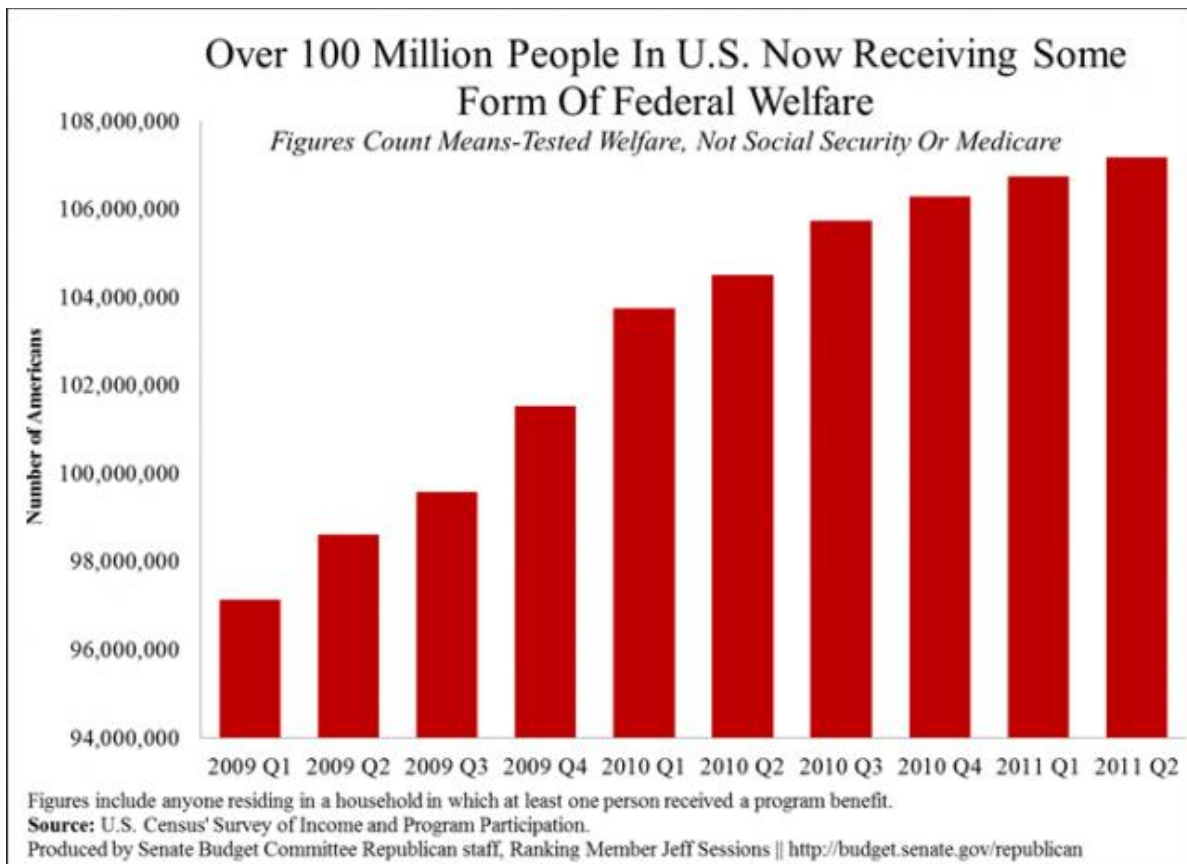


The Obama Administration: A History of Undermining Work Requirements For Welfare Recipients August 2012

When the Obama Administration announced on July 12, 2012 its plan to allow States to waive work requirements for welfare recipients, supporters of work-based welfare reform responded with loud opposition. The work requirements are at the heart of the successful 1996 welfare reforms and marked the first time welfare recipients were expected to work or prepare for work in exchange for benefits. Supporters also noted that the welfare reform law specifically forbids an Administration from changing the work requirements – meaning the President was attempting to exercise authority he did not have in a blatant attempt to effectively repeal the work requirement.

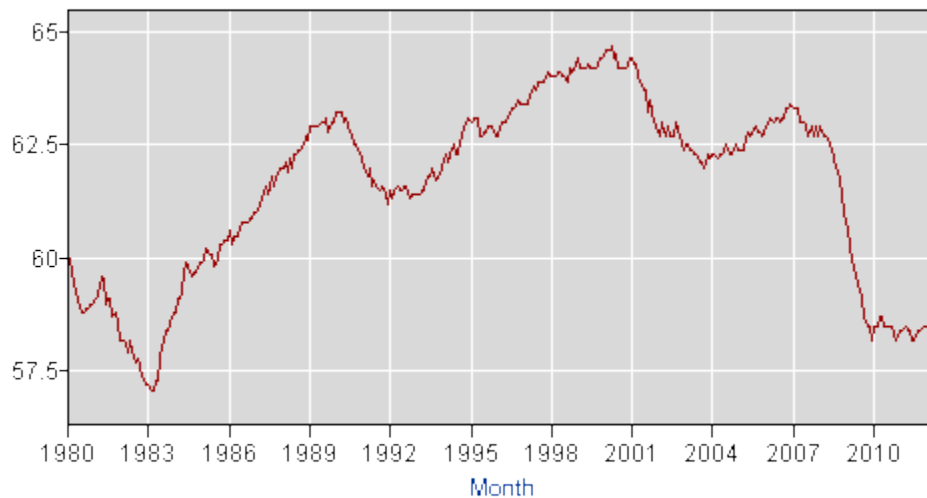
Under the Obama Administration plan, States could apply to count as “work” many activities previously rejected by Congress. A 2005 [report](#) by the nonpartisan Government Accountability Office noted that some States counted as “work” such “activities” as bed rest, personal care, massage, exercise, journaling, motivational reading, smoking cessation, weight loss promotion, participating in parent teacher meetings, and helping a friend or relative with household tasks and errands. In 2006, the TANF program was altered to prevent States from counting these activities as work.

The facts show that the Administration’s policies have resulted in a record expansion of government benefit programs [to include over 100 million Americans](#):



Meanwhile, the share of the U.S. population that is working has [plummeted](#) to levels not seen since the early 1980s:

Employment-Population Ratio since 1980 (Percent, Seasonally Adjusted)



Source: U.S. Department of Labor [Bureau of Labor Statistics](#).

Starting with its failed trillion-dollar 2009 stimulus plan, the Obama Administration has taken repeated steps that increased the number of people collecting benefits across a range of programs like welfare, unemployment, food stamps, health care, and various refundable tax credits. At the same time, the Administration has engaged in a systematic effort to undermine work requirements that existed in a small number of government benefit programs such as welfare and food stamps. The Administration has even allowed millions of Americans with significant personal savings and assets to qualify for government “anti-poverty” benefits. These facts flatly contradict the Administration’s recent claims that its policies are designed to “mov[e] more Americans from welfare to work.”

Specifically, under the leadership of President Obama, Democrats have repeatedly expanded dependence on government benefits and undermined work by:

- *Encouraging bigger welfare caseloads, while weakening work requirements.* The trillion-dollar 2009 stimulus law [allowed](#) States for the first time to bring more families onto welfare without having to engage more adults in work – weakening the program’s work requirements.
- *Providing States billions of dollars used primarily for more welfare checks.* In the 2009 stimulus law, States received an additional \$5 billion “[welfare emergency fund](#)” used primarily for cash payments not focused on promoting work. For example, New York State used its share to provide \$200 “back to school” checks nominally for poor families to purchase school supplies. However, [CBS News reported](#) because of poor targeting, much of this money ended up being used for “flat screen TVs, iPods and video gaming systems,” which obviously have nothing to do with promoting work over welfare.
- *Rewarding States for expanding eligibility for unemployment checks, including for people who quit their jobs.* As part of the 2009 stimulus, States were rewarded with a share of \$7 billion in [one-time Federal funds](#) if they permanently expanded eligibility for unemployment benefits to those without recent work history, who quit their jobs, or who are seeking only part-time work.

- *Expanding unemployment checks to a record 99 weeks per person.* In the 2009 stimulus and subsequent laws, Federal “extended” unemployment benefits [were expanded](#) to a record 73 weeks, which when combined with 26 weeks of State unemployment benefits meant individuals in high unemployment States could collect an unprecedented total of 99 weeks (or nearly two years) of unemployment checks.
- *Increasing the size of unemployment checks, discouraging work.* The 2009 stimulus [increased](#) unemployment benefits by over \$100 per month or more than \$1,200 per year, discouraging work and lengthening joblessness and receipt of unemployment benefits.
- *Suspending work requirements for food stamp benefits.* The 2009 stimulus [suspended](#) food stamp work requirements for able-bodied adults without dependents (and each subsequent Obama budget proposed to continue suspending these work requirements), contributing to dramatic increases in food stamp caseloads.
- *Increasing the size of food stamp benefits, discouraging work.* The 2009 stimulus law also [increased](#) food stamp benefits, resulting in the average family of four receiving an added \$80 per month or nearly \$1,000 more per year, further increasing disincentives to work.
- *Letting anyone collect food stamps and Medicaid benefits, regardless of their savings or assets.* Through [administrative action](#) and the passage of ObamaCare, the Administration has effectively removed asset limits for both food stamps and Medicaid recipients. This means that today even individuals with significant savings or assets can collect these government benefits, rather than turning to their own resources first for support. For food stamps, the Administration even supports a policy allowing anyone receiving [an informational pamphlet about government services paid for with TANF funds](#) to automatically qualify for food stamp benefits.
- *Increasing and expanding refundable tax credits to increase welfare.* Under the 2009 stimulus law, the Earned Income Tax Credit and Child Tax Credit were expanded for families with little or no tax liability, resulting in bigger lump sum payments through the tax code. The value of these payments is ignored when calculating eligibility for other government benefits, increasing welfare benefit caseloads and payouts.

These Obama Administration benefit policy changes have not only been enormously expensive, costing a total of over \$500 billion to date since 2009, but they have also disadvantaged millions of families by removing breadwinners from the workforce and making it far less likely that they will be able to return to productive, well-paid work in the future. In this way, the Administration’s failed policies will leave a lasting legacy of dependence that will take years to reverse.

Recovery from these misguided policies begins with recognizing that the massive expansion of the welfare state in the Obama Administration has been a calculated exercise, albeit one that has largely flown under the cover of efforts to respond to the recent recession. Fortunately, it is not too late to reverse these policies by restoring and preferably expanding work requirements for benefits designed to assist low-income families. That effort begins with overturning the Administration’s recent attempt to waive work requirements for welfare recipients. Until this tide is reversed, millions of American families will remain dependent on government benefits, instead of supporting themselves through work as is consistent with the real American Dream.