



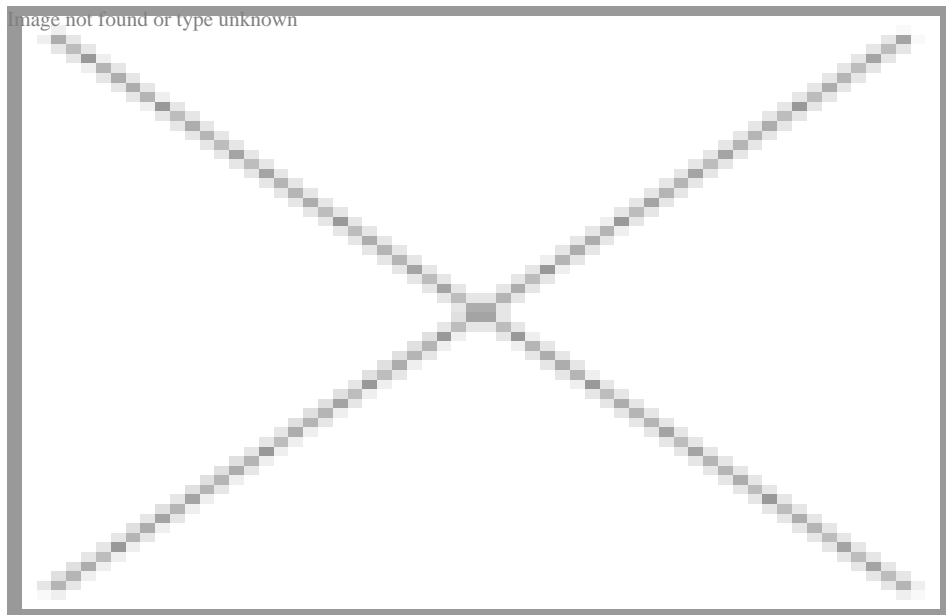
Insight

Working (or Not Working) at Crossed Purposes

CHAD MILLER | AUGUST 14, 2012

The Administration has drawn considerable attention to welfare policies recently through a proposed waiver to the popular 1996 welfare reform legislation. Touted as providing flexibility to states, the Health and Human Services ([HHS](#)) [letter](#) permits states to stop enforcing work requirements for welfare recipients.

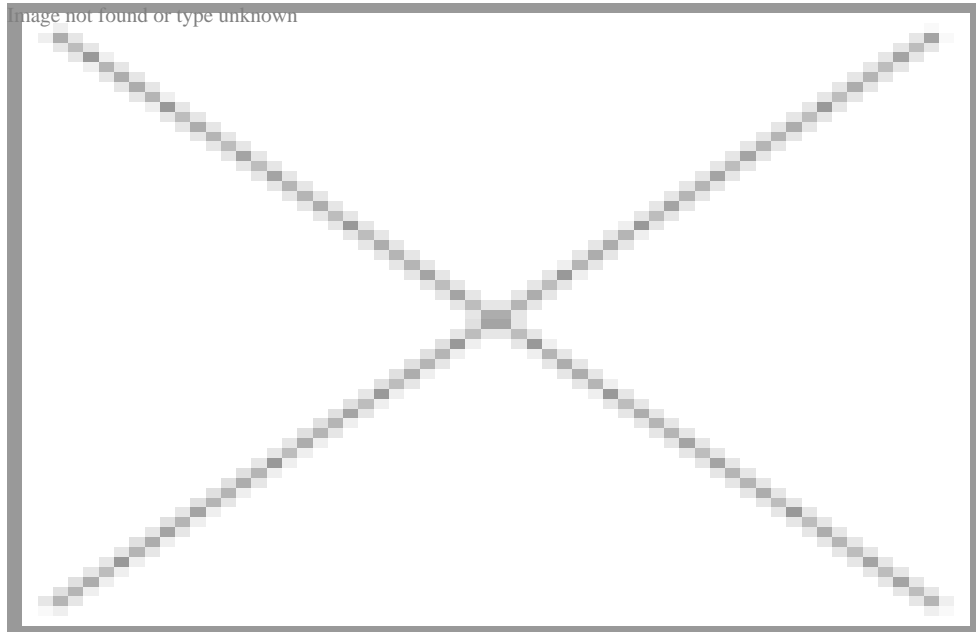
By virtually all accounts, the 1996 reform legislation has been wildly successful at meeting its purposes: reducing the number of people receiving government assistance and improving the rate at which those recipients move back into full-time, productive employment. For example, according to HHS' 2012 report to Congress, participation rate data shows that the share of eligible families receiving TANF declined from 79 percent in 1996 to 40 percent in 2005.



After the legislation's enactment caseloads declined, and thousands of families on government assistance transitioned off the welfare rolls and into gainful employment. As demonstrated by employment rates for eligible single mothers, which in 1996 were around 51 percent. Since 1996 they have climbed as high as 60 percent and on average remain around 57 percent. (See Figure A Below)



The flexibility to permit welfare recipients to participate in employment-related education and training programs could be waived, under the HHS letter. Given the impact that higher education has on an individual's future earnings potential, and the [President's own stated goal](#) of increasing the number of Americans with college credentials, it is inconsistent policy for the Secretary of Health and Human Services to give states the opportunity to waive work and related higher education requirements for welfare recipients, especially when educational participation rates for recipients has grown some 6 percent since 1997.



The President may not support work requirements for welfare recipients, but the extension of broad waiver authority that includes higher education is, at best, sending mixed messages about what it takes to succeed in today's economy. At worst, it is a shortsighted and cynical effort to circumvent one of the most successful federal legislative initiatives in history.