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# Welfare

## Summary and Key Talking Points

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### Policy Proposals

1. Strengthen and enforce work requirements in welfare programs. Replace existing means-tested welfare spending programs with a more effective and efficient system to reduce poverty.
2. Promote marriage as America's greatest weapon against child poverty by reducing or eliminating the penalties for marriage in the welfare system.
3. Promote the success sequence: finishing high school, entering the workforce or attending college, getting married, and having children.

### Quick Facts

1. In 2018, more than 90 government means-tested welfare programs provided more than \$1.16 trillion in cash, food, housing, medical care, and social services to poor and lower-income Americans.
2. After welfare reform, the non-marital pregnancy rate fell from 89.3 per 1,000 in 1992 to 59.6 per 1,000 in 2020. This contributed to a sharp reduction in the non-marital abortion rate, which was cut in half falling from 44 abortions per 1,000 non-married women to 21 per 1,000 non-married women.
3. Welfare reform cut the rate of dependence on traditional, work-free cash aid by nearly 80 percent. Before reform, 9 million children were receiving cash benefits from the government. By 2019, only 2.2 million received these traditional cash benefits, and many had working parents.

### Power Phrases

#### Winning the War on Poverty

- The War on Poverty produced a rapid decline in married, two-parent families, a steady growth in non-marital birth rates, a rise in abortions, and the spread of long-term government dependence.
- The principles of successful reform have been abandoned and forgotten. For two decades, there have been no serious efforts to strengthen marriage or work requirements within the remaining vast welfare state. Conservatives have remained largely silent on welfare.

#### Encourage Marriage and Empower the Poor

- It is time for welfare to truly improve the well-being of the poor, encourage work, and remove barriers to marriage.
- The welfare system should not penalize parents when they get married.

- Able-bodied adults who receive cash, food, housing, and medical assistance should be required to work or prepare for work as a condition of receiving those government benefits.
- To help the poor, the government should pay for outcomes like ensuring people get off drugs or find a job—not just for providing services.

## The Issue

When President Lyndon Johnson launched the War on Poverty in 1965, he said that its purpose was to strike “at the causes, not just the consequences of poverty.” He added, “Our aim is not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it.”

In fact, the actual War on Poverty policies had the opposite effect, with devastating consequences for lower-income families. Dramatically increasing government spending and creating an ever-growing number of new welfare programs, the War on Poverty produced a rapid decline in married, two-parent families, a steady growth in non-marital birth rates, a rise in abortions, and the spread of long-term government dependence.

Congress took crucial steps to reverse these negative trends with the enactment of welfare reform in 1996. Welfare reform replaced the primary, failed welfare program called Aid to Families with Dependent Children (AFDC) with a new program: Temporary Assistance to Needy Families (TANF). In contrast to other welfare programs, the new TANF program established work requirements and time limits on benefits for recipients. In addition, state governments that wished to expand dependence and welfare spending would be required to finance that expansion with state, rather than federal, funds. Even blue states were reluctant to spend their own funds in that manner.

Around 90 percent of recipients in the AFDC and TANF programs were single parents. The welfare reform law had the explicit goal of reducing out-of-wedlock births and promoting marriage. The new work requirements and time limits were implicitly aimed at strengthening marriage by reducing the economic utility of single parenthood and non-marital births.

**Marriage.** For more than two decades before welfare reform, the percentage of children residing in married two-parent families fell steadily. In 1970, 85 percent of children lived in two-parent homes; by 1996, the number had fallen to 68 percent. Welfare reform was intended to stop this steady collapse of marriage by limiting the utility of government subsidies to single parenthood relative to marriage. The reform was remarkably successful: The decline in two-parent families halted abruptly. The married family rate has remained stable for nearly three decades. If the pre-reform trend in family disintegration had continued, an additional 9 million children would live in single-parent rather than married two-parent homes today.

**Abortion.** Some 86 percent of abortions are performed on non-married women. Non-marital births and non-marital abortions are often seen as the opposite ends of a seesaw. In this view, a rise in non-marital births will cause a fall in non-marital abortions. Conversely, a rise in non-marital abortions should cause non-marital births to fall. This view is inaccurate because both abortions and births are driven by a key background factor: the non-marital pregnancy rate (births per 1,000 non-married women). The non-marital pregnancy rate can be viewed like the pivot at the center of the seesaw. When the pivot rises, both non-marital abortions and births will rise together; when the pivot falls, both non-marital abortions and births will fall together.

The combination of *Roe v. Wade* and War on Poverty welfare programs led to an explosive growth in the non-marital pregnancy rate. This was a disaster. Before welfare reform, nearly one in 10 non-married women became pregnant each year; this obviously led to high simultaneous levels of non-marital abortions and non-marital births. But with welfare reform, the non-marital pregnancy rate fell for the first time. The

shrinkage in non-marital pregnancy reduced both non-marital births and abortions together, resulting in at least 400,000 fewer abortions each year. Altogether, the behavioral and social changes initiated and promoted by welfare reform have led to 9.8 million fewer abortions.

**Teen Births.** Between the launch of the War on Poverty in the early 1960s and the onset of welfare reform in the mid-1990s, birth rates for unmarried teenage girls skyrocketed. By the early 1990s nearly one in 10 births in the U.S. was to an unmarried teenager. With the onset of welfare reform, this mind-numbing upward trend promptly and sharply reversed; birth rates for unmarried teens plummeted back to levels from the early 1960s. Teen pregnancies and abortions fell at the same precipitate rates.

**Poverty and Dependence.** Before welfare reform, the poverty rate among single parents was relatively flat. Immediately after reform, poverty among single parents began to decline sharply, falling from 33 percent in 1996 to 11 percent in 2020, due in part to work requirements and time limits on benefits. Furthermore, before welfare reform, nearly one in seven children was receiving monthly cash welfare benefits. More than 90 percent of these recipient children were in single-parent homes, and, on average, these families remained on the program for 13 years. After reform, caseloads plummeted. By 2019, only 3 percent of children were receiving traditional cash benefits, cutting the rate of traditional dependence by nearly 80 percent.

But welfare reform affected only a small part of the welfare system. While reform did dramatically overhaul the main welfare program for families with children, it left the remaining 90 programs in the welfare state largely intact. Although long-term spending was cut sharply, spending in the rest of the welfare state has grown rapidly.

Even worse, rather than building on and expanding the highly successful and popular reform of the 1990s, conservatives simply walked away from the issue. The principles of successful reform have been abandoned and forgotten. For two decades, there have been no serious efforts to strengthen marriage or work requirements within the remaining vast welfare state. Conservatives have remained largely silent on welfare.

The Left has taken advantage of this conservative silence. For two decades, it has steadily pushed to overturn welfare reform and dramatically expand the anti-marriage, anti-work welfare state. For example, in 2021, the Biden Administration sought to completely overturn welfare reform.

The Biden anti-work and anti-marriage plan sought to vastly expand the welfare state with a focus on pumping new cash benefits to non-working single parents. The plan would have provided the largest single-year increase in means-tested welfare spending in U.S. history, adding some \$836 billion in new means-tested spending over five years. Having ignored welfare for decades, conservatives were caught off balance and President Joe Biden's welfare spendathon came two votes short of final passage in the Senate.

Although welfare reform in the 1990s dramatically slowed the decline in marriage, the American family remains in a precarious state. Today, some 40 percent of children are born outside marriage. Aside from the TANF program, welfare spending has continued to rise.

Conservatives should no longer ignore the issues of work, marriage, and welfare. They should, instead, build on and expand the successes of welfare reform. Congress should inject the time-tested principles of reform into the rest of the vast welfare state.

## Recommendations

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In order to reverse the harmful decline in marriage and reform the welfare state, federal policymakers should:

**Remove marriage penalties in welfare programs.** If a single mother marries today, her family welfare benefits are substantially reduced. Traditional welfare benefits—by design—create this financial disincentive for low-income parents to marry. Eliminating these penalties across the nearly 90 means-tested programs would reverse this perverse incentive structure and thereby increase marriage among low-income families, create financial and emotional stability for parents and their children, and reduce long-term dependence on government welfare programs. Welfare marriage penalties can be reduced without added costs to taxpayers by eliminating widespread fraud, waste, and excess benefits within the existing welfare system.

**Strengthen and enforce work requirements in welfare programs.** The majority of Americans believe that able-bodied people should work in exchange for receiving benefits. Yet, most means-tested welfare programs enroll millions of adults who are able to work and choose not to. Congress should strengthen work requirements for non-elderly, able-bodied adults receiving TANF benefits. Congress should establish similar requirements for public housing and food stamps. Loopholes in the Earned Income Tax Credit, which enable recipients to evade work obligations, should be eliminated. Effective work policies should protect families with at least one working parent from poverty.

**Replace existing means-tested welfare spending programs with a more effective and efficient system to reduce poverty.** Federal and state governments spend more than \$1.2 trillion on means-tested welfare programs. This spending, however, is fragmented, opaque, and nearly impossible to calculate and track accurately. The amount received by the typical recipient family is nearly unknowable and deliberately underreported. To create greater transparency and expose the true size and cost of the welfare state, the key welfare programs should be integrated into a single new program. The opportunity for individuals to receive duplicative benefits from many programs simultaneously should be reduced. The new integrated program should be designed to promote marriage and work, and to reduce fraud and waste. In addition, the deliberately flawed and inaccurate system by which government measures and reports poverty and economic inequality should be replaced with a modern system that, for the first time, counts income and benefits accurately at the macro and family level.

**Promote the success sequence.** Among young adults who follow the success sequence—finishing high school, entering the workforce or attending college, and then getting married before having children—97 percent are not in poverty. States should adopt laws adding the success sequence to their family life education standards, showcasing data illuminating the value of graduation, work, and marriage for young adults and their families.

## Facts + Figures

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**FACT: Welfare reform reduced government dependence, halted the decline in married, two-parent families, stopped the rise in non-marital childbearing, and sharply reduced child poverty.**

- Welfare reform cut the rate of dependence on traditional, work-free cash aid by nearly 80 percent. Before reform, 9 million children were receiving cash benefits from the government. By 2019, only 2.2 million received these traditional cash benefits and many had working parents.
- In 1970, 85 percent of children resided in married, two-parent families. By 1996, the year of welfare reform, the number of children in married, two-parent families had fallen to 68 percent. Since reform, this decline has halted and the number has remained largely steady.
- The non-marital birth rate more than doubled in the three decades before welfare reform, rising from around 20 per 1,000 women in 1960 to 45 births per 1,000 in 1990. Since reform, the non-marital birth rate has remained largely stable.

- Because of welfare reform, today, an additional 9 million children live in married two-parent homes.
- Child poverty in single-parent families has fallen by two-thirds.

**FACT: Welfare reform dramatically reduced abortion.**

- Some 86 percent of abortions in the U.S. occur among unmarried women. Non-marital abortions are driven by non-marital pregnancy. Welfare reform reduced the non-marital pregnancy rate for the first time.
- After welfare reform, the non-marital pregnancy rate fell from 89.3 per 1,000 in 1992 to 59.6 per 1,000 in 2020. This contributed to a sharp reduction in the non-marital abortion rate, which was cut in half falling from 44 abortions per 1,000 non-married women to 21 per 1,000 non-married women.
- Altogether, changes initiated and promoted by welfare reform have led to 9.8 million fewer abortions.

**FACT: Marriage is one of the top factors in promoting human happiness and reducing poverty among children.**

- Children raised in single-parent homes have higher crime rates, lower educational attainment, aimlessness, and despair and are five times as likely to be poor as are their peers in married-parent homes.
- Family structure is the most important factor in predicting the upward social mobility of children; children with married parents do best economically, educationally, socially, and emotionally.
- Nearly all means-tested welfare programs have significant marriage penalties. More than 80 percent of the public believe that “the welfare state should not penalize parents when they get married.”

**FACT: Requiring work or work-related training for able-bodied individuals as a condition of receiving welfare benefits enjoys broad public support and has positive benefits.**

- In 1996, before welfare reform, nearly nine of 10 families on welfare were jobless and dependent on government benefits for more than 13 years.
- [More than 90 percent of the public believe](#) that “able bodied adults who receive cash, food, housing and medical assistance should be required to work or prepare for work as a condition of receiving those government benefits.”
- When mothers who were formerly on welfare find employment, they experience increased physical, emotional, and psychological well-being, and the health and behavioral outcomes for their children are even better.
- Work requirements in welfare also strengthen marriage, encouraging mothers to bond with husbands in marriage rather than seeking open-ended support from the taxpayers through innumerable government welfare programs.

**FACT: Total spending on means-tested welfare programs at all levels of government is more than \$1.2 trillion annually.**

- In 2018, more than [90 government means-tested welfare programs](#) provided more than \$1.16 trillion in cash, food, housing, medical care, and social services to poor and lower-income Americans.
- In 2018, the [average poor family with children](#) identified as “poor” by the government had around \$18,000 per year in earnings; \$21,000 in government cash, food, and housing benefits; and \$17,000 in free government medical care. Total resources came to \$56,000 per year.

- A major cause of apparent poverty in the U.S. is that the government ignores or undercounts roughly three-quarters of the actual resources received by the families it defines as “poor.” Of the \$56,000 in total resources received by the average poor family in 2018, the government ignored roughly \$41,000.

**FACT: The Biden Administration’s rejected American Families Plan would have been the largest welfare increase in U.S. history.**

- As stated, the average poor family with children currently receives at least \$56,000 in earnings and government cash, food, housing, and medical care each year. The Biden Administration’s plan would have added another \$11,300 in government welfare support for these families.
- The Biden plan would also have reversed the successful 1990s welfare reforms by resurrecting the failed policy of rewarding families for not working and exacerbating the existing marriage penalties in the welfare system.
- These efforts would have laid the foundation for universal basic income or guaranteed-basic-income schemes. Controlled, random assignment experiments show that such policies [reduce recipient earnings by \\$660 for each \\$1,000 in aid given](#).

## Resources

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