

Welfare Reform Policies and Their Effect on Poverty Rates Across the United States

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Contents

Abstract.....	3
Introduction.....	4
Literature Review.....	5
Methodology.....	14
Findings.....	16
Conclusion.....	20
Appendix.....	21
Bibliography.....	29

Abstract

We have all heard the arguments on the pros and cons of welfare reform, its effect on recipient's lives, and its effectiveness in achieving its goals. In concluding whether or not it is effective in achieving its goals, the actual goals are broad and difficult to define. I consider the goal being reducing the number of citizens living in poverty. My research focuses specifically on how variations in the welfare system perform in reducing poverty rates across the United States. I investigate what governmental policies each state has in place and their effect on poverty. Those states, in which poverty rates have been reduced, may have welfare policies that could serve as a model for other states to follow. I use data from the Census Bureau and the U.S. Department of Health and Human Services. I anticipate that states which allow a longer duration of welfare assistance to recipients and encourage more enrichment with work in combination with education will be more successful in transitioning recipients out of poverty.

Introduction

The national economy is something politicians are always debating. It is an especially hot topic in times of recession. Legislation such as the 1996 Welfare Reform Act can't effectively account for changes in the economy from decade to decade. The budget surplus of the late 1990's has given way to the recession of today. Politicians are faced with the challenge of ridding the budget of any wasted or ineffective programs. Many before and many after my study will debate whether welfare is an effective program. The goal of my research is to present trends in welfare numbers and poverty rates since 1996, based on state policies.

On August 22, 1996 President Bill Clinton signed a piece of legislation known as the "the 1996 Welfare Reform Act". This is also known as PRWOR, 1996 Personal Responsibility and Work Opportunity Reconciliation Act. This bill shifted the responsibilities for administering welfare programs to state governments from the federal government. Included in this bill were policies on time limit on welfare, work requirements for welfare, and various other changes transitioned from federal to state jurisdiction. Prior to the 1996 Welfare Reform Act, AFDC (Aid to Families with Dependent Children) was the federally based program. Since the 1996 Welfare Reform Act TANF (Temporary Assistance to Needy Families) is the state based program. The word "Temporary" emphasizes the intent of this assistance being of short duration.

The transition from AFDC to TANF shifted responsibility from federal to state. Because TANF involves state government's variations in policies and requirements occur under the federal program. These policies and requirements open the door for researching what works in welfare reform and what doesn't. These varying policies between states focus on issues such as, hours of work in a week a state requires to the maximum amount of assistance a family may

receive while on welfare. Some states will obviously have more restrictions, requirements, and stipulations placed on those that receive welfare assistance than will other states.

Literature Review

This literature review focuses on the various aspects of welfare policy. I investigate how how legislators prioritize and view welfare, and what influences them. I review articles that relate to topics of class effects on welfare, welfare reform success, and welfare research at the state level. My goal is to draw some comparisons and discover some themes on welfare effects at the state level. I attempt to get to the foundation of what welfare reform has done, or not done to reduce poverty.

The Politics of Welfare Spending

A key aspect of the research on welfare politics is the policy-making done at the state level. It is important to recognize how factors in a state can influence the way that states allocate funds. Most central to understanding the state research is taking into account policies that exist in each state and how things such as state elections can influence distribution of spending.

Examining studies on state politics has turned up a comparison in state spending overall. The election process and partisanship of government shows changes in funding for welfare. A study by Ansolabehere and Snyder (2003) investigated the effect of party politics on voter turnout and welfare financing. Also their study examined the process of parties wanting to allocate specific funding to possibly benefit in future elections. (Ansolabehere and Snyder, 2003)

The findings show more benefit when campaigning is done by putting most of the efforts into areas with higher support instead of lower support. “The best strategy, then, is to devote disproportionately more resources to areas where there are high concentrations of a party's supporters.” (pg. 20) (Ansolabehere and Snyder, 2003) They pose the question, “How should

parties best appeal to the electorate?” Along with that, what kind of spending and campaigning is most advantageous to political parties? They point out, “Spending funds in areas with large numbers of uncommitted voters or areas that are evenly divided might not help a legislator or party's electoral prospects. Such a strategy would mobilize some supporters, but also some opponents.” (pg. 20) (Ansolabehere and Snyder, 2003)

The study showed, “a substantial partisan bias” on spending. While this study relates more specifically to the general spending in elections it shows some of the tendencies in government spending at the state level. The study links the way politicians spend money and choose to allocate it. When it comes to voting on issues such as welfare this study suggested that politicians would be very strategic to favor the portions of their constituency that give them the most support.

On the topic of electoral processes and spending, the study mentioned earlier by Barrilleaux, Holbrook, and Langer (2002) also investigates how elections influence where spending goes, specifically on welfare. The research was done on how the tendencies in campaigning and election outcomes are influenced by the level of competition in a certain election and to what extent welfare spending is influenced. Each study focuses on a different part of the electoral game, for example the influence of class bias. One focuses on the overall spending regarding elections, while the other focuses on welfare specifically.

Part of their conclusion is “fundamentally, these results show electoral competition to be an important linkage mechanism that aids in translating liberal party successes into liberal party outcomes.” (pg. 424) Their conclusions show the significance of levels of competitiveness of elections. Also from the study, in reference to political parties, “they behave pragmatically,

allowing electoral considerations to influence their policy making.” (pg. 425) (Barrilleaux, Holbrook, and Langer, 2002)

Rom, Peterson, and Scheve (1998) examine welfare at the state level and how the states compete against each other. These researchers discuss the “race to the bottom” theory. To what effect do surrounding states influence the welfare policies of a state? Are regions uniform in how the multiple states view welfare? Their research found that neighboring states do affect the welfare policies of other states. “Sensitivity to the policies of other states is one, but only one, factor determining welfare policy.” (Rom, Peterson, and Scheve, 1998)

My examination of the research shows all pieces have their own certain niche in state politics. Each study researches aspects on how states and their legislators view policies such as welfare. In this case legislators and candidates can be swayed by the goal of electability.

Mead (2004) made an interesting point about welfare “States often thought to be well-governed—such as California, Minnesota, and Wisconsin—rank high.” (Mead 2004) He implements Elazar’s theory on state politics. According to the study every state is categorized as either “moralistic”, “individualistic”, or “traditionalistic”. The findings of Mead’s study were that the most successful welfare program implementation was made by the states categorized as “moralistic”. These states focus on more public service. Each of these studies conducted on state welfare policies, have a certain angle or new aspect to investigate. They all research the complexities of partisan politics and welfare policies in a way that is useful.

A second study by Mead (2005) focuses on “Welfare Politics in Congress”, Congress members were researched individually on their feelings on Welfare. This study was done over the years 1962-1996 covers different episodes of welfare policy making. Three main theories were tested by Mead. The three theories were “backlash”, “enforcement”, and “elitist”.

“*Backlash* gains some support from the dominance of progressive dispute in the early stages and the conservative shift, and also from the importance of ideology in the multivariate models.”

(Mead 2005) “*Enforcement* is also important, but chiefly in the middle stages, when it helped to defeat the proposed liberal expansions of welfare.” “He concluded that the theory of, “elitism, emerges as the strongest”. (Mead 2005) “*Elitism* is the best way to explain the upsurge of paternalism”. Also the study showed a shift in the welfare agenda to something more conservative.

The Class Effect on Welfare

Plotnick and Winters (1985) examine how voters and legislators influence one another on state funding for programs like welfare reform. They concluded, “Redistribution is not simply a function of an economic or political factor, but is a result of legislative decisions shaped by voter preferences for transfers, interest group pressures for and against assistance, party competition, and the financial condition of the states.”(pg. 471) The attitudes of constituents toward welfare policies are influence legislators.

A study done by Hill, Leighly, and Hinton-Andersson examines American policy making and how it is influenced by the lower-class. The study is titled “Lower-Class Mobilization and Welfare Policy Benefits”. (Hill, Leighly, and Hinton-Anderson, 1995) The research is centered on the relationship between welfare and the lower class. This research by Hill, Leighly and Hinton has similar findings to the study done by Hill and Leighly (1992) on the class effect on policy making. The research covers the relationship between lower class and upper class separately, each having its own set of outcomes on public policy. A central finding of their study states, “class bias in state electorates is systematically related to the degree of redistribution in contemporary state policies.” (pg. 363, Hill and Leighly, 1992) The quote is elaborating on the

effect of the wealthy versus the lower class. Higher turnout from the lower class will shift the redistribution in their favor.

Further research on class-based aspects of welfare found a study by Robert Brown (1995) titled “Party Cleavages and Welfare Effort in the American States.” “Democratic Party control of government matters where theory tells we should expect it to matter most, in party systems where the dominant cleavage of social group support for the parties is drawn along class-related lines.” “Comparisons of class-based states with non-class-based states confirm the conclusions, showing significant differences in the impact of party control on welfare effort across these groups of states.” (pg. 31) The research points to the difference in Democratic vs. Republican ideology on welfare. Like the other research mentioned above “class influence” has direct impact on welfare politics.

I conclude that the lower class has a strong influence regardless of the influence of the wealthy or the party in power. If the lower class has high voter turnout or the political parties have a high level of competitiveness, welfare policy making is more likely to favor the lower class.

Welfare Reform Results

“Recent Welfare Reform Research Findings” by Shawn Fremstad (2004) shows welfare programs were more successful in transferring people to jobs in the 1990’s than they are as of 2004. Also poverty rates have grown higher overtime and families with health-related issues are generally having low success in finding employment.

After examining the actual results of welfare programs, Fremstead concludes that welfare programs are not having a high level of success. Welfare is not having the desired effects. Some of these desired affects: are better transitions for people leaving welfare and finding

employment, and the removal from welfare not resulting in poverty. The research points to less success in the 2000's than in the 1990's. Similar results were found by Boyd, Posner, Keller, and Billen (2002). The study shows the increased level of spending intended to reduce welfare dependency is not having the desired effects.

Kenworthy (1999) released a study on the effectiveness of "reducing poverty". The fifteen countries chosen, including the U.S., were the "most affluent democratic members of the Organization for Economic Cooperation and Development (OECD) with populations of at least 3 million." (Kenworthy 1999) The data were collected from 1960-1991. There were a total of 15 countries used in this study. His evidence shows that welfare does help prevent poverty. He concludes that the programs in America get less successful results compared to the other 14 countries researched in this study. The study shows effects or lack of effects from welfare, and this is used in understanding the partisanship and political struggles on welfare at the state level.

Boyd, et al. (2002) study welfare reform spending in 17 states. The study specifically investigates "challenges" to these state governments on how to manage welfare spending and changes in allocating funds for social services. The conclusion is that it is important to look at all aspects that affect welfare results, think "broadly" when it comes to the spending of states. Each of the 17 states has different, unique welfare reform circumstances and characteristics. "First, the 17 study states generally have *not* reduced total spending on programs for low-income families and individuals, broadly defined, nor have they reduced spending from their own funds." (pg. 18)

The literature on welfare concludes that the desired effects aren't occurring overall. Whether the target is state by state comparisons or country comparisons, the results are not overly encouraging. Going back to Fremstad's study, as of 2004 the proposed legislation hasn't

fixed the problems, such as a successful transition off welfare, mentioned in his study. One example is that poverty rates of former TANF or Temporary Assistance for Needy Families recipients were high and staying that way. In conclusion Fremstad acknowledges the effect of the economy's strength (1990's vs. 2000's) and what that does to welfare. He also states that the topic of welfare reform is always one for further study especially in, "TANF "non-entrants," "the impact of diversion policies, the long-term economic well-being of TANF leavers, and the long-term impact of time limits." (Fremstad 2004)

"Evaluating Welfare Reform in the United States" by Rebecca M. Blank (2002) is a study that evaluates the changes in policies and the effects of state welfare reform. Blank studied the difference between the policies at the federal level and the additional affect that these policies have on poverty. The article evaluates changes in programs from AFDC (Aid to Families with Dependent Children) to PRWORA (Personal Responsibility and Work Opportunity Reconciliation Act) and TANF (Temporary Assistance for Needy Families). The article examines changes in these programs such as "changes in financing", "ongoing work requirements", "time limits", and "benefit reduction rates". Also examined are the changes in EITC (Earned Income Tax Credit). In the results Blank states a major result as follows "More significant caseload declines and larger increases in labor force participation among less-skilled mothers occurred than many observers would have predicted. Entry into welfare fell, and exits from welfare rose." (pg. 1159)

A study conducted by Besharov and Germanis (2007) examines what welfare programs are actually doing for those in need. The authors discuss how welfare programs have changed since 1996. A key part of their paper titled "Work Pays" mentions the overall state of the economy as a factor in welfare. "Until the recent economy slowdown that started in 2000, the

strong economy, most experts agree, played a key role in the caseload declines.”(pg. 39) They go on to say, “Most relevant to the welfare decline has been the increase in average real earnings, especially among low-wage workers.” They mention, as in the Blank article, the existing impact on welfare from EITC. Besharov and Germanis discuss the topic of welfare reform in relation to “caseload decline” throughout the paper. A main theme of these studies focuses on evidence in understanding what causes “caseload decline”.

The topic of “leaving welfare without working” is discussed in the study. “Another significant aspect of the caseload decline is that so many mothers seem to be leaving welfare without taking jobs.” (pg.43). In the conclusion they state, “Nevertheless, the reduction in welfare rolls is not entirely due to welfare reform itself; a robust economy and unprecedented increases in aid to low-income, working families are also responsible for the decline. Many of the mothers who gained ground after leaving welfare can probably thank the latter two factors for their improved situation, and many of those who lost ground probably left assistance because of welfare reform and the added hassle associated with it.” (pg.49)

Jeffrey Grogger (2003) discusses the topic of “time limit” affecting welfare use. Part of what Grogger is researching is “information on welfare utilization and labor market outcomes and information on family composition” (pg.395). “Welfare use” “Weeks of work” and “Earnings” are three topics he factors into his research. He mentions part of his goal is to measure effects of EITC. From Grogger’s conclusion, “the regression estimates show that they have substantial effects on welfare use and employment, somewhat lesser effects on labor supply, and little if any effect on earnings or income.” (pg. 408)

These three studies discuss “caseload decline”. Caseloads can be reduced due to declining poverty rates, or changes in eligibility rules. All the studies discuss the influence of

EITC on welfare reform success. These studies investigate changes in welfare reform from AFDC to TANF. State limits such as work requirements and time allowed, are important in measuring welfare program effectiveness. The results show that these factors in state economies can influence the true effects of welfare reform.

Reviewing of the literature has shown certain trends in welfare policies, and the effectiveness of these policies. Studies by Besharov and Germanis, Blank, and Grogger investigate the factors that explain “caseload declines”. Also these studies discuss the effects of EITC on welfare reform. My research focuses on some of these same factors. These studies question the effectiveness of welfare reform itself. Overall these studies relate different aspects of state government to explain how welfare policies account for the effectiveness of welfare reform. In addition to the research that has already been done on welfare reform, I have looked at the changes in poverty rates and those receiving welfare assistance since the 1996 Welfare Reform Act.

Methodology

My research focuses on change in numbers of those receiving welfare assistance and change in poverty rates since the 1996 Welfare Reform Act. The units I have analyzed in my research are the 50 U.S. states and the District of Columbia. For my analysis I use a dependent variable that measures the change in percent in welfare caseloads since TANF was enacted in 1997. And a second dependent variable that measures the change in percent of those living in poverty from 1996 to 2006. The data I gathered for the caseload dependent variable was taken from the U.S. Department of Health and Human Services Eighth Annual Report to Congress. This data was gathered from the U.S. Census Bureau using poverty estimates. I used the data from 1996 and subtracted the data from 2006 to get a variable that showed the change in rate over the 10 year period.

I gathered data to construct independent variables that represent several different areas. I gathered data from the U.S. Census in order to construct some control variables on race, education levels, and personal income. I also used data from the SPSS States dataset to construct more control variables such as number of minority members in the state legislature or state population density.

My explanatory independent variables for this study focus on state requirements and policies in TANF programs. This data I obtained from the U.S. Department of Health and Human Services: Eighth Report to Congress. This data was the most current and is based on 2006 numbers. These variables represent the following: Length of initial sanction, Reduction in benefit in initial sanction, Timing of requirement to benefit receipt, Minimum hours of work requirement, Minimum income for eligibility, and maximum monthly benefit.

The dependent variables and explanatory independent variables used in my study were first gathered as interval level data and then recoded into ordinal level variables. The 4 state requirements variables were put into quartiles using SPSS. The scores for these variables range from (1- least punitive policies, 2- moderately punitive policies, 3- punitive policies, and 4- most punitive policies). The 4 variable were then compiled into an index to get a total state severity score. Theoretically these scores could range from a 4 to 16 with 4 being the least severe and 16 being the most severe.

The two dependent variables in my study were made into quartiles and based on scores of “change”. For the variable representing change since enactment I recode interval data to (1 “-12 to -44 percent change in caseload”, 2 “-45 to -51 percent change in caseload”, 3 “-52 to -64 percent in change in caseload”, 4 “-71 to -84 percent change in caseload”). In the crosstabs these are labeled as (1-“Lowest Reduction in Cases”, 2-“Moderate Reduction in Cases”, 3-“High Reduction in Cases”, 4-“Highest Reduction in Cases”). Again that percent change in caseload represents the percent change in welfare cases for each state over a 10 year period. For my variable representing change in poverty rate from 1996 to 2006 I use (1 “change in poverty rate - 3.50 to -0.70”, 2 “change in poverty rate -0.69 to 0.30”, 3 “change in poverty rate 0.31 to 0.89”, 4 “change in poverty rate 0.90 to 2.90”). In the crosstabs these are labeled as (1-“Large Decrease”, 2-“Small Decrease”, 3-“Small Increase, 4-“Large Increase)

Table 1 about here

Table 1 shows variation in my requirement index variable. States are in order of lowest to highest score based on the punitiveness of each state’s welfare policies. Theoretically states could score anywhere from a “4” to a “16” on the requirements index. The actual scores of

states range from “5” to “14”. Also shown in the table are the scores from my two dependent variables.

Findings

To represent the relationships between the variables in my study I utilize cross tabulations run in SPSS. I use several different independent variables which are at the ordinal level and two independent variables which have been recoded to the ordinal level.

Table 2 about here

Table 2 analyzes the relationship between the dependent variable “Change in Caseload Percent since TANF Enactment” and the independent variable “Length of Sanction to Recipient in Initial Sanction”. The gamma value associated with these variables is 0.188. This value shows a positive relationship between these variables and some association. The significance is .316 which is not statistically significant at the .05 level. The crosstabs also show that eight states fall under the categories of “Short length of sanction” and “12 to 44 percent reduction in cases” these states are Arizona, Indiana, Nebraska, New Hampshire, Oregon, Rhode Island, Tennessee, and Virginia. There were also seven states that fell under the categories of “Shortest length of sanction” and “52 to 70 percent reduction in cases” these states are Arkansas, Hawaii, Kentucky, New York, South Carolina, Utah, and Wisconsin.

Table 3 about here

Table 3 analyzes the relationship between the dependent variable “Change in Caseload Percent since TANF Enactment” and the independent variable “Reduction of Benefit in “Initial Sanction”. The gamma value associated with these variables is 0.240. This value shows a positive relationship between these variables and some association. The gamma significance is .127 which is not statistically significant at the .05 level. The chi-square significance is 0.036

and is statistically significant at the .05 level. The crosstabs also show that there were nine states that fell under the categories of “Highest amount in benefit reduction” and “71 to 84 percent reduction in cases”, these states are Florida, Idaho, Illinois, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, and Texas. There were also seven states that fell under the categories of “Low amount in benefit reduction” and “52 to 70 percent reduction in cases”, these states are Arkansas, Colorado, Connecticut, Kentucky, New Jersey, New York, and Wisconsin.

Table 4 about here

Table 4 analyzes the relationship between the dependent variable “Change in Percent of Population Living in Poverty from 1996 to 2006” and the independent variable “Reduction of Benefit to Recipient in Initial Sanction”. The gamma value associated with these variables is -0.065. This value shows a negative relationship between these variables and little association. The significance is 0.704 which is not statistically significant at the 0.05 level. The crosstabs also show that there were seven states that fell under the categories of “High amount of benefit reduction” and “-3.50 to -0.70 change in poverty rate”, this also represents 33.3 percent of the cases in that column. The seven states were Florida, Hawaii, Louisiana, Maryland, Texas, Virginia, and Wyoming.

Table 5 about here

Table 5 analyzes the relationship between the dependent variable “Change in Percent of Population Living in Poverty from 1996 to 2006” and the independent variable “Maximum monthly benefit to recipients in 2006”. The gamma value associated with these variables is -0.209. This value shows a negative relationship between these variables with only 0.209 association. The significance is 0.160 which is not statistically significant at the 0.05 level. The crosstabs also show that there were seven states that fell under the categories of “Earnings

between \$509 and \$924” and “-0.69 to 0.30 change in poverty rate”, these states are Alabama, Arkansas, Georgia, Kentucky, Mississippi, Oklahoma, and South Carolina. This represents 53.8 percent of the cases in that column. It can also be interpreted as 53.8 percent of the states that allow earnings between \$509 and \$924 also have “-0.69 to 0.30 change in poverty rate”.

Table 6 about here

Table 6 analyzes the relationship between the dependent variable “Change in Percent of Population Living in Poverty from 1996 to 2006” and the independent variable “TANF Requirements index”. The gamma value for these variables is -0.017. This value shows a negative relationship between variables with only 0.017 association. The significance is 0.929 which is not statistically significant at the 0.05 level. The crosstabs show that 29 of the 50 states are grouped in the “moderate severity” column. There were nine states with “moderately punitive scores” and “-0.69 to 0.30 change in poverty rates”. These nine states were Connecticut, Georgia, Mississippi, Montana, North Dakota, Oklahoma, Rhode Island, South Carolina, and Vermont.

Figure 1 about here

To confirm theories from previous research on state politics and party ideology in welfare I use variables from SPSS “states” data set as Independent variables run with my two dependent variables. The variables used in the correlation include Percent of Black Legislators, Percent of Black Population, Percent of Hispanic Population, Per Capita Income, Unemployment Rate, Percent Urban Population, Population Per Square Mile, Percent U.S. House and Senate Democrat, Percent with High School Education or Higher, Percent Population with College Education or Higher. There are three relationships that show statistical significance in my series of correlations. ‘Percent of Black Legislators’ and ‘Percent Black Population’ both show

correlation of -0.39 with my “change in TANF caseload” dependent variable. These both have significance of 0.005 which is significant at the .01 level. The variable “Percent Hispanic Population” has a -0.417 correlation with my “change in poverty rate” dependent variable. This has significance of 0.003 which is significant at the .01 level. These three correlations show that as the values in the independent variables increase, the values in the dependent variables decrease.

Figure 2 about here

I also include a scatter plot of my dependent variable on “Change in Poverty Rate” and an independent variable on “work participation rates among TANF recipients”. The R square for this relationship shows that less than 0.001 percent of the variation in the dependent variable can be explained by the independent variable “work participation rates”.

Conclusion

My hypothesis is that states which allow a longer duration of welfare assistance to recipients and encourage more enrichment with work in combination with education will be more successful in transitioning recipients out of poverty. There is little significance between my variables. The levels of association are relatively low, though some association is evident. It is not uncommon when working with data that has only 51 units of analysis to have little evidence of significance. Gamma does tell us that some relationships are negative and others are positive, depending on the variables.

Figure 1 shows the correlations between my dependent variables and several independent variables which measure state ideology and demographics. In assessing trends on state politics and party ideology in welfare I focus on the relationship between state politics and welfare results. Figure 1 shows that the relationships with independent variables “Percent U.S. House and Sen. Dem.” and “Per capita Income” are not statistically significant. My findings do not mirror the previous research

Table 2 shows that 44 of the 50 states have shorter length of sanctions and that 25 of the 50 states have 51 percent or less change in poverty rate. Table 3 shows some grouping that would suggest that states which have the highest amount in reduction also have the biggest drop in caseload reduction. Table 6 shows that 29 of the 50 states score moderately punitive on the requirements index. The evidence in my research provides little support for my hypothesis, nor does the evidence suggest the opposite is true.

Appendix

Table 1: States categorized by punitiveness, lowest to highest

States	ReqIndex	PovChange	CasesChange	States	ReqIndex	PovChange	CasesChange
<i>Least Punitive: Requirements Index scores 5-9</i>				<i>Moderately Punitive: Requirements Index scores 10-11</i>			
Massachusetts	5	3	1	Indiana	11	4	1
Missouri	6	3	2	Kansas	11	4	1
New Mexico	7	1	2	Montana	11	2	3
New York	8	1	3	Nebraska	11	4	1
South Dakota	8	3	2	Nevada	11	3	2
Arkansas	9	2	3	North Carolina	11	4	4
Kentucky	9	2	3	Ohio	11	4	3
Minnesota	9	4	2	Oklahoma	11	2	4
West Virginia	9	1	4	Rhode Island	11	2	1
<i>Moderately Punitive: Requirements Index scores 10-11</i>				South Carolina	11	2	3
Illinois	10	3	4	Texas	11	1	4
Maine	10	3	1	Wyoming	11	1	
Mississippi	10	2	4	<i>Most Punitive: Requirements Index scores 12-14</i>			
New Hampshire	10	4	1	Hawaii	12	1	3
North Dakota	10	2	2	Idaho	12	3	4
Oregon	10	4	1	Louisiana	12	1	4
Pennsylvania	10	3	2	New Jersey	12	2	3
Utah	10	3	3	Virginia	12	1	1
Vermont	10	2	2	Washington	12	3	2
Wisconsin	10	4	3	Alaska	13	2	4
Dist. Of Col.	10	1	1	Iowa	13	4	1
Arizona	11	1	1	Maryland	13	1	4
California	11	1	2	Tennessee	13	4	1
Connecticut	11	2	3	Alabama	14	2	3
Delaware	11	3	2	Michigan	14	3	2
Florida	11	1	4				
Georgia	11	2	4				

*Data for Colorado not available

Table 2: Cross Tabulation Analysis of Change in Caseload Percent since TANF Enactment and Length of Sanction to Recipient in Initial Sanction

		Length of Sanction in "Initial Sanction"				
		Shortest Length of Sanctions	Short Length of Sanctions	Moderate Length of Sanctions	Longest length of Sanctions	Total
Change in Caseload since Enactment	Lowest reduction in cases "12-44 percent"	5 22.7%	8 36.4%	0 .0%	0 .0%	13 26.0%
	Moderate reduction in cases "45-51 percent"	6 27.3%	6 27.3%	0 .0%	0 .0%	12 24.0%
	High reduction in cases "52-70 percent"	7 31.8%	4 18.2%	2 40.0%	0 .0%	13 26.0%
	Highest reduction in cases "71-84 percent"	4 18.2%	4 18.2%	3 60.0%	1 100.0%	12 24.0%
	Total	22 100.0%	22 100.0%	5 100.0%	1 100.0%	50 100.0%

Gamma Value= 0.188

Gamma Significance= 0.316

Chi-Square Significance= 0.252

Table 3: Cross Tabulation Analysis of Change in Caseload Percent since TANF Enactment and Reduction of Benefit to Recipient in Initial Sanction

		Reduction of Benefit in "Initial Sanction"				Total
		Lowest Amount in Benefit Reduction	Low Amount in Benefit Reduction	Moderate Amount in Benefit Reduction	Highest Amount in Benefit Reduction	
Change in Caseload since Enactment	Lowest reduction in cases "12-44 percent"	1 33.3%	2 15.4%	5 35.7%	5 25.0%	13 26.0%
	Moderate reduction in cases "45-51 percent"	2 66.7%	3 23.1%	5 35.7%	2 10.0%	12 24.0%
	High reduction in cases "52-70 percent"	0 .0%	7 53.8%	2 14.3%	4 20.0%	13 26.0%
	Highest reduction in cases "71-84 percent"	0 .0%	1 7.7%	2 14.3%	9 45.0%	12 24.0%
	Total	3 100.0%	13 100.0%	14 100.0%	20 100.0%	50 100.0%

Gamma Value=0.240

Gamma Significance=0.127

Chi-Square Significance= 0.036

Table 4: Cross Tabulation Analysis of Change in Percent of Population Living in Poverty from 1996 to 2006 and Reduction of Benefit to Recipient in Initial Sanction

		Reduction of Benefit in "Initial Sanction"				
		Lowest Amount in Benefit Reduction	Low Amount in Benefit Reduction	Moderate Amount in Benefit Reduction	Highest Amount in Benefit Reduction	Total
Change in Poverty Rate 1996-2006	Large Decrease in Poverty Rate "-3.50 to -0.70"	0 .0%	3 23.1%	3 21.4%	7 33.3%	13 25.5%
	Small Decrease in Poverty Rate "-0.69 to 0.30"	0 .0%	6 46.2%	4 28.6%	4 19.0%	14 27.5%
	Small Increase in Poverty Rate "0.31 to 0.89"	2 66.7%	1 7.7%	5 35.7%	4 19.0%	12 23.5%
	Large Increase in Poverty Rate "0.90 to 2.90"	1 33.3%	3 23.1%	2 14.3%	6 28.6%	12 23.5%
	Total	3 100.0%	13 100.0%	14 100.0%	21 100.0%	51 100.0%

Gamma Value= -0.065

Gamma Significance=0.704

Chi-Square Significance= 0.343

Table 5: Cross Tabulation Analysis of Change in Percent of Population Living in Poverty from 1996 to 2006 and Maximum Monthly Benefit in 2006

		Maximum Monthly Benefit 2006				
		Earn between 509 and 924	Earn between 404 and 508	Earn between 293 and 403	Earn up to 292	Total
Change in Poverty Rate 1996-2006	Large Decrease in Poverty Rate “-3.50 to -0.70”	2 15.4%	6 46.2%	2 16.7%	3 23.1%	13 25.5%
	Small Decrease in Poverty Rate “-0.69 to 0.30”	7 53.8%	0 .0%	3 25.0%	4 30.8%	14 27.5%
	Small Increase in Poverty Rate “0.31 to 0.89”	1 7.7%	5 38.5%	4 33.3%	2 15.4%	12 23.5%
	Large Increase in Poverty Rate “0.90 to 2.90”	3 23.1%	2 15.4%	3 25.0%	4 30.8%	12 23.5%
	Total	13 100.0%	13 100.0%	12 100.0%	13 100.0%	51 100.0%

Gamma Value=-0.209

Gamma Significance=0.160

Chi-Square Significance= 0.935

Table 6: Cross Tabulation Analysis of Change in Percent of Population Living in Poverty from 1996 to 2006 and TANF Requirements Index

		TANF Requirements Index			
		Least Punitive	Moderately Punitive	Most Punitive	Total
Change in Poverty Rate 1996-2006	Large Decrease in Poverty Rate "-3.50 to -0.70"	3 33.3%	6 20.7%	4 33.3%	13 26.0%
	Small Decrease in Poverty Rate "-0.69 to 0.30"	2 22.2%	9 31.0%	3 25.0%	14 28.0%
	Small Increase in Poverty Rate "0.31 to 0.89"	3 33.3%	6 20.7%	3 25.0%	12 24.0%
	Large Increase in Poverty Rate "0.90 to 2.90"	1 11.1%	8 27.6%	2 16.7%	11 22.0%
	Total	9 100.0%	29 100.0%	12 100.0%	50 100.0%

Gamma Value=-0.017

Gamma Significance=0.929

Chi-Square Significance= 0.868

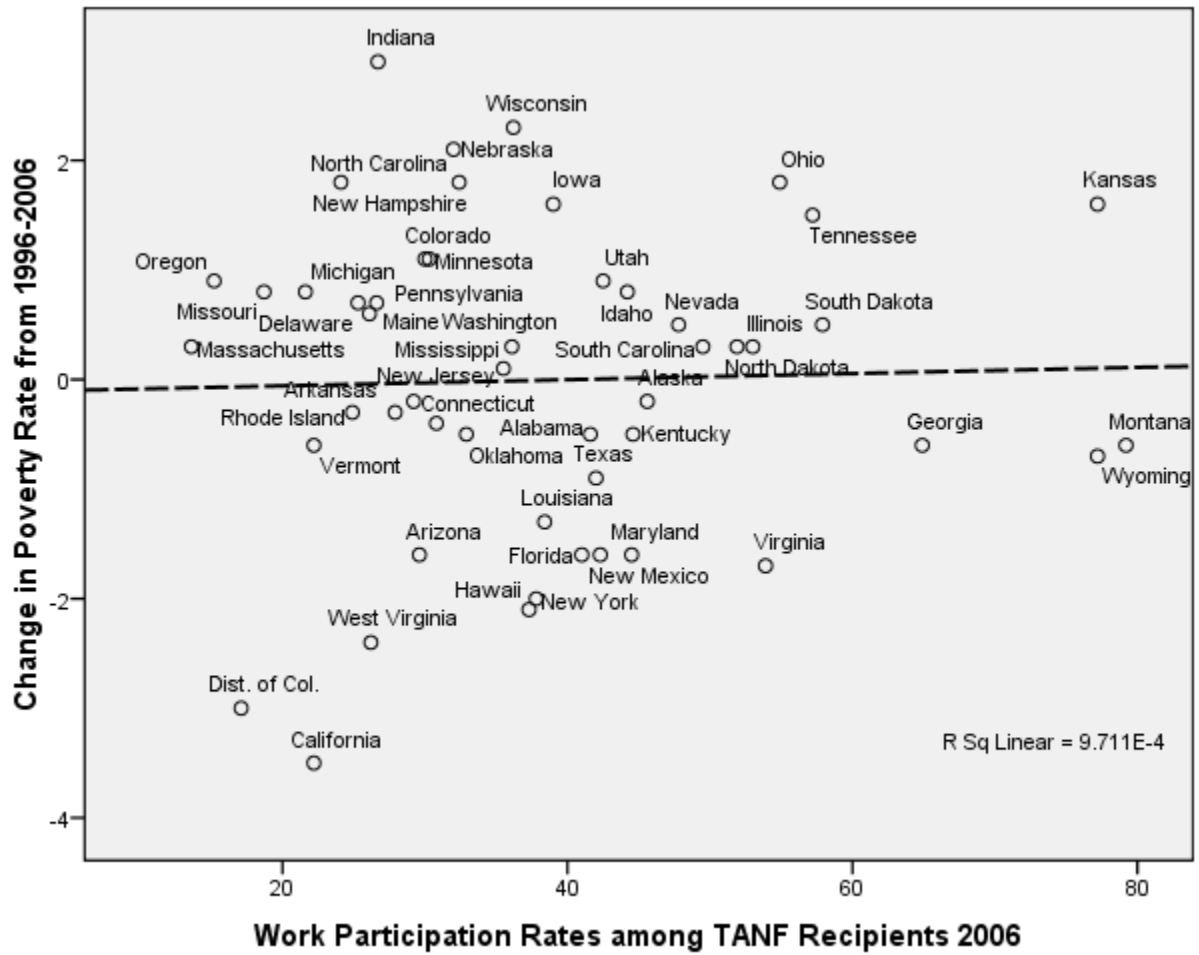
Figure 1

Independent Variables	Dependent Variables			
	Change in Caseload		Change in Poverty Rate	
	Pearson Correlation	Significance	Pearson Correlation	Significance
Percentage of Black Legislators	-0.391**	0.005	-0.097	0.504
Percent Black	-0.393**	0.005	-0.148	0.304
Percent Hispanic	-0.058	0.692	-0.417**	0.003
Per capita Income	0.118	0.421	-0.033	0.818
Unemployment Rate	-0.218	0.132	0.019	0.895
Percent Urban Population	-0.031	0.831	-0.202	0.159
Population Per Square Mile	-0.035	0.814	-0.142	0.327
Percent U.S. House and Sen. Dem.	-0.004	0.979	-0.245	0.086
Percent w/High School or Higher	0.183	0.208	0.194	0.177
Percent pop. w/College or Higher	0.097	0.505	0.095	0.513

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Figure 2



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