



# Cato Institute: Welfare Benefits Exceed Minimum Wage in 35 States

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By Dan Weil

Welfare benefits top the minimum wage in 35 states after taxes are factored in, according to a study by the **Cato Institute**.

Many welfare benefits are tax free.

"The current welfare system provides such a high level of benefits that it acts as a disincentive for work," the report for the libertarian think tank says. "Welfare currently pays more than a minimum-wage job in 35 states, even after accounting for the Earned Income Tax Credit."

In 13 states, the total value of welfare benefits exceeds \$15 per hour, according to the study.

"If Congress and state legislatures are serious about reducing welfare dependence and rewarding work, they should consider strengthening welfare work requirements, removing exemptions, and narrowing the definition of work," the report states.

"Moreover, states should consider ways to shrink the gap between the value of welfare and work by reducing current benefit levels and tightening eligibility requirements."

The federal government spends \$668.2 billion a year on welfare, while states dole out \$284 billion, says the study.

The report says Hawaii has the highest welfare benefits, followed by Washington, D.C. and Massachusetts.

Among U.S. adults, 80 percent face joblessness, near-poverty, or reliance on welfare for at least parts of their lives, according to **The Associated Press**.

