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35 states that pay more in welfare than minimum wage

By [JJ Feinauer](#), Deseret News

Does welfare rob Americans of their incentive to work?

That seems to be the conclusion some are drawing from a study published earlier this month by the Cato Institute, A libertarian think tank based out of Washington, D.C.

According to the study, 34 states and the District of Columbia provide more in welfare than a minimum wage job in that same state would.

According to a post on Foxnews.com, such a revelation shows that many American welfare programs are “creating little incentive for Americans to take entry-level work and likely increasing their long-term dependency on government help.”

When writing about the study for the Los Angeles Times, senior fellow at the Cato Institute Michael Tanner expressed outrage at the fact that less than 42 percent of adult welfare recipients participate in work activities.

“Perhaps it's because, while poor people are not lazy, they are not stupid either.” Tanner wrote last week. “If you pay people more not to work than they can earn at a job, many won't work.”

But not everyone believes the study is truly representative of how the welfare system works.

The most prominent criticism of the study is that it assumes, for the purposes of the research, that the sample families in each state receive the benefits of eight different welfare programs, namely: Temporary Assistance for Needy Families (TANF), Medicaid, Supplemental Nutrition Assistance, Housing Assistance, Utilities Assistance, Women, Infants and Children (WIC) and The Emergency Food Assistance Program.

“Very few people actually qualify for all eight of the programs Cato looks at,” writes Josh Barro at Business Insider. “So, the typical welfare benefit is much lower than Cato makes out, making staying on welfare less appealing.”

Barro also takes issue with the fact that the study doesn't factor in the lower welfare benefits for single adults, which he says are much less generous than those for women with children.

“That said, poverty traps are real.” Barro concludes. “This is the phenomenon of people losing benefits as they earn more income of their own. It's a problem that welfare programs need to be designed around.”

Either way, the Cato Institute's report has opened up a whole new discussion on the role of welfare, and the minimum wage, in the country.