Another example of an institutional resource is a tax benefit, such as the exemption for children on federal income tax forms. The exemption means that a specified amount is deducted (subtracted from a person's taxable income) for each dependent child. This benefit provides all parents with a small break in taxes, not because there is immediate need, but because lawmakers recognize that raising children is costly. The tax break helps defray the cost of child-rearing, therefore helping to prevent poverty. As with Social Security, even if a family does not need financial help, they benefit from the exemption. One last example of an institutional social welfare service is public education. All youngsters from 5 to 18 years of age are guaranteed a place in a public school, regardless of family income or resources.

Residual services, on the other hand, come into play only after there is an identifiable problem. Residual services are designed to address only the identified problem. For example, if a single-parent family is too poor to pay for even basic needs, certain programs can provide monthly cash assistance or credit to purchase food or help pay rent. These programs are available only when all other resources are lacking and when there is a documented need. This is a reactive approach to helping people. (*Reactive* means that the response comes after the problem or need is identified.)

The majority of social welfare services in this country are residual. There is a strong preference among policy makers and most taxpayers to pay for services only for identifiable problems and visible needs. It is more difficult to convince people to commit resources to prevent things that have not yet happened and may never happen.

An example helps explain why this is the case. Two students in an algebra class are told on the first day that they can hire a tutor to help them and are given enough money to pay for the tutoring. Should they wait to see if they can understand the material on their own and save money by not hiring the tutor? Should they go ahead and hire the tutor, hoping that the money spent will improve their performance in the class? Should they wait to see whether they are definitely having trouble and hire the tutor if they are? Suppose one student hires the tutor, the other does not, and in the end they get the same grade. Did the first student waste the money?

These questions are difficult to answer in advance. So, too, it is difficult to determine what resources or programs to provide before knowing whether there is a problem and how severe the problem is. For example, should all young people receive counseling about child development and parenting before they have children of their own? Or should only those parents who have trouble parenting be required to attend training? The advantage to waiting is that there are typically fewer people to serve, and resources are not wasted on people who do not need service. However, we usually discover that a person is having trouble being a parent when his or her child is already hurt or neglected. Although the residual approach uses resources more sparingly, it can also result in problems that are more severe and therefore more harmful (see Box 2.1).

Preventive institutional services cover everybody, whether there is a problem or not. For example, a person who owns a car pays for car insurance. If the person has an accident, she or he can draw on the insurance to help cover

Box 2.1 What Do You Think?

Would you rather pay more taxes to build enough housing so that no one will ever be homeless, or pay lower taxes, wait to see who becomes homeless, and then try to find housing for them? Why?

expenses. If a driver was certain that she or he would not have an accident, would the driver be willing to pay the insurance premiums? This is the principle of institutional services. All people contribute, whether they eventually need the services or not. Of course, not all social problems can be anticipated. Our social welfare system will continue to reflect a mix of residual and institutional responses to need.

The History of US Social Welfare LO 1, 2, 3

Today's social welfare system reflects four centuries of responses to social need. Several major historical events and trends have influenced the development of social welfare policy and systems since the earliest European colonists arrived in this country. Historical events have shaped how we respond to social problems today, making our understanding of these events of critical importance. US social welfare history can be divided into nine key periods, outlined in Table 2.1.

Colonial Period

The earliest social welfare policy in this country came from England with the colonists. When early settlers experienced illness, deprivation, or death, their

Table 2.1 The Development of Social Welfare Policy in the United States

Time Period	Key Social Welfare Response
Colonial period, 1690–1800	Elizabethan Poor Laws
Pre–Civil War period, 1801–1860	Residential institutions
Civil War and postwar period, 1861–1874	First federal intervention
Progressive Era, 1875–1925	Birth of social work profession
Great Depression and New Deal, 1926–1940	Social insurance and public assistance
World War II and after, 1941–1959	GI Bill
Social reform period, 1960–1975	War on Poverty
Retrenchment period, 1976–2000	Cutbacks and local control
New millennium, 2001–present	Terrorism, war, financial struggles, and economic recovery; passage of the Affordable Care Act and attempts to dismantle the Affordable Care Act; struggle with immigration policies

new communities were immediately confronted by social needs. Colonists recognized the necessity of community support beyond a person's immediate family.

The first social welfare policy to be widely implemented in this country was an English system based on the **Elizabethan Poor Laws**. Until the 1600s, the needs of the poor were the responsibility of feudal landowners in England. Under the feudal system, many people who needed help did not receive it. As England became more urban, rulers saw the need for assistance to poor people who did not "belong" to a landowner. This new sense of public responsibility for the poor resulted in the Elizabethan Poor Laws, formally adopted in England in 1601, which outlined the public's responsibility for the poor. The primary principles of the Elizabethan Poor Laws were as follows:

- The poor were categorized as either worthy or unworthy to receive aid.
- The worthy poor included widows, orphans, the elderly, and people with physical disabilities.
- The unworthy poor included able-bodied single adults and unmarried women with children born out of wedlock.
- Aid for the poor first came from families, and only when the family absolutely could not provide economic support, did public authorities step in.
- Legal residency in the community was necessary to be eligible for assistance.
- Assistance was temporary and only for emergencies. The ultimate goal was for each recipient to gain employment or marry someone who was employed (Stern & Axinn, 2018).

In terms of overall resources, colonial America was a land of abundant resources. Everything was considered available for the taking. The fact that Indigenous Peoples lived here and used resources before the arrival of Europeans was generally discounted. Indigenous Peoples were at best ignored and at worst viewed as impediments to the growth of the new nation and pushed from their tribal lands (Nabokov, 1991). They were not considered worthy of social welfare services. This early relationship of displacement set a foundation for relations with Indigenous Peoples that has persisted for hundreds of years.

Values Reflecting the Colonial Period The principles espoused in the Elizabethan Poor Laws guide our system of public assistance to this day. The determination of who is deserving of assistance depends primarily on whether the person is capable of working. Americans still prefer to assist people they know or who live near them. The family is the primary source of economic support, and only when a family does not or cannot provide, do we encourage public involvement. We also wait for need to arise, and provide aid on a case-by-case basis. The influence of the Elizabethan Poor Laws has resulted in our residual approach to social welfare services.

The values and beliefs that support the current approach to social welfare focus on the individual and rarely consider how the larger society might affect individual needs. This emphasis also grew out of the Elizabethan Poor Laws. Like the English in Elizabethan times, we tend to value individual effort and

achievement. When someone is poor or incapable of working, we generally place the blame for the situation on that individual.

The sense that this is a nation of abundant resources also persists as part of our value system. Most immigrants to this country left from areas that were, by comparison, crowded and had limited resources. The American sense of far-reaching lands and limitless natural resources laid the foundation for a sense of national wealth. It fostered the perception that a person who works hard can achieve anything. The converse is also held to be true: if a person does not have enough, it must be because he or she did not work hard and take advantage of the limitless opportunities and resources.

Pre–Civil War Period

After the colonial period, a distinct American identity began to develop among European immigrants and their descendants. The era before the Civil War (from about 1801 to 1860) was characterized by growing social problems. Cities were beginning to expand with an influx of European immigrants. Most arrived with few or no resources. Communities could not afford adequate care for social needs, and they sought new ways to deal with poverty and social problems.

The prevailing social welfare response was the creation of residential institutions—often referred to as indoor relief—by local governments and private relief groups (Leiby, 1978). These institutions included almshouses for the poor, asylums for people with mental health problems, and orphanages for children without parents or, more typically, whose parents could not afford to care for them. The institutions were believed to be the best way to alleviate social problems. Their purpose was to rehabilitate people by setting an example of the proper or healthy way of living (Rothman, 1971). The reality of institutional life was vastly different. Rehabilitation efforts were rare. Instead, most institutions became places to warehouse the poor and the severely mentally ill.

Values Reflecting the Pre–Civil War Period Most social welfare institutions of the pre–Civil War period were substandard and lacked any real rehabilitation or treatment. Although today's institutions provide higher levels of care and therefore are different, the ideas that underlie them are relatively unchanged. The idea of placing people with the same problems or concerns in a single residence is seen as an efficient way to serve people in need because it allows them to share resources and develop specialized services that target specific needs. Some examples of current social welfare institutions are group homes, halfway houses, and residential treatment facilities.

The Civil War and Post–Civil War Period

By the 1860s, social and economic differences between the North and the South had led the United States into the Civil War. Broadly speaking, the southern states adhered to slavery, whereas the northern states insisted on abolishing it. The economy of the industrialized North—based on increasing