



Are more people on welfare than working full-time?

By: Mark Robison – December 7, 2013

The claims

Welfare pays more than minimum wage in 35 states, and more people are on welfare than have full-time jobs.

The background

Sheila Lester of Reno wrote to Fact Checker asking if Bill O'Reilly was correct in a column the RGJ published where he said:

“According to the Census Bureau, more people in America today are on welfare than have full time jobs. There is a culture of dependency being created that is truly shocking. A recent study by the Cato Institute says that welfare now pays more than minimum wage work in 35 states. So why enter the work force at the bottom, if the government will give you the same compensation for sitting on your butt?”

Let's start with the Census Bureau claim. O'Reilly seems to have gotten this from an October story at CNSNews.com that said:

“There were 108,592,000 people in the United States in the fourth quarter of 2011 who were recipients of one or more means-tested government benefit programs, the Census Bureau said in data released this week. Meanwhile, according to the Census Bureau, there were 101,716,000 people who worked full-time year round in 2011. That included both private-sector and government workers.

“That means there were about 1.07 people getting some form of means-tested government benefit for every 1 person working full-time year round.”

O'Reilly says the Census figures refer to the situation “today.” They do not. As you can see from the CNS excerpt, the figures are from 2011, when the economy was worse.

If we look at today, the number of full-time workers has increased. In October, it was 116,267,000, based on seasonally adjusted figures from the Bureau of Labor Statistics — or over 14 million more people working full-time.

The number of people getting means-tested welfare (meaning based on income) is not available for 2013. Politifact.com tried to get a ballpark number by examining data from various agencies, and it found at least 12.1 million fewer cases of subsidized housing, food stamps, Medicaid and TANF (cash welfare) being claimed this year than in 2011.

(If 14 million went back to work as the economy recovered and at the same time at least 12.1 million stopped receiving welfare, this seems to belie O'Reilly's claim that people would rather sit on their butts and get welfare than work.)

But let's take out the time-frame error. Back in 2011, was it true that more people were on welfare than were employed full-time?

Here's where a bigger problem crops up. CSN was comparing apples and oranges. At the top of the cited Census table are the words "The figures for means-tested programs include anyone residing in a household in which one or more people received benefits from the program."

What this means is that CSN and O'Reilly were comparing the *number of individuals* employed full-time with the *total number of people living in households* where at least one person was receiving welfare.

The most obvious reason this comparison fails is that there could be one person in a household getting welfare but six people living there, and thus CSN would give a welfare count of six for such a house, overcounting the actual number of people on welfare by 600 percent.

There are even more reasons this comparison is faulty.

The number receiving welfare includes millions of children who aren't eligible to be counted among full-time workers by the Census, not to mention retired people who may receive disability payments or housing assistance. Such a number can't fairly be used to make the case that people would rather get welfare than work if they can't be in the workforce.

Further skewing the comparison, it's very possible to work full-time *and* qualify for welfare. Consider a single woman with two children. Say she works full-time at the federal minimum wage of \$7.25. At 40 hours a week for 52 weeks, she earns \$15,080. The federal poverty level for a household of three is \$19,530. This qualifies her home for many types of welfare.

According to a 2011 U.S. Department of Agriculture report, of the 40 million people receiving food stamps (now called SNAP), about 23 million worked. Working and getting welfare is not uncommon.

Now, let's turn to the claim that people can make more on welfare than working full-time in 35 states.

O'Reilly is correct that the Cato Institute released a report making this claim — and Nevada is one of those 35 states. The accuracy of the report is another matter.

It starts with two assumptions.

First, it assumes if a parent works, the family receives zero welfare except refundable tax credits. This is not true, if you remember the statistic above that 23 million people worked out of the 40 million getting food stamps.

For another example, the Center on Budget and Policy Priorities, using Census data, reports that in 2011, 86 percent of low-income children receiving Medicaid or the Children's Health Insurance Program (CHIP) were in working families.

Second, Cato assumes that if a family receives *any* kind of welfare assistance, they receive every kind of welfare assistance. It says that if a person receives food stamps, he or she also receives Temporary Assistance for Needy Families (TANF) cash assistance, Medicaid, housing assistance and WIC (a nutrition program for pregnant and postpartum women, infants and young children). This is how it's able to tally up such high incomes from welfare.

In the report's conclusion, Cato does say that "many ... do not receive every benefit listed." Yet this is not the assumption behind its headline claim about earning more on welfare than full-time work.

Throughout the report, it's made to seem that widespread participation in multiple benefits is the norm.

For example, the Cato report says "over 82 percent of TANF families receive food stamps."

It could've just as easily cited a 2011 USDA report on WIC, that just 7.9 percent of WIC recipients also get TANF or that only 6.2 percent of WIC recipients get both TANF and food stamps.

The verdict

It's not true that more people get welfare than work full-time. The comparison is based on numbers that can't properly be compared. In particular, the claim compares full-time working individuals with the number of people in entire households where just one person gets welfare.

And while it's theoretically true that in 35 states someone could earn more on welfare than by working full-time at minimum wage, it could only happen if the person gets every type of benefit available. This is exceedingly rare, in not unknown.

Truthmeter: 2