

---

# Profiles in Poverty

by Mike McLaughlin



Mike McLaughlin

## PROFILES IN POVERTY

*Numbers and statistics abound about what constitutes poverty and who is impoverished, but to the thousands of people across North Carolina struggling to put food on the table and keep the telephone and the lights turned on, poverty is not an abstraction. Neither is poverty the stereotypical image of idleness held by many members of the public. Each family is different, and if one looks beneath the surface, there usually are reasons for a family's plight that go far beyond indolence.*

*In the far west mountains of Graham County, a young mother with a disabled husband and two children regularly travels 70 miles to a community college to acquire secretarial skills in hopes of some day lifting her family above the subsistence level. Down east, a Cumberland County single mother lays ambitious plans to become self-sufficient by completing a nursing program while caring for a 2-year-old and triplets less than a year old. And in Raleigh, a disabled painter struggles to regain the dignity he lost when he was forced into the streets while seeking his Social Security disability benefits.*

*All of these people depend heavily on public assistance to survive. In the pages that follow, these recipients tell their stories—in some instances offering suggestions on how programs could be better designed to help lift people out of poverty while preserving the dignity of the poor.*

### Horace and Anita Wilson, Robbinsville

**H**orace and Anita Wilson were a proud mountain couple who asked nothing of anyone until Horace dropped out of the work force for health reasons and launched a battle for Social Security disability benefits eight years ago. Three rent-subsidized houses later, they are struggling to buy their own home on a five-acre tract of land about two miles outside the town limits of Robbinsville, the Graham County seat. They are using part of Horace's \$291-a-month Aid to Families With Dependent Children check to meet the \$150 monthly house payment.

**Anita Wilson with her children Horace Jr. and Rebecca. Anita and her husband Horace fought and finally won an eight-year battle for Social Security disability benefits.**

The two-bedroom frame home is modest. Unpainted two-by-fours support the roof above the front porch. A bright square of linoleum serves as the living room carpet, and an upholstered pillow is stuffed into the hole left by a broken windowpane in the front bedroom. Because there are no back steps, Anita must step a couple of feet from the back door down to the ground to hang the wash on a clothesline that stretches across the backyard.

Yet the Wilsons count themselves lucky—at least as far as housing is concerned. Money from a tobacco allotment that went with the property is applied directly to the interest payments to keep

*Mike McLaughlin is associate editor of North Carolina Insight.*

their dream of home ownership alive.

"I want off welfare," says Anita, 25. "This is the first step—to get off HUD (the U.S. Department of Housing and Urban Development Section 8 rent subsidy program). That saves the taxpayers \$150 a month. It takes it out of my pocket, but I'm saving the hassle."

But despite the creative financing scheme, making the house payment depends upon juggling too little money to pay too many bills. There is no margin for error. A bill from Nantahala Power and Light Company shows a \$78.86 charge for a month of summer service, but when the past-due amount and the late charges are added in, the total comes to \$284.69, roughly equal to the Wilsons' monthly AFDC check to support a family of four. The family's last house had a gravity-flow water system, Anita says. She did not calculate into her budget the cost of pumping water into the house and the result has been a problem paying the electric bill.

"You try the best you can," says Anita. "I nearly got the phone cut off last month because I hadn't paid the phone bill in three months. The telephone company, they let you get two bills behind and [then] it's a disconnect order, and the power company, they'll work with you any way they can. I pay as much as I can on each bill and still have a little pocket money to go back and forth. He [Horace] sold his dog to make a truck payment."

The Wilsons get \$282 a month in food stamps, which they stretch with a large garden and careful shopping. "We eat about as good as anybody and better than most people on food stamps," says Anita. "We grow a garden and put up our own food products. We have meat and fruits. I buy steak and on food stamps and I'm not ashamed of it. You can pay \$1.98 a pound for round rump steak and chop it up or pay \$3.15 a pound for stewing beef that is already cut."

Much of the family's clothing is purchased at yard sales. The kitchen table was someone's castoff. "It was sitting out at a trash dumpster," says Anita. "The legs were taken off of it. We put the legs back on it and scrubbed it down and used it."

The one luxury the Wilsons enjoy is an abundance of time with their children, Rebecca, 5, and Horace Jr., 9. "We call him Chubby, and he's about as skinny as a fence rail," says Horace.

Anita says the nickname is a holdover from

her first pregnancy. "When I was pregnant he [Horace] called me Chubby, and when he was born, he kept right on calling him Chubby," says Anita of Horace Jr. Both children are energetic and playful. Horace Jr. shows off on his bicycle for a visitor. He constructs an innovative model of a tank out of Lego blocks and explains how it would work. Without prompting from his parents, he struggles with a homework assignment for more than an hour. Rebecca shows that she

---

◆

*"He [Horace] sold his dog to  
make a truck payment."*

—Anita Wilson

◆

---

can do sit-ups like her brother and proudly displays her kitten and a litter of four-month-old puppies. The children are not, however, ignorant of the family's circumstances.

"That last house we had, Daddy fell through the floor in bedroom," says Horace Jr.

"There were rats in the house," says Rebecca. "I had to get in the bed with Mama."

Anita says she would like to work, but her increased income would likely cost the family its Medicaid benefits, which cover all but 50 cents for every medical visit and prescription and all but \$2 for each dental checkup. "The Medicaid is what is the problem," she says. A family is no longer eligible for Medicaid if household income after medical expenses exceeds 133 percent of the state AFDC payment level, or \$392 for a family of four. "That is why so many women do not work," says Anita. The problem is compounded by the potential for staggering medical bills for Horace, who suffers a litany of ailments, including a degenerative nerve disorder called chronic sensory motor neuropathy, arthritis, elevated levels of fat and lead in his blood, and chronic back pain he traces to an injury he suffered as a young man while lifting a Volkswagen to impress his friends. "The doctor says I have four times as much lead in my system as I'm supposed to," says Wilson, "and it wasn't the liquor I used to drink either,

because I told them right fast I knew how it was made." Wilson, 40, reads at a third-grade level because of dyslexia. He worked 16 years—much of it clearing right-of-way and operating heavy equipment for a highway construction company—before his doctor advised him to leave the work force in 1980. The Social Security Administration rejected his bid for disability benefits, contending that although he could not do construction work, there were sedentary jobs he could do, such as light assembly or inspection of finished goods. He has been fighting the decision ever since.

Wilson's disability also is indirectly keeping his wife out of the work force, he says. If Anita were to secure a job offering family insurance coverage, his medical problems would be considered a pre-existing condition and his bills would not be covered for the first year. "She can't work unless it cuts us out of everything," says Wilson, "and she can't earn enough to cover it [the medical expenses]—even a third." (That will change under federal welfare reform legislation called the Family Support Act of 1988, which takes effect in April 1990. Under the act, Medicaid benefits will remain in place up to 12 months after a wage earner enters the work force, as long as the family's gross income after child care expenses does not exceed 185 percent of federal poverty guidelines.)

Wilson says because of his long absence from the work force, his eligibility for Social Security Disability ended in 1985. If he were to drop his appeal and return to work, he would not be eligible for Social Security disability benefits unless he were able to work for a number of years. If Wilson were not able to work long enough for his Social Security eligibility to be restored, which he contends is likely, he would have to depend on Supplemental Security Income, which generally provides only subsistence payments and imposes stringent restrictions on property ownership.

"Hell, myself, I'd way rather be a-working," says Wilson. "Just to tell you the truth, son, it drives me crazy as hell to have to sit here." His frustrations are aggravated by the resentment he feels from some neighbors. Wilson keeps a bass boat in his yard which he says belongs to his mother. He uses the boat to go fishing on nearby Lake Santeetlah. "People thinks we really got it good," says Wilson. "They say, 'Oh, they

got it made. All he's got to do is just lay around and fish.' They think if they see me on the lake fishing that's all I do. They see me on the road with the boat, and they think I fish all the time." Often, says Wilson, he must pull the boat up to the bank and lie in the grass and rest.

Anita says she has no doubts about her husband's condition. "If I thought he was putting on, I'd leave his ass in a minute," she says.

The Wilsons say the welfare system could be improved to better serve recipients, but the chief need is a change of attitude among service providers. They say the Graham County Department of Social Services is too quick to make judgments about who needs and deserves help, and sometimes discourages qualified applicants for aid programs from seeking assistance. Anita says the state Division of Social Services should make unannounced checks to assure that applications for food stamps and AFDC are being processed in a timely manner at local social services offices. Horace believes social services directors should be replaced periodically so they do not accumulate too much power in a county where more than a quarter of the population lives in poverty and the unemployment rate averages 10 to 12 percent.<sup>1</sup>

Despite the obstacles, Anita is preparing herself with the hope of some day entering the labor market. An eighth grade dropout, she has earned her General Educational Development diploma and is enrolled in a two-year secretarial program at Tri-County Community College in Murphy. She also is a district Legal Services board member and does volunteer work, such as helping the elderly understand the benefits to which they are entitled. "I don't want people to compare us to all food stamps recipients, because our faults are not their faults," says Anita. "You can't judge all people by one person. I don't work, but I do my best to help out the community I live in."

\* \* \*

*Social Security disability benefits were finally approved for Horace Wilson following a November 1988 administrative hearing in which a vocational expert testified that there were no jobs Wilson could perform. Wilson will be eligible for back benefits, as well as a monthly stipend. Anita Wilson says the Wilsons have added a back porch and fixed the broken window in the children's bedroom since McLaughlin's visit.*

## Benjamin Jones, Raleigh



Virginia McGee

*Ben Jones, a former neighbor of Gov. James G. Martin, knows what it is like to be locked out of government programs to aid the poor.*

If the Governor had a block party and invited his closest neighbors, he would have to put Benjamin Jones on the guest list. Until November 1988, Jones lived in a Spartan boarding house with a name more fitting for a quaint bed and breakfast lodge—Mansion Square Inn. His window commanded a view of the stately Victorian Executive Mansion across the street, but the wrought-iron fence that surrounds the Governor's residence is a vivid reminder of the vast divide that separates Jones from his neighbor.

The boarding house is home to people plagued by mental problems, marginal jobs,

and—in the case of Jones—health problems and bad luck. He cooks his meals in his microwave oven and stores his food in a tiny refrigerator that came with the room. But the corner room at Mansion Square was a palace compared to the depths Jones sank to while he was fighting for his Social Security disability benefits. His resources dwindled away to nothing, and he was forced out on the streets.

"If I don't get but \$100 a month, I'm going to stay away from out there if I can," says Jones, 57. "You have to go through it to really know what it is all about—and I don't wish that on nobody."

Jones is a Korean War veteran and a widower with a 24-year-old son living in Elizabeth City. His decline began in 1985 when dizziness caused by diabetes forced him off the high ladders he had climbed for 19 years as a self-sufficient house-painter. He suffered diabetic neuropathy, which interfered with his circulation and caused his feet and ankles to swell so that it was painful and difficult for him to walk. When he lost his job, Jones says, he quickly got two months behind on his rent. The landlord evicted him, seized his belongings, and sold them. "I just took the loss," says Jones. "You try to get it out of your mind and forget it, but you can't forget some things. That was a terrible loss. I hate to even think about it. All of a sudden, I'm in the streets with nothing except what I had on."

Jones moved into a one-bedroom house with a friend, the friend's wife, and their two children. Jones slept on the couch while the children slept in the basement. But Jones' friend was having a hard time himself, and there were not enough groceries to go around. "I said, 'Sam, I'm inconveniencing you. I've got to go,'" says Jones. "It wasn't enough for five people."

Jones says he moved next door to a place called Lydia's on a promise that he would pay the \$35 weekly rent when his disability came through. "It was a flophouse really," says Jones. "She became skeptical and doubtful and told me I would have to leave."

Next stop for Jones was the streets. "You need an intermediary," says Jones, "something to save a man's pride and dignity, but there is no ledge—nowhere to hang on to even with your fingernails, so you just go down." For 18 months Jones had no permanent address. He says he slept mostly in homeless shelters but sometimes in empty cars and on front porches. He qualified for food stamps and Medicaid, but his bid for disability benefits was initially rejected, in part because of inadequate medical records (Jones had rarely visited a doctor). The appeals process dragged on for months. Meanwhile Jones got an education on what the world looked like from the bottom.

There were people with mental problems and people with drinking and drug problems and just plain bums who would rather take advantage of others than go to work, says Jones. And some of the sights he saw were enough to sour him on the human condition. "There were some guys and a

girl in the bushes, man, they were acting like they were in privacy—taking liberties. It was the damndest thing I have ever seen," says Jones. "People were standing around laughing. She didn't resist or anything. I thought it was the lowest form of life I had ever seen. I walked away down the street. It made me sick."

Strong-arm robbery was a common occurrence, says Jones, and often a victim would be set up by a seemingly friendly invitation to sip some wine or liquor. "You got some prejudice out there," says Jones. "They'll ask some white guy if he wants to drink some wine, and as soon as he gets drunk, they'll take his money. You see them walking out on the streets with black eyes and bleeding. It's a jungle out there. It's survival."

Jones says those who got government checks had particular need to be wary of robbers. "They would run in packs of two or three," says Jones. "They know what days of the month to look for you. On the first of the month. . . , they are there."

He says he avoided a beating or a robbery by listening well and steering clear of those who bragged about their exploits and by playing on his disability to avoid drinking sessions that might cause him to drop his defenses. But Jones says the psychological trauma of living in a shelter for the homeless was as bad as the threat of physical abuse. "You don't be looking that well," says Jones. "You're not shaved, you're smelly, you're ragged. The stink in that place, it can't help but get in your clothes."

His son came to visit him at one of the shelters, and Jones felt ashamed. "I hated for him to see me like this," Jones says.

The shelters closed in the mornings and Jones would spend the day hanging out in laundromats and fast food restaurants. When the city of Raleigh virtually shut down one winter day with two inches of glare ice on the streets, Jones found himself negotiating the sidewalks all day on swollen ankles with a cane. Soon he found himself slipping in with the street crowd. "You don't feel like you are presentable enough to be anywhere else," says Jones. "You feel comfortable. You try to keep an image but you can't do it because you ain't got anything to do it with."

Jones began to learn about another kind of prejudice—the kind that tends to lump together everybody on the streets as good for nothing. "People judge you by the company you keep,"

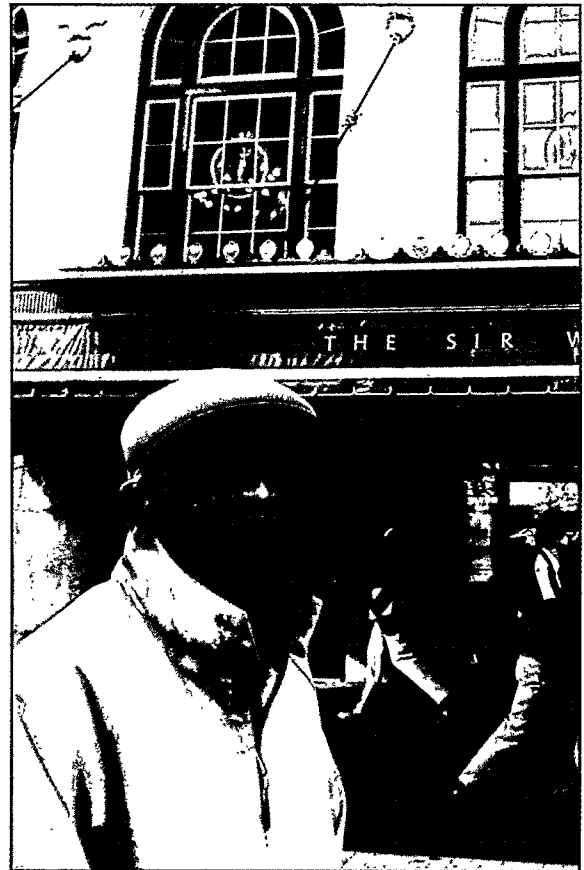
says Jones. "When I was doing well, I did the same thing. I said, 'Look at all these people. They don't want to work or do anything.' But you see a man who is down, sleeping on a bench, you don't know why he's there."

Jones also ran into kindness on the streets. A photographer with a downtown studio befriended him and often invited him to spend the day in the studio. Jones began to worry that he was frightening off customers. A woman at The Ark shelter took an interest in his welfare and began to let him stay until 9 a.m. instead of the usual 7 a.m. so that he could administer his insulin shots and get cleaned up after the rest of the shelter crowd had already hit the streets.

Jones had gotten Medicaid and food stamps, but he says he was getting nowhere in securing disability benefits until the photographer took him to a Legal Aid lawyer. "If it wasn't for him, I'd still be waiting," says Jones. "I had 15 letters saying the same thing in different terms. If a person has a quality lawyer, they'll look at him and say, 'Hey, he's got representation,'" says Jones. "If you don't have representation, they'll just keep stringing you along."

Jones' Social Security benefits finally came through in May of 1988—about the time he was getting out of the hospital after surgery to improve his circulation. He spent a few weeks in a rest home in rural Wake County but could not abide the isolation and returned to Raleigh to the boarding house. A \$3,015 lump-sum settlement for back benefits put money in Jones' pocket for the first time in years, but it also caused an interruption in his Medicaid benefits. He was advised to spend the money down to the \$1,500 limit so that he could qualify for Medicaid again. Jones readily complied, buying himself a bed and a dresser, a television, clothes, and sheets and curtains for his room. Jones also entered into a 17-month rent-to-own agreement for a stereo system at a cost of \$99 a month. (For more on rent-to-own agreements, see Volume 10, No. 3 of *North Carolina Insight*, pages 2-16.)

Within four months the extra money was gone but so was the remaining \$1,500. Jones was down to \$10 in his bank account with only the \$328 Social Security disability check and a monthly \$46 Supplemental Security Income check to live on. Jones concedes that he may have gone overboard, but explains it like this: "If I get some money to buy me just a little pinch of de-



*Jones outside his new quarters at The Sir Walter Apartments, a center for low-income and disabled citizens.*

cency, I'm going to do it."

With his \$235-a-month rent and the \$99-a-month stereo payment, however, Jones had roughly \$40-a-month in spending money. He says a trip to the laundromat cost him \$5, and the cab fare to the grocery store down the street ran him another \$5. In October, Jones applied for food stamps—which he had lost while in the hospital—and was told he might be eligible for \$10 to \$15 a month. He put in an application for an apartment in a building for the elderly and the disabled, which would trim his rent by more than half, but was told the waiting list was six to 12 months long. In November Jones got a break when an efficiency apartment became vacant and he was invited to move in right away. Jones is still awaiting Veterans Administration disability benefits that could boost his income to \$516 a month.

But while he waits, the rent-to-own stereo might have to go. "It's going to be close. It's

going to be very close," says Jones. "I wish I could paint a little but I can't stand that long. I hate to lose anything. Not when I've been without anything for so long."

Among Jones' chief complaints with public assistance are the long waits, and lengthy forms at social services. "They gave me such a hard time the first time I didn't want to go back," says Jones. "They dig deep down in your pride and your soul and your business. They want to know your

grandmother's maiden name. I don't know why."<sup>2</sup>

Jones also seems convinced the Social Security Administration makes it as difficult as possible for low-income working people to collect benefits when they become disabled. "You begin to wonder, 'When am I going to get some results, instead of all this talk?'" says Jones. "It's always a prolonged thing. In other words, they are in total command and in charge—and they let you know that."

## *Helping the Poor: How Far Would the Public Go?*

Political promises to crack down on welfare fraud have struck a chord with the electorate in recent years. No one likes to think there are able-bodied citizens who get a free ride at the taxpayer's expense. But how far would the public go to help the poor?

The Public Agenda Foundation tried to answer that question with an innovative research method intended to overcome the limitations of public opinion polling while preserving the use of representative sampling so the results could be generalized to a wider population. A total of 545 participants from five cities in the United States were asked to evaluate six different proposals for welfare reform: mandatory job search and training for recipients of Aid to Families with Dependent Children; expansion of the Women, Infants and Children program (WIC); expansion of the Head Start program; income supplements for the working poor; health insurance for the working poor; and catastrophic illness and long-term care programs for all Americans.<sup>1</sup>

The participants were given time to weigh the pros and cons of each proposal—including costs—so that the researchers could be assured the respondents were familiar with the programs they evaluated.

The study, published in January 1988, confirmed a negative attitude toward current anti-poverty efforts but also found a willingness to help those who cannot help themselves. Participants gave good marks to Head Start, a preschool program for disadvantaged young-

sters, and to WIC, a nutritional supplement program for low-income mothers and young children. These were viewed as enhancing the likelihood that youngsters from disadvantaged backgrounds would grow up to become productive citizens and thus were considered a good investment of tax dollars.<sup>2</sup>

Participants strongly favored a required work component in welfare programs, and disapproved of direct cash subsidies to working poor families on grounds they might erode the incentive to work. A hike in the minimum wage was preferred over direct cash subsidies as a means of assuring a minimum standard of living for all Americans.<sup>3</sup> The study found strong support for guaranteed health insurance for the working poor. Indeed, health care was viewed in the study as "a basic right, and not a form of welfare," and there was general support for helping those who legitimately cannot help themselves.<sup>4</sup>

Respondents were willing to pay more in taxes to programs to help the poor, but their generosity was not sufficient to pay the full cost of any of the six proposals.<sup>5</sup>

—Mike McLaughlin

### FOOTNOTES

<sup>1</sup>Keith Melville and John Doble, *The Public's Perspective on Social Welfare Reform*, The Public Agenda Foundation, New York, N.Y., January 1988, pp. v-vii.

<sup>2</sup>*Ibid.*, pp. viii and pp. 24-42.

<sup>3</sup>*Ibid.*, pp. ix and pp. 49-54.

<sup>4</sup>*Ibid.*, pp. xi and pp. 57-61.

<sup>5</sup>*Ibid.*, pp. xii-xiii.





Greg Gibson

## Lisa Carroll, Fayetteville

**L**isa Carroll, an unmarried mother just a couple of years out of her teens, counts her four children a blessing, but she readily admits she doesn't need any more of that kind of blessing. While she nurtures her children she also nurtures a dream—that of getting a two-year nursing degree from Fayetteville Technical Community College. To Carroll, 22, the question isn't *whether* she will complete the nursing program, but *when*.

"I'm very confident about it," says Carroll. "It's just something I know I will enjoy." She turns her attention to one of her infants. "And it's not going to take Mommy a long time to do it either," she says, "because Mommy will put her mind to it and do it."

Carroll's story is one of a young woman who might have done less with her life—were it not for a set of triplets that forced her to set her sights higher. She was working as the manager of a fast-food restaurant in Atlanta earning \$300 a week when she learned she was pregnant a second time and returned home to Stedman in rural Cumberland County. At five months the doctors informed her she could expect not one new mouth to feed but three. "I nearly passed out when they told me," says Carroll. So did her boyfriend, the children's father, when she phoned him in Atlanta and told him about it. "He said, 'You're joking,' and I said, 'Marvin, nobody jokes about having three babies at one time.'" The two had agreed to separate when Carroll left Atlanta. Later the father would move to Fayetteville to be closer to the children.

The six weeks Carroll spent in the hospital before she delivered the triplets rekindled her high school interest in nursing. "I just like people," she says. "I don't want to see anybody

hurt and I will do all I can to help people."

Carroll apparently has the academic aptitude to achieve her goal. Her favorite subject in high school was math, and her curriculum included two courses in algebra and one in geometry. She says she graduated 67th in a senior class of more than 200 at Terry Sanford High School in Fayetteville. East Carolina University offered her a partial track scholarship and accepted her into its nursing program. But Carroll didn't go. She was living with an uncle because her mother and stepfather had asked her to move out. "I didn't like him hitting on her," says Carroll. "She told me I was wrong. Finally, he told me to leave and she agreed with him." Without the support of her family, Carroll did not believe she could afford college. She served three months in the Army but was injured and honorably discharged when a gun fell out of a rack and struck her on the head.

Carroll says she was able to save \$1,600 while working in Atlanta, but it quickly evaporated when she moved back to Stedman and into a two-bedroom mobile home with her sister and her mother, who had separated from Carroll's stepfather. She says she paid \$400 to get a septic tank installed at the trailer, \$600 to pay off a phone bill rung up by a homesick brother in the Army who kept calling collect from Oklahoma and then Korea, and \$200 for a pump to run water to the trailer. But the water, which was accessible only at a pipe in the bathroom, wasn't fit to drink because the iron content was too high. "I was planning to go back to work, but the doctor forbid me to go to work when he found out I was having triplets," she says.

A big blow came when her car was repossessed because she could not afford the \$160 she was supposed to pay on it every two weeks. "It was a 1979 Grand Prix, and that was my first car and I lost it," says Carroll. "I had \$1,124 left to pay on that car. I had it less than a year. It was in

*Lisa Carroll has her hands full with triplets A.J., B.J., and C.J., plus Tiffany, her two-year-old.*

real good condition. It hurt a lot. It hurt real bad—but there was nothing I could do.”

Carroll was hoping to go back to work six weeks after the delivery, but one of the triplets had a blockage of the intestine that required surgery and a colostomy. The infant needed close and near-constant attention and for sanitary reasons, Carroll’s doctors decided she should provide it. In October—nearly a year after moving back to Stedman—Carroll took a part-time job at a McDonald’s restaurant paying \$3.35 an hour.

Carroll took the job just as a five-month search for a low-income apartment was ending.

---

◆

*“I’ve got to go to school. I cannot go back into fast food. It’s just not enough. It would take too long to get in the position I need to be in to take care of all these kids.”*

—Lisa Carroll

---

◆

She began looking for a place to live in May and was bounced back and forth between the Fayetteville Housing Authority, the Cumberland County Department of Social Services, and a nonprofit agency called Consumer Credit Counseling. The agency sent her out to look at an apartment that cost \$300 a month, almost as much as her \$317 monthly Aid to Families with Dependent Children check. She ran into a backlog of families seeking public housing at the housing authority, and the one rent-subsidized house to which the authority was able to refer her fell through because the owner did not want the father paying extended visits.

Carroll says she has ruled out marriage to the father but still wants him to spend time with the family. “We talked about it [marriage] many times but there are too many complications,” says Carroll. “He cut somebody in Atlanta—he [the

victim] had to get 72 stitches, three inches from the heart—just because I was riding in the car with him, and I can’t stand it. I’m scared. He wants to dominate, but he knows I’m just not that type of person. Even though we can’t be together, I want him to share this with me since he was there when it started.”

Social services told Lisa she would have to get an eviction letter from her mother before she could qualify for emergency housing funds, but her mother refused to provide it. “She said she was not telling anybody she was putting me and these babies out,” says Carroll.

Meanwhile she and the triplets were sleeping on a fold-out couch in the living room of the too-hot trailer while Tiffany, who was not yet 2, slept with Carroll’s mother and sister. The mobile home was without air conditioning or shade, and when the temperature rose above 100 degrees, Carroll gathered up the children and took them to her grandmother’s house or to the library.

Not surprisingly, Carroll’s chief complaint about programs that aid the poor is a lack of coordination among agencies that help with housing.<sup>3</sup> But her luck turned when her case was assigned to the early intervention unit of social services and caseworker Sharon Alligood. “Miss Alligood comes out to see me about once a week,” says Carroll. “She brings me clothes, a swing—she’s trying to see if she can get a stroller. She has brought me supplies like powder, baby oil, wet wipes, and soap for the baby. She is calling the Housing Authority regularly, trying to see if she can help me get in.”

In November of 1988, Carroll moved into a mobile home in Fayetteville and set up her own household. The mobile home is privately owned and rents for \$200 a month. The electric bill for the first month was \$105. With an AFDC check of only \$317, Carroll was left with only \$12 to cover non-food expenses for the month. Social services had run out of day care money, so her dream of enrolling in a community college nursing program would have to wait. Still, Carroll refused to let go of her dream.

“One hospital might give you a scholarship as long as you work for them for two years,” says Carroll. “I’ve got to go to school. I cannot go back into fast food. It’s just not enough. It would take too long to get in the position I need to be in to take care of all these kids.”



# Harassing the Poor or Protecting the Public Purse?

**T**he stories of the Wilsons, Ben Jones, and Lisa Carroll are varied, but they share a common theme. Regulations intended to prevent fraud and to assure that the undeserving do not get undue assistance also can work a hardship on those who are in need.

Here are a few examples:

—*The system may encourage unlawful cheating because benefits are too low.* North Carolina ranks 42nd in the nation in its AFDC payment level.<sup>4</sup> The combined value of AFDC benefits and food stamps totals less than two-thirds of the federal poverty line for a family of three. But food stamps can be used only for food. Even such household items as napkins, toilet paper, and laundry powder are excluded. The maximum monthly AFDC payment of \$266 for a family of three amounts to 33 percent of the federal poverty level of \$807 a month. "The system encourages fraud because the benefits are so low," says Jane Wetach, a lawyer with East Central Community Legal Services in Raleigh. "It is virtually impossible for a family without a public housing subsidy to live on the amount provided. In order to keep a roof over the children and the heat bill paid and the kids in clothes, many mothers are forced to try to pick up a little extra money. If it is reported, the AFDC goes down. If it is not reported and is discovered, they can be prosecuted. A realistic benefit level would avoid this situation."

—*The applicant might have to wait a long time to receive benefits.* There is no time limit for processing applications for Social Security or Supplemental Security Income programs. It can take months or even years to get benefits, and many applicants cannot afford to wait. Medicaid applications must be processed within 60 days but only if the applicant has supplied all verification materials; Social Services eligibility specialists get 45 days to process AFDC applications and 30 days to process applications for food stamps. The same limits apply if the applicant fails to turn in a monthly report on income, assets, and other eligibility-related criteria. The application process

starts over again and the recipient must do without benefits until they are reinstated. The one expedited application process is in the food stamps program. It is triggered if the applicant has had less than \$150 in gross income for the month and \$100 or less in liquid assets such as cash or savings, or if the family's combined gross income and liquid assets are less than their monthly rent or mortgage, plus utilities. In such cases, the applicant must receive his food stamps allotment within five days of submission of a complete application.

—*If an applicant is denied aid, an appeal can take months to resolve.* Applicants for Social Security disability benefits can be left with no income while they appeal unfavorable decisions. The N.C. Disability Determination Services Unit in the state Division of Social Services, which operates under contract with the federal Social Security Administration, makes the first decision on eligibility. If benefits are denied, the applicant can appeal, and if he is again rejected, he may request a hearing before a federal administrative law judge. If the judge rules against the applicant, the applicant may take his case to an Appeals Council review at the Bureau of Hearings and Appeals in Arlington, Va. The Appeals Council is the applicant's last option before taking his case to federal court. Typically, appeals that are resolved by the Social Security Administration take 12 months or more.<sup>5</sup> If they wind up in federal court, the appeals process can take years. In the AFDC and food stamps programs, appeals are resolved in a matter of weeks at the county level or in two to three months if the case is resolved by the state, but the delay in receiving benefits may still work a hardship on a poor family.

—*There is no statewide general assistance program for adults.* Adults who are not disabled or elderly and who have no dependent children are not entitled to any program of public assistance providing ongoing cash support. These citizens may be left without any means of supporting themselves if hit with a sudden loss of income due

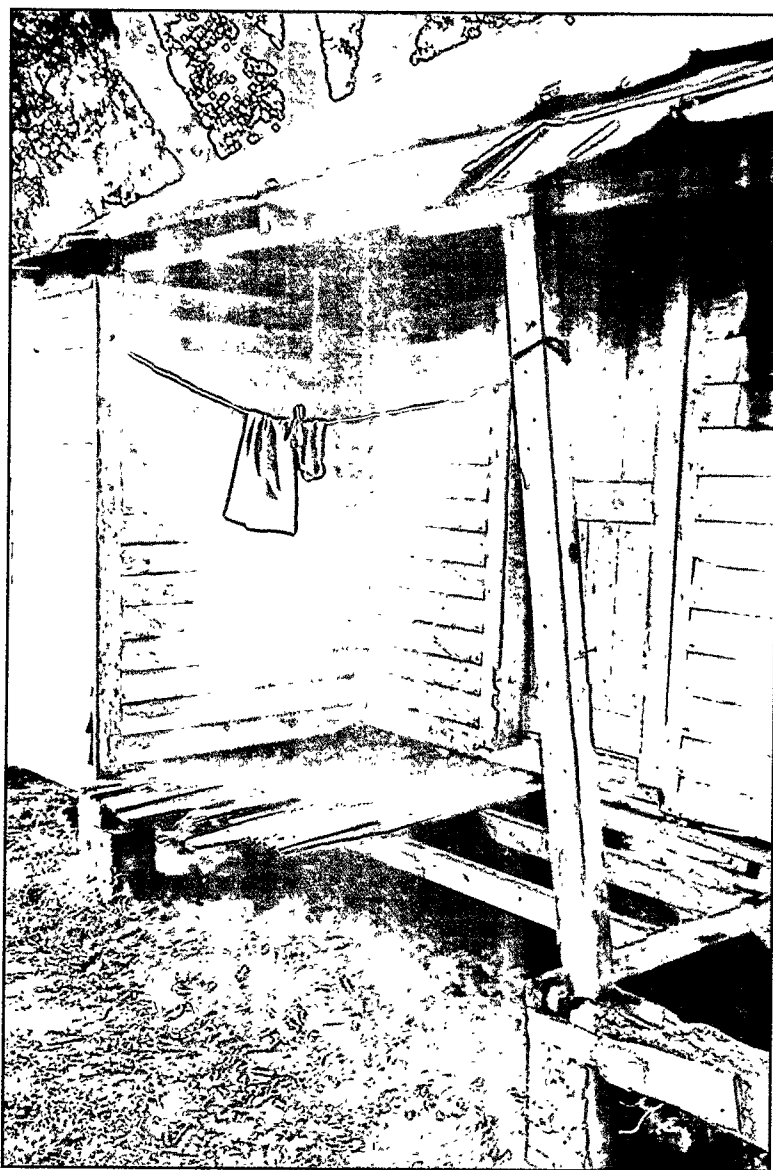
to illness or unemployment. Although the Employment Security Commission provides unemployment benefits for those who meet its eligibility criteria, North Carolina is one of a minority of states with no general assistance program.<sup>6</sup>

*—If an applicant has a little money, he might have to spend it to become eligible for Medicaid.* To qualify for Medicaid assistance, a recipient can have no more than \$1,500 in savings or other assets (excluding burial plot, homesite, and car if used for medical visits). The intent of the regulation is to assure that the government does not foot the bill for those who are able to pay their own way. A bank balance of \$1,500 or less, however,

is a thin margin for a person already in poor health and facing substantial medical bills. If outgo exceeds income, as is often the case in Medicaid-eligible families, the remaining \$1,500 quickly melts away as it goes to meet monthly bills. In addition, this regulation may encourage the applicant for Medicaid assistance to deplete his assets to get within the \$1,500 limit. Medicaid also carries strict categorical eligibility restrictions. For example, an adult without children would not be eligible for Medicaid unless he was totally disabled for at least 12 months. For a variety of reasons, many North Carolina citizens do not have private health insurance, and these citizens may

be confronted with medical expenses they cannot pay. (For more on this problem, see "Health Care for the Poor: Adequacy, Availability, and Affordability, p. 122.)

*—Lack of transportation may discourage participation in public benefits programs.* The poor often have no means of transportation. When they arrange a ride to the county social services office to apply for aid programs, they find they must also visit the health department for a birth certificate, the bank for account information, and the Social Security Administration for Social Security numbers for all family members. If they apply for Medicaid, they may also need to visit the hospital or a physician's office for medical records. If housing assistance is needed, that too will require one or more separate stops. There may also be additional stops for emergency food, clothing, or utilities assistance from private agencies. The problem is particularly pronounced for residents of rural areas, who do not have the benefit of public transportation. For example, many elderly citizens may be en-



Eric Green / N.C. Poverty Project

titled to only \$10 to \$15 a month in food stamps. It might cost that much to arrange a ride from a remote crossroads to the county seat to apply.

—*Resources in some programs are so limited that eligibility does not guarantee participation.* Waiting lists are long for such non-entitlement programs as subsidized day care and housing. A survey of county social services departments taken in December 1988 found about 9,400 children were on waiting lists for subsidized day care, says Ron Penny, administrative director of the State Child Day Care Section in the North Carolina Department of Human Resources. Without subsidized day care, an AFDC parent might be effectively blocked from getting a job or pursuing job training to get off the welfare rolls. A 1983 study found that public housing or rent-subsidized private housing was available to no more than a third of those eligible.<sup>7</sup>

—*Privacy is the first casualty when an applicant seeks aid.* The interview process for a food stamps application, for example, lasts longer than an hour. The questions range from the make and value of one's car to burial plans to the property holdings of one's grandmother. Social Services gains access to the applicant's banking records and to the records of the Employment Security Commission to assure that the income figures the applicant supplies are correct, and the applicant must give the names of two non-relatives who will be questioned about the number of persons living in the applicant's household. These are but a few of the pervasive disclosure requirements that may keep borderline applicants from seeking benefits. For those who do apply, forms are difficult to read and understand, and many potential aid recipients are illiterate. The extensive and complex verification requirements can block otherwise eligible applicants from receiving benefits. And benefits can be interrupted if the applicant fails to keep up with the required paperwork, which for many recipients includes two monthly report forms.

Can the welfare system be made less intrusive without an explosion of fraud and abuse? A number of practitioners believe the answer is yes. "The system discourages participation because there is too much emphasis on fraud and such a cumbersome application process," says William Crawford, Montgomery County social services director. Crawford says the amount of savings

realized by the tight controls does not cover the increased administrative expense. "Statewide, we are wasting millions of dollars a year on administrative procedures that really serve no purpose other than to decrease the amount of food stamps by a few dollars," he says. ☐☐

## FOOTNOTES

<sup>1</sup>Graham County Social Services Director Martha Parks says there is a misconception among some members of the public that eligibility specialists and directors hold power and authority in determining who gets benefits. She says social services departments must apply a strict set of criteria, and performance is closely monitored by both regional and state-level officials. She says workers are coached to treat their clients professionally and not to make judgments about who is more deserving of aid. Parks says she does not believe judgmental social services workers are a problem in Graham County, although she notes that eligibility specialists "are not angels" and says an occasional slip-up may occur. But Parks says the highly personal nature of the questions eligibility specialists must ask may make the applicant uncomfortable even in the most professional of interviews. Parks says the county social services board holds the authority to appoint the director, and citizens may petition the board for a change if there is an abuse of power.

<sup>2</sup>James Wight, Wake County social services director, says he agrees applicants for aid are asked to fill out an excessive number of forms. He says the forms are required to comply with state and federal regulations but he favors consolidating them so separate forms are no longer required for Medicaid, food stamps and Aid to Families with Dependent Children. Wight says most fraud and abuse that is detected is uncovered by monitoring bank and Employment Security Commission records for unreported income, rather than through the application process.

<sup>3</sup>Eunice Rives, director of the Fayetteville Housing Authority, says there is a real shortage of low-income housing in the Fayetteville area. She says there are 703 applicants on a waiting list for 1,000 units of *public* housing. The waiting list for 1,300 units of subsidized *private* housing is shorter, she says, carrying 150 to 200 names, but only because the authority has not taken applications for subsidized housing for five years. Rives says those seeking housing are given lists of other low income housing in the Fayetteville area, including apartment complexes managed by churches and nonprofit groups. But she says it is difficult to find a vacancy, and many times these private complexes stop taking applications without giving notice.

<sup>4</sup>Isaac Shapiro and Robert Greenstein, "Holes in the Safety Nets, Poverty Programs and Policies in the States, North Carolina," Center on Budget and Policy Priorities, Washington, D.C., Spring 1988, p. 1.

<sup>5</sup>William Greenwald, Social Security Administration district manager for Wake, Johnston, Franklin, Henderson, and Vance counties, says the agency works expeditiously to process applications for disability benefits. He says hospitals are sometimes slow in forwarding records necessary to determine eligibility, and there can be a lag in scheduling hearings when decisions are appealed.

<sup>6</sup>Shapiro and Greenstein, p. 7.

<sup>7</sup>*Ibid.*, p. 16.