The Effect of Work Requirements and Educational Spending on Poverty Rates and Welfare Caseloads

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Abstract: During the historic 1995-1996 welfare debate, party leaders articulated two very different approaches to improving the nation’s welfare system. The Democrats’ approach emphasized building human capital by investing in education and job training opportunities for recipients. The Republican approach stressed labor, personal responsibility, and economic self-sufficiency. Although the welfare reforms that President Clinton signed into law in 1996 ended welfare entitlement and created tougher new work requirements, states retained the ability to use federal and state welfare funds to implement education and job training programs for welfare recipients. Using data from the Department of Health and Human Services, TANF Annual Reports to Congress, the U.S. Bureau of Labor Statistics, and the U.S. Census Bureau, this study assesses the effect of work requirements and education and job training support for welfare recipients on poverty rates and welfare caseloads between 1997 and 2006.

Republican success in the 1994 elections shifted the direction of the welfare debate. Under Speaker Newt Gingrich’s leadership, the Republican-controlled 104th Congress initiated a massive overhaul of federal welfare programs. In 1996, the Republican Congress passed and President Clinton signed into law the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). PRWORA ended Aid to Families with Dependent Children (AFDC) and enacted Temporary Assistance for Needy Families (TANF). TANF instituted a five-year lifetime limit on welfare recipients, promoted work-first philosophies for welfare beneficiaries and decentralized welfare spending power from federal to state government (Seccombe, James, and Walter 1998). In addition, PRWORA allowed only a two-year grace period in which low-income individuals could receive government assistance without working (Seccombe, James, and Walter 1998).

Throughout the welfare debate, it became clear that there were two very different approaches to welfare reform. Liberals supported an approach that emphasized building human capital by investing in education and job training opportunities for welfare recipients. The alternative approach, championed by conservatives, stressed labor, personal responsibility, and economic sufficiency. In the end, PRWORA largely reflected the Republicans’ work-first philosophy, though states retained the right to disperse federal funds to a variety of initiatives, including educational and job training programs.

This study examines states’ varied approaches to welfare reform and assesses the effectiveness of work-first requirements and educational and job training funding on poverty rates and welfare caseloads in the ten years following passage of PRWORA. This study utilizes data from the Department of Health and Human Services, TANF annual reports to Congress, U.S. Bureau of Labor Statistics, and U.S. Census Bureau. Based on these sources, I hypothesize that higher levels of state investment in education and job-training opportunities for the welfare population will have a correlation to reduced poverty rates over the ten-year period. Furthermore, I expect states which adopt policies that encourage welfare recipients to work will report greater reductions in welfare caseloads.

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In the end, this research found that GDP plays a major role in decreasing poverty rates and welfare caseloads. Education spending, as discovered by my data analysis, is effective at reducing welfare caseloads. Work spending has an insignificant role in my data regression study.

**Democrats, Republicans and the Great Welfare Debate of 1995-1996**

By the early 1990s, politicians from both parties were proposing dramatic changes to AFDC. Republicans, in particular, called for changes to shift welfare from government handouts to government assistance (Seguino and Butler 1998). Bill Clinton and the Democratic leadership called for a campaign to “end welfare as we know it,” a campaign pledge he previously championed as chair of the Democratic Leadership Council (Maureen Kilkenny, Sonya Kostova Huffman 2003). Though members of both parties pushed for AFDC reform, Republicans and Democrats did not agree on how best to achieve welfare reform. In general, Democrats argued for policies that supported investment in human capital by providing educational and job-training opportunities for welfare beneficiaries. In opposition, conservatives advocated a work-first approach (Monroe and Tiller 2001).

Congressional Democrats argued that successful welfare reform required the government to spend more money on educational and job training opportunities to ensure poor families access to postsecondary educational opportunities (Gittell et al. 1997). Bill Clinton embraced a “third way” approach that was neither liberal, nor conservative:

> I’m for making people on welfare go to work, but you’ve got to understand why they don’t. Most people who are trapped on welfare and don’t go to work because they have no education, they have no skills. If they went on to work, they’d get a minimum-wage job, they couldn’t afford childcare and they’d give up the Medicaid coverage which gives their children medical benefits. Nobody in their right mind hurts their kids (Gwen 1992, p. 28).

According to the Democrats, work was not enough to raise low-income individuals above the poverty line. To effectively meet the needs of the welfare community, work requirements must be complemented by a strong educational program. Four subsequent studies have lent additional support to the Democrats’ approach to welfare reform. Marilyn Gittell (1997), for instance, found that individuals receiving welfare who achieved a bachelor’s degree were far more likely to be employed ten years after graduation than individuals who did not receive a degree (Gittell et al. 1997). Furthermore, Gittell and co-authors argued that individuals receiving welfare who achieved a bachelor’s degree are far more likely to be employed ten years after graduation than individuals who did not receive a degree (Gittell et al. 1997). Similarly, Spalter-Roth et al. found that education significantly increases the earning potential of welfare recipients. Their research showed that post-secondary education increases both the hourly wages of welfare recipients and the chances of leaving welfare on a permanent basis (Spalter-Roth et al. 1995).

Anthony Carnevale and Donna Desrochers’ (1999) work provided additional support for an educational and job opportunities approach to welfare reform. The authors claim that many welfare “leavers” are not better off financially after taking low-wage jobs once the costs of child care, commuting, and health insurance are taken into account (Carnevale and Desrochers 1999). Carnevale and Desrochers argued that welfare reform must be fundamentally rooted in the pursuit of higher education. Under Carnevale and Desrochers’ study, education offers welfare leavers the opportunity to secure a foothold in mainstream American society and become productive citizens.

Stephanie Seguino and Sandy Butler’s (1998) study noted that economic expansion in the 1990s masked the varied experiences of welfare leavers. Their study showed that while employment is the main reason welfare individuals leave public assistance, many of these individuals are low-skilled workers who end up back on the welfare payrolls (Seguino and Butler 1998). Seguino and Butler’s research illustrates the relationship between education and a living
They found that employment rates and earnings were lower among the least skilled and least educated, and welfare recipients who furthered their education were more likely to move off welfare payrolls on a permanent basis (Seguino and Butler 1998).

Throughout the 1996 historical welfare debate, Congressional Democrats argued that education serves as the best method to reform welfare because this approach was most effective at producing more work hours, higher wages and better long-term outcomes for welfare recipients (Gilens 1995, p. 1011). However, it is important to note the results of the 1994 mid-term elections. The political landscape dramatically changed once the Republican Party took control of the House and Senate in the 1994 elections. The election of a new Republican majority in Congress altered the direction of the welfare debate. Prominent Republicans like Barry Goldwater and Ronald Reagan were highly critical of new federal welfare programs from the start and Republican members of Congress opposed many (though not all) of Lyndon Johnson’s Great Society initiatives and other federal programs to provide and promote housing, health care and urban renewal.

Republicans would argue that work will effectively overhaul the broken welfare system. Right-wing congressional officers embraced the arguments put forward by conservative thinkers like Charles Murray and Marvin Olasky. The cornerstone of Murray’s critique on America’s welfare state is that welfare system breeds laziness and dependency (Murray 1984). Complementary to Murray’s argument, Marvin Olasky asserted that, “indiscriminate government handouts of aid do not better the individual; instead, they merely foster further moral laxity and irresponsibility.” Olasky also commented that “Poverty can be alleviated; however, personal beliefs and work values play a determinative role in the economic outcome of one’s life (Olasky 1992).” At the root of conservatives’ arguments is the idea that the government should not distribute assistance to the poor population in a mechanical fashion. According to Olasky, human sinfulness often prompts people to abuse charity (Olasky 1992). Building on Olasky’s arguments, Republicans argued that only individuals who work towards self-dependency should receive public assistance. For Republicans, the best way to demonstrate one’s commitment to self-dependency is by maintaining a job.

Prior to PRWORA’s reenactment in 2002, David Ellwood found that 65% of welfare recipients remained on welfare for eight years or more (Ellwood 1998). Republicans viewed AFDC as yet another inefficient social program. In 1995, conservatives argued that work was widely available and would inevitably lift the disadvantaged above the poverty line. Ron Haskins’ (1996) study supported the Republicans’ claim that work requirements were an essential component of welfare reform:

Work requires consistency, schedules, alarm clocks, routines, cooperation, and self discipline—all the traits that would rescue welfare recipients from engaging in activities that promote welfare dependency—the companions of sloth, including booze, idleness, illicit sex, and hanging out (Haskins 1996, p. 72).

Republicans suggested that work-first is the best approach to move individuals from welfare to work. A 1995 study showed that 36,000 -- less than 1 % of the 5 million adults on AFDC -- participated in work or job search programs (Rainwater 1995). Christopher Jencks argued that:

Until Congress transforms the welfare system, so that it reinforces rather than subverts American ideals about work, our efforts to build a humane welfare state will never succeed (Jencks, 1995, p. 98)

For congressional Republicans, work is a critical component to welfare reform because it helps individuals develop the sense of personal responsibility and self-discipline that people need to live independently. According to the conservative argument, the best approach for welfare reform is to first address moral issues within the welfare community. Consequently, Republicans
argued for a strict five-year cash assistance limit, demanded work requirements after two years of receiving public funds, and insisted that Congress completely deny welfare benefits to unwed teenage mothers (Rainwater 1995). Although congressional Republicans easily approved the above welfare reform measures in the 1996 Budget Reconciliation Act (HR 2491), Bill Clinton vetoed the bill after heavy pressure from Democratic members of Congress and advocates for the poor. Clinton argued that the Republican changes to the welfare system “did too little to move people from welfare to work” (Gittell et al. 1997, p. 44).

Clinton and the Republican Congress ultimately compromised on the welfare issue by creating the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which replaced AFDC with a block grant system, called TANF and ended the cash assistance entitlement. Under TANF, the federal government provides states with block grants and, in turn, states use the grant funds to operate their welfare programs. According to federal law, states must satisfy at least one of four requirements under the program:

(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) encourage the formation and maintenance of two-parent families (Center on Budget and Policy Priorities, 2009).

PRWORA was passed by Congress and signed into law by President Clinton on August 22, 1996.

Problems Facing the Work-First Philosophy

While welfare reform proponents often argued that work is the key to self-sufficiency, unskilled work does not always provide families with economic stability. Furthermore, during economic downturns, low-skilled labor is often the first population targeted for downsizing (Jacobs and Winslow 2003). A number of studies have noted that moving people into unskilled work may not provide the long-term economic stability that is necessary to ensure people remain self-sufficient. Jacobs and Winslow, for instance, argue that:

Some welfare recipients have obtained jobs but have not kept them. Many are not better off financially after taking low-wage jobs, once the costs of child care, commuting, and health insurance are taken into account. Moreover, the long term well being of welfare mothers depends on their gaining the basic education and employment-related skills needed to obtain jobs that pay a sustaining wage. Recent policy reforms have limited the chances of welfare recipients to pursue higher education (Jacobs and Winslow 2003).

Jacobs and Winslow (2003) approach the welfare debate by raising short-term and long-term concerns. They comment that the work-first philosophy actively addresses the short-term issues facing the poor community. Many members of the poor community are only qualified for low skilled labor. However, it is important to note that this type of work is usually accompanied with high turnover rates, serves as an impediment to economic growth and fails to provide stable employment (Jacobs and Winslow 2003). The poor community has severe reservations about seeking employment under the work-first philosophy. Obtaining a minimum wage job may bring dire consequences to an individual. For example, consider the case study of Stephanie, a welfare beneficiary and a mother of two; she states that:

I would like to work as a nurse’s aide, and that is something I can do with my training that I have had. But I can’t afford to lose my benefits, especially my medical benefits. In short, if I go to work, they would cut me off. No health benefits; no nothing. So I can’t work. It’s not that I don’t want to work. I’d love to work, but I can’t (Grogger and Michalopoulos 2003).
Stephanie’s testimony suggests that PRWORA falls short of improving the lives of the poor. Though the work-first approach may be successful at reducing caseloads and earning political support from voters, this approach may not be the right tool to fix the long-term problems facing the poor. Jacobs argue that job training and education are the most effective way to move individuals from welfare to work on a more permanent basis. In addition, Robert Reich, United States Secretary of Labor under President Clinton, asserts that PRWORA’s success was due to the strength of the U.S. economy which added some 14 million new jobs to the US economy during the 1990s (Reich 2006). Reich suggests that effective welfare reform must provide recipients with adequate health care and income assistance while also providing recipients with job training so they can succeed in the workforce.

Under PRWORA, the welfare spending is now decentralized - states are responsible for dispersing welfare expenditures instead of the federal government. Most studies show that 60% of the poor that left TANF’s payrolls did so because of low skilled job opportunities, and approximately 25% of TANF’s beneficiaries are working and earn an average of $598 per month (Grogger and Michalopoulos 2003). The earning power of the poor, under TANF, is limited. Proponents for educational spending state that education and job training are viable options that will increase the earnings of low-income individuals.

The National Survey of American Families raises serious concerns about the effectiveness of welfare programs. The authors of this study conclude that former TANF recipients are poorly prepared to compete in the labor market and low-skilled workers typically find jobs that pay poorly and do not last. In addition, the study indicates that employment rates and earnings are lower among the least skilled and uneducated recipients (Grogger and Michalopoulos 2003). The authors argue that simply putting people to work is not enough; if lawmakers are serious about meeting the expectations of PRWORA's job requirements, more attention must be placed on providing welfare recipients with adequate schooling and job skills (Grogger and Michalopoulos 2003).

Given the educational and work-first options, PRWORA brought significant change to the welfare system. The well-being of our nation’s poor serves as the best litmus test for measuring the success of the work-first and educational opportunities. This study will assess which approach, educational and job opportunities versus the work-first philosophy, is more effective at moving individuals above the poverty line.

**Measuring TANF’s impact**

For Republicans, the main purpose of PRWORA was to end the welfare cycle of dependency by moving people off welfare and towards self-sufficiency. The Democrats’ support for PRWORA was rooted in funding for education and job programs and the cash assistance program. Some proponents of PRWORA argue that caseload reduction is the best way to assess the success of the 1996 welfare overhaul. Caseloads serve as a convenient way to measure PRWORA’s progression. From August 1996 to June 2000, 6.5 million fewer people sought public assistance (Gault et al. 1998). Even more promising, Wisconsin, Idaho, and Mississippi welfare caseloads were reduced by at least 80% since 1993 (Gault et al. 1998). In order to measure PRWORA’s effectiveness, this program must be able to show its ability to improve conditions of low-income individuals and increase economic opportunities for poor families (Gault et al. 1998).

Though overall caseloads have dropped, the number of caseloads increased for certain populations. Between the years of 1990 and 1999, Hispanics’ welfare caseloads grew from 17% to 25% of the total welfare population across the country. More alarming, African-Americans accounted for nearly 40% of all welfare caseloads nationwide (Monroe and Tiller 2001). Under TANF, female-headed households also struggled to achieve favorable poverty reductions. Although the number of poor families headed by women receiving welfare assistance dropped by 48% between 1994 and 1999, the percentage of families in that category living under the
poverty line dropped just 22% (Monroe and Tiller 2001). Based on these figures, 26% of poor families headed by women were still living under the poverty line yet; these families were no longer seeking public assistance. Given the 2:1 ratio between caseload reduction and poverty reduction, there is much reservation about using caseloads as a measure to judge PRWORA’s positive impact within the poor community. Even though there is evidence that caseloads decline under PRWORA, poverty rates did not fall as quickly.

U.S. economic growth in the 90’s is one major factor to consider when assessing the effectiveness of PRWORA. TANF’s cash assistance program was launched during a prosperous time in American history. During the 1990s, job opportunities grew at an unprecedented rate and unemployment was typically just above 4% (Kilkenny and Huffman 2003). Therefore, it may be difficult to know if caseload reduction is attributable to PRWORA or the growing economy. From 1994 to 2000, nearly 80% of unmarried women were employed; 68% of married women had a job, and 65% of inner city poor women found employment (Kilkenny and Huffman 2003). Even though a significant percentage of poor people were working at the close of the 20th century, it remains unclear whether PRWORA achieved its desired results.

PRWORA’s goal is to promote self-sufficiency and improve the well-being of the poor. Poverty rate reduction is the ultimate measure for welfare policy success. States with the fastest caseload reduction between 1994 and 1998 had an 8.97% average drop in poverty rate, whereas states with the slowest caseload decline displayed an 8.05% average drop in poverty rate (Kilkenny and Huffman 2003). Based on this information, the policy implication is clear. PRWORA appears to have a limited effect on removing welfare beneficiaries above the poverty line, and caseload reduction does not provide enough evidence to support PRWORA’s effectiveness.

Research Question and Hypotheses
Conservatives and liberals had competing approaches to achieve welfare reform. Liberals argued for policy that supports investment in human capital by providing educational and job training opportunities for welfare beneficiaries. On the other hand, conservatives advocated for the work-first approach. This study will examine which approach is more effective by assessing whether states that invested more in educational opportunities for welfare recipients did a better job of moving individuals from welfare to work and improving the income levels of poor residents than states that adopted a more work-first approach.

Given previous research by Gittell et al., Spalter-Roth et al., Carnevale, Desrochers, Seguino, and Butler (1997) I hypothesize first that states which adopted policies which reflect a work-first approach are more effective at reducing welfare caseloads than states that implemented the “education-first” method. Second, I expect that states which invested more in education and job training opportunities are more successful at decreasing poverty levels than states that made smaller investments in these areas.

Research Design and Measures
This research will measure the effectiveness of different state approaches to welfare reform in the ten years following passage of PRWORA, 1996-2006. This state level analysis includes states’ education and work related expenditures, AFDC/TANF caseloads, unemployment rates, GDP, percent black and urban, and the number of individuals who live under the poverty line.

To better understand the impact that education and work-first programs have on welfare recipients, this study will consider four variable clusters – dependent, independent, control and intervening. For my dependent variable group, I use two different measures. The first of which is change in poverty rate. I examined the effect that work and education spending had on declining poverty rates. Then I analyzed the impact of work and education expenditures on reducing welfare caseloads.
For my independent variable, I utilize financial reports which highlight states’ welfare spending. I believe expenditures are useful in evaluating states’ commitment to educational and work-first programs. With caseloads and poverty rates serving as the dependent variables, this study evaluates the relationship that exists among poverty rates, caseload reductions, work-first programs and educational activities. In addition, this work employs the Heartland Score in its independent group. The Heartland Score is a welfare report card produced by the Heartland Institute, a conservative-leaning think tank, which grades states based on the decline in TANF caseloads, change in poverty rates, TANF work participants, change in unemployment rate and change in teenage birth rate (Bast 2008). This index is useful in that it makes it possible to gauge the relationship between conservative welfare policies and the well-being of our nation’s poor.

Lastly, several intervening variables are regulated in this study. The control group includes percent urban and black, and state population. The final intervening variable in my inquiry is state GDP, which will serve as the vehicle by which my analysis will explore the relationship between the independent and the dependent variable.

Analysis

As a first step, I analyzed the impact of educational/job training spending and work-first policies on poverty rates (see Table 1). My hypothesis was that as state spending for educational/job training programs goes up, the level of poverty will go down. According to the data found in Figure 1, this is not necessarily the case. Educational spending did not have a significant effect on the change in state poverty rate. Likewise, state commitment to a work-first approach, as measured by the Heartland Institute score, also did not contribute to reduced poverty rates. The only variable to have a significant impact on the dependent variable was change in GDP, as higher levels of economic growth in a state were associated with significant reductions in poverty rates over this period.

Table 1: Work Spending & Education Spending on Change in Poverty Rate, 1997-2006

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<thead>
<tr>
<th></th>
<th>B</th>
<th>Standard Error</th>
<th>Beta</th>
<th>Sig</th>
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<tbody>
<tr>
<td>Avg. Annual Work Spending, 2001-2006 (in millions)</td>
<td>.008</td>
<td>.019</td>
<td>.218</td>
<td>.666</td>
</tr>
<tr>
<td>Avg. Annual Education Spending, 2001-2006 (in millions)</td>
<td>.012</td>
<td>.056</td>
<td>.059</td>
<td>.831</td>
</tr>
<tr>
<td>Population (in millions)</td>
<td>-.175</td>
<td>.135</td>
<td>-.443</td>
<td>.205</td>
</tr>
<tr>
<td>Pct. Urban</td>
<td>.033</td>
<td>.029</td>
<td>.192</td>
<td>.273</td>
</tr>
<tr>
<td>Pct. Black/African-American</td>
<td>.018</td>
<td>.039</td>
<td>.070</td>
<td>.648</td>
</tr>
<tr>
<td>Change in GDP, 1997-2006</td>
<td>-.085</td>
<td>.023</td>
<td>-.540</td>
<td>.001***</td>
</tr>
<tr>
<td>Heartland Institute Welfare Policies Score</td>
<td>.009</td>
<td>.018</td>
<td>.071</td>
<td>.625</td>
</tr>
<tr>
<td>Interaction Work Spending *Education Spending</td>
<td>.000</td>
<td>.001</td>
<td>-.122</td>
<td>.799</td>
</tr>
<tr>
<td>Constant</td>
<td>3.020</td>
<td>2.189</td>
<td>------</td>
<td>.176</td>
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Dependent Variable: Change in Poverty Rate, 1997-2006; N=45; R Square = .331
* p<.10; ** p<.05, *** p<.01

Second, I examined the impact of work-first approach and educational spending on welfare caseloads. I hypothesized that a work-first approach would be associated with greater reductions in caseloads. According to the regression analysis (see Table 2), as states’ spending on education programs increased, the number of caseloads decreased; however, work-first policies, as measured by the Heartland Score, did not have a significant effect on caseloads. Several other variables, including percent urban and percent African American in the state population did have a significant effect on the dependent variable, with higher levels of urban populations and
black populations associated with greater reductions in caseloads. Finally, GDP growth in a state was also associated with reductions in welfare caseloads.

Table 2: Work Spending and Education Spending on Welfare Caseloads, 1996-2006

<table>
<thead>
<tr>
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<th>B</th>
<th>Standard Error</th>
<th>Beta</th>
<th>Sig</th>
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<tbody>
<tr>
<td>Avg. Annual Education Spending, 2001-2006 (in millions)</td>
<td>-.734</td>
<td>.340</td>
<td>-.582</td>
<td>.038**</td>
</tr>
<tr>
<td>Population (in millions)</td>
<td>.572</td>
<td>.825</td>
<td>.232</td>
<td>.492</td>
</tr>
<tr>
<td>Pct. Urban</td>
<td>.174</td>
<td>.179</td>
<td>.163</td>
<td>.337</td>
</tr>
<tr>
<td>Pct. Black/African-American</td>
<td>-.430</td>
<td>.240</td>
<td>-.267</td>
<td>.082**</td>
</tr>
<tr>
<td>Change in GDP, 1997-2006</td>
<td>-.436</td>
<td>.143</td>
<td>-.442</td>
<td>.004***</td>
</tr>
<tr>
<td>Heartland Institute Welfare Policies Score</td>
<td>-.099</td>
<td>.107</td>
<td>-.130</td>
<td>.361</td>
</tr>
<tr>
<td>Interaction Work Spending *Education Spending</td>
<td>.004</td>
<td>.003</td>
<td>.518</td>
<td>.270</td>
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<tr>
<td>Constant</td>
<td>-38.341</td>
<td>13.342</td>
<td>-----</td>
<td>.007***</td>
</tr>
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</table>

Dependent Variable: Net Change, Average Monthly Number of AFDC/TANF Recipients - FY 1996-2006  
N=45; R Square = .364; * p<.10; ** p<.05, *** p<.01

Discussion

This study highlighted two approaches to welfare reform, one that emphasized educational/job training and others that emphasized a work-first approach. In order to reduce poverty, according to this study, states should focus on policies that increase economic growth. With respect to caseloads reduction, supporting educational initiatives appears to be the best approach. However, it is important to note that my research is not without limitations. For instance, in respect to states’ financial expenditures records, my research failed to account for all fifty states’ welfare spending for the ten years that followed the passage of PRWORA. Current states’ welfare spending data is sporadic; an audit on states’ welfare programs is one way to bridge financial gaps that are found in my regression analysis. To build the confidence of this study, a more comprehensive documentation of states’ welfare financial accounts is needed.

Moving welfare reform research forward, scholars should exercise a three-pronged approach. First, researchers should consider the social implications surrounding the welfare issue, an action that requires thinking beyond dollars and cents. Factors such as cultural influences, two verses one-parent homes, and societal discriminatory practices are aspects that will play a significant role in determining the individual’s earning power. Second, social service agencies may find it useful to track welfare traffic. By examining individual cases, statewide welfare offices around the country are in a better position to have a general sense of which approach to welfare best addresses the needs of the poor at the state level. Finally, citizens must hold the government accountable for every public dollar spent. Twelve years after PROWRA was signed into law, the total federal and state spending on welfare programs exceeded $714 billion in FY 2008. In the five years following the passage of PRWORA, welfare spending hovered around $474 billion in FY 2000 (Rector et al 2009). Given this robust growth, welfare spending is currently the third most expensive government program. While the 2008 global financial collapse attacks our financial stability, it is the job of citizens to act as a compass which will help lead elected officials towards frugal government spending during our country’s tough economic times. As our nation continues to climb out of the worst recession since the Great Depression, reigning in government spending is an effective course of action that will lead to economic recovery.
Works Cited


1 Carnevale is a research professor and the director of the Georgetown University Center on Education.
2 Ron Haskins is a former White House and congressional advisor on welfare issues.