billion over seven years, raising taxes on 14 million low-income workers, even as generous tax cuts are proposed for those wealthy Americans who need them the least. At the same time, the per-child tax credit the House approved in April bypasses most working families with low incomes.

Why are congressional Republicans waging an unprecedented war on work? One thing should be clear: It's not in order to balance the bud-

et. The president's plan shows that the budget can be balanced without undermining the nation's commitment to rewarding work. It expands investments in education and training; proposes a GI Bill for America's workers to equip all youth and adults with the resources, information, and skills they need to find more rewarding work; targets a tax cut to reward moderate and middle-income families for investing in education; and preserves Medicaid, food stamps, and the EITC.

With the president's proposed increase, a minimum-wage worker collecting the EITC and food stamps would earn enough through full-time work to support a family of four above the poverty level.

The president's plan builds on the deep, enduring American conviction that work should be rewarded. The Republican budgets, by contrast, betray this most fundamental (and until recently, bipartisan) ethic at the point in our nation's history when it faces its greatest test.

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