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IDEAS THAT EMPOWER PEOPLE

Alabama's welfare program is a decade behind most of the country

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There have been numerous stories, rumors, and outright falsehoods reported in the media and by detractors regarding state Sen. Arthur Orr's (R-Decatur) recently proposed welfare reform bill.

The fact is Alabama's current welfare program is a decade behind most of the country; it earned an "F" grade in The Heartland Institute's 2015 Welfare Reform Report Card, and since 1996, Alabama has been one of the worst states at reducing caseloads for the Temporary Assistance for Needy Families program (TANF), also known as "welfare." Additionally, a 2013 Cato Institute study found in the current welfare system, a family collecting welfare benefits in Alabama could receive benefits worth more than $23,310 in just one year, while a single person with two children working a full-time minimum wage job and utilizing the Earned Income Tax Credit earns $22,628 per year.

Instead of shedding light on the significant flaws of Alabama's welfare program, proponents of the current program are misleading Alabamans. For instance, in a story written by Amanda Marcotte for *Salon*, the author incorrectly claims Orr's bill "would change the way food stamp eligibility is calculated, counting your car as a financial asset—like a savings account—and requiring you to sell it before you're allowed to get assistance." The truth is the assets examined for the Supplemental Nutrition Food Assistance Program (SNAP), commonly known as "food stamps," would not include home equity or a primary vehicle, but bank account balances, recreational vehicles—such as snowmobiles, boats, motorcycles, jet skis, and ATVs—and other valuable assets would be considered.

Welfare and SNAP should only be available to those who truly need assistance, and asset tests would play an important role in ensuring enough resources are available for Alabama's most impoverished citizens.

Currently, 14 states already require an asset test to receive food stamps. According to the Foundation for Government Accountability (FGA), if every state matched its asset testing for food stamp eligibility to the federal baseline, 749,000 fewer Americans would be trapped in food stamp dependence. Nationally, taxpayers would save more than $1.1 billion per year.

Orr's bill would also decrease lifetime limits on eligibility for TANF, preclude the department from applying for a waiver of work requirements for SNAP, and implement stricter sanctions for noncompliance, along with other common-sense reforms that would help to reduce welfare fraud.

The "t" in TANF stands for "temporary." Polling has shown 50 percent of the public believes welfare should only be available for 12 months, and 82 percent of the public support requiring able-bodied, working-age adults with no children at home to work or train for work for at least 20 hours per week in order to receive taxpayer-funded food stamp benefits. 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.

In 2011, only 40 percent of TANF recipients in Alabama were working, which means three out of five TANF aid recipients were not working in return for their benefits. Strengthening the sanctions regime for failure to participate in work activities will help to increase work participation in Alabama. That participation would make it more likely recipients would gain the necessary skills to earn an income sufficient for them to leave welfare rolls permanently.

A study by FGA found after three months of reinstated work requirements in Kansas, nearly 13,000 Kansans left the welfare rolls. Within a year, nearly 60 percent of these former enrollees found employment and increased their incomes by an average of 127 percent.

Instead of trapping welfare recipients in a sustained cycle of poverty, these proposed policies can help by giving poor people a hand up. Enforcing fraud prevention measures and adopting reforms, such as an asset test, strict-but-fair time limits and sanctions, and work requirements, will improve opportunities for recipients to reach self-sufficiency, give help to those people who truly need assistance, and protect taxpayers.

These reforms would also free up block grant money, which could be reinvested in transportation, workforce development, childcare, and alcohol and substance abuse programs for the truly needy.