

Stricter welfare rules are not the solution to poverty

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Abstract: Over the past three decades, American welfare policy has moved towards ever more restrictive eligibility criteria, reflecting a growing belief that generous benefits encourage dependence. In this essay, I argue that harsher welfare rules actually make it more difficult for low income families to support their children, transition to work and maintain long term financial independence. In some cases such as drug testing, these rules represent an unconstitutional intrusion into the lives of citizens and are ultimately a waste of government resources. Moving towards a model of support rather than punishment for families in need would be an ultimately more effective method of poverty alleviation.

Keywords: Poverty; Welfare; Financial Incentives

I teach Social Policy at a mid size university in the American southeast. My two most frequent student questions are whether access to welfare makes people lazy (it doesn't)^[7] and why welfare recipients aren't drug tested (because it's unconstitutional)^[1]. In 1994, Congressional Republicans asked similar questions and introduced the Contract with America which included nine proposals to significantly reduce the size of the federal government. One of these provisions sought to overhaul the Aid to Families with Dependent Children (AFDC) program and end perceived incentives for long term welfare dependence. Among other things, Congressional Republicans proposed to enforce strict work requirements and time limits as a way to move families off welfare and into work.

These provisions were largely incorporated into the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 which replaced AFDC with Temporary Assistance to Needy Families (TANF) and explicitly sought to “end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage”^[10]. Recipients are limited to two years of assistance in any one stint and five years in one’s lifetime. States were also given considerable leeway to enforce stricter requirements including shorter lifetime limits (as low as 12 months in Arizona)^[12], work sanctions and restrictions on assistance when new children are born. Outwardly, these efforts have been wildly successful. The welfare caseload reduced by more than 60 percent in the two decades post passage and the TANF budget has remained at \$16.5 billion for every year since 1996^[4]. But this change has not been achieved because recipients suddenly gained meaningful employment and more stable marriages.

The flexibility provided to states in program implementation has afforded researchers an opportunity to compare whether states with more or less restrictive work and eligibility criteria produce the desired outcomes for participants. This research has consistently found that stricter welfare rules actually make it more difficult for struggling families to gain independence. For example, in states with more generous work requirements, one study found that participants leave welfare more slowly, but are more likely to have health benefits and better wages when they do leave^[8]. In other words, strict work requirements may push participants off the program more quickly, but do not necessarily lead to long term financial stability.

New time limits have actually made it more difficult for parents without a high school diploma to find employment

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presumably because they do not have time to complete their education^[3,6]. Attempts to influence family formation also do not seem to be having their intended effect. Not surprisingly, women's decisions to cohabitate^[5] or have children^[14] are complex and not associated with TANF policy. Welfare reform has, however, created outcomes that Conservatives presumably never intended. Reduced TANF payments increase family strain and foster care placements^[13] and restrictive eligibility requirements simply push families to other assistance programs^[3].

Drug testing is the newest attempt to introduce ever more draconian welfare policies. Fifteen states have implemented drug testing for TANF recipients^[9], even though welfare recipients are no more likely to abuse drugs than anyone else^[11] and the policy is a net loss for states^[2] (You should see the look on my students faces when I ask whether drug testing should be implemented for all public benefits, including educational Pell Grants).

I've observed that students (and people in general) generally agree on two points: A) people who are able to should work and B) people who are truly needy should receive help. I think that disagreement comes down to assumptions about the size of these two groups. They don't realize that most TANF recipients have some sort of significant barrier to employment such as lack of a high school education, significant mental or physical health issues or the responsibility of caring for a child or family member with these challenges. Forty percent have more than one of these barriers^[15]. If TANF policy attempted to support families to overcome these obstacles, rather than punish their perceived laziness, we might see actual progress towards family financial independence.

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