

benefits poverty work **KEY TERMS:** incentive wages NOTE-TAKING COLUMN: Complete this section during the **CUE COLUMN:** Complete this section after the video. video. Include definitions and key terms. What is a poverty rate? Why are we losing the War on Poverty? What should the obvious answer to the poverty problem be? Why do so many people choose welfare over working? Why don't people receiving benefits have to work or be looking for work?

#### **DISCUSSION & REVIEW QUESTIONS:**

- We learn in the video that the federal government funds 126 separate antipoverty programs at a cost of around \$680 billion. Why do you think that this is still the case, considering that the data shows no improvement to the poverty rate? What would happen to any politician who tried to cut or divert money from these programs? Why?
- Mr. Tanner informs us that, "Our welfare benefits are frequently so generous that they
  discourage people from working." Why is this still the case? How did it get to be this way?
  Should this be changed? Why?
- We also learn in the video that since wages are taxed but benefits aren't that, "... in many states welfare recipients would have to earn even more by working than they receive in benefits for not working in order to come out even," enjoying more in benefits, "...without having to get to a place of business at a specific time, having to work eight hours, or deal with a boss and fellow employees." Is this a 'perverse incentive' against work? Why is the benefit route more appealing, even for those that want to work? What might incentivize those on welfare to work instead?
- Towards the end of the video Mr. Tanner states, "But in the long run that tempting choice [of choosing welfare over work] is a bad one because it will end up keeping those in the welfare system trapped in poverty. Only working for wages -- even minimum wages -- (or marrying someone who works) puts you on a path out of poverty." Why do you think that people who choose to stay on welfare for so long don't consider the long-term consequences, or don't care? What might some other consequences for the poor be if they continue to be stuck in the trap of government dependency?
- Mr. Tanner offers the solution, "If we are serious about reducing welfare dependency and helping Americans climb out of poverty, we need to establish a clear policy preference for work over welfare." Who can and should establish such policies? Which specific policies would you promote?

#### **EXTEND THE LEARNING:**

### **CASE STUDY:** Work Requirements

INSTRUCTIONS: Read the article "Day 8: Obama edict repealed 1996 welfare reform's work requirement," then answer the questions that follow.

- What specific changes did the Obama administration make to end work requirements for federal benefit programs? Why did they make those changes?
- What do you think motivated the Obama administration to make those work requirement changes? Do you think that beneficiaries are better off because of the changes? Why or why not?
- Do you think that President Obama's actions helped or hurt the 'War on Poverty?' If you were president, what would you do to win that war?



The federal government currently funds anti-poverty programs.
a. 130 b. 126
c. 77
d. 98
The cost to run these programs (including federal spending and state spending) is:
a. \$1 billion per year.
b. \$700 billion per year.
c. \$1 trillion per year. d. \$1 million per year.
W. K b Cl
Welfare benefits encourage people to work.
a. True
b. False
In 33 states, a welfare recipient would receive income through benefits than a ker could from working full time at a minimum wage job.
a. less
b. the same
c. more
In some states, such as Missouri and Massachusetts, fewer than welfare ipients are "working".
a. one out of five
b. one out of seven
c. one out of ten

## THE WAR ON WORK

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http://www.washingtonexaminer.com/day-8-obama-edict-repealed-1996-welfare-reforms-work-requirement/article/2536341

# Day 8: Obama edict repealed 1996 welfare reform's work requirement

By Conn Carroll • 9/25/13 12:00 AM

Part eight of the Washington Examiner's <u>10-part series</u> "With the Stroke of a Pen: How Obama abuses executive power to make the law of the land."

There were plenty of reasons why President Obama's \$787 trillion economic stimulus bill, the American Recovery and Reinvestment Act of 2009, received no Republican votes in the House of Representatives.

But one rarely mentioned reason was tucked away in the more than 1,000 pages of crony capitalist spending -- a provision ending the work requirement for the food stamp program.

When the Republican Congress and Democratic <u>President Bill Clinton</u> reformed welfare in 1996, among the many changes was to add a work requirement to the Supplemental Nutrition Assistance Program, more commonly known as food stamps.

Liberals always hated the work requirement, and the stimulus was a perfect opportunity to repeal it. The results have been entirely predictable. A 2012 Congressional Research Service report found that the number of able-bodied American adults on food stamps has more than doubled, from 1.9 million in 2008 to 3.9 million in 2010.

The number of Americans receiving food stamps has continued to rise, even though the Obama <u>economy</u> <u>is</u>, supposedly, in recovery. In May 2009, less than 36 million Americans were on food stamps, compared to 48 million today.

But Obama was not satisfied with rolling back the work requirement just for the food stamp program. On July 12, 2012, the <u>Department of Health and Human Services</u> issued an "information memorandum" inviting states to apply for waivers to the Temporary Assistance for Needy Families program.

Buried in that memo was a single paragraph functionally gutting the federal welfare system's overall work requirement.

The old Aid to Families with Dependent Children program also had nominal work requirements. But thanks to pages and pages of loopholes in the statute, any governor could use those loopholes to evade the work requirement.

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act changed all that by vastly simplifying what did, and did not, qualify as "work" for welfare's work requirement.

It also set strict new work-participation rates for states that, if not met, would lead to reduced federal funding. It was these strict new welfare-to-work requirements that the Left always hated.

Congressional Republicans mistrusted President Clinton on the issue, and they knew future Democratic presidents would try to water down the welfare work requirements.

So they put the definition of "work activities" for determining welfare eligibility in a separate section of the bill, Section 407, and explicitly said that Section 407 could not be waived.

But that is exactly what the Obama welfare memo did. It claimed that Section 1115 of the welfare reform law, a section granting the HHS secretary the power to grant waivers for state "demonstration projects," also empowered waiving Section 407.

Notably absent from Section 1115's list of sections of the welfare reform law that the HHS secretary may waive is Section 407.

Once Section 407 was killed, states were free to redefine "work" under the welfare law. In the past, states have successfully labeled such activities as "personal journaling," "motivational reading" and "weightless promotion" as "work," thus allowing them to receive full federal funding without actually getting anyone off welfare and into a job. If the Obama welfare memo stands, the 1996 welfare reform law will have been repealed by executive fiat.

And perhaps welfare reform should be undone ... or at least the welfare-to-work requirements should be delayed until the U.S. economy actually recovers and the unemployment rate falls below 5 percent.

But if those changes should be made, they should be made, legally, through Congress, not by Obama's discretion alone.

Conn Carroll is a senior writer for the Washington Examiner.