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More welfare reform is needed in Mississippi

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Mississippi took a step in the right direction when, at the beginning of the month, the Mississippi Department of Human Services announced it would implement work requirements for single people between the ages of 18 and 49 who receive benefits from the Supplemental Nutrition Assistance Program (SNAP), commonly called food stamps. Although this is a positive development, there is still much that could be done to better help the State of Mississippi move people in poverty from government dependency to self-sufficiency.

The Heartland Institute's [2015 Welfare Reform Report Card](#) gives Mississippi a C- grade and ranks the Magnolia State [29th for its anti-poverty Temporary Assistance for Needy Families \(TANF\) policies](#). While Mississippi has successfully reduced its number of TANF recipients since 1996, its overall poverty rate has continued to increase and unemployment rates have worsened. According to data from the U.S. Census Bureau's Small Area Income and Poverty Estimates program and information from the Annie E. Casey Foundation, Mississippi's poverty rate increased by 15.4 percent from 1996 to 2013.

One of the most important ways governments can work with people to escape poverty is by helping them obtain work. Only 2.6 percent of full-time workers are poor, as defined by the federal poverty level standards, compared with 23.9 percent of adults who do not work. Even part-time work makes a significant difference; only 15 percent of part-time workers are poor.

A 2013 Cato Institute study examining the ["work versus welfare tradeoff"](#) found the current welfare system provides such a high level of benefits that it acts as a disincentive for work in many states. In Mississippi, a family collecting welfare benefits from seven common programs—TANF, SNAP, Medicaid, the special supplemental nutrition program for Women, Infants, and Children, public housing assistance, Low Income Home Energy Assistance Program, and free commodities—could receive benefits worth more than \$25,800. Considering the median salary in Mississippi is only \$27,269, it's reasonable to argue the current system incentivizes government dependency and discourages self-sufficiency.

There are four policies the state could implement that could, when taken together, help lift individuals out of poverty—all while protecting taxpayers and maintaining a safety net for those who need help the most.

The first would be to implement a cash diversion program. In fiscal year 2006, Mississippi temporarily employed a temporary cash diversion program to assist with the devastation caused by Hurricane Katrina. Since then, Mississippi has failed to follow the lead of 33 other states that have a cash diversion program in place that allows case workers to make grants to qualified people who need short-term assistance. Without a cash diversion program, many people who find themselves in difficult financial situations end up enrolling in TANF, which needlessly creates more dependency.

Second, at 60 months, Mississippi maintains the highest recommended limit of lifetime eligibility for individuals and families under the 1996 welfare reform law. In recent years, states as diverse as Arkansas, Connecticut, Idaho, and Indiana have limited their time limits to 24 months or less. These states have taken this approach with the idea that being dependent on welfare for five years can ingrain habits and lifestyles that make it very difficult to achieve self-sufficiency.

Third, Mississippi needs to put in place protections to ensure those who are enrolled in TANF and food stamps are actually in need of the financial help they are receiving. In 2014, 21 percent of the state's population was enrolled in food stamps, and according to the Foundation for Accountability. "[B]etween five percent and 25 percent of states' welfare spending has been found to be wasted or fraudulent."

One way to ensure only those truly in need are entering government-funded social programs is to utilize asset tests. Currently, 14 states use asset tests to check food stamp eligibility. The current income and asset test for the Supplemental Nutritional Assistance Program (SNAP) requires recipients to have a gross income below 130 percent of the poverty level, a net income below 100 percent of the poverty level, and less than \$2,000 in assets, but many SNAP recipients are accepted under looser standards through "categorical eligibility." In states using categorical eligibility for SNAP, recipients are determined not by the income and asset limitations established for SNAP, but by participation in other cash welfare assistance programs, which can have more relaxed eligibility standards.

Requiring photo identification on EBT cards and limiting where they can be used are other ways to prevent fraud.

Fourth, Mississippi should follow the lead of other states and better integrate their welfare and state social services by co-locating service providers. This helps government bureaucracies share information and gives caseworkers more flexibility to direct their clients to the services they need.

Ultimately, Mississippi's current set of welfare and anti-poverty programs disincentivize work, trapping welfare recipients in a sustained cycle of poverty. Legislators should continue to reform Mississippi's welfare system by adopting policies that improve opportunities for upward mobility and self-sufficiency and protect those people who truly need assistance.