



Cato Institute: Welfare Pays More Than Twice Minimum Wage In A Dozen States

Welfare recipients in more than 35 states currently get paid more than a minimum wage job, according to a [study by the libertarian Cato Institute](#).

And in what may come as a surprise to many, welfare recipients in 12 states and Washington, D.C., get paid more than \$15 per hour, more than twice the national minimum wage.

The study, co-authored by Michael Tanner, a senior policy analyst for Cato, maintained that, "the current welfare system provides such a high level of benefits that it acts as a disincentive for work."

More Hispanic families and children are currently on welfare in the United States than from any other group.

According to the [Office of Family Assistance](#), within the federal Health and Human Services Department, the percentage of Hispanic families on Temporary Assistance For Needy Families, or cash assistance, has increased since 2004, from 24 percent to 30 percent in 2010. However, the percentage of White and African American families on TANF has decreased.

There were a total of 1.8 million families on TANF in 2010. Of the 3.3 million children being supported by the program, 35 percent are Hispanic.

The institute tallied a state-by-state view of the value of welfare for a mother with two children receiving benefits from federal programs including: TANF, Medicaid, food stamps, Women, Infants and Children (WIC) program, public housing, utility assistance, Medicaid and free commodities.

Hawaii offers recipients the most generous pre-tax annual package at \$60,590, followed by the District of Columbia at \$50,820. Idaho offered the least amount of benefits -- tallying \$11,150. Florida and Texas also ranked at the bottom, offering \$12,600 and \$12,550 respectively.

The report found that welfare benefits pay more than the average pre-tax first year wage for a teacher and in 39 states, they cover more than the starting wage for a secretary.

The study argued that Congress and state legislatures should strengthen welfare work requirements by limiting the list of activities that qualify as work and reduce the benefit packages.

Currently, for the TANF program, single parents must participate in work activities, such as training, for an average of 30 hours per week, while two-parent families must participate for an average of 35 hours a week to qualify for federal cash assistance.

The Cato Institute report found that 42 percent of adult welfare recipients are working and many welfare recipients are participating in work activities like community service, or pursuing educational opportunities related to employment.

"Not every welfare recipient fits the profile used in this study, and many who do fit it do not receive every benefit listed," the study concluded.

"Many welfare recipients, even those receiving the highest level of benefits, are doing everything they can to find employment and leave the welfare system," the study's authors concludes. "Still, it is undeniable that for many recipients —especially long-term dependents — welfare pays more than the type of entry level job that a typical welfare recipient can expect to find."

Other findings include:

*Federal government funds 126 separate programs targeted toward low-income people.

*72 federal government programs provide either cash or in-kind benefits to individuals.

*Welfare benefits pay more than \$20 per hour in seven states and Washington, D.C.

*Federal government programs targeting toward low-income people cost roughly \$668 billion annually.