



LIFT Perspective

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New Requirements Will Make Welfare Work

Under new federal welfare-to-work requirements, Texas must increase the number of its public assistance recipients who are undertaking some form of “work activity”. To meet the new requirements, at least 50% of all families (single parents and two parents), and 90% of those in two-parent families who are receiving welfare must be involved in “work activity”. There are twelve types of work activity deemed appropriate, ranging from job training and subsidized or unsubsidized employment, to community service, on the job training, or simply searching for a job for up to six weeks a year.

There are approximately 77,000 Texas families enrolled in the Temporary Assistance for Needy Families program (TANF). Just over 25,000 of these are single parent families, half of whom must be involved in “work activity” to meet the new requirements, a target which Texas is well-placed to meet given that approaching 45% of these parents are currently involved in some type of appropriate work activity.

Larry Jones, spokesman for the Texas Workforce Commission, has pointed out that only 60% of welfare recipients in two-parent families are currently involved in work activity, which means that there is some way to go before the new 90% federal requirement is met in Texas.

Inevitably, organizations such as the Center for Public Policy Priorities (CPPP) argue that the new welfare-to-work requirements will put undue pressure on those who are receiving welfare. Celia Hagert, a senior policy analyst at the CPPP, contends that “if the state chooses to push people off the program or force them to work, the bottom line is, you’re hurting a really vulnerable population. The other option is to bring more people onto the program, increase eligibility...that would have the outcome of truly helping the poor, but it would cost more money.”¹

¹ *New Federal Welfare-to-Work Requirements May Require Retooling Texas’ Cash Assistance Program*, Austin American Statesman, July 9, 2006;
<http://www.statesman.com/news/content/news/stories/local/07/9txwelfare.html>

Ms. Hagert gets to the core of the issue and in doing so, she points the way forward for conservatives. The choice faced by policymakers is simply between bringing more people onto government programs and fostering a reliance on the state, or trying to help people off government programs and encouraging personal responsibility. Does “helping the poor” mean that the state should try to get as many people as possible onto a program that ensures a single parent with two children can have an income of no more than \$416 per month? Or can poor and low-income families be better helped if they are encouraged to try to support themselves and end a reliance on government hand-outs?

The answer to this was provided by the Comptroller in a 2000 report² on welfare reform, which found that “more than half of welfare recipients will remain in poverty for 10 or more years,” and that daughters from families receiving welfare are highly likely to participate in the welfare system themselves, and are also more likely to have premarital births. Statistics such as these demonstrate just how undesirable it is to have large numbers of people on welfare.

Welfare programs such as TANF are established to help genuinely needy individuals and families who are, despite their best efforts, unable to adequately support themselves. For a program such as TANF to be truly effective, it should not only provide support for people when they need it, but it ought also to make people aware that they should make every effort to support themselves in the long term so that they do not have to rely on taxpayer-financed government assistance.

In other words, ensuring that people who receive welfare are also required to improve their prospects of securing employment, whether through training, subsidized employment, vocational education, or community service, must be a vital component of any welfare program. In this way, the need for individuals and families to rely on the state can be reduced, and ultimately, the number of people enrolled on programs such as TANF can be expected to fall over time.

Conservatives should be clear that the sign of a successful government program is one which has declining levels of enrollment. Persistently rising levels of enrollment are the sign of a program that is failing. The role of government is not to provide support to as many people as possible, as the CPPP would have legislators believe. Instead, government should seek to create an environment in which as many people as possible can support themselves.

Consider a situation in which enrollment on a government program continues to grow year on year. Is anyone really better off as a result? Those enrolled on the program are reduced to a reliance on the state, their ability to increase earnings is restrained by a concern that welfare payments will be reduced. Taxpayers are certainly worse off, as they continue to see their tax bills rise. And the state is worse off as increased funding must be found to meet the swell in enrollment.

² *Recommendations of the Texas Comptroller (Chapter 8: Health & Human Services)*; December 2000; <http://www.window.state.tx.us/etexas2001/recommend/ch08/hhs20.html>

Government programs should provide support to individuals and families *and* require enrollees to demonstrate that they are improving their ability to support themselves through a range of work activities. Welfare programs are a contract, and just as taxpayers fund welfare programs with their tax dollars, so recipients must meet their end of the contract by actively seeking to reduce their reliance on such programs.

Those who doubt the effectiveness of work activity programs should consider the results of a study conducted in 2002 by the Manpower Demonstration Research Corporation, which compared education-based welfare programs with job-based welfare programs. The study found that over the first five years after being placed in welfare programs, those who were enrolled in job-based programs saw their incomes rise by 122% more than those who were enrolled in education-based programs.³ These results underscore the point that requiring welfare recipients to engage in work activities will increase their ability to support themselves, and plays an important role in lowering welfare enrollment.

A glance at the Texas TANF enrollment figures reveals that although enrollment rose from 115,313 families in 1999 to over 135,000 in 2002, since then, enrollment has fallen by 39.5% to just 82,195. The national trend over the same period reveals just a 9.6% decline in overall enrollment, so the achievement in Texas is clearly significant. The new federal welfare-to-work requirements should further reduce enrollment on the TANF program in Texas, something which there is clearly scope for, given the decline in enrollment since 2002.

The biggest obstacle to a continued reduction of TANF enrollment in Texas however, is the large number of exemptions from the “work activity” requirement. Currently, welfare recipients are exempt from the work activity requirement if they are 18 or younger, 60 or older, unable to work because of a disability, a single parent caring for a baby younger than 1, a caretaker of a family member with a disability or illness, or a single grandparent 50 or over caring for a child younger than 3.⁴

Worryingly, the percentage of Texas TANF recipients that are exempted from the work activity requirement is increasing. In 2003, only 20% of TANF recipients were exempt from work activity requirements. Today, 30% of Adult TANF recipients are exempt from participation in the TANF work activity requirement, which represents an increase of 50% percent from 2½ years ago.⁵ According to the Texas Workforce Commission, if this trend continues, the mandatory pool of TANF recipients who are not exempted from work requirements will be barely large enough to enable the state to meet its 50% and 90% work activity participation rate targets.

In 2000, the Comptroller found that a policy of “exemptions from work requirements that results in long stays on welfare may increase the likelihood that the children involved will

³ *National Evaluation of Welfare-to-Work Strategies*, Manpower Demonstration Research Corporation; November 2001; http://www.mdrc.org/Reports2001/NEWWS_FinalReport/NEWWS_FinalReport_ES.pdf

⁴ Texas Health and Human Services Commission TANF website; <http://www.hhsc.state.tx.us/programs/TexasWorks/TANF.html>

⁵ Information provided by Texas Workforce Commission.

become dependent on welfare as adults.”⁶ The Comptroller advised that the state should “attempt to counter the negative effects of welfare dependency by assisting parents in avoiding welfare, increasing their earned and unearned income, and reducing barriers to their employment.” The work activities that are a requirement for those enrolled on welfare programs help to achieve each of these goals. Therefore, any exemptions to these requirements must be closely scrutinized to ensure that they are appropriate, and do not exempt individuals or families who would benefit from the work activity requirements.

Texas has achieved great success by reducing TANF enrollment in the state by almost 40% since 2002. This success is due in large part to the effectiveness of the work activity programs in which many welfare recipients are required to participate. If the decline in TANF enrollment is to continue, and if the new welfare-to-work requirements are to be met, legislators must strive to ensure that the percentage of TANF recipients who are exempted from these requirements does not continue to increase.

The TCCRI Families First Phase II Task Force will meet August 3rd at 11am. To attend, please email Brent Connett at brent@txccri.org.

⁶ *Recommendations of the Texas Comptroller (Chapter 8: Health & Human Services)*; December 2000; <http://www.window.state.tx.us/etexas2001/recommend/ch08/hhs20.html>