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Easy chair or safety net?

A new study says welfare discourages work, in Ohio and across the country. It isn't that simple or clear

A new study by the libertarian Cato Institute concludes that Americans, in Ohio and elsewhere, routinely can make more money collecting welfare than they can working at entry-level jobs. The value of tax-free welfare benefits greatly exceeds the poverty level, the report says.

Such findings will convince those who want to be convinced. Others will suspect, correctly, that things aren't quite that clear or simple.

The Cato study says that “the balance between welfare and work may actually have grown worse in recent years ... the current welfare system provides such a high level of benefits that it acts as a disincentive for work.”

The report's authors call on state and federal lawmakers to curb welfare dependence and reward work by cutting benefits and tightening eligibility and work rules for recipients. That message has found a receptive audience among Republicans in Ohio's legislature and congressional delegation.

According to the study, Ohio is generally in the middle of the pack among states for welfare benefits. The report calculates what it calls the “full package” of benefits: Temporary Assistance for Needy Families (TANF), food stamps, Medicaid, housing and utilities aid, emergency food help, and checks or vouchers from the Women, Infants, and Children program.

In Ohio, Cato says, such benefits available to a single mother with two children add up to \$28,723 a year — a 15 percent increase, after inflation, from 1995. That package amounts to 147 percent of the federal poverty level, the report says.

To equal those benefits, it adds, an Ohio worker would need to earn \$26,200 a year, or \$12.60 an hour. The median salary in Ohio is about \$32,600 a year.

“By making a rational short-term choice,” the study concludes, “recipients who forgo work for welfare may trap themselves and their families in long-term dependence.”

But liberal advocacy groups dispute the Cato report’s premise that Ohioans are substituting welfare for work. Instead, they say, safety-net programs are keeping working families — especially those with children — out of poverty while they wait for the recession to end for them.

Policy Matters Ohio notes that fewer than a third of Ohio families with children living in poverty get TANF benefits. A single parent with two children who works 22 hours a week at a minimum-wage job still qualifies for TANF.

Most adults in Ohio Works First, the state’s TANF cash assistance program, are working, Policy Matters says. And half of the participants in the program receive cash aid for a year or less.

Most safety-net recipients who aren’t old or disabled live in a household where an adult is working, Policy Matters adds. The group cites other research that challenges the notion that public benefits are discouraging work.

The Athens County Department of Job and Family Services, in Appalachian Ohio, questions the methodology of the Cato study. The department’s director, Jack Frech, notes that in Ohio, both the number of cash aid recipients and the value of their benefits have dropped dramatically in recent years.

These declines, Mr. Frech says, do not suggest that more adults have found jobs and gained economic independence, but rather that more poor Ohio families and children are living in privation.

Mr. Frech estimates that the “full package” of benefits available to the typical assistance household in Ohio is closer to \$12,000 a year than the \$28,723 Cato calculates. The Cato report acknowledges that TANF benefits, after inflation, have fallen by 20 percent since 1995, before the nation enacted welfare reform in 1996.

Mr. Frech says that most poor Ohio children who get aid live in families that have no cash income, only food stamps. Two-thirds of children in households that collect cash aid live with grandparents or other relatives, not their parents.

In the short term, Ohio needs to expand its Medicaid program to cover more working-poor families, not impose further restrictions. Food-stamp and Ohio Works First benefits can't take more cuts if they are to help families meet their basic needs. State and local governments and school districts can't absorb further reductions of essential public employees.

In the longer term, Ohio's economy, and the nation's, need to create jobs that pay enough to allow workers not only to survive, but to support families. Mr. Frech says: "It is very hard to imagine that anyone who actually studied the lives of the poorest children in our country could conclude that their parents were too well-off to have an incentive to work."

That is what should be debated in Columbus and Washington, and at kitchen tables across America — not the tired stereotype of the welfare chiseler.