

STATEMENT OF MRS. ALICE M. RIVLIN, ACTING ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mrs. RIVLIN. Thank you, Madam Chairman. I, too, would like to submit a statement for the record.

Representative GRIFFITHS. Thank you. I will be happy to have it.

Mrs. RIVLIN. I would also join the cautious bureaucrat on my right in saying that any views I express are my own and not those of the Department of Health, Education, and Welfare.

I thought it would be useful at this stage of this very interesting set of hearings if I tried briefly to summarize what the present income maintenance system looks like and what dilemmas face anybody who tries to improve it. I think the dilemmas are real. It is not just that the good guys are against poverty and the bad guys are for it. There are some very real problems facing anyone attempting to change the system.

In the first place, of course, it is not a system. We do not have a set of programs specifically designed to maintain income or eradicate poverty. What we have is a patchwork of programs accumulated over years of trying to meet particular problems for particular groups—social security, unemployment insurance, public assistance of various sorts. For all its virtues, this so-called system has two main faults. One is, it is very uneven in many respects. It treats different people differently. Not only are there major interstate differences in the levels of public assistance, but there are consistent differences in the way different kinds of poor people are treated.

We do relatively well by those that we consider should not work or cannot work—the aged or the disabled. We are rather ambivalent about women with children. We do support them, but not nearly as well.

We are also ambivalent about unemployed males and their children. In some States they are eligible for public assistance and in some they are not. And we really do not do anything for the working poor, those who are managing to find work, but not at an earnings level on which they can support their families at what we consider a decent standard of living.

We stigmatize some, making them feel, by investigations and other forms of indignities, that they are getting an income to which they are not really honestly entitled. We do not stigmatize the aged, who are those who have in some sense earned the right to this kind of an income maintenance.

And we have a very peculiar reaction to incentives to work. On the one hand, the programs are designed not to support people who could work. On the other hand, we discourage working under the public assistance program by a heavy tax on the earnings of those who are eligible for public assistance.

The other feature of the program is that it is simply inadequate. For all our income maintenance programs. We still have about 30 million people who are poor by a rather conservative estimate of what we mean by "poor". Over half of these are children. Children are in male-headed families where the head is working. There does not seem to be any easy way out of this situation. There are several