



Is Welfare 'A Rational Alternative To Work'?

By Pam Fessler

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For many people, Michael Tanner says, it pays not to work. People on welfare — that's everything from food stamps to Medicaid to heating assistance — can make more in 35 states than they would make if they had a minimum wage job, according to Tanner. Even for someone who wants to work, he says, "welfare can actually be a rational alternative to work for many people." Choosing welfare may be a sound economic decision, Tanner argues in a recent published by the libertarian Cato Institute, where Tanner is a senior fellow.

"If someone came to me and said, 'I'll pay you everything you're making today but you don't have to work any more,' I'm going to think about that," Tanner says. In Rhode Island, according to Tanner's report, a mother with two children can receive aid — cash assistance, Medicaid, housing, etc. — worth almost \$39,000 a year, more than a starting teacher or secretary, according to Tanner.

I asked Brandy Alvarez, a single mother with two kids who lives in North Providence, Rhode Island, what she thought of Tanner's analysis. "I'm wondering where the rest of my money is," she said, laughing. She said she didn't receive housing assistance or several of the other benefits included in that \$39,000 figure. In Rhode Island, only one in four welfare families receives housing assistance. People wait years for public or subsidized housing.

And if you do get a job, benefits don't all disappear. When Alvarez was offered a \$12 an hour job with a nonprofit, she knew she'd lose her monthly welfare check and her food stamps would be reduced. But she got to keep Medicaid. She says, in the end, it was worth taking the job, even though she's just breaking even.

There is also, of course, the question of whether you can get a job at all. Tonilyn Rowe is a 25-year-old single mom who left her job at Dunkin Donuts when her son Marcus was born. Unemployment in Woonsocket, her Rhode Island town, is over 11 percent. Many stores are shuttered. Wal-Mart recently left town.

"Every day, I go out, and push my son around and fill out applications," she said. "But obviously it's not a good look to walk into a job with a stroller."

To Tanner's point, Rowe does worry that she'd lose some of her benefits if she took a job. But she also thinks certain benefits that she doesn't get — job training and child care — would help her and others like her support themselves in the long run. To some extent, Tanner agrees.

"I think what we want to do is have transition assistance," he says. "But we also want to make sure that the level of benefits is not sufficient to be a disincentive."