Celebrating 20 years of successful welfare reform

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Aug. 22 marks the 20th anniversary of President Bill Clinton and congressional Republicans' bipartisan Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). This landmark welfare reform law substantially changed the U.S. welfare system for the first time in more than six decades. PRWORA instituted work requirements, imposed time limits, and allowed states to craft their own welfare programs through the newly formed Temporary Assistance for Needy Families (TANF) program.

The results speak for themselves. Since national welfare reform passed in the mid-1990s, roughly 9 million people have moved off of the TANF program.

Since 1996, principles for best practices have emerged, helping to form a framework that has provided the basis for bipartisan reform, much of it at the state level. Many states have focused on the important challenge of moving welfare recipients from government dependency to self-sufficiency. They've been able to accomplish this by working hard to integrate programs and establish state policies that improve the effectiveness of the many programs designed to help people leave poverty.

Maine is just one of the recent reform success stories. When Gov. Paul LePage (R) assumed office in 2011, one in three people living in the state was enrolled in some sort of welfare program. To address this crisis, in October 2014, Maine started requiring able-bodied childless adults to work, train, or volunteer on at least a part-time basis in order to continue receiving food stamps. Maine had over 15,000 TANF—commonly called welfare—cases when LePage took office. That number is now down to less than 5,000.

Not only has Maine reduced the number of welfare enrollees, but the recent welfare reforms have led to more employment, higher earnings, and less dependency, according to a report published in May by the Maine Department of Health and Human Services and the Maine Office of Policy and Management. Within just one year, able-bodied adults studied in the report saw their incomes rise by an average of 114 percent. According to the report, recipients still relying on the program are working more, which means they need less government assistance. This explains why average benefits dropped 13 percent since the work requirements went into effect.

In Kansas, a study by the Foundation for Government Accountability found after three months of reinstated work requirements, 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.

Polling has shown 50 percent of the public believes welfare should only be available for 12 months, and 82 percent of the public supports 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.

States such as Missouri, Texas, and a number of others have reformed their welfare systems in the past few years to require welfare recipients to participate in a work-related program. Many have also implemented strict sanctions for non-compliant recipients and reduced lifetime limits as well.

Unfortunately, other states have been less active and less effective.

The current set of welfare and anti-poverty programs and regulations in states such as Alabama, Georgia, Mississippi, and Rhode Island are trapping welfare recipients in long-term poverty. 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. Welfare currently pays more than a minimum-wage job in 35 states, even after accounting for the Earned Income Tax Credit. In 13 states, it pays more than $15 per hour.

Successful welfare reform can save lives and produce positive effects on multiple generations. It can save taxpayers billions of dollars and help address serious social maladies such as alcoholism, crime, and teenage pregnancy.

The 1996 reform was limited to only one out of over 80 means-tested programs, but it demonstrates how government programs can be successfully devolved from the national government to states. The Heartland Institute's *2015 Welfare Reform Report Card* shows further reform of state and federal policies and program management has the potential to produce much better results in the future. The overall objective of such an overhaul is not simply to save money, it's to maximize the odds of helping people move from dependency to self-sufficiency.

While both Hillary Clinton and Donald Trump continue to give scant attention to the issue of welfare reform, and although, sadly, it seems unlikely Americans will soon see legislators in Congress reach over the aisle to change welfare for the better—as they did 20 years ago—many state governments still can (and should) improve the effectiveness of their efforts to help those in poverty.