

# The Work vs Welfare Tradeoff Revisited

*Explaining Welfare Benefits at the State Level*

**THOMAS SAVIDGE**

The American Institute for Economic Research educates people on the value of personal freedom, free enterprise, property rights, limited government, and sound money. AIER's ongoing scientific research demonstrates the importance of these principles in advancing peace, prosperity, and human progress.

250 Division Street  
PO Box 1000  
Great Barrington, MA 01230  
Telephone: 1-888-528-1216  
Fax: 1-413-528-0103  
[info@aier.org](mailto:info@aier.org)

*AIER is a 501(c)(3) Nonprofit registered in the U.S. under EIN: 04-2121305*

## Executive Summary

The first step in efficacious welfare reform is understanding the scale and scope of the challenges involved with each program. The implementation of the Patient Protection and Affordable Care Act (ACA) in 2014 and the changes to eligibility requirements and benefit limits due to the COVID-19 pandemic have dramatically changed the welfare program landscape in the last decade, potentially rendering a great deal of prior research outdated. This paper provides a detailed description of the nature of these changes by employing the methodology of Tanner, Moore, and Hartman (1995) and Tanner and Hughes (2013) in their respective Cato Studies of the same title: “The Work Versus Welfare Trade-Off.”

While this paper also draws on more recent analyses, both papers predate the ACA implementation and the COVID-19 pandemic, so they provide a good reference point. In addition to the welfare programs examined in the 2013 paper, this paper includes three additional programs: The Child Care and Development Fund, the Lifeline Program for Low-Income Consumers, and the Affordable Connectivity Program. The general conclusion is that the expansion of each of these programs makes welfare reform more urgent than ever because these programs trap millions in poverty and place an enormous strain on taxpayers.

### KEY POINTS

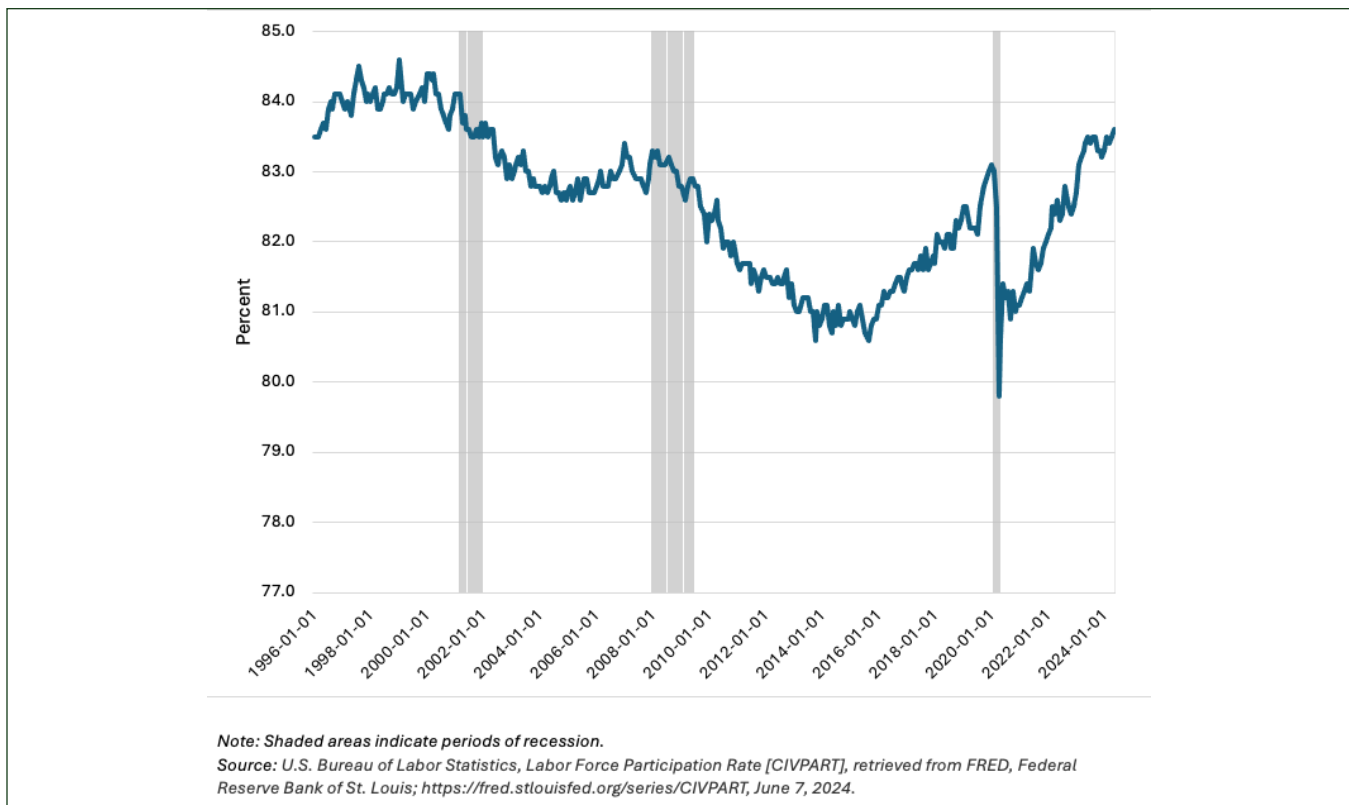
- The total value of all welfare benefits examined in this paper pay more than both a starting salary and median income in all 50 states.
- Recipients of Temporary Assistance for Needy Families (TANF) are the most likely to receive two or more welfare benefits. The TANF Bundle (TANF, SNAP, Housing, Medicaid, LIHEAP, the EITC, Lifeline, and the ACP) pays more than the starting salary in 48 states plus Washington, DC.
- The most common welfare benefits bundle is Medicaid Supplemental Nutrition Assistance Program (SNAP), and the Earned Income Tax Credit (EITC). The bundle of Medicaid, SNAP and the EITC does not pay more than the starting salary in any state or DC.
- Ultimately, welfare reform must be paired with regulatory reform and tax reform. Regulatory reforms help remove barriers to getting Americans back to work and tax reforms help working Americans keep more of what they earn, reducing the need for welfare programs.

## Welfare and its Effects on Government and Work

Welfare, also known as public benefits, are forms of assistance from the government directed towards low-income citizens and families.<sup>1</sup> Some non-citizens (such as refugees) are legally eligible for programs such as TANF, SNAP, and Medicaid.<sup>2</sup> While undocumented citizens are not eligible for welfare benefits, there is concern of noncitizens accessing these benefits through means of identity fraud or misrepresentation of residency. Evidence for this is mixed at best. While the relaxation of eligibility requirements during the COVID-19 pandemic did result in an increase in fraudulent payments, data regarding fraudulent payments are not disaggregated to specify the immigration status of those caught and convicted of fraud.<sup>3</sup> Welfare can be direct transfers from the government (such as cash-assistance under the Temporary Assistance for Needy Families) or in-kind benefits (such as healthcare coverage under Medicaid). These programs are generally “means-tested programs,” where an individual or family must fall below a certain income thresh-

old to qualify for benefits. These means-tested programs provide goods and services that individuals and families struggle to purchase on their own (i.e. food, housing, healthcare coverage, and childcare).<sup>4</sup>

It is important to consider both the seen and unseen effects of welfare spending. Even if we assume that these programs are reaching targeted demographics, they come at a major cost. First is the cost to taxpayers. The CBO estimates that Income Security Programs (such as TANF and SNAP), as well as Medicaid and the Children’s Health Insurance Program (CHIP) cost \$1.05 trillion (65 percent of the \$1.6 trillion federal budget deficit and 16 percent of the \$6.5 trillion in annual federal spending).<sup>5</sup> That is just over \$8,000 per household or \$6,850 per taxpayer.<sup>6</sup> In addition to these direct costs, welfare programs negatively impact economic growth. Economists explain why a person would choose welfare over work in terms of income and substitution effects. The income effect shows that as income increases, individuals tend to demand leisure over labor. The same holds true when applied to welfare transfers. As individuals choose to not work or decrease their labor to maintain welfare benefits, output decreases, reducing economic growth. On the other hand, the substitution effect (one’s willingness to give up welfare in exchange for work) shows how welfare punishes work. Some economists argue that individuals who choose to leave welfare lose more value in benefits than they gain from increased income, creating an incentive not to work.<sup>7</sup>



**Figure 1: Civilian Labor Force Participation (age 25-54) 1996-2024**

As Figure 1 shows, the Civilian Labor Force Participation rate for Americans aged 25-54 has steadily declined since the early 2000s and just returned to pre-pandemic levels in February 2023. Tanner (2022) also notes that the nature of in-kind benefits also “infantilizes the poor,” because, “in most cases, the payments are made directly to providers. The person being helped never even sees the money.”<sup>8</sup>

Cowen (2002) also notes two other groups hurt by welfare spending: the future poor and immigrants.<sup>9</sup> As summarized by Henderson (2018), as economic output is reduced, the annual growth rate of the US economy decreases, resulting in greater future poverty.<sup>10</sup> In addition, as welfare spending is funded by income taxes and the federal government issuing debt, capital is diverted away from the private sector to fund public spending, leaving less available for economic growth. Cowen and Henderson also note that poor foreigners are hurt by domestic pressures to limit immigration to reduce immigrant access to welfare. Without the welfare system an increase in immigration could potentially increase the incomes of foreign poor moving to the United States.<sup>11</sup>

Welfare also generates waste. Glock (2024) examines the net effects of taxes and transfers on US households. With welfare programs providing benefits to low-, middle-, and high-income households (especially in the wake of welfare expansion during the COVID-19 pandemic), Glock finds that in cases where welfare beneficiaries are earning income and paying taxes, they receive a value of benefits at least equivalent to the amount of taxes they paid.<sup>12</sup> Ultimately, this creates waste by requiring bureaucracies to manage the tax collections and transfers, and limits options for families by requiring them to comply with tax and benefit rules instead of keeping the cash they earn.<sup>13</sup>

These programs broadly function based on the interaction between federal and state policies, although each program is slightly different (the differences of the programs discussed in this paper are addressed in the next section). Generally, the federal government provides funding to welfare programs and sets minimum requirements for spending, while the states have the power to administer these programs, allowing the states some flexibility as to how the program functions within a particular state.<sup>14</sup> The result is that welfare benefits vary from state to state. Watson and Goodman (2024) found, however, that the states that spent the least amount of state funds on welfare received more federal dollars than the states that spent their own money, “which largely offset disparities in state-directed benefit generosity.”<sup>15</sup>

This paper will examine eleven welfare programs and the total monetary value of benefits provided to a hypothetical family with a single parent and two dependent children in all 50 states and the District of Columbia. The basis for the analysis comes from Tanner, Moore, and Hartman (1995) as well as Tanner and Hughes.<sup>16, 17</sup> These papers examined several combinations of welfare programs and compared these programs to minimum wage as well as a starting salary. This comparison provided a clear picture of the incentives Americans face when choosing to work or receive welfare.

## **The Categories of Welfare Included in this Study**

- The Categories of Welfare Included in this Study
- This paper examines the following welfare programs:
- Medicaid
- Temporary Assistance for Needy Families (TANF)
- The Earned Income Tax Credit (EITC)
- The Child Care & Development Fund (CCDF)
- Housing Choice Voucher Program (Section 8)

- Low-Income Home Energy Assistance Program (LIHEAP)
- Supplemental Nutrition Assistance Program (SNAP)
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- The Emergency Food Assistance Program (TEFAP)
- The Lifeline Program for Low-Income Consumers
- The Affordable Connectivity Program (ACP)

This section will briefly describe the categories of welfare included in each study, as well as their respective changes and participation rates over time. As noted by Tanner and Hughes (2013), the federal government offered 126 programs to low-income families.<sup>18</sup> Of those 126 programs, 72 were direct cash transfers or in-kind for individuals and families transfers, while the remainder were considered “community investment programs.”<sup>19</sup>

As of the most recent Census data available, the US Census Bureau found that 99.1 million people (30 percent of the US population) participated in at least one welfare program (although they did not cover all welfare programs).<sup>20</sup> Among households, the Census Survey of Income and Program Participation (SIPP) finds that 75.3 million households (56 percent) were enrolled in “any benefit/program,” while 21.5 million households (16 percent) were enrolled in three or more programs.<sup>21</sup> Simply tallying the total number of participants in each program, however, would not provide an accurate estimate of the total number of Americans accessing welfare, because many participants are enrolled in multiple programs. A 2023 study from the US Government’s Office of Human Services Policy found that 54 percent of welfare recipients in 2019 participated in multiple programs.<sup>22</sup> A companion study found that in 2019 TANF and Child Care and Development Fund (CCDF) recipients were the most likely to receive multiple benefits.<sup>23</sup>

This study also relies on the University of Kentucky Center for Poverty Research, as well as specific program participation data up through 2022. These datasets, unfortunately, do not provide information regarding how many recipients participate in multiple programs. As Rector and Menon (2018) note, “The true monetary cost of welfare is largely unknown, because the spending is fragmented into myriad programs.”<sup>24</sup>

The failure to provide clear information highlights both the limitations of this study and a serious concern for policymakers and taxpayers. Without an accurate count of who is receiving welfare, policymakers will not be able to properly reform welfare spending nor enact reforms that help recipients trapped in a cycle of dependence. If one considers a more cynical point of view, policymakers may not want to know these details because their own job security depends upon maintaining the status quo.

## **MEDICAID**

Medicaid, Title IX of the Social Security Act, is a joint federal-state program that finances health care to the poor. Traditional Medicaid eligibility is limited to low-income children, pregnant women, parents of dependent children, the elderly, and people with disabilities.<sup>25</sup> In this program, states are guaranteed federal matching dollars without a cap for qualified services, based on a formula that matches at least 50 percent of state spending. This matching rate increases as state per-capita income decreases. Looking ahead at FY 2025, the federal matching for state funds is expected to range from 50 percent to nearly 75 percent.<sup>26</sup>

Under the Patient Protection and Affordable Care Act (ACA), states had the option to expand Medicaid to non-elderly adults with income up to 133 percent of the Federal Poverty Level.<sup>27</sup> When states were initially allowed to expand Medicaid starting January 1, 2014, the federal government promised to cover 100 percent of Medicaid Expansion as an incentive for states to expand Medicaid.<sup>28</sup> With this promise of a “free lunch,” many states rushed to expand Medicaid, and Medicaid enrollment increased.

Some of the largest increases came from the newly qualified able-bodied adults without dependents. To complicate matters further, Schmidt, et al (2021) found that Medicaid Expansion resulted in an increase in enrollment for TANF, SNAP, and the EITC.<sup>29</sup> As of June 2024, 40 states and Washington, DC<sup>30</sup> have expanded Medicaid.<sup>31</sup> During the COVID-19 pandemic, the federal government placed a requirement in the CARES Act for states to keep Medicaid recipients continuously enrolled in exchange for federal funds.<sup>32</sup> Medicaid began “unwinding” from these pandemic provisions on April 1, 2023. In most states, Medicaid pays more than the average single insurance premium. The best way to improve Medicaid is to repeal the expansions created by the ACA and ensure that this program focuses on the poor.<sup>33</sup> This is shown in Table 1.

Jurisdiction	Medicaid Benefit Spending Per Full-Year Equivalent Enrollee (FYE)	Average Annual Single Premium per Enrolled Employee for Employer-Based Health Insurance (Employee and Employer Contribution)
Alabama	<b><u>\$6,848.05</u></b>	\$6,769.00
Alaska	<b><u>\$9,083.22</u></b>	\$8,624.00
Arizona	<b><u>\$8,921.21</u></b>	\$7,214.00
Arkansas	<b><u>\$7,849.95</u></b>	\$6,861.00
California	<b><u>\$8,810.95</u></b>	\$7,547.00
Colorado	<b><u>\$7,629.05</u></b>	\$7,031.00
Connecticut	<b><u>\$9,249.15</u></b>	\$8,237.00
Delaware	<b><u>\$9,877.08</u></b>	\$8,168.00
District of Columbia	<b><u>\$12,871.12</u></b>	\$8,650.00
Florida	\$6,124.24	<b><u>\$7,551.00</u></b>
Georgia	\$5,830.17	<b><u>\$7,367.00</u></b>
Hawaii	\$7,246.82	<b><u>\$7,367.00</u></b>
Idaho	<b><u>\$7,827.38</u></b>	\$7,292.00
Illinois	<b><u>\$8,731.45</u></b>	\$7,547.00
Indiana	<b><u>\$9,389.60</u></b>	\$7,601.00
Iowa	<b><u>\$8,489.98</u></b>	\$7,433.00
Kansas	<b><u>\$10,096.23</u></b>	\$6,885.00
Kentucky	<b><u>\$9,341.50</u></b>	\$6,990.00
Louisiana	<b><u>\$7,657.44</u></b>	\$7,422.00
Maine	<b><u>\$10,771.50</u></b>	\$7,993.00
Maryland	<b><u>\$9,554.73</u></b>	\$7,978.00
Massachusetts	<b><u>\$11,879.30</u></b>	\$8,054.00
Michigan	<b><u>\$7,558.35</u></b>	\$7,276.00
Minnesota	<b><u>\$12,366.61</u></b>	\$7,526.00
Mississippi	<b><u>\$8,043.59</u></b>	\$6,726.00
Missouri	<b><u>\$9,888.68</u></b>	\$7,737.00
Montana	<b><u>\$8,432.28</u></b>	\$7,759.00
Nebraska	<b><u>\$10,653.85</u></b>	\$7,601.00
Nevada	\$6,141.03	<b><u>\$6,848.00</u></b>
New Hampshire	<b><u>\$10,383.05</u></b>	\$8,053.00
New Jersey	<b><u>\$10,200.78</u></b>	\$8,183.00
New Mexico	<b><u>\$8,331.67</u></b>	\$7,794.00
New York	<b><u>\$10,884.16</u></b>	\$8,936.00

North Carolina	<u>\$8,880.73</u>	\$7,753.00
North Dakota	<u>\$12,535.35</u>	\$7,841.00
Ohio	<u>\$9,508.21</u>	\$7,743.00
Oklahoma	<u>\$6,985.62</u>	\$6,713.00
Oregon	<u>\$10,968.75</u>	\$7,091.00
Pennsylvania	<u>\$12,101.94</u>	\$8,098.00
Rhode Island	<u>\$9,263.54</u>	\$8,215.00
South Carolina	\$6,150.43	<u>\$7,252.00</u>
South Dakota	<u>\$8,823.99</u>	\$7,640.00
Tennessee	\$6,933.45	<u>\$7,182.00</u>
Texas	<u>\$8,379.29</u>	\$7,351.00
Utah	<u>\$9,062.77</u>	\$6,746.00
Vermont	\$8,312.50	<u>\$8,417.00</u>
Virginia	<u>\$10,163.97</u>	\$7,676.00
Washington	<u>\$11,271.91</u>	\$7,170.00
West Virginia	<u>\$8,246.74</u>	\$8,065.00
Wisconsin	<u>\$8,179.34</u>	\$7,673.00
Wyoming	<u>\$8,995.54</u>	\$7,982.00

Sources: MACStats, Exhibit 22: Medicaid Benefit Spending Per Full-Year Equivalent (FYE) Enrollee by State and Eligibility Group, December 2023, Accessed March 5, 2024, <https://www.macpac.gov/publication/medicaid-benefit-spending-per-full-year-equivalent-fye-enrollee-by-state-and-eligibility-group/>; Kaiser Family Foundation, Average Annual Single Premium per Enrolled Employee For Employer-Based Health Insurance, 2022, Accessed March 5, 2024, <https://www.kff.org/other/state-indicator/single->

Table 1: Medicaid Spending vs Private Sector Premiums

## TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

The Temporary Assistance for Needy Families (TANF) is the primary cash benefit program for the poor. TANF was created in 1996 during the 1996 welfare reforms as the successor to Aid to Families with Dependent Children (AFDC). TANF, like Medicaid, is funded in the form of federal block grants to the states and state funds. With the welfare reforms of 1996, TANF enrollment saw major decline due to more stringent eligibility requirements and time limits. Figure 2 shows the trend in total participants from 1980-2022.

Since 2013, TANF has undergone several changes. Initially, the focus remained on employment and strict work requirements, with states enhancing services to meet federal participation rates.<sup>34</sup> As of FY 2022, only 35 percent of TANF recipients were employed and only 16 states<sup>35</sup> required a job search upon application.<sup>36, 37</sup>

Table 2 shows the maximum monthly and annual TANF benefits, along with their hourly equivalents compared to the state minimum wage. Note that while TANF benefits pay less than state minimum wages, TANF participants were also the most likely to receive multiple benefits, with 87 percent of recipients participating in two or more programs.<sup>38</sup> It is also important to note that less than a quarter of TANF funding (both federal and state) goes toward “basic assistance” (direct cash transfers).<sup>39</sup> While this basic assistance makes up the single largest category (23 percent), the next two largest amounts of TANF funds go toward “Early Care and Education” (22.7 percent) and “Program Management” (10.4 percent). The remaining 44.3 percent goes toward myriad other programs.<sup>40</sup>



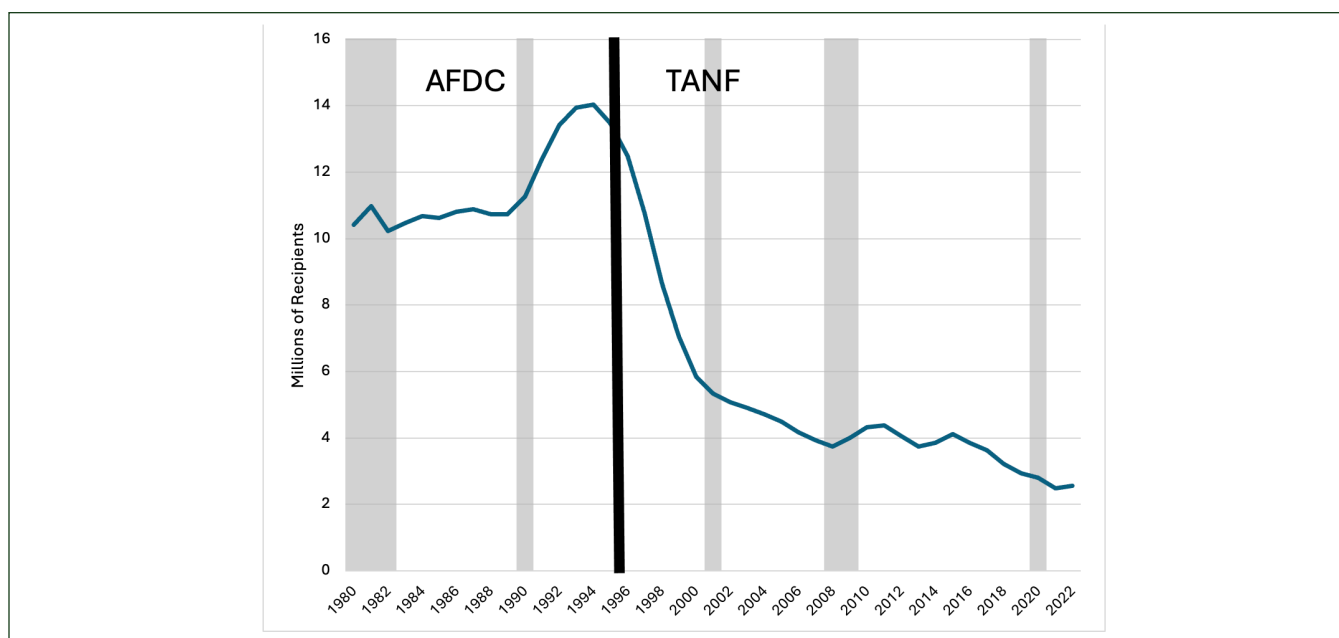


Figure 2: AFDC/TANF enrollees, 1980-2022

Jurisdiction	Monthly TANF Benefit	Annual Benefits	Hourly Equivalent	Minimum Wage
Alabama	\$215.00	\$2,580.00	\$1.24	\$7.25
Alaska	\$923.00	\$11,076.00	\$5.33	\$11.73
Arizona	\$278.00	\$3,336.00	\$1.60	\$14.35
Arkansas	\$204.00	\$2,448.00	\$1.18	\$11.00
California	\$980.00	\$11,760.00	\$5.65	\$16.00
Delaware	\$338.00	\$4,056.00	\$1.95	\$13.25
District of Columbia	\$665.00	\$7,980.00	\$3.84	\$17.50
Florida	\$303.00	\$3,636.00	\$1.75	\$12.00
Georgia	\$280.00	\$3,360.00	\$1.62	\$7.25
Hawaii	\$610.00	\$7,320.00	\$3.52	\$14.00
Idaho	\$309.00	\$3,708.00	\$1.78	\$7.25
Indiana	\$288.00	\$3,456.00	\$1.66	\$7.25
Iowa	\$426.00	\$5,112.00	\$2.46	\$7.25
Kansas	\$429.00	\$5,148.00	\$2.48	\$7.25
Kentucky	\$262.00	\$3,144.00	\$1.51	\$7.25
Louisiana	\$484.00	\$5,808.00	\$2.79	\$7.25
Maine	\$628.00	\$7,536.00	\$3.62	\$14.15
Maryland	\$862.00	\$10,344.00	\$4.97	\$15.00
Massachusetts	\$752.00	\$9,024.00	\$4.34	\$15.00
Michigan	\$492.00	\$5,904.00	\$2.84	\$10.33
Minnesota	\$641.00	\$7,692.00	\$3.70	\$10.85
Mississippi	\$260.00	\$3,120.00	\$1.50	\$7.25
Nebraska	\$485.00	\$5,820.00	\$2.80	\$12.00
Nevada	\$386.00	\$4,632.00	\$2.23	\$11.25

New Hampshire	\$1,151.00	\$13,812.00	\$6.64	\$7.25
New Jersey	\$559.00	\$6,708.00	\$3.23	\$15.13
New Mexico	\$447.00	\$5,364.00	\$2.58	\$12.00
New York	\$789.00	\$9,468.00	\$4.55	\$15.00
North Carolina	\$272.00	\$3,264.00	\$1.57	\$7.25
North Dakota	\$486.00	\$5,832.00	\$2.80	\$7.25
Ohio	\$542.00	\$6,504.00	\$3.13	\$10.45
Oklahoma	\$292.00	\$3,504.00	\$1.68	\$7.25
Oregon	\$506.00	\$6,072.00	\$2.92	\$14.20
Pennsylvania	\$403.00	\$4,836.00	\$2.33	\$7.25
Rhode Island	\$721.00	\$8,652.00	\$4.16	\$14.00
South Carolina	\$308.00	\$3,696.00	\$1.78	\$7.25
South Dakota	\$630.00	\$7,560.00	\$3.63	\$11.20
Tennessee	\$387.00	\$4,644.00	\$2.23	\$7.25
Texas	\$312.00	\$3,744.00	\$1.80	\$7.25
Vermont	\$811.00	\$9,732.00	\$4.68	\$13.67
Virginia	\$587.00	\$7,044.00	\$3.39	\$12.00
Washington	\$654.00	\$7,848.00	\$3.77	\$16.28
West Virginia	\$542.00	\$6,504.00	\$3.13	\$8.75
Wisconsin	\$630.50	\$7,566.00	\$3.64	\$7.25
Wyoming	\$781.00	\$9,372.00	\$4.51	\$7.25

Sources: Urban Institute Welfare Rules Database, funded by HHS/ACF and Author's calculations.

**Table 2: TANF Maximum Monthly Benefits for a Family of 3 with No Income**

## **EARNED INCOME TAX CREDIT (EITC)<sup>41</sup>**

The Earned Income Tax Credit (EITC) is a refundable tax credit designed to benefit low-to-moderate-income working individuals and families, particularly those with children. Established in 1975, the EITC aims to reduce the tax burden on these groups, supplement their wages, and incentivize employment.<sup>42</sup>

Eligibility for the EITC depends on several factors, including income level, filing status, and the number of qualifying children.<sup>43</sup> The credit increases with earned income until it reaches a maximum value, then gradually phases out as income continues to rise. For the 2023 tax year, the maximum credit ranges from \$600 for individuals without children to over \$7,000 for those with three or more qualifying children. One significant advantage of the EITC is its refundability, meaning that eligible recipients can receive a refund even if the credit exceeds their total tax liability.<sup>44</sup> Tanner (2022) notes that the EITC has been more successful than other programs at fighting poverty.<sup>45</sup>

The EITC has also been associated with several positive outcomes, such as reducing poverty, particularly among children, and encouraging workforce participation.<sup>46</sup> The EITC's complexity, however, can lead to a high error rate (both fraud and improper calculation).<sup>47</sup> Table 3 shows the Federal EITC Parameters as of 2024. As Table 3 shows, it imposes a penalty on marriage. A married couple with two children would exhaust benefits at \$62,688, while a single parent would do so at just under \$7,000 less. Tanner (2022) notes,

“Thus, the single parent can continue to receive benefits at higher income levels relative to the poverty level than married couples can—and the credit is more generous since the benefits are being distributed among the three people, rather than four.”<sup>48</sup> Macartney and Ghertner (2023) also find that 42 percent of EITC recipients are enrolled in two or more welfare programs, the most common programs being Medicaid (49 percent of EITC recipients in one or more welfare programs) and SNAP (36 percent of EITC recipients in one or more welfare programs).

Filing Status		No Children	One Child	Two Children	Three or More Children
Single or Head of Household	Income at Max Credit	\$8,260	\$12,390	\$17,400	\$17,400
	Maximum Credit	\$632	\$4,213	\$6,960	\$7,830
	Phaseout Begins	\$10,330	\$22,720	\$22,720	\$22,720
	Phaseout Ends (Credit Equals Zero)	\$18,591	\$49,084	\$55,768	\$59,899
Married Filing Jointly	Income at Max Credit	\$8,260	\$12,390	\$17,400	\$17,400
	Maximum Credit	\$632	\$4,213	\$6,960	\$7,830
	Phaseout Begins	\$17,250	\$29,640	\$29,640	\$29,640
	Phaseout Ends (Credit Equals Zero)	\$25,511	\$56,004	\$62,688	\$66,819

Sources: Tax Foundation and Internal Revenue Service “Revenue Procedure 2023-34”

Table 3: 2024 Earned Income Tax Credit Parameters

As of tax year 2021, over 32 million income tax returns received the EITC, with an average credit of \$2,039.<sup>49</sup> Figure 3 shows the number of income tax returns receiving the EITC since 1980. Note the sharp increases with the expansions in 1990, 1993, 2001, 2009, and 2021.

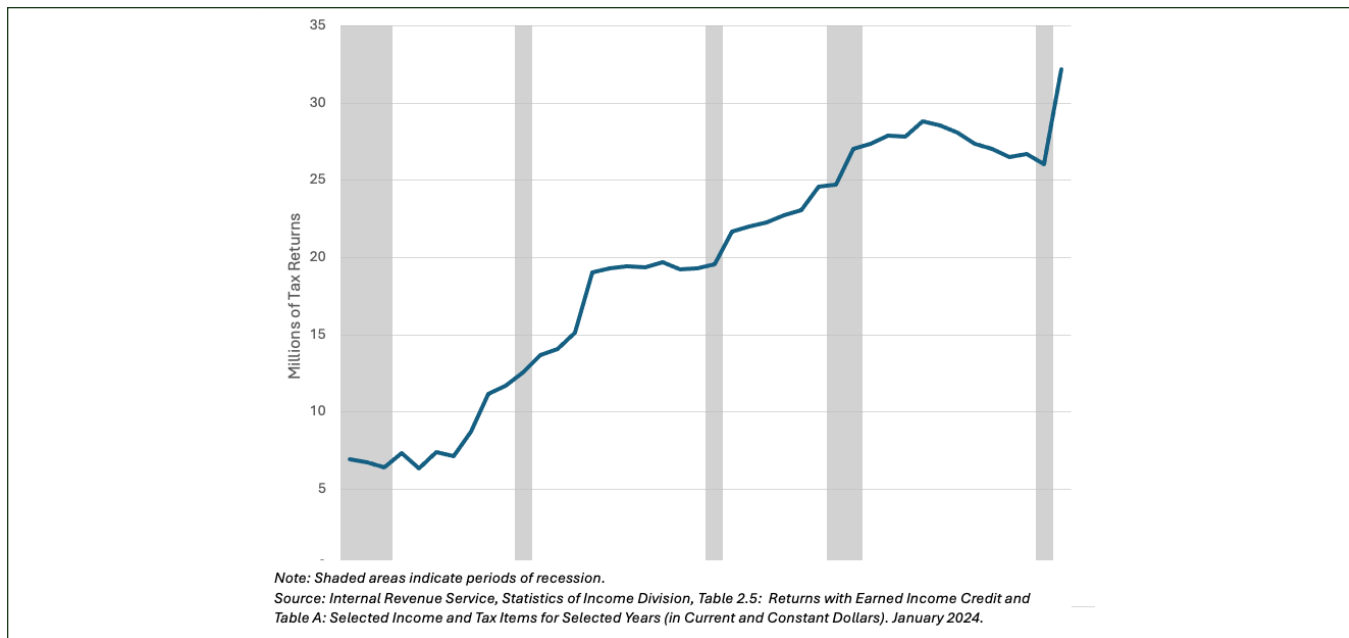


Figure 3: Income Tax Returns with Federal EITC

In addition to the federal EITC, 27 states and DC also offer an Earned Income Tax Credit. Table 4 (recreated from the IRS) lists the states that offer an EITC along with their descriptions as well as whether the state EITC is refundable (even if one does not owe tax, he or she is still eligible for a refund).

State or Local Government	Percentage of Federal Credit	Is Credit Refundable?
California	45%	Yes
Colorado	10%	Yes
Connecticut	23%	Yes
Delaware	20%	No
District of Columbia	40%	Yes
Hawaii	20%	No
Illinois	18%	Yes
Indiana	9%	Yes
Iowa	15%	Yes
Kansas	17%	Yes
Louisiana	3.5%	Yes
Maine	5%	Yes
Maryland	50%	Yes
Massachusetts	30%	Yes
Michigan	6%	Yes
Minnesota	Ranges from 25%-45% of federal	Yes
Montana	3%	Yes
Nebraska	10%	Yes
New Jersey	39%	Yes
New Mexico	10%	Yes
New York	30%	Yes
New York City	5%	Yes
Ohio	30%	No
Oklahoma	5%	Yes
Oregon	9% (12% if qualifying child under age 3)	Yes
Rhode Island	15%	Yes
South Carolina	41.67%	No
Vermont	36%	Yes
Virginia	20%	No
Wisconsin	One child — 4%	Yes
	Two Children — 11%	
	Three Children — 34%	

Sources: Internal Revenue Service "State and Local Governments with Earned Income Tax Credit"

**Table 4: State or Local Government with EITC**

## **CHILD CARE AND DEVELOPMENT FUND**

The Child Care and Development Fund (CCDF), established in 1990 under the Child Care and Development Block Grant (CCDBG) Act, is a federal block grant to states to subsidize childcare costs for low-income families and is administered by the US Department of Health and Human Services (HHS).<sup>50</sup>

The CCDF has evolved over time. The 2014 reauthorization of the CCDBG Act brought significant changes, including requirements for enhanced health and safety standards (including transparency on compliance with parents), as well as increased provider training, inevitably creating regulatory barriers for those looking to provide childcare. Combined with the 2014 reauthorization's increased access to early childhood education programs, demand for these programs inevitably exceeded the supply of providers.<sup>51</sup> Many parents still struggle today to find desired childcare

because of the shortage.<sup>52</sup>

During the COVID-19 pandemic, the CCDF saw unprecedented changes and expansions to address the crisis’s impact on the childcare sector. Congress appropriated over \$52 billion in supplemental funding through various relief acts, including the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act, and the American Rescue Plan Act (ARPA).<sup>53</sup> These funds were crucial in preventing the collapse of the childcare system, which faced severe challenges due to widespread closures and reduced enrollment.

States utilized the supplemental funding to make several key adjustments including expanding eligibility for childcare subsidies, waiving family co-payments, and increasing reimbursement rates to providers. The Child Care Stabilization program, funded through ARPA, also provided grants to cover operational costs such as wages, rent, and supplies.<sup>54</sup> Michigan, Nevada, and New Mexico also used the funds to increase compensation for childcare workers through higher wages, hiring and retention bonuses, and expanded benefits.<sup>55</sup> Figure 4 shows the average number of children and families enrolled from 1998-2021.

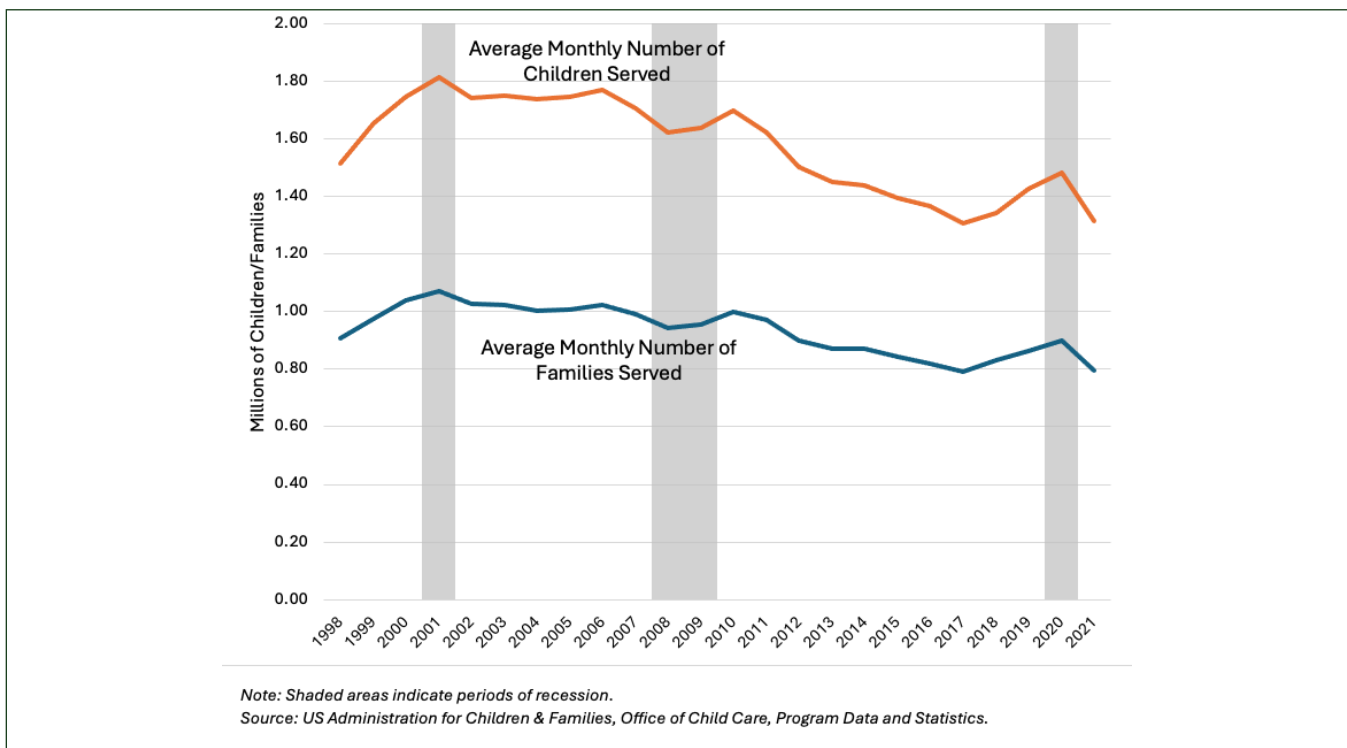


Figure 4: Average Monthly Number of Families and Children Participating in CCDF

Jurisdiction	Total Spending	Spending per Family
Alabama	\$224,721,469.00	\$11,643.60
Alaska	\$32,183,511.00	\$18,931.48
Arizona	\$301,739,612.00	\$15,797.89
Arkansas	\$144,929,008.00	\$8,837.13
California	\$1,483,390,130.00	\$16,019.33
Colorado	\$182,657,300.00	\$20,072.23
Connecticut	\$140,278,688.00	\$19,483.15
Delaware	\$42,623,720.00	\$14,697.83

District of Columbia	\$27,708,387.00	\$39,583.41
Florida	\$781,179,271.00	\$11,590.20
Georgia	\$518,767,129.00	\$19,356.98
Hawaii	\$54,498,716.00	\$17,030.85
Idaho	\$72,417,696.00	\$19,572.35
Illinois	\$521,297,983.00	\$14,520.84
Indiana	\$300,083,417.00	\$21,132.64
Iowa	\$126,523,907.00	\$15,062.37
Kansas	\$123,338,114.00	\$19,893.24
Kentucky	\$218,784,200.00	\$24,582.49
Louisiana	\$220,038,371.00	\$17,889.30
Maine	\$39,726,583.00	\$14,188.07
Maryland	\$233,658,867.00	\$22,685.33
Massachusetts	\$277,769,333.00	\$17,360.58
Michigan	\$383,370,136.00	\$30,426.20
Minnesota	\$226,711,728.00	\$23,864.39
Mississippi	\$136,595,744.00	\$10,348.16
Missouri	\$266,417,358.00	\$17,188.22
Montana	\$37,153,804.00	\$21,855.18
Nebraska	\$89,073,649.00	\$23,440.43
Nevada	\$109,859,173.00	\$31,388.34
New Hampshire	\$41,857,935.00	\$16,099.21
New Jersey	\$332,783,392.00	\$20,416.16
New Mexico	\$101,284,305.00	\$16,603.98
New York	\$828,164,984.00	\$24,574.63
North Carolina	\$471,298,032.00	\$16,892.40
North Dakota	\$29,348,707.00	\$19,565.80
Ohio	\$530,532,703.00	\$29,474.04
Oklahoma	\$209,792,226.00	\$11,852.67
Oregon	\$150,709,574.00	\$20,094.61
Pennsylvania	\$510,356,429.00	\$12,570.36
Rhode Island	\$42,184,194.00	\$26,365.12
South Carolina	\$216,519,453.00	\$23,793.35
South Dakota	\$38,189,582.00	\$18,185.52
Tennessee	\$359,710,683.00	\$8,365.36
Texas	\$1,405,868,263.00	\$20,112.56
Utah	\$163,052,924.00	\$25,477.02
Vermont	\$22,228,664.00	\$11,114.33
Virginia	\$319,442,293.00	\$33,275.24
Washington	\$305,829,505.00	\$21,690.04
West Virginia	\$79,427,382.00	\$9,928.42
Wisconsin	\$223,063,493.00	\$24,784.83
Wyoming	\$21,565,850.00	\$14,377.23

Source: US Administration for Children & Families, Office of Child Care, Program Data and Statistics. FY2024 CCDF Funding Allocations (Based on Appropriations)

Table 5: Child Care and Development Fund

Table 5 shows the total spending on all enrollees and the spending per family by state.

## HOUSING ASSISTANCE

Housing assistance is available through various programs, including public housing, Housing Assistance Payments (commonly known as “Section 8”), and other rent subsidies. The amount of assistance varies not only by state but also within states, with higher amounts available in urban areas where rents and housing prices are higher. Just as Tanner and Hughes (2013), this paper uses average assistance level in each state, rather than the high (urban) or low (non-urban) levels.<sup>56</sup> Those amounts are recreated in Table 6.

Jurisdiction	2024 State Average Housing Annual Payments
Alabama	\$12,429.21
Alaska	\$18,213.92
Arizona	\$17,206.24
Arkansas	\$11,285.95
California	\$24,321.93
Colorado	\$18,865.80
Connecticut	\$21,212.09
Delaware	\$18,860.80
District of Columbia	\$26,829.60
Florida	\$17,776.19
Georgia	\$14,494.99
Hawaii	\$27,324.00
Idaho	\$14,005.96
Illinois	\$12,118.45
Indiana	\$12,665.35
Iowa	\$11,475.08
Kansas	\$11,721.23
Kentucky	\$12,034.24
Louisiana	\$13,035.68
Maine	\$14,301.71
Maryland	\$21,095.90
Massachusetts	\$25,099.77
Michigan	\$12,743.48
Minnesota	\$13,718.68
Mississippi	\$12,253.81
Missouri	\$11,434.92
Montana	\$12,498.90
Nebraska	\$11,170.30
Nevada	\$17,308.52
New Hampshire	\$18,072.61
New Jersey	\$23,746.97
New Mexico	\$13,038.98
New York	\$17,611.86

North Carolina	\$14,240.57
North Dakota	\$12,230.35
Ohio	\$12,022.64
Oklahoma	\$11,983.70
Oregon	\$17,450.40
Pennsylvania	\$13,688.78
Rhode Island	\$22,148.68
South Carolina	\$14,165.22
South Dakota	\$12,456.84
Tennessee	\$13,417.62
Texas	\$14,206.62
Utah	\$14,773.82
Vermont	\$16,800.08
Virginia	\$16,860.67
Washington	\$18,788.00
West Virginia	\$11,761.13
Wisconsin	\$12,597.67
Wyoming	\$13,790.82

Sources: U.S. Department of Housing and Urban Development (HUD) Office of Policy Development and Research "Dataset: Fair Market Rents (40<sup>th</sup> Percentile Rents)"

Table 6: State Average Annual Housing Choice Voucher Payments

Since 2013, several states reduced housing benefits for recipients of other welfare programs. This reduction is partly due to decreased federal housing funds, and partly due to state policy decisions requiring recipients of benefits such as TANF to use their cash benefits for housing expenses.<sup>57</sup> Additionally, recent policy changes have focused on increasing the availability of affordable housing through public-private partnerships and expanding housing vouchers to more low-income families, though the overall impact varies significantly by region.<sup>58</sup>

### LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

The Low-Income Home Energy Assistance Program (LIHEAP) was established to reduce the burden of energy expenses on vulnerable populations, LIHEAP allocates funds to states, territories, and tribal organizations, which then distribute these funds to eligible households.<sup>59</sup> The program particularly targets households with elderly members, individuals with disabilities, and families with young children, to ensure they receive necessary assistance.<sup>60</sup>

Eligibility for LIHEAP is determined based on income criteria, with states having the flexibility to set thresholds at or below 150 percent of the federal poverty guidelines or 60 percent of the state median income, whichever is higher.<sup>61</sup> States may also choose to set lower income limits, but households with incomes below 110 percent of the federal poverty guidelines cannot be excluded from eligibility. Additionally, households receiving benefits from other federal programs such as TANF, Supplemental Security Income (SSI), and the Supplemental Nutrition Assistance Program (SNAP) may also qualify for LIHEAP assistance.<sup>62</sup>

Additional funding has been provided through various COVID-19 relief packages, substantially increasing the LIHEAP spending. States have received more flexibility in using these funds, including the ability to offer higher benefit levels and expand eligibility criteria. Enhanced crisis assistance measures have been implemented to pre-



vent utility shut offs and help households manage private debt accumulation resulting from job losses and economic instability.<sup>63</sup> Benefits as of FY 2022 are shown in Table 7. Participation data were unavailable.

Jurisdiction	Average Annual Energy Benefits (Heating and Cooling)
Alabama	\$805.00
Alaska	\$1,350.00
Arizona	\$1,437.00
Arkansas	\$496.00
California	\$880.00
Colorado	\$465.00
Connecticut	\$997.00
Delaware	\$1,451.00
District of Columbia	\$1,174.00
Florida	\$1,327.00
Georgia	\$965.00
Hawaii	\$2,398.00
Idaho	\$357.00
Illinois	\$940.00
Indiana	\$536.00
Iowa	\$792.00
Kansas	\$664.00
Kentucky	\$472.00
Louisiana	\$1,079.00
Maine	\$755.00
Maryland	\$851.00
Massachusetts	\$1,344.00
Michigan	\$9.00
Minnesota	\$1,105.00
Mississippi	\$1,830.00
Missouri	\$843.00
Montana	\$689.00
Nebraska	\$872.00
Nevada	\$573.00
New Hampshire	\$1,342.00
New Jersey	\$571.00
New Mexico	\$524.00
New York	\$1,239.00
North Carolina	\$335.00
North Dakota	\$1,171.00
Ohio	\$312.00
Oklahoma	\$691.00
Oregon	\$788.00
Pennsylvania	\$610.00
Rhode Island	\$1,318.00
South Carolina	\$1,526.00
South Dakota	\$687.00
Tennessee	\$1,449.00
Texas	\$2,200.00
Utah	\$1,056.00
Vermont	\$572.00
Virginia	\$1,358.00
Washington	\$453.00
West Virginia	\$479.00
Wisconsin	\$432.00
Wyoming	\$593.00

Sources: U.S. Department of Health & Human Services Administration for Children and Families, Office of Community Services LIHEAP Performance Measurement Website.

**Table 7: State Average Annual Energy Benefits**

## SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

The Supplemental Nutrition Assistance Program (SNAP) provides financial assistance to low-income families for purchasing food. Formerly known as “food stamps,” the program was renamed in 2008 when paper vouchers were replaced by electronic debit cards.<sup>64</sup> SNAP is fully funded by the federal government, and benefits are consistent across the country, with some exceptions.<sup>65</sup> Benefits are designed so that eligible families do not spend more than 30 percent of their net income on a food package that meets the Agriculture Department’s “Thrifty Food Plan,” adjusted for household size and inflation.<sup>66</sup>

Eligibility for Temporary Assistance for Needy Families (TANF) automatically qualifies a family for SNAP in all 50 states. Because TANF cash benefits vary widely by state, however, the amount received in SNAP benefits also varies by state. Lower TANF benefits result in higher SNAP benefits. Excluding Alaska and Hawaii, states with low TANF benefits (such as Texas, Arkansas, and Tennessee) provide the highest SNAP benefits. Conversely, states with high TANF benefits, such as New Hampshire, Vermont, and California, provide the lowest SNAP benefits.<sup>67</sup>

Since the onset of the COVID-19 pandemic, several significant changes have been made to SNAP to address the increased demand for food assistance, including a 15 percent increase in SNAP benefits from January 2021 through September 2021.<sup>68</sup>

Additionally, the American Rescue Plan Act of 2021 provided further funding to enhance SNAP benefits and extend the Pandemic Electronic Benefit Transfer (P-EBT) program, which helps families with children who would have received free or reduced-price meals if schools were open.<sup>69</sup> Many states also temporarily waived certain eligibility requirements to ensure more families could access assistance during the crisis.<sup>70</sup> SNAP benefits were permanently raised starting in October 2021. Predictably, this led to an increase in SNAP participation, shown in Figure 5. SNAP Total Costs per person and household are shown in Table 8 (next page).

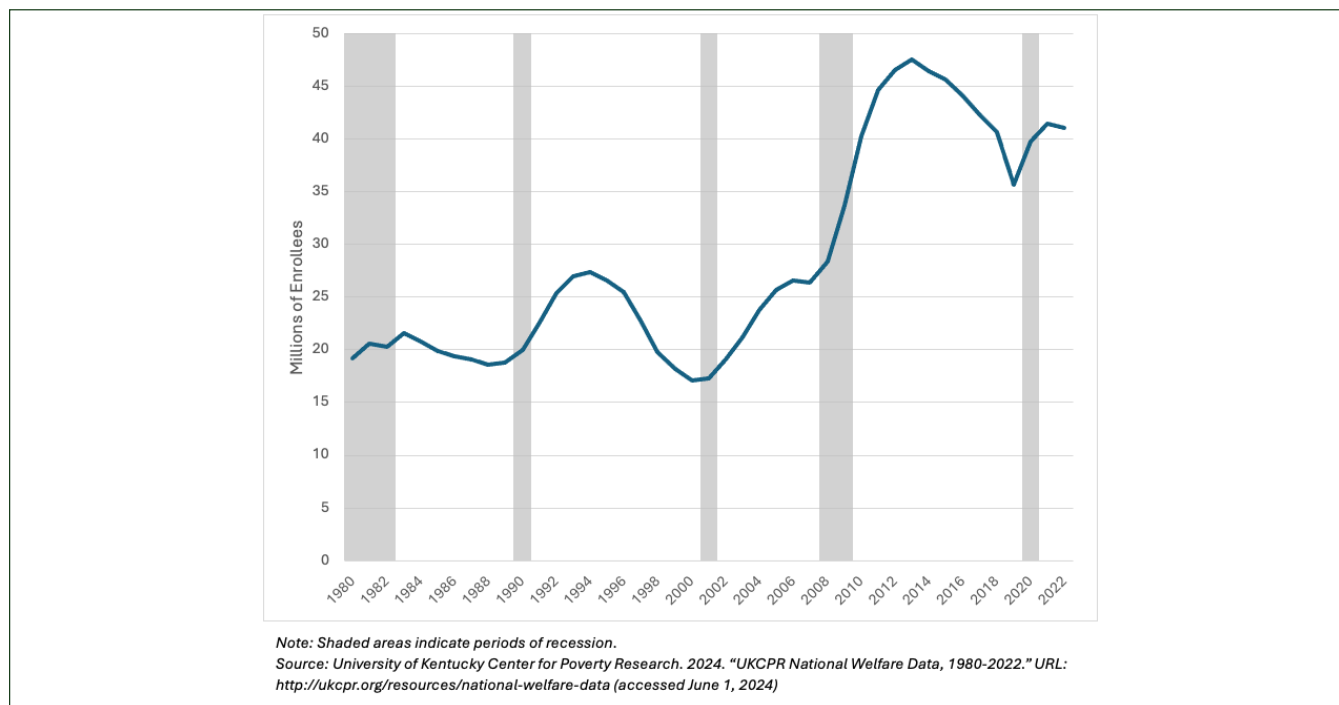


Figure 5: Total Food Stamp/SNAP Recipients 1980-2022

<b>Jurisdiction</b>	<b>Per Household Cost</b>	<b>Per Person Cost</b>
Alabama	\$435.96	\$219.90
Alaska	\$795.42	\$375.79
Arizona	\$361.48	\$174.67
Arkansas	\$358.20	\$181.99
California	\$401.06	\$229.80
Colorado	\$404.93	\$213.89
Connecticut	\$381.69	\$221.79
Delaware	\$410.42	\$203.71
District of Columbia	\$378.21	\$228.15
Florida	\$435.96	\$219.90
Georgia	\$353.71	\$175.05
Hawaii	\$814.32	\$444.96
Idaho	\$335.86	\$167.56
Illinois	\$413.02	\$223.18
Indiana	\$382.00	\$181.23
Iowa	\$323.55	\$161.56
Kansas	\$444.47	\$222.42
Kentucky	\$367.13	\$168.59
Louisiana	\$443.95	\$218.85
Maine	\$361.08	\$209.52
Maryland	\$387.06	\$210.11
Massachusetts	\$391.83	\$237.59
Michigan	\$395.21	\$210.33
Minnesota	\$510.00	\$260.67
Mississippi	\$350.26	\$177.30
Missouri	\$383.53	\$190.26
Montana	\$322.16	\$165.18
Nebraska	\$338.15	\$167.19
Nevada	\$371.04	\$195.31
New Hampshire	\$389.95	\$209.10
New Jersey	\$413.85	\$213.44
New Mexico	\$425.47	\$220.95
New York	\$412.98	\$239.53
North Carolina	\$414.47	\$211.23
North Dakota	\$357.22	\$181.36
Ohio	\$404.90	\$208.51
Oklahoma	\$413.99	\$210.47
Oregon	\$362.12	\$208.18
Pennsylvania	\$382.18	\$203.41
Rhode Island	\$375.96	\$230.74

South Carolina	\$423.33	\$207.73
South Dakota	\$395.58	\$191.99
Tennessee	\$390.08	\$199.40
Texas	\$477.44	\$215.42
Utah	\$411.65	\$205.34
Vermont	\$394.40	\$231.19
Virginia	\$418.58	\$215.37
Washington	\$370.68	\$212.24
West Virginia	\$381.49	\$204.97
Wisconsin	\$383.13	\$200.65
Wyoming	\$390.20	\$188.13

Source: United States Department of Agriculture, Supplemental Nutrition Assistance Program (SNAP). Accessed June 2024.

Table 8: State Average Annual SNAP Benefits

## SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a federal assistance program administered by the USDA’s Food and Nutrition Service (FNS). It provides supplemental foods, health care referrals, and nutrition education to low-income pregnant, breastfeeding, and postpartum women, as well as infants and children up to age five who are found to be at nutritional risk.<sup>71</sup>

WIC funding primarily comes from federal sources, with annual appropriations determining the funding levels. Although the appropriations committees typically ensure sufficient funds to cover all eligible participants, some states also supplement federal funds with their own resources.<sup>72</sup> The funding process includes formula grants to states, allocated based on criteria such as the previous year’s operational levels and adjustments for inflation. WIC also includes a contingency fund to handle unexpected shortfalls or increases in participation.<sup>73</sup>

The program’s benefits include vouchers for specific food items such as infant formula, fruits, vegetables, whole grains, and dairy products.<sup>74</sup> Since 2017, several significant updates have been made to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to enhance its nutritional offerings and align with contemporary dietary guidelines.<sup>75</sup>

One of the major updates came from the United States Department of Agriculture’s Food and Nutrition Service (FNS) in 2024. These updates aimed to provide WIC participants with a broader variety of foods that meet the latest nutritional science and support healthy dietary patterns. The revisions included increasing the variety and number of fruits and vegetables. Additionally, canned fish and beans are now included in more food packages, and there is increased flexibility in the amount of infant formula provided to partially breastfed infants.<sup>76, 77</sup>

Given these updates, spending on WIC has dramatically increased. The FY 2023 “Food and Nutrition Assistance Landscape” Annual Report by the USDA found that spending on food-assistance programs (including SNAP and WIC) decreased in FY 2023 but remained higher than spending in years before 2020.<sup>78</sup>

WIC spending in 2020 totaled \$6.6 billion, reflecting an increase in program participation and food cost increases. Spending decreased in FY 2023 largely due to lower spending on Pandemic Electronic Benefit Transfer (P-EBT).<sup>79</sup> WIC participants are shown in Figure 6.

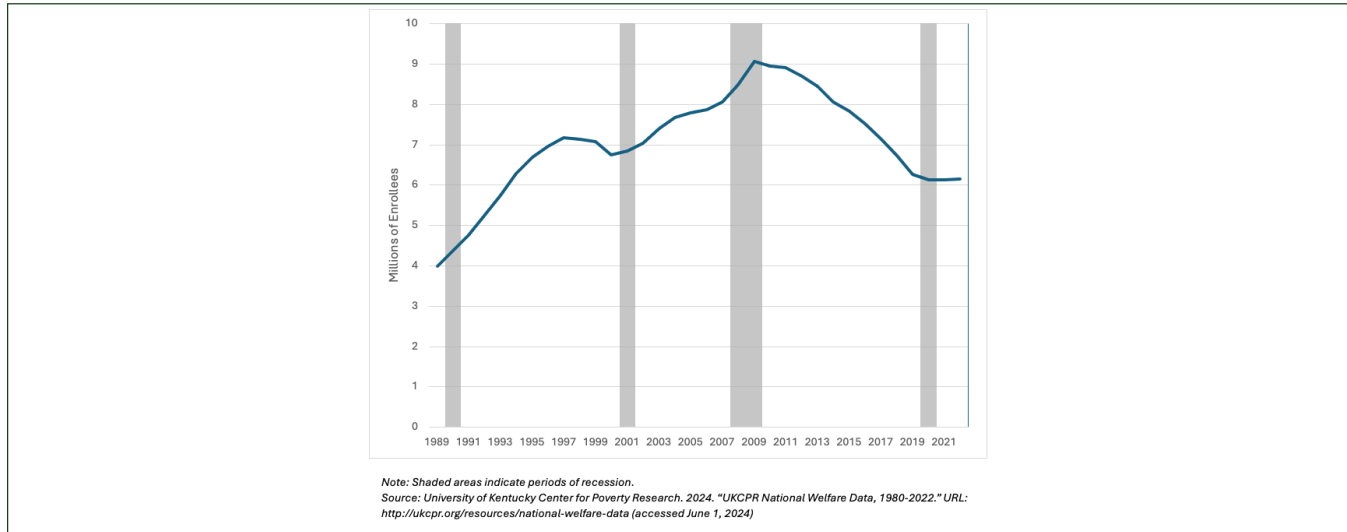


Figure 6: Total WIC Recipients 1989-2022

Research has also shown that the WIC program has a significant impact on the infant formula market. Oliveira, et al. found that “Most of the increase in market share is the direct effect of recipients purchasing the new WIC brand, but spillover effects also boost sales of the brand to non-WIC customers.”<sup>80</sup> The WIC benefits by state are shown in Table 9.

Jurisdiction	Average Monthly Benefits per Recipient	Annual Benefit	Benefits for a Family with 2 Children
Alabama	\$53.36	\$640.27	\$1,280.54
Alaska	\$69.34	\$832.06	\$1,664.12
Arizona	\$49.01	\$588.13	\$1,176.27
Arkansas	\$52.55	\$630.55	\$1,261.10
California	\$64.07	\$768.84	\$1,537.68
Colorado	\$52.13	\$625.58	\$1,251.17
Connecticut	\$58.58	\$703.00	\$1,406.00
Delaware	\$39.37	\$472.40	\$944.80
District of Columbia	\$39.57	\$474.88	\$949.75
Florida	\$61.93	\$743.10	\$1,486.20
Georgia	\$51.79	\$621.46	\$1,242.92
Hawaii	\$67.93	\$815.17	\$1,630.35
Idaho	\$47.60	\$571.14	\$1,142.28
Illinois	\$58.44	\$701.28	\$1,402.56
Indiana	\$48.03	\$576.35	\$1,152.70
Iowa	\$53.80	\$645.62	\$1,291.24
Kansas	\$49.83	\$597.98	\$1,195.96
Kentucky	\$51.15	\$613.74	\$1,227.49
Louisiana	\$50.92	\$610.98	\$1,221.97
Maine	\$51.01	\$612.06	\$1,224.13
Maryland	\$53.99	\$647.86	\$1,295.73
Massachusetts	\$54.82	\$657.79	\$1,315.59

Michigan	\$49.83	\$597.92	\$1,195.84
Minnesota	\$54.31	\$651.71	\$1,303.41
Mississippi	\$48.32	\$579.88	\$1,159.75
Missouri	\$43.51	\$522.15	\$1,044.31
Montana	\$50.37	\$604.39	\$1,208.78
Nebraska	\$46.95	\$563.43	\$1,126.86
Nevada	\$50.84	\$610.06	\$1,220.13
New Hampshire	\$44.63	\$535.51	\$1,071.01
New Jersey	\$76.32	\$915.88	\$1,831.75
New Mexico	\$51.97	\$623.62	\$1,247.24
New York	\$73.25	\$879.01	\$1,758.02
North Carolina	\$47.91	\$574.92	\$1,149.84
North Dakota	\$56.90	\$682.80	\$1,365.60
Ohio	\$55.63	\$667.56	\$1,335.12
Oklahoma	\$44.19	\$530.26	\$1,060.52
Oregon	\$47.83	\$573.99	\$1,147.98
Pennsylvania	\$57.44	\$689.25	\$1,378.50
Rhode Island	\$51.67	\$620.08	\$1,240.16
South Carolina	\$49.65	\$595.85	\$1,191.70
South Dakota	\$47.37	\$568.48	\$1,136.97
Tennessee	\$44.74	\$536.84	\$1,073.68
Texas	\$46.01	\$552.14	\$1,104.28
Utah	\$58.90	\$706.77	\$1,413.54
Vermont	\$48.85	\$586.18	\$1,172.37
Virginia	\$46.64	\$559.72	\$1,119.45
Washington	\$48.15	\$577.81	\$1,155.62
West Virginia	\$44.78	\$537.42	\$1,074.84
Wisconsin	\$38.58	\$462.95	\$925.89
Wyoming	\$50.75	\$609.00	\$1,218.00

*Sources: U.S. Department of Agriculture, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)*

**Table 9: WIC Benefits by State for Families with Two Children**

## **THE EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP)**

The Emergency Food Assistance Program (TEFAP) supplies food to low-income individuals, offering support both directly to families for home consumption and indirectly through agencies that distribute prepared meals. Eligibility criteria for home consumption are determined by each state, with most states using an income threshold or considering applicants who participate in other means-tested programs such as SNAP.<sup>81</sup>

Like other welfare programs, TEFAP spending increased during the pandemic.<sup>82</sup> These additional funds allowed TEFAP to purchase more food and expand its distribution networks. Moreover, TEFAP introduced flexibility in its operations to accommodate social distancing and other public health guidelines. This included the implementation of drive-through food distribution events and home delivery services to minimize physical contact and reduce the risk of virus transmission.<sup>85</sup>

While TEFAP participation data are not available, TEFAP offers estimated weekly and monthly food costs covered based on the age and sex of recipients. Those amounts are shown in Table 10.

This paper estimates the cost of food for a family with a mother aged 20-50 years (\$242.20) with two children

aged 6-8 years old (\$199.40 each) for a monthly cost estimated at \$641 and an annual cost estimated at \$7,692.

Group	Age	Weekly Cost	Monthly Cost
Child	1 year	\$25.20	\$109.20
	2-3 years	\$37.90	\$164.40
	4-5 years	\$41.30	\$179.00
	6-8 years	\$46.00	\$199.40
	9-11 years	\$53.20	\$230.70
Male	12-13 years	\$56.90	\$246.70
	14-19 years	\$71.80	\$311.10
	20-50 years	\$70.10	\$303.60
	51-70 years	\$61.80	\$267.90
	71+ years	\$58.90	\$255.40
Female	12-13 years	\$49.20	\$213.20
	14-19 years	\$57.10	\$247.20
	20-50 years	\$55.90	\$242.30
	51-70 years	\$51.90	\$225.10
	71+ years	\$57.20	\$248.00

Sources: U.S. Department of Agriculture, USDA Food Plans: Monthly Cost of Food Reports

Table 10: TEFAP Benefits by Sex and Age

## LIFELINE PROGRAM FOR LOW-INCOME CONSUMERS AND THE AFFORDABLE CONNECTIVITY PROGRAM (ACP)

The Lifeline Program was established to provide cell phone and internet service to low-income families. Anyone already enrolled in Medicaid, SNAP, Rental Assistance (as well as other programs not included in this paper) is automatically eligible.<sup>84</sup> If the applicant’s household income is at or below 135 percent of the poverty, he or she is also eligible for lifeline. The program offers a service discount of \$9.25 per month for cell phone and/or internet service.

Implemented during the COVID-19 pandemic, the Affordable Connectivity Program (ACP) aimed to provide subsidies for broadband access to low-income households. Both Lifeline and ACP are grouped together because if a recipient was enrolled in Lifeline, he or she was automatically qualified for the ACP.<sup>85</sup> This program offered \$30 per month for qualifying households.<sup>86</sup> Winfree (2024) notes that the program has inadvertently led to higher costs for low-speed internet plans.<sup>87</sup> Furthermore, broadband providers have adjusted their pricing strategies to capture more of the subsidy provided to low-income households, thus increasing the overall cost burden on these consumers.<sup>88</sup> Winfree (2024) suggested phasing out the ACP to prevent further market distortions and rising costs.<sup>89</sup>

As of the date of enrollment freeze on February 8, 2024, there were just under 23 million households (approximately 17.5 percent of all households in the US) enrolled in the ACP.<sup>90</sup> These enrolled households received ACP coverage until the end of the program on June 1, 2024. The FCC notes, however, that “The ACP has ended for now,” implying that it will be brought back in the future.<sup>91</sup>

## Total Welfare Benefits Across the States

Table 11 shows those amounts using all the programs included in this study, which results in a much larger increase in the total value of welfare benefit packages. As with Table 11, the 1995 amount is adjusted to 2023 dollars while the 2013 and 2024 amounts are adjusted for regional price parities (RPPs) by state. Adjusting for RPPs allow for comparisons of purchasing power across the states and DC. These figures represent the amount of benefits a family consisting of a single parent and two dependent children can receive annually. As a caveat, while it is likely for a recipient to be enrolled in multiple welfare benefits programs, it is unlikely for a recipient to be enrolled in all programs discussed in this paper. Alternative welfare program combinations are examined in the next section.

Jurisdiction	1995	2013	2024	Increase Since 1995	Increase Since 2013
Alabama	\$25,677.12	\$30,470.59	\$48,150.19	\$22,473.07	\$17,679.60
Alaska	\$63,601.31	\$34,509.80	\$72,831.32	\$9,230.02	\$38,321.52
Arizona	\$27,849.67	\$20,026.14	\$60,779.98	\$32,930.31	\$40,753.84
Arkansas	\$26,073.20	\$15,986.93	\$44,942.71	\$18,869.51	\$28,955.78
California	\$47,602.61	\$48,575.16	\$76,529.52	\$28,926.90	\$27,954.35
Colorado	\$41,281.05	\$19,281.05	\$68,173.45	\$26,892.40	\$48,892.40
Connecticut	\$58,465.36	\$58,000.00	\$74,781.21	\$16,315.85	\$16,781.21
Delaware	\$42,466.67	\$38,196.08	\$62,972.36	\$20,505.70	\$24,776.28
District of Columbia	\$57,477.12	\$66,431.37	\$102,296.24	\$44,819.11	\$35,864.86
Florida	\$35,949.02	\$16,470.59	\$54,746.07	\$18,797.05	\$38,275.48
Georgia	\$34,368.63	\$18,379.08	\$58,707.58	\$24,338.95	\$40,328.50
Hawaii	\$71,896.73	\$79,202.61	\$75,687.55	\$3,790.82	-\$3,515.06
Idaho	\$35,552.94	\$14,575.16	\$59,764.03	\$24,211.09	\$45,188.87
Illinois	\$38,318.95	\$17,751.63	\$57,269.79	\$18,950.84	\$39,518.16
Indiana	\$37,528.10	\$29,934.64	\$62,678.31	\$25,150.20	\$32,743.67
Iowa	\$37,528.10	\$18,562.09	\$55,782.36	\$18,254.26	\$37,220.27
Kansas	\$34,763.40	\$34,627.45	\$61,910.89	\$27,147.49	\$27,283.44
Kentucky	\$33,183.01	\$17,450.98	\$63,360.70	\$30,177.69	\$45,909.72
Louisiana	\$33,577.78	\$29,084.97	\$58,947.74	\$25,369.96	\$29,862.77
Maine	\$42,664.05	\$18,196.08	\$62,082.31	\$19,418.26	\$43,886.23
Maryland	\$45,033.99	\$49,882.35	\$79,020.53	\$33,986.55	\$29,138.18
Massachusetts	\$60,243.14	\$66,065.36	\$78,846.84	\$18,603.70	\$12,781.48
Michigan	\$38,911.11	\$34,549.02	\$70,922.06	\$32,010.94	\$36,373.04
Minnesota	\$41,083.66	\$38,366.01	\$72,853.95	\$31,770.29	\$34,487.94
Mississippi	\$22,715.03	\$15,464.05	\$50,308.72	\$27,593.69	\$34,844.67
Missouri	\$29,430.07	\$29,803.92	\$55,995.02	\$26,564.95	\$26,191.10
Montana	\$32,196.08	\$35,202.61	\$63,848.70	\$31,652.62	\$28,646.08
Nebraska	\$31,405.23	\$18,849.67	\$66,415.11	\$35,009.88	\$47,565.43
Nevada	\$39,899.35	\$38,980.39	\$79,034.10	\$39,134.76	\$40,053.71
New Hampshire	\$45,033.99	\$51,960.78	\$73,738.72	\$28,704.73	\$21,777.93
New Jersey	\$52,342.48	\$56,797.39	\$76,381.61	\$24,039.13	\$19,584.23
New Mexico	\$36,738.56	\$36,470.59	\$57,919.88	\$21,181.32	\$21,449.29
New York	\$53,922.88	\$57,124.18	\$78,784.65	\$24,861.78	\$21,660.47
North Carolina	\$33,183.01	\$33,673.20	\$57,394.06	\$24,211.06	\$23,720.86
North Dakota	\$34,763.40	\$37,686.27	\$65,374.23	\$30,610.83	\$27,687.95
Ohio	\$34,368.63	\$34,248.37	\$71,585.16	\$37,216.53	\$37,336.79
Oklahoma	\$34,960.78	\$29,385.62	\$48,601.90	\$13,641.11	\$19,216.28
Oregon	\$37,924.18	\$44,836.60	\$69,494.65	\$31,570.47	\$24,658.05
Pennsylvania	\$38,911.11	\$37,477.12	\$58,351.37	\$19,440.26	\$20,874.25
Rhode Island	\$51,552.94	\$56,640.52	\$81,558.92	\$30,005.98	\$24,918.40
South Carolina	\$31,998.69	\$28,640.52	\$63,561.41	\$31,562.72	\$34,920.89
South Dakota	\$34,171.24	\$34,784.31	\$61,721.04	\$27,549.80	\$26,936.73
Tennessee	\$27,060.13	\$15,843.14	\$49,340.63	\$22,280.50	\$33,497.50
Texas	\$30,023.53	\$16,405.23	\$62,030.58	\$32,007.05	\$45,625.35
Utah	\$39,305.88	\$18,235.29	\$70,437.58	\$31,131.70	\$52,202.29
Vermont	\$41,281.05	\$55,359.48	\$60,631.23	\$19,350.18	\$5,271.75
Virginia	\$45,627.45	\$19,437.91	\$82,633.43	\$37,005.98	\$63,195.52
Washington	\$40,886.27	\$37,699.35	\$75,161.84	\$34,275.56	\$37,462.49
West Virginia	\$30,023.53	\$32,549.02	\$55,991.99	\$25,968.46	\$23,442.97
Wisconsin	\$38,318.95	\$19,464.05	\$66,956.23	\$28,637.27	\$47,492.17
Wyoming	\$37,726.80	\$42,640.52	\$61,174.96	\$23,448.17	\$18,534.44

Notes: The amount this hypothetical family of 3 would receive from the EITC in this scenario is based on the maximum amount of income this family could earn while still remaining fully eligible for TANF for the maximum time of 25 months.. Virginia earned income is based upon the TANF eligibility through the VIEW program. VIEW recipients are subject to a 24-month limit on TANF benefits followed by a 24-month period of ineligibility. If a recipient participates in VIEW after his or her period of ineligibility is over, he or she may earn \$1,830 and remain eligible. The amount shown in the table applies to recipients who received an extension or exemption to the time limit.

Sources: U.S. Department of Health and Human Services, U.S. Department of Agriculture, Center for Medicare and Medicaid Services, U.S. Department of Housing and Urban Development, Welfare Rules Database, Tax Foundation, Tanner, Moore, and Hartman (1995), Tanner and Hughes (2013), and Author's calculations. Regional price parities (RPPs) by state and metro area from the U.S. Bureau of Economic Analysis (BEA)

Table 11: Welfare Benefit Totals 1995, 2013, and 2024 (2023 Dollars, adjusted for RPP)



## How Does Welfare Pay Compared to Work?

Tanner and Hughes (2013) found “Welfare currently pays more than a minimum-wage job in 35 states, even after accounting for the Earned Income Tax Credit, and in 13 states it pays more than \$15 per hour.”<sup>92</sup> The results here show that welfare currently pays more than a minimum wage job in all 50 states. It is important to note here that the federal minimum wage has not changed since July 2009, making its inflation-adjusted value lower over time while welfare benefits are adjusted for inflation.<sup>93</sup> This holds true when restricting the programs to those used in the 2013 paper, as well as in all programs included in this paper. These results also account for the Earned Income Tax Credit and Child Tax Credit.

Table 12 compares total welfare benefit packages in each state to the tenth percentile income (a proxy for a starting salary) for each state.

In all 50 states, welfare pays more than the tenth percentile annual income, both before and after taxes.<sup>94</sup>

Jurisdiction	Total Welfare Benefits	Pretax Wage Equivalent (10th Percentile)		Federal Income Tax (Minus Credits)	State Income Tax (Minus Credits)	Total Tax Liability	After-Tax Income
			Payroll Tax				
Alabama	<b><u>\$48,150.19</u></b>	\$21,580	\$1,826.06	-\$8,603.40	\$1,903.50	-\$4,873.85	\$26,453.85
Alaska	<b><u>\$72,831.32</u></b>	\$29,540	\$2,861.10	-\$5,974.20	\$0.00	-\$3,113.10	\$32,653.10
Arizona	<b><u>\$60,779.98</u></b>	\$29,220	\$2,347.79	-\$6,075.60	\$567.25	-\$3,160.57	\$32,380.57
Arkansas	<b><u>\$44,942.71</u></b>	\$24,520	\$1,734.26	-\$7,629.60	\$1,976.92	-\$3,918.43	\$28,438.43
California	<b><u>\$76,529.52</u></b>	\$31,520	\$2,688.21	-\$5,315.60	\$4,818.78	\$2,191.39	\$29,328.61
Colorado	<b><u>\$68,173.45</u></b>	\$30,520	\$2,727.23	-\$5,645.60	-\$1,423.48	-\$4,341.86	\$34,861.86
Connecticut	<b><u>\$74,781.21</u></b>	\$29,550	\$2,844.27	-\$5,963.00	\$3,331.10	\$212.37	\$29,337.63
Delaware	<b><u>\$62,972.36</u></b>	\$26,630	\$2,490.08	-\$6,934.40	\$3,087.85	-\$1,356.48	\$27,986.48
District of Columbia	<b><u>\$102,296.24</u></b>	\$35,790	\$5,227.25	-\$3,908.20	\$10,522.00	\$11,841.05	\$23,948.96
Florida	<b><u>\$54,746.07</u></b>	\$25,070	\$2,005.83	-\$7,447.60	\$0.00	-\$5,441.77	\$30,511.77
Georgia	<b><u>\$58,707.58</u></b>	\$22,830	\$2,164.19	-\$8,190.40	\$1,695.86	-\$4,330.35	\$27,160.35
Hawaii	<b><u>\$75,687.55</u></b>	\$27,850	\$2,597.94	-\$6,525.00	\$8,592.44	\$4,665.38	\$23,184.62
Idaho	<b><u>\$59,764.03</u></b>	\$23,530	\$1,947.69	-\$7,959.40	\$1,066.68	-\$4,945.03	\$28,475.03
Illinois	<b><u>\$57,269.79</u></b>	\$28,370	\$2,515.32	-\$6,356.60	\$1,029.26	-\$2,812.02	\$31,182.02
Indiana	<b><u>\$62,678.31</u></b>	\$24,810	\$2,103.75	-\$7,531.80	\$623.55	-\$4,804.50	\$29,614.50
Iowa	<b><u>\$55,782.36</u></b>	\$24,970	\$2,275.88	-\$7,480.60	\$3,307.05	-\$1,897.68	\$26,867.68
Kansas	<b><u>\$61,910.89</u></b>	\$23,360	\$2,086.16	-\$8,010.80	\$3,104.24	-\$2,820.41	\$26,180.41
Kentucky	<b><u>\$63,360.70</u></b>	\$22,980	\$1,956.87	-\$8,141.40	\$1,480.80	-\$4,703.73	\$27,683.73
Louisiana	<b><u>\$58,947.74</u></b>	\$20,680	\$1,864.31	-\$8,714.40	\$1,265.00	-\$5,585.10	\$26,265.10
Maine	<b><u>\$62,082.31</u></b>	\$29,600	\$2,357.73	-\$5,946.00	\$1,764.75	-\$1,823.52	\$31,423.52
Maryland	<b><u>\$79,020.53</u></b>	\$28,950	\$2,816.73	-\$6,161.00	-\$1,450.93	-\$4,795.20	\$33,745.20
Massachusetts	<b><u>\$78,846.84</u></b>	\$33,140	\$3,354.53	-\$4,784.20	\$2,562.50	\$1,132.83	\$32,007.18
Michigan	<b><u>\$70,922.06</u></b>	\$27,050	\$2,363.85	-\$6,789.00	\$300.85	-\$4,124.30	\$31,174.30
Minnesota	<b><u>\$72,853.95</u></b>	\$29,020	\$2,613.24	-\$6,141.60	\$4,020.00	\$491.64	\$28,528.37
Mississippi	<b><u>\$50,308.72</u></b>	\$20,460	\$1,644.75	-\$8,740.80	\$1,588.60	-\$5,507.45	\$25,967.45
Missouri	<b><u>\$55,995.02</u></b>	\$25,750	\$2,119.82	-\$7,219.00	\$2,558.53	-\$2,540.66	\$28,290.66
Montana	<b><u>\$63,848.70</u></b>	\$24,540	\$2,112.17	-\$7,627.20	\$1,931.99	-\$3,583.05	\$28,123.05
Nebraska	<b><u>\$66,415.11</u></b>	\$25,770	\$2,256.75	-\$7,216.60	\$4,201.64	-\$758.21	\$26,528.21
Nevada	<b><u>\$79,034.10</u></b>	\$23,090	\$2,005.07	-\$8,106.20	\$0.00	-\$6,101.14	\$29,191.14
New Hampshire	<b><u>\$73,738.72</u></b>	\$28,360	\$2,548.98	-\$6,357.80	\$0.00	-\$3,808.82	\$32,168.82
New Jersey	<b><u>\$76,381.61</u></b>	\$29,090	\$2,790.72	-\$6,123.20	\$2,072.67	-\$1,259.81	\$30,349.81
New Mexico	<b><u>\$57,919.88</u></b>	\$24,330	\$1,935.45	-\$7,694.40	-\$14.05	-\$5,773.00	\$30,103.00

*The Work vs Welfare Tradeoff Revisited: Explaining Welfare Benefits at the State Level*

New York	<b><u>\$78,784.65</u></b>	\$31,200	\$2,897.06	-\$5,417.00	\$2,060.60	-\$459.35	\$31,659.35
North Carolina	<b><u>\$57,394.06</u></b>	\$22,960	\$2,081.57	-\$8,143.80	\$1,307.70	-\$4,754.54	\$27,714.54
North Dakota	<b><u>\$65,374.23</u></b>	\$28,250	\$2,509.97	-\$6,392.00	\$639.80	-\$3,242.24	\$31,492.24
Ohio	<b><u>\$71,585.16</u></b>	\$24,650	\$2,306.48	-\$7,132.00	-\$750.88	-\$5,576.40	\$30,226.40
Oklahoma	<b><u>\$48,601.90</u></b>	\$21,930	\$1,874.25	-\$8,488.40	\$1,317.00	-\$5,297.15	\$27,227.15
Oregon	<b><u>\$69,494.65</u></b>	\$30,340	\$2,537.51	-\$5,710.20	\$4,076.96	\$904.27	\$29,435.73
Pennsylvania	<b><u>\$58,351.37</u></b>	\$25,140	\$2,386.04	-\$7,429.20	\$1,405.75	-\$3,637.41	\$28,777.41
Rhode Island	<b><u>\$81,558.92</u></b>	\$28,330	\$2,659.14	-\$6,372.40	\$398.58	-\$3,314.69	\$31,644.69
South Carolina	<b><u>\$63,561.41</u></b>	\$22,320	\$1,856.66	-\$8,356.60	-\$6,183.07	-\$12,683.02	\$35,003.02
South Dakota	<b><u>\$61,721.04</u></b>	\$26,310	\$1,933.16	-\$7,035.80	\$0.00	-\$5,102.65	\$31,412.65
Tennessee	<b><u>\$49,340.63</u></b>	\$23,180	\$1,937.75	-\$8,074.40	\$0.00	-\$6,136.66	\$29,316.66
Texas	<b><u>\$62,030.58</u></b>	\$22,710	\$2,207.79	-\$8,225.80	\$0.00	-\$6,018.01	\$28,728.01
Utah	<b><u>\$70,437.58</u></b>	\$26,200	\$2,285.06	-\$7,070.00	\$706.12	-\$4,078.82	\$30,278.82
Vermont	<b><u>\$60,631.23</u></b>	\$29,540	\$2,503.08	-\$5,974.20	-\$3,159.18	-\$6,630.30	\$36,170.30
Virginia	<b><u>\$82,633.43</u></b>	\$26,280	\$2,577.29	-\$7,050.40	\$1,205.68	-\$3,267.44	\$29,547.44
Washington	<b><u>\$75,161.84</u></b>	\$34,310	\$3,191.58	-\$4,390.80	-\$900.00	-\$2,099.22	\$36,409.22
West Virginia	<b><u>\$55,991.99</u></b>	\$21,940	\$1,772.51	-\$8,487.20	\$2,360.56	-\$4,354.14	\$26,294.14
Wisconsin	<b><u>\$66,956.23</u></b>	\$26,240	\$2,375.33	-\$7,065.20	\$2,753.07	-\$1,936.81	\$28,176.81
Wyoming	<b><u>\$61,174.96</u></b>	\$24,780	\$2,360.03	-\$7,545.40	\$0.00	-\$5,185.38	\$29,965.38

Sources: U.S. Department of Health and Human Services, U.S. Department of Agriculture, Center for Medicare and Medicaid Services, U.S. Department of Housing and Urban Development, Federal Communications Commission, Author's calculations.

**Table 12: Total Welfare Benefits Compared to Starting Salary (10th Percentile)**

Rank	Jurisdiction	Total Welfare Benefits	Pretax Wage Equivalent (50th Percentile)	Percentage of Median Income
1	Arkansas	\$44,942.71	\$37,270.00	120.59%
2	Illinois	\$57,269.79	\$47,480.00	120.62%
3	District of Columbia	\$102,296.24	\$82,930.00	123.35%
4	Tennessee	\$49,340.63	\$39,930.00	123.57%
5	Oklahoma	\$48,601.90	\$39,100.00	124.30%
6	Alabama	\$48,150.19	\$38,470.00	125.16%
7	Iowa	\$55,782.36	\$44,350.00	125.78%
8	Pennsylvania	\$58,351.37	\$45,790.00	127.43%
9	Vermont	\$60,631.23	\$47,320.00	128.13%
10	Missouri	\$55,995.02	\$42,310.00	132.34%
11	Washington	\$75,161.84	\$56,320.00	133.45%
12	Delaware	\$62,972.36	\$47,150.00	133.56%
13	Florida	\$54,746.07	\$40,820.00	134.12%
14	Arizona	\$60,779.98	\$45,290.00	134.20%
15	Wyoming	\$61,174.96	\$45,450.00	134.60%
16	Massachusetts	\$78,846.84	\$58,450.00	134.90%
17	Colorado	\$68,173.45	\$50,250.00	135.67%
18	Maine	\$62,082.31	\$45,420.00	136.68%
19	Georgia	\$58,707.58	\$42,890.00	136.88%
20	North Carolina	\$57,394.06	\$41,810.00	137.27%
21	North Dakota	\$65,374.23	\$47,410.00	137.89%
22	Mississippi	\$50,308.72	\$36,100.00	139.36%
23	Alaska	\$72,831.32	\$52,000.00	140.06%
24	Texas	\$62,030.58	\$43,460.00	142.73%
25	Connecticut	\$74,781.21	\$51,780.00	144.42%
26	New Mexico	\$57,919.88	\$39,900.00	145.16%

27	Oregon	\$69,494.65	\$47,770.00	145.48%
28	Wisconsin	\$66,956.23	\$45,650.00	146.67%
29	Kansas	\$61,910.89	\$41,870.00	147.86%
30	West Virginia	\$55,991.99	\$37,770.00	148.24%
31	Indiana	\$62,678.31	\$42,100.00	148.88%
32	Idaho	\$59,764.03	\$40,060.00	149.19%
33	Minnesota	\$72,853.95	\$48,760.00	149.41%
34	New Jersey	\$76,381.61	\$51,080.00	149.53%
35	New York	\$78,784.65	\$52,470.00	150.15%
36	Nebraska	\$66,415.11	\$44,100.00	150.60%
37	Montana	\$63,848.70	\$42,210.00	151.26%
38	Louisiana	\$58,947.74	\$38,970.00	151.26%
39	Maryland	\$79,020.53	\$51,420.00	153.68%
40	California	\$76,529.52	\$49,740.00	153.86%
41	New Hampshire	\$73,738.72	\$47,920.00	153.88%
42	South Dakota	\$61,721.04	\$39,870.00	154.81%
43	Hawaii	\$75,687.55	\$48,560.00	155.86%
44	Michigan	\$70,922.06	\$45,500.00	155.87%
45	Kentucky	\$63,360.70	\$40,180.00	157.69%
46	Utah	\$70,437.58	\$44,470.00	158.39%
47	Ohio	\$71,585.16	\$44,750.00	159.97%
48	South Carolina	\$63,561.41	\$38,870.00	163.52%
49	Rhode Island	\$81,558.92	\$49,360.00	165.23%
50	Virginia	\$82,633.43	\$48,290.00	171.12%
51	Nevada	\$79,034.10	\$40,810.00	193.66%

Sources: U.S. Department of Health and Human Services, U.S. Department of Agriculture, Center for Medicare and Medicaid Services, U.S. Department of Housing and Urban Development, Federal Communications Commission, Author's calculations.

Table 13: Total Welfare Benefits as a Percentage of State Median Income

In all 50 states, total welfare benefits pay more than the state median income. If a family does receive all the benefits measured in this paper (albeit doing so is incredibly rare) welfare recipients have a massive incentive not to work. It is important to note, however, that while Table 13 portrays rare instances in which a family would be receiving all benefits measured in this study, most welfare recipients are enrolled in multiple programs. This section will also examine several alternative scenarios of welfare benefit distribution. That distribution is based on the most likely combinations of benefits determined by the Office of the Assistant Secretary for Planning and Evaluation (ASPE).

The first bundle shows that of a TANF recipient, who is most likely to receive two or more programs (including eligibility for the EITC). It is also important to note that, with a TANF recipient extremely likely to receive SNAP and Medicaid, the probability of receiving housing assistance and energy assistance increases. In addition, receiving these programs automatically enrolls the recipient for cell phone and internet assistance (both Lifeline and the ACP). The greater amount between total welfare benefits and a post-tax starting salary (tenth percentile income) is in bold and italics.

The Work vs Welfare Tradeoff Revisited: Explaining Welfare Benefits at the State Level

Jurisdiction	TANF	SNAP	Housing	Medicaid	LIHEAP	EITC*	State EITC	Lifeline and ACP	Total	Starting Salary
Alabama	\$2,580.00	\$4,337.79	\$12,429.21	\$6,848.05	\$805.00	\$130.00	\$0.00	\$174.00	<b>\$27,304.05</b>	\$26,453.85
Alaska	\$11,076.00	\$4,286.59	\$18,213.92	\$9,083.22	\$1,350.00	\$930.00	\$0.00	\$174.00	<b>\$45,113.73</b>	\$32,653.10
Arizona	\$3,336.00	\$4,679.38	\$17,206.24	\$8,921.21	\$1,437.00	\$230.00	\$0.00	\$174.00	<b>\$35,983.83</b>	\$32,380.57
Arkansas	\$2,448.00	\$4,538.57	\$11,285.95	\$7,849.95	\$496.00	\$270.00	\$0.00	\$174.00	\$27,062.47	<b>\$28,438.43</b>
California	\$11,760.00	\$4,973.63	\$24,321.93	\$8,810.95	\$880.00	\$950.00	\$427.50	\$174.00	<b>\$52,298.01</b>	\$29,328.61
Colorado	\$6,708.00	\$4,956.20	\$18,865.80	\$7,629.05	\$465.00	\$510.00	\$127.50	\$174.00	<b>\$39,435.55</b>	\$34,861.86
Connecticut	\$9,252.00	\$4,955.81	\$21,212.09	\$9,249.15	\$997.00	\$770.00	\$177.10	\$174.00	<b>\$46,787.15</b>	\$29,337.63
Delaware	\$4,056.00	\$4,858.85	\$18,860.80	\$9,877.08	\$1,451.00	\$590.00	\$26.55	\$174.00	<b>\$39,894.28</b>	\$27,986.48
District of Columbia	\$7,980.00	\$4,682.35	\$26,829.60	\$12,871.12	\$1,174.00	\$870.00	\$609.00	\$174.00	<b>\$55,190.07</b>	\$23,948.96
Florida	\$3,636.00	\$4,580.24	\$17,776.19	\$6,124.24	\$1,327.00	\$330.00	\$0.00	\$174.00	<b>\$33,947.67</b>	\$30,511.77
Georgia	\$3,360.00	\$5,231.52	\$14,494.99	\$5,830.17	\$965.00	\$270.00	\$0.00	\$174.00	<b>\$30,325.68</b>	\$27,160.35
Hawaii	\$7,320.00	\$4,511.54	\$27,324.00	\$7,246.82	\$2,398.00	\$570.00	\$114.00	\$174.00	<b>\$49,658.36</b>	\$23,184.62
Idaho	\$3,708.00	\$4,925.05	\$14,005.96	\$7,827.38	\$357.00	\$390.00	\$0.00	\$174.00	<b>\$31,387.40</b>	\$28,475.03
Illinois	\$6,588.00	\$4,742.50	\$12,118.45	\$8,731.45	\$940.00	\$870.00	\$174.00	\$174.00	<b>\$34,338.40</b>	\$31,182.02
Indiana	\$3,456.00	\$6,120.02	\$12,665.35	\$9,389.60	\$536.00	\$810.00	\$81.00	\$174.00	<b>\$33,231.97</b>	\$29,614.50
Iowa	\$5,112.00	\$5,333.69	\$11,475.08	\$8,489.98	\$792.00	\$510.00	\$76.50	\$174.00	<b>\$31,963.25</b>	\$26,867.68
Kansas	\$5,148.00	\$4,966.22	\$11,721.23	\$10,096.23	\$664.00	\$470.00	\$79.90	\$174.00	<b>\$33,319.58</b>	\$26,180.41
Kentucky	\$3,144.00	\$4,332.98	\$12,034.24	\$9,341.50	\$472.00	\$250.00	\$0.00	\$174.00	<b>\$29,748.72</b>	\$27,683.73
Louisiana	\$5,808.00	\$4,030.36	\$13,035.68	\$7,657.44	\$1,079.00	\$250.00	\$12.50	\$174.00	<b>\$32,046.97</b>	\$26,265.10
Maine	\$7,536.00	\$5,079.90	\$14,301.71	\$10,771.50	\$755.00	\$650.00	\$78.00	\$174.00	<b>\$39,346.12</b>	\$31,423.52
Maryland	\$10,344.00	\$4,967.85	\$21,095.90	\$9,554.73	\$851.00	\$490.00	\$137.20	\$174.00	<b>\$47,614.68</b>	\$33,745.20
Massachusetts	\$9,024.00	\$4,597.59	\$25,099.77	\$11,879.30	\$1,344.00	\$690.00	\$207.00	\$174.00	<b>\$53,015.67</b>	\$32,007.18
Michigan	\$5,904.00	\$4,859.19	\$12,743.48	\$7,558.35	\$9.00	\$470.00	\$141.00	\$174.00	<b>\$31,859.02</b>	\$31,174.30
Minnesota	\$7,692.00	\$4,577.86	\$13,718.68	\$12,366.61	\$1,105.00	\$1,070.00	\$267.50	\$174.00	<b>\$40,971.65</b>	\$28,528.37
Mississippi	\$3,120.00	\$5,327.40	\$12,253.81	\$8,043.59	\$1,830.00	\$190.00	\$0.00	\$174.00	<b>\$30,938.80</b>	\$25,967.45
Missouri	\$3,504.00	\$3,865.89	\$11,434.92	\$9,888.68	\$843.00	\$150.00	\$15.00	\$174.00	<b>\$29,875.49</b>	\$28,290.66
Montana	\$7,056.00	\$3,882.56	\$12,498.90	\$8,432.28	\$689.00	\$330.00	\$9.90	\$174.00	<b>\$33,072.64</b>	\$28,123.05
Nebraska	\$5,820.00	\$5,105.67	\$11,170.30	\$10,653.85	\$872.00	\$710.00	\$71.00	\$174.00	<b>\$34,576.81</b>	\$26,528.21
Nevada	\$4,632.00	\$9,545.09	\$17,308.52	\$6,141.03	\$573.00	\$190.00	\$0.00	\$174.00	<b>\$38,563.64</b>	\$29,191.14
New Hampshire	\$13,812.00	\$4,732.84	\$18,072.61	\$10,383.05	\$1,342.00	\$930.00	\$0.00	\$174.00	<b>\$49,446.50</b>	\$32,168.82
New Jersey	\$6,708.00	\$4,680.95	\$23,746.97	\$10,200.78	\$571.00	\$450.00	\$180.00	\$174.00	<b>\$46,711.70</b>	\$30,349.81
New Mexico	\$5,364.00	\$4,584.00	\$13,038.98	\$8,331.67	\$524.00	\$410.00	\$102.50	\$174.00	<b>\$32,529.15</b>	\$30,103.00
New York	\$9,468.00	\$5,022.99	\$17,611.86	\$10,884.16	\$1,239.00	\$590.00	\$177.00	\$174.00	<b>\$45,167.00</b>	\$31,659.35
North Carolina	\$3,264.00	\$4,405.52	\$14,240.57	\$8,880.73	\$335.00	\$270.00	\$0.00	\$174.00	<b>\$31,569.82</b>	\$27,714.54
North Dakota	\$5,832.00	\$4,448.12	\$12,230.35	\$12,535.35	\$1,171.00	\$270.00	\$0.00	\$174.00	<b>\$36,660.82</b>	\$31,492.24
Ohio	\$6,504.00	\$4,203.16	\$12,022.64	\$9,508.21	\$312.00	\$530.00	\$159.00	\$174.00	<b>\$33,413.00</b>	\$30,226.40
Oklahoma	\$3,504.00	\$4,298.39	\$11,983.70	\$6,985.62	\$691.00	\$330.00	\$16.50	\$174.00	<b>\$27,983.21</b>	\$27,227.15
Oregon	\$6,072.00	\$4,746.91	\$17,450.40	\$10,968.75	\$788.00	\$410.00	\$36.90	\$174.00	<b>\$40,646.96</b>	\$29,435.73
Pennsylvania	\$4,836.00	\$4,939.81	\$13,688.78	\$12,101.94	\$610.00	\$490.00	\$0.00	\$174.00	<b>\$36,840.52</b>	\$28,777.41
Rhode Island	\$8,652.00	\$4,345.42	\$22,148.68	\$9,263.54	\$1,318.00	\$690.00	\$103.50	\$174.00	<b>\$46,695.14</b>	\$31,644.69
South Carolina	\$3,696.00	\$4,812.72	\$14,165.22	\$6,150.43	\$1,526.00	\$410.00	\$170.85	\$174.00	\$31,105.21	<b>\$35,003.02</b>
South Dakota	\$7,560.00	\$4,644.73	\$12,456.84	\$8,823.99	\$687.00	\$350.00	\$0.00	\$174.00	<b>\$34,696.56</b>	\$31,412.65
Tennessee	\$4,644.00	\$5,231.52	\$13,417.62	\$6,933.45	\$1,449.00	\$710.00	\$0.00	\$174.00	<b>\$32,559.59</b>	\$29,316.66
Texas	\$3,744.00	\$4,057.82	\$14,206.62	\$8,379.29	\$2,200.00	\$130.00	\$0.00	\$174.00	<b>\$32,891.73</b>	\$28,728.01
Utah	\$5,976.00	\$4,452.44	\$14,773.82	\$9,062.77	\$1,056.00	\$430.00	\$0.00	\$174.00	<b>\$35,925.03</b>	\$30,278.82
Vermont	\$9,732.00	\$4,701.95	\$16,800.08	\$8,312.50	\$572.00	\$530.00	\$190.80	\$174.00	<b>\$41,013.33</b>	\$36,170.30
Virginia	\$7,044.00	\$4,586.10	\$16,860.67	\$10,163.97	\$1,358.00	\$730.00	\$146.00	\$174.00	<b>\$41,062.74</b>	\$29,547.44
Washington	\$7,848.00	\$5,729.27	\$18,788.00	\$11,271.91	\$453.00	\$530.00	\$0.00	\$174.00	<b>\$44,794.18</b>	\$36,409.22
West Virginia	\$6,504.00	\$9,771.86	\$11,761.13	\$8,246.74	\$479.00	\$370.00	\$0.00	\$174.00	<b>\$37,306.73</b>	\$26,294.14
Wisconsin	\$7,566.00	\$4,244.50	\$12,597.67	\$8,179.34	\$432.00	\$0.00	\$0.00	\$174.00	<b>\$33,193.50</b>	\$28,176.81
Wyoming	\$9,372.00	\$4,602.37	\$13,790.82	\$8,995.54	\$593.00	\$550.00	\$0.00	\$174.00	<b>\$38,077.73</b>	\$29,965.38

Notes: EITC is based on the maximum amount of earned income allowed for a family of 3 that allows them to receive the EITC and remain eligible for TANF by month 25. Virginia earned income is based upon the TANF eligibility through the VIEW program. VIEW recipients are subject to a 24-month limit on TANF benefits followed by a 24-month period of ineligibility. If a recipient participates in VIEW after his or her period of ineligibility is over, he or she may earn \$1,830 and remain eligible. The amount shown in the table applies to recipients who received an extension or exemption to the time limit.

Sources: U.S. Department of Health and Human Services, U.S. Department of Agriculture, Center for Medicare and Medicaid Services, U.S. Department of Housing and Urban Development, Welfare Rules Database, Tax Foundation, and Author's calculations.

Table 14: Does Welfare Pay More Than Starting Salary? (TANF Bundle)

This bundle of welfare programs pays more than the starting salary (tenth percentile income) in 48 states and DC. The only states where a starting salary pays more than welfare are Arkansas and South Carolina.

The next bundle examined is the most common bundle of welfare assistance based on Macartney and Ghtner (2019): Medicaid, SNAP, and the EITC compared to a starting salary (tenth percentile income after taxes).<sup>95</sup> This combination, however, does not pay more than a starting salary in any state.

Jurisdiction	SNAP	Medicaid	EITC*	State EITC	Total	Starting Salary
Alabama	\$4,337.79	\$6,848.05	\$4,337.00	\$0.00	\$15,522.84	<b>\$26,453.85</b>
Alaska	\$4,286.59	\$9,083.22	\$4,337.00	\$0.00	\$17,706.81	<b>\$32,653.10</b>
Arizona	\$4,679.38	\$8,921.21	\$4,337.00	\$0.00	\$17,937.59	<b>\$32,380.57</b>
Arkansas	\$4,538.57	\$7,849.95	\$4,337.00	\$0.00	\$16,725.52	<b>\$28,438.43</b>
California	\$4,973.63	\$8,810.95	\$4,337.00	\$1,951.65	\$20,073.23	<b>\$29,328.61</b>
Colorado	\$4,956.20	\$7,629.05	\$4,337.00	\$1,084.25	\$18,006.50	<b>\$34,861.86</b>
Connecticut	\$4,955.81	\$9,249.15	\$4,337.00	\$997.51	\$19,539.47	<b>\$29,337.63</b>
Delaware	\$4,858.85	\$9,877.08	\$4,337.00	\$195.17	\$19,268.10	<b>\$27,986.48</b>
District of Columbia	\$4,682.35	\$12,871.12	\$4,337.00	\$3,035.90	\$24,926.37	<b>\$23,948.96</b>
Florida	\$4,580.24	\$6,124.24	\$4,337.00	\$0.00	\$15,041.48	<b>\$30,511.77</b>
Georgia	\$5,231.52	\$5,830.17	\$4,337.00	\$0.00	\$15,398.69	<b>\$27,160.35</b>
Hawaii	\$4,511.54	\$7,246.82	\$4,337.00	\$867.40	\$16,962.76	<b>\$23,184.62</b>
Idaho	\$4,925.05	\$7,827.38	\$4,337.00	\$0.00	\$17,089.43	<b>\$28,475.03</b>
Illinois	\$4,742.50	\$8,731.45	\$4,337.00	\$867.40	\$18,678.35	<b>\$31,182.02</b>
Indiana	\$6,120.02	\$9,389.60	\$4,337.00	\$433.70	\$20,280.32	<b>\$29,614.50</b>
Iowa	\$5,333.69	\$8,489.98	\$4,337.00	\$650.55	\$18,811.22	<b>\$26,867.68</b>
Kansas	\$4,966.22	\$10,096.23	\$4,337.00	\$737.29	\$20,136.74	<b>\$26,180.41</b>
Kentucky	\$4,332.98	\$9,341.50	\$4,337.00	\$0.00	\$18,011.48	<b>\$27,683.73</b>
Louisiana	\$4,030.36	\$7,657.44	\$4,337.00	\$216.85	\$16,241.65	<b>\$26,265.10</b>
Maine	\$5,079.90	\$10,771.50	\$4,337.00	\$520.44	\$20,708.84	<b>\$31,423.52</b>
Maryland	\$4,967.85	\$9,554.73	\$4,337.00	\$1,214.36	\$20,073.94	<b>\$33,745.20</b>
Massachusetts	\$4,597.59	\$11,879.30	\$4,337.00	\$1,301.10	\$22,114.99	<b>\$32,007.18</b>
Michigan	\$4,859.19	\$7,558.35	\$4,337.00	\$1,301.10	\$18,055.64	<b>\$31,174.30</b>
Minnesota	\$4,577.86	\$12,366.61	\$4,337.00	\$1,084.25	\$22,365.72	<b>\$28,528.37</b>
Mississippi	\$5,327.40	\$8,043.59	\$4,337.00	\$0.00	\$17,707.99	<b>\$25,967.45</b>
Missouri	\$3,865.89	\$9,888.68	\$4,337.00	\$433.70	\$18,525.27	<b>\$28,290.66</b>
Montana	\$3,882.56	\$8,432.28	\$4,337.00	\$130.11	\$16,781.95	<b>\$28,123.05</b>
Nebraska	\$5,105.67	\$10,653.85	\$4,337.00	\$433.70	\$20,530.22	<b>\$26,528.21</b>
Nevada	\$9,545.09	\$6,141.03	\$4,337.00	\$0.00	\$20,023.12	<b>\$29,191.14</b>
New Hampshire	\$4,732.84	\$10,383.05	\$4,337.00	\$0.00	\$19,452.89	<b>\$32,168.82</b>
New Jersey	\$4,680.95	\$10,200.78	\$4,337.00	\$1,734.80	\$20,953.53	<b>\$30,349.81</b>
New Mexico	\$4,584.00	\$8,331.67	\$4,337.00	\$1,084.25	\$18,336.92	<b>\$30,103.00</b>
New York	\$5,022.99	\$10,884.16	\$4,337.00	\$1,301.10	\$21,545.25	<b>\$31,659.35</b>
North Carolina	\$4,405.52	\$8,880.73	\$4,337.00	\$0.00	\$17,623.25	<b>\$27,714.54</b>
North Dakota	\$4,448.12	\$12,535.35	\$4,337.00	\$0.00	\$21,320.47	<b>\$31,492.24</b>
Ohio	\$4,203.16	\$9,508.21	\$4,337.00	\$1,301.10	\$19,349.47	<b>\$30,226.40</b>
Oklahoma	\$4,298.39	\$6,985.62	\$4,337.00	\$216.85	\$15,837.86	<b>\$27,227.15</b>

Oregon	\$4,746.91	\$10,968.75	\$4,337.00	\$390.33	\$20,442.99	<b>\$29,435.73</b>
Pennsylvania	\$4,939.81	\$12,101.94	\$4,337.00	\$0.00	\$21,378.75	<b>\$28,777.41</b>
Rhode Island	\$4,345.42	\$9,263.54	\$4,337.00	\$650.55	\$18,596.51	<b>\$31,644.69</b>
South Carolina	\$4,812.72	\$6,150.43	\$4,337.00	\$1,807.23	\$17,107.38	<b>\$35,003.02</b>
South Dakota	\$4,644.73	\$8,823.99	\$4,337.00	\$0.00	\$17,805.72	<b>\$31,412.65</b>
Tennessee	\$5,231.52	\$6,933.45	\$4,337.00	\$0.00	\$16,501.97	<b>\$29,316.66</b>
Texas	\$4,057.82	\$8,379.29	\$4,337.00	\$0.00	\$16,774.11	<b>\$28,728.01</b>
Utah	\$4,452.44	\$9,062.77	\$4,337.00	\$0.00	\$17,852.21	<b>\$30,278.82</b>
Vermont	\$4,701.95	\$8,312.50	\$4,337.00	\$1,561.32	\$18,912.77	<b>\$36,170.30</b>
Virginia	\$4,586.10	\$10,163.97	\$4,337.00	\$867.40	\$19,954.47	<b>\$29,547.44</b>
Washington	\$5,729.27	\$11,271.91	\$4,337.00	\$0.00	\$21,338.18	<b>\$36,409.22</b>
West Virginia	\$9,771.86	\$8,246.74	\$4,337.00	\$0.00	\$22,355.60	<b>\$26,294.14</b>
Wisconsin	\$4,244.50	\$8,179.34	\$4,337.00	\$477.07	\$17,237.91	<b>\$28,176.81</b>
Wyoming	\$4,602.37	\$8,995.54	\$4,337.00	\$0.00	\$17,934.91	<b>\$29,965.38</b>

Notes: EITC is based on the maximum amount of earned income allowed for a family of 3 in order to remain eligible for TANF by month 25. Virginia earned income is based upon the TANF eligibility through the VIEW program. VIEW recipients are subject to a 24-month limit on TANF benefits followed by a 24-month period of ineligibility. If a recipient participates in VIEW after his or her period of ineligibility is over, he or she may earn \$1,830 and remain eligible. The amount shown in the table applies to recipients who received an extension or exemption to the time limit.

Sources: U.S. Department of Health and Human Services, U.S. Department of Agriculture, Center for Medicare and Medicaid Services, U.S. Department of Housing and Urban Development, Welfare Rules Database, Tax Foundation, and Author's calculations.

Table 15: Does Welfare Pay More Than Starting Salary? (Macartney and Ghertner Bundle)

## Policy Solutions

### GENERAL PRINCIPLES FOR ENDING WELFARE DEPENDENCE

While welfare provides short-term relief to recipients, the generosity of these benefits punishes work by incentivizing recipients to remain on welfare for as long as possible. Given the myriad of programs, this section offers broader principles for ending dependence on the welfare state, adapted from various research on removing barriers to work and welfare reform.<sup>96</sup>

### WELFARE REFORM

The best welfare reform is to get all levels of government out of the way. The federal government lacks the ability to know the best possible allocation of resources to help the poor. That is evident by the billions of dollars in improper payments (both by mistake and through fraud) made through the welfare system each year.<sup>97</sup> With the wide array of programs, receiving benefits becomes contingent on knowing how the interconnected system of welfare benefits works, not need.<sup>98</sup>

If government welfare programs must exist, it would be ideal to consolidate all programs into a single cash-transfer program, eliminating the in-kind benefit programs, and allowing recipients to budget for themselves. If Americans are to receive welfare, require they work or prepare for work as a condition for receiving aid, as well as removing penalties against marriage within the welfare system (i.e. higher payouts to singles than households for various programs). Ultimately, the best way to fight poverty is by allowing the private sector (through both access to employment and private charity) to tackle the issue.

## **REMOVE BARRIERS TO EMPLOYMENT ENTRY**

The Federal Register and state regulatory codes intervene in almost every aspect of American life. Policymakers must repeal regulations that create barriers to entry for someone seeking employment (i.e. occupational licensing requirements) as well as regulations that limit the number participants in a market. Regulations often add difficulty to finding work, starting a business, and even hiring additional staff. Minimum wage laws also negatively impact employment and create barriers to entry for low-skilled workers. Research shows that minimum wages reduce employment, income mobility, and increase prices for all consumers.<sup>99</sup> These regulations create “benefit cliffs” or “welfare traps” where individuals choosing to leave welfare lose more value in benefits than they gain from increased income, creating an incentive not to work. These traps inadvertently block Americans from the single greatest solution to poverty: employment.<sup>100</sup> By increasing the difficulty for potential workers to find a job and for employers to hire, more workers have an incentive to sign up for or remain on welfare.<sup>101</sup>

## **SOUND TAX REFORM ALLOWS AMERICANS TO KEEP WHAT THEY EARN**

Another contributor to benefit cliffs are income taxes, especially progressive income taxes. Progressive income taxes reduce the payoff to work and investment on the margin by imposing higher tax rates on higher levels of marginal income.<sup>102</sup> Even in cases where tax credits, such as the Earned Income Tax Credit (EITC), can help offset some benefits cliffs, these tax credits punish taxpayers in other ways, such as punishing marriage. Under the current EITC parameters, a married couple with two children would exhaust benefits at \$62,688, while a single parent would do so at just under \$7,000 less.<sup>103</sup> Tanner (2022) notes, “Thus, the single parent can continue to receive benefits at higher income levels relative to the poverty level than married couples can—and the credit is more generous since the benefits are being distributed among the three people, rather than four.”<sup>104</sup> In addition, the complexity of the EITC has led to a high error rate (both fraud and improper calculation).<sup>105</sup>

Policymakers must also replace graduated income taxes with a flat income tax and a simplified tax code so taxpayers can keep more of what they earn up front instead of requiring taxpayers to request it back through credits and deductions. When combined with spending reductions, the best income tax rate is a zero percent income tax, allowing workers to keep the income they earn.

## **PRESERVING THE DOLLAR’S PURCHASING POWER**

Ideally, the supply and demand for money would respond directly to market actors without government intervention, but that is not the world we live in. Given that the Federal Reserve exists and has a monopoly on providing legal tender in the United States, it must be constrained by rules.

Real median earnings have only just recovered to 2020 levels thanks to above-average inflation from 2020-2024.<sup>106</sup> Monetary policy was a major contributor to that above-average inflation since 2020.<sup>107</sup> As purchasing power decreases from inflation, a single dollar’s ability to purchase goods and services diminishes and household financial stress increases. The stronger the purchasing power of the dollar, the less incentive someone has to seek financial assistance from the government (all else remaining equal). Research shows that a rules-based monetary policy better protects purchasing power than the current policy of “constrained discretion” where monetary policy can be adversely affected by political pressures.<sup>108</sup>

## **Universal Savings Accounts: An Alternative to the Entitlement Status Quo**

An alternative to adjusting entitlement policies is to replace all entitlements with a “universal savings account (USA).” Economist Adam Michel describes a USA as an account, “that would function similarly to retirement accounts—income saved in the account would only be taxed once—but without restrictions on who can contribute, on what the funds can be used for, or when they can be spent.”<sup>109</sup> Michel and others have noted that current tax and fiscal policy punishes savings through income and payroll taxes and then again through corporate income taxes, taxes on investment income, or taxes transfers (i.e. taxes on gifts and inheritance).<sup>110, 111</sup> McBride, et al (2024) also notes that USAs are in place in Canada and the United Kingdom, where “tax-advantaged savings vehicles with unrestricted use of funds” allow citizens to secure their financial stability.<sup>112</sup>

Economist Veronique de Rugy made a similar case for Personal Unemployment Insurance Accounts (PISAs).<sup>113</sup> de Rugy explains that these accounts are similar to 401(k)s. The accounts are financed through payroll tax contributions from both the employer and employee and are individually owned by workers. When the worker is unemployed, he or she can make withdrawals to compensate for the loss to their incomes. When the worker does go back to work, he or she can build their PISA balance back up. Upon retirement, retirees can also use PISAs to bolster their retirement income or transfer funds to others named in their will should the PISA owner pass away.<sup>114</sup>

PISAs were initially pioneered by Chile in 2002 and are currently in place in several Latin American countries as well as in Austria and Jordan.<sup>115</sup> In addition to the PISAs Chile also includes a public safety net, known as the solidarity fund, financed by employers and the government, similar to UI trust funds.<sup>116</sup> de Rugy notes that the solidarity fund creates the same incentives not to work as a traditional UI, such as postponing a search for a new job until benefit payments are expected to stop.<sup>117</sup>

While individual retirement accounts (IRA) and health savings accounts (HSA) reduced the cost of savings, taxpayers are punished if money is withdrawn before the government designated retirement age from an IRA or if HSA funds are not used for a government-approved health expense. Replacing the myriads of entitlements with a USA would allow the average person to tailor their savings and investments to their specific financial needs.

## **Conclusion**

Each program included in this paper requires its own in-depth analysis to understand program intricacies, flaws, and options for reform, which go beyond the scope of this paper. While some programs, such as Medicaid, TANF, and SNAP, have generated large amounts of research on their respective flaws and possible reforms, there is scant literature elsewhere. This paper hopes to highlight the need for welfare reform, which will spur additional in-depth analyses of all welfare programs and inspire substantial reforms. Excessively generous welfare programs are likely to reduce work efforts, especially when welfare benefits compare favorably to the post-tax median wage. The way forward is a combined effort of welfare, tax, and regulatory reform to help Americans escape welfare traps and find gainful employment, which is the true path out of poverty.



## Appendix: Tax Liability Calculations

All Rates Sourced From the Tax Foundation.<sup>118, 119</sup>

### FEDERAL TAX LIABILITIES

Jurisdiction	Median annual wage	Standard Deduction	Taxable Income	Social Security Payroll Tax Rate	Medicare Payroll Tax Rate	Income Tax Bill	Payroll Taxes	EITC	CTC	Income Tax Bill Minus Credits
Alabama	\$50,620.00	\$14,600.00	\$36,020.00	6.20%	1.45%	\$5,482.40	\$2,755.53	\$483.00	\$4,000.00	\$999.40
Alaska	\$66,130.00	\$14,600.00	\$51,530.00	6.20%	1.45%	\$18,154.60	\$3,942.05	\$0.00	\$4,000.00	\$14,154.60
Arizona	\$58,620.00	\$14,600.00	\$44,020.00	6.20%	1.45%	\$6,442.40	\$3,367.53	\$0.00	\$4,000.00	\$2,442.40
Arkansas	\$48,570.00	\$14,600.00	\$33,970.00	6.20%	1.45%	\$5,236.40	\$2,598.71	\$915.00	\$4,000.00	\$321.40
California	\$73,220.00	\$14,600.00	\$58,620.00	6.20%	1.45%	\$19,714.40	\$4,484.43	\$0.00	\$4,000.00	\$15,714.40
Colorado	\$67,870.00	\$14,600.00	\$53,270.00	6.20%	1.45%	\$18,537.40	\$4,075.16	\$0.00	\$4,000.00	\$14,537.40
Connecticut	\$69,310.00	\$14,600.00	\$54,710.00	6.20%	1.45%	\$18,854.20	\$4,185.32	\$0.00	\$4,000.00	\$14,854.20
Delaware	\$62,260.00	\$14,600.00	\$47,660.00	6.20%	1.45%	\$17,303.20	\$3,645.99	\$0.00	\$4,000.00	\$13,303.20
District of Columbia	\$102,060.00	\$14,600.00	\$87,460.00	6.20%	1.45%	\$26,059.20	\$6,690.69	\$0.00	\$4,000.00	\$22,059.20
Florida	\$55,980.00	\$14,600.00	\$41,380.00	6.20%	1.45%	\$6,125.60	\$3,165.57	\$0.00	\$4,000.00	\$2,125.60
Georgia	\$58,000.00	\$14,600.00	\$43,400.00	6.20%	1.45%	\$6,368.00	\$3,320.10	\$0.00	\$4,000.00	\$2,368.00
Hawaii	\$61,420.00	\$14,600.00	\$46,820.00	6.20%	1.45%	\$6,778.40	\$3,581.73	\$0.00	\$4,000.00	\$2,778.40
Idaho	\$51,350.00	\$14,600.00	\$36,750.00	6.20%	1.45%	\$5,570.00	\$2,811.38	\$325.00	\$4,000.00	\$1,245.00
Illinois	\$63,930.00	\$14,600.00	\$49,330.00	6.20%	1.45%	\$17,670.60	\$3,773.75	\$0.00	\$4,000.00	\$13,670.60
Indiana	\$53,500.00	\$14,600.00	\$38,900.00	6.20%	1.45%	\$5,828.00	\$2,975.85	\$0.00	\$4,000.00	\$1,828.00
Iowa	\$53,520.00	\$14,600.00	\$38,920.00	6.20%	1.45%	\$5,830.40	\$2,977.38	\$0.00	\$4,000.00	\$1,830.40
Kansas	\$52,850.00	\$14,600.00	\$38,250.00	6.20%	1.45%	\$5,750.00	\$2,926.13	\$10.00	\$4,000.00	\$1,740.00
Kentucky	\$51,490.00	\$14,600.00	\$36,890.00	6.20%	1.45%	\$5,586.80	\$2,822.09	\$304.00	\$4,000.00	\$1,282.80
Louisiana	\$50,940.00	\$14,600.00	\$36,340.00	6.20%	1.45%	\$5,520.80	\$2,780.01	\$420.00	\$4,000.00	\$1,100.80
Maine	\$55,960.00	\$14,600.00	\$41,360.00	6.20%	1.45%	\$6,123.20	\$3,164.04	\$0.00	\$4,000.00	\$2,123.20
Maryland	\$69,750.00	\$14,600.00	\$55,150.00	6.20%	1.45%	\$18,951.00	\$4,218.98	\$0.00	\$4,000.00	\$14,951.00
Massachusetts	\$76,600.00	\$14,600.00	\$62,000.00	6.20%	1.45%	\$20,458.00	\$4,743.00	\$0.00	\$4,000.00	\$16,458.00
Michigan	\$58,000.00	\$14,600.00	\$43,400.00	6.20%	1.45%	\$6,368.00	\$3,320.10	\$0.00	\$4,000.00	\$2,368.00
Minnesota	\$63,640.00	\$14,600.00	\$49,040.00	6.20%	1.45%	\$17,606.80	\$3,751.56	\$0.00	\$4,000.00	\$13,606.80
Mississippi	\$45,180.00	\$14,600.00	\$30,580.00	6.20%	1.45%	\$4,829.60	\$2,339.37	\$1,631.00	\$4,000.00	-\$801.40
Missouri	\$54,520.00	\$14,600.00	\$39,920.00	6.20%	1.45%	\$5,950.40	\$3,053.88	\$0.00	\$4,000.00	\$1,950.40
Montana	\$52,220.00	\$14,600.00	\$37,620.00	6.20%	1.45%	\$5,674.40	\$2,877.93	\$146.00	\$4,000.00	\$1,528.40
Nebraska	\$55,070.00	\$14,600.00	\$40,470.00	6.20%	1.45%	\$6,016.40	\$3,095.96	\$0.00	\$4,000.00	\$2,016.40
Nevada	\$55,490.00	\$14,600.00	\$40,890.00	6.20%	1.45%	\$6,066.80	\$3,128.09	\$0.00	\$4,000.00	\$2,066.80
New Hampshire	\$62,550.00	\$14,600.00	\$47,950.00	6.20%	1.45%	\$17,367.00	\$3,668.18	\$0.00	\$4,000.00	\$13,367.00
New Jersey	\$70,890.00	\$14,600.00	\$56,290.00	6.20%	1.45%	\$19,201.80	\$4,306.19	\$0.00	\$4,000.00	\$15,201.80
New Mexico	\$54,400.00	\$14,600.00	\$39,800.00	6.20%	1.45%	\$5,936.00	\$3,044.70	\$0.00	\$4,000.00	\$1,936.00
New York	\$74,870.00	\$14,600.00	\$60,270.00	6.20%	1.45%	\$20,077.40	\$4,610.66	\$0.00	\$4,000.00	\$16,077.40
North Carolina	\$56,220.00	\$14,600.00	\$41,620.00	6.20%	1.45%	\$6,154.40	\$3,183.93	\$0.00	\$4,000.00	\$2,154.40
North Dakota	\$55,800.00	\$14,600.00	\$41,200.00	6.20%	1.45%	\$6,104.00	\$3,151.80	\$0.00	\$4,000.00	\$2,104.00
Ohio	\$56,530.00	\$14,600.00	\$41,930.00	6.20%	1.45%	\$6,191.60	\$3,207.65	\$0.00	\$4,000.00	\$2,191.60
Oklahoma	\$50,940.00	\$14,600.00	\$36,340.00	6.20%	1.45%	\$5,520.80	\$2,780.01	\$420.00	\$4,000.00	\$1,100.80
Oregon	\$62,680.00	\$14,600.00	\$48,080.00	6.20%	1.45%	\$17,395.60	\$3,678.12	\$0.00	\$4,000.00	\$13,395.60
Pennsylvania	\$58,470.00	\$14,600.00	\$43,870.00	6.20%	1.45%	\$6,424.40	\$3,356.06	\$0.00	\$4,000.00	\$2,424.40
Rhode Island	\$64,530.00	\$14,600.00	\$49,930.00	6.20%	1.45%	\$17,802.60	\$3,819.65	\$0.00	\$4,000.00	\$13,802.60
South Carolina	\$50,650.00	\$14,600.00	\$36,050.00	6.20%	1.45%	\$5,486.00	\$2,757.83	\$420.00	\$4,000.00	\$1,066.00
South Dakota	\$49,890.00	\$14,600.00	\$35,290.00	6.20%	1.45%	\$5,394.80	\$2,699.69	\$641.00	\$4,000.00	\$753.80
Tennessee	\$52,820.00	\$14,600.00	\$38,220.00	6.20%	1.45%	\$5,746.40	\$2,923.83	\$20.00	\$4,000.00	\$1,726.40
Texas	\$57,300.00	\$14,600.00	\$42,700.00	6.20%	1.45%	\$6,284.00	\$3,266.55	\$0.00	\$4,000.00	\$2,284.00
Utah	\$57,360.00	\$14,600.00	\$42,760.00	6.20%	1.45%	\$6,291.20	\$3,271.14	\$0.00	\$4,000.00	\$2,291.20
Vermont	\$59,190.00	\$14,600.00	\$44,590.00	6.20%	1.45%	\$6,510.80	\$3,411.14	\$0.00	\$4,000.00	\$2,510.80
Virginia	\$65,590.00	\$14,600.00	\$50,990.00	6.20%	1.45%	\$18,035.80	\$3,900.74	\$0.00	\$4,000.00	\$14,035.80
Washington	\$72,350.00	\$14,600.00	\$57,750.00	6.20%	1.45%	\$19,523.00	\$4,417.88	\$0.00	\$4,000.00	\$15,523.00
West Virginia	\$49,170.00	\$14,600.00	\$34,570.00	6.20%	1.45%	\$5,308.40	\$2,644.61	\$789.00	\$4,000.00	\$519.40
Wisconsin	\$56,120.00	\$14,600.00	\$41,520.00	6.20%	1.45%	\$6,142.40	\$3,176.28	\$0.00	\$4,000.00	\$2,142.40
Wyoming	\$54,440.00	\$14,600.00	\$39,840.00	6.20%	1.45%	\$5,940.80	\$3,047.76	\$0.00	\$4,000.00	\$1,940.80

*The Work vs Welfare Tradeoff Revisited: Explaining Welfare Benefits at the State Level*

Jurisdiction	Annual 10th percentile wage	Standard Deduction	Taxable Income	Social Security Payroll Tax Rate	Medicare Payroll Tax Rate	Income Tax Bill	Payroll Taxes	EITC	CTC	Income Tax Bill Minus Credits
Alabama	\$21,580.00	\$14,600.00	\$6,980.00	6.20%	1.45%	\$1,997.60	\$533.97	\$6,601.00	\$4,000.00	-\$8,603.40
Alaska	\$29,540.00	\$14,600.00	\$14,940.00	6.20%	1.45%	\$2,952.80	\$1,142.91	\$4,927.00	\$4,000.00	-\$5,974.20
Arizona	\$29,220.00	\$14,600.00	\$14,620.00	6.20%	1.45%	\$2,914.40	\$1,118.43	\$4,990.00	\$4,000.00	-\$6,075.60
Arkansas	\$24,520.00	\$14,600.00	\$9,920.00	6.20%	1.45%	\$2,350.40	\$758.88	\$5,980.00	\$4,000.00	-\$7,629.60
California	\$31,520.00	\$14,600.00	\$16,920.00	6.20%	1.45%	\$3,190.40	\$1,294.38	\$4,506.00	\$4,000.00	-\$5,315.60
Colorado	\$30,520.00	\$14,600.00	\$15,920.00	6.20%	1.45%	\$3,070.40	\$1,217.88	\$4,716.00	\$4,000.00	-\$5,645.60
Connecticut	\$29,550.00	\$14,600.00	\$14,950.00	6.20%	1.45%	\$2,954.00	\$1,143.68	\$4,917.00	\$4,000.00	-\$5,963.00
Delaware	\$26,630.00	\$14,600.00	\$12,030.00	6.20%	1.45%	\$2,603.60	\$920.30	\$5,538.00	\$4,000.00	-\$6,934.40
District of Columbia	\$35,790.00	\$14,600.00	\$21,190.00	6.20%	1.45%	\$3,702.80	\$1,621.04	\$3,611.00	\$4,000.00	-\$3,908.20
Florida	\$25,070.00	\$14,600.00	\$10,470.00	6.20%	1.45%	\$2,416.40	\$800.96	\$5,864.00	\$4,000.00	-\$7,447.60
Georgia	\$22,830.00	\$14,600.00	\$8,230.00	6.20%	1.45%	\$2,147.60	\$629.60	\$6,338.00	\$4,000.00	-\$8,190.40
Hawaii	\$27,850.00	\$14,600.00	\$13,250.00	6.20%	1.45%	\$2,750.00	\$1,013.63	\$5,275.00	\$4,000.00	-\$6,525.00
Idaho	\$23,530.00	\$14,600.00	\$8,930.00	6.20%	1.45%	\$2,231.60	\$683.15	\$6,191.00	\$4,000.00	-\$7,959.40
Illinois	\$28,370.00	\$14,600.00	\$13,770.00	6.20%	1.45%	\$2,812.40	\$1,053.41	\$5,169.00	\$4,000.00	-\$6,356.60
Indiana	\$24,810.00	\$14,600.00	\$10,210.00	6.20%	1.45%	\$2,385.20	\$781.07	\$5,917.00	\$4,000.00	-\$7,531.80
Iowa	\$24,970.00	\$14,600.00	\$10,370.00	6.20%	1.45%	\$2,404.40	\$793.31	\$5,885.00	\$4,000.00	-\$7,480.60
Kansas	\$23,360.00	\$14,600.00	\$8,760.00	6.20%	1.45%	\$2,211.20	\$670.14	\$6,222.00	\$4,000.00	-\$8,010.80
Kentucky	\$22,980.00	\$14,600.00	\$8,380.00	6.20%	1.45%	\$2,165.60	\$641.07	\$6,307.00	\$4,000.00	-\$8,141.40
Louisiana	\$20,680.00	\$14,600.00	\$6,080.00	6.20%	1.45%	\$1,889.60	\$465.12	\$6,604.00	\$4,000.00	-\$8,714.40
Maine	\$29,600.00	\$14,600.00	\$15,000.00	6.20%	1.45%	\$2,960.00	\$1,147.50	\$4,906.00	\$4,000.00	-\$5,946.00
Maryland	\$28,950.00	\$14,600.00	\$14,350.00	6.20%	1.45%	\$2,882.00	\$1,097.78	\$5,043.00	\$4,000.00	-\$6,161.00
Massachusetts	\$33,140.00	\$14,600.00	\$18,540.00	6.20%	1.45%	\$3,384.80	\$1,418.31	\$4,169.00	\$4,000.00	-\$4,784.20
Michigan	\$27,050.00	\$14,600.00	\$12,450.00	6.20%	1.45%	\$2,654.00	\$952.43	\$5,443.00	\$4,000.00	-\$6,789.00
Minnesota	\$29,020.00	\$14,600.00	\$14,420.00	6.20%	1.45%	\$2,890.40	\$1,103.13	\$5,032.00	\$4,000.00	-\$6,141.60
Mississippi	\$20,460.00	\$14,600.00	\$5,860.00	6.20%	1.45%	\$1,863.20	\$448.29	\$6,604.00	\$4,000.00	-\$8,740.80
Missouri	\$25,750.00	\$14,600.00	\$11,150.00	6.20%	1.45%	\$2,498.00	\$852.98	\$5,717.00	\$4,000.00	-\$7,219.00
Montana	\$24,540.00	\$14,600.00	\$9,940.00	6.20%	1.45%	\$2,352.80	\$760.41	\$5,980.00	\$4,000.00	-\$7,627.20
Nebraska	\$25,770.00	\$14,600.00	\$11,170.00	6.20%	1.45%	\$2,500.40	\$854.51	\$5,717.00	\$4,000.00	-\$7,216.60
Nevada	\$23,090.00	\$14,600.00	\$8,490.00	6.20%	1.45%	\$2,178.80	\$649.49	\$6,285.00	\$4,000.00	-\$8,106.20
New Hampshire	\$28,360.00	\$14,600.00	\$13,760.00	6.20%	1.45%	\$2,811.20	\$1,052.64	\$5,169.00	\$4,000.00	-\$6,357.80
New Jersey	\$29,090.00	\$14,600.00	\$14,490.00	6.20%	1.45%	\$2,898.80	\$1,108.49	\$5,022.00	\$4,000.00	-\$6,123.20
New Mexico	\$24,330.00	\$14,600.00	\$9,730.00	6.20%	1.45%	\$2,327.60	\$744.35	\$6,022.00	\$4,000.00	-\$7,694.40
New York	\$31,200.00	\$14,600.00	\$16,600.00	6.20%	1.45%	\$3,152.00	\$1,269.90	\$4,569.00	\$4,000.00	-\$5,417.00
North Carolina	\$22,960.00	\$14,600.00	\$8,360.00	6.20%	1.45%	\$2,163.20	\$639.54	\$6,307.00	\$4,000.00	-\$8,143.80
North Dakota	\$28,250.00	\$14,600.00	\$13,650.00	6.20%	1.45%	\$2,798.00	\$1,044.23	\$5,190.00	\$4,000.00	-\$6,392.00
Ohio	\$24,650.00	\$14,600.00	\$10,050.00	6.20%	1.45%	\$2,366.00	\$768.83	\$5,498.00	\$4,000.00	-\$7,132.00
Oklahoma	\$21,930.00	\$14,600.00	\$7,330.00	6.20%	1.45%	\$2,039.60	\$560.75	\$6,528.00	\$4,000.00	-\$8,488.40
Oregon	\$30,340.00	\$14,600.00	\$15,740.00	6.20%	1.45%	\$3,048.80	\$1,204.11	\$4,759.00	\$4,000.00	-\$5,710.20
Pennsylvania	\$25,140.00	\$14,600.00	\$10,540.00	6.20%	1.45%	\$2,424.80	\$806.31	\$5,854.00	\$4,000.00	-\$7,429.20
Rhode Island	\$28,330.00	\$14,600.00	\$13,730.00	6.20%	1.45%	\$2,807.60	\$1,050.35	\$5,180.00	\$4,000.00	-\$6,372.40
South Carolina	\$22,320.00	\$14,600.00	\$7,720.00	6.20%	1.45%	\$2,086.40	\$590.58	\$6,443.00	\$4,000.00	-\$8,356.60
South Dakota	\$26,310.00	\$14,600.00	\$11,710.00	6.20%	1.45%	\$2,565.20	\$895.82	\$5,601.00	\$4,000.00	-\$7,035.80
Tennessee	\$23,180.00	\$14,600.00	\$8,580.00	6.20%	1.45%	\$2,189.60	\$656.37	\$6,264.00	\$4,000.00	-\$8,074.40
Texas	\$22,710.00	\$14,600.00	\$8,110.00	6.20%	1.45%	\$2,133.20	\$620.42	\$6,359.00	\$4,000.00	-\$8,225.80
Utah	\$26,200.00	\$14,600.00	\$11,600.00	6.20%	1.45%	\$2,552.00	\$887.40	\$5,622.00	\$4,000.00	-\$7,070.00
Vermont	\$29,540.00	\$14,600.00	\$14,940.00	6.20%	1.45%	\$2,952.80	\$1,142.91	\$4,927.00	\$4,000.00	-\$5,974.20
Virginia	\$26,280.00	\$14,600.00	\$11,680.00	6.20%	1.45%	\$2,561.60	\$893.52	\$5,612.00	\$4,000.00	-\$7,050.40
Washington	\$34,310.00	\$14,600.00	\$19,710.00	6.20%	1.45%	\$3,525.20	\$1,507.82	\$3,916.00	\$4,000.00	-\$4,390.80
West Virginia	\$21,940.00	\$14,600.00	\$7,340.00	6.20%	1.45%	\$2,040.80	\$561.51	\$6,528.00	\$4,000.00	-\$8,487.20
Wisconsin	\$26,240.00	\$14,600.00	\$11,640.00	6.20%	1.45%	\$2,556.80	\$890.46	\$5,622.00	\$4,000.00	-\$7,065.20
Wyoming	\$24,780.00	\$14,600.00	\$10,180.00	6.20%	1.45%	\$2,381.60	\$778.77	\$5,927.00	\$4,000.00	-\$7,545.40

## STATE INCOME TAX LIABILITIES

Jurisdiction	Pretax Wage Equivalent (10th Percentile)	Standard Deduction	Taxable Income	State Income Tax Bill	EITC	CTC	State Tax Bill Minus Credits
Alabama	\$38,470.00	\$3,000.00	\$35,470.00	1,903.50	0.00	0.00	\$1,903.50
Alaska	\$52,000.00	\$0.00	\$52,000.00	0.00	0.00	0.00	\$0.00
Arizona	\$45,290.00	\$14,600.00	\$30,690.00	767.25	0.00	200.00	\$567.25
Arkansas	\$37,270.00	\$2,340.00	\$34,930.00	1,976.92	0.00	0.00	\$1,976.92
California	\$49,740.00	\$5,363.00	\$44,377.00	4,818.78	0.00	0.00	\$4,818.78
Colorado	\$50,250.00	\$14,600.00	\$35,650.00	1,568.60	1,792.08	1,200.00	-\$1,423.48
Connecticut	\$51,780.00	\$0.00	\$51,780.00	5,297.90	1,966.80	0.00	\$3,331.10
Delaware	\$47,150.00	\$3,250.00	\$43,900.00	4,195.45	1,107.60	0.00	\$3,087.85
District of Columbia	\$82,930.00	\$14,600.00	\$68,330.00	12,508.05	1,986.05	0.00	\$10,522.00
Florida	\$40,820.00	\$12,000.00	\$28,820.00	0.00	0.00	0.00	\$0.00
Georgia	\$42,890.00	\$12,000.00	\$30,890.00	1,695.86	0.00	0.00	\$1,695.86
Hawaii	\$48,560.00	\$2,200.00	\$46,360.00	11,068.84	2,476.40	0.00	\$8,592.44
Idaho	\$40,060.00	\$14,600.00	\$25,460.00	1,476.68	0.00	410.00	\$1,066.68
Illinois	\$47,480.00	\$0.00	\$47,480.00	2,350.26	1,321.00	0.00	\$1,029.26
Indiana	\$42,100.00	\$0.00	\$42,100.00	1,284.05	660.50	0.00	\$623.55
Iowa	\$44,350.00	\$0.00	\$44,350.00	4,297.80	990.75	0.00	\$3,307.05
Kansas	\$41,870.00	\$3,500.00	\$38,370.00	4,227.09	1,122.85	0.00	\$3,104.24
Kentucky	\$40,180.00	\$3,160.00	\$37,020.00	1,480.80	0.00	0.00	\$1,480.80
Louisiana	\$38,970.00	\$0.00	\$38,970.00	1,595.20	330.20	0.00	\$1,265.00
Maine	\$45,420.00	\$14,600.00	\$30,820.00	3,591.25	1,226.50	600.00	\$1,764.75
Maryland	\$51,420.00	\$2,550.00	\$48,870.00	2,521.33	2,972.25	1,000.00	-\$1,450.93
Massachusetts	\$58,450.00	\$0.00	\$58,450.00	2,922.50	0.00	360.00	\$2,562.50
Michigan	\$45,500.00	\$0.00	\$45,500.00	1,933.75	1,632.90	0.00	\$300.85
Minnesota	\$48,760.00	\$14,575.00	\$34,185.00	4,020.00	0.00	0.00	\$4,020.00
Mississippi	\$36,100.00	\$2,300.00	\$33,800.00	1,588.60	0.00	0.00	\$1,588.60
Missouri	\$42,310.00	\$14,600.00	\$27,710.00	2,558.53	0.00	0.00	\$2,558.53
Montana	\$42,210.00	\$14,600.00	\$27,610.00	2,592.49	660.50	0.00	\$1,931.99
Nebraska	\$44,100.00	\$7,900.00	\$36,200.00	4,773.34	571.70	0.00	\$4,201.64
Nevada	\$40,810.00	\$0.00	\$40,810.00	0.00	0.00	0.00	\$0.00
New Hampshire	\$47,920.00	\$0.00	\$47,920.00	0.00	0.00	0.00	\$0.00
New Jersey	\$51,080.00	\$0.00	\$51,080.00	5,114.67	2,642.00	400.00	\$2,072.67
New Mexico	\$39,900.00	\$14,600.00	\$25,300.00	2,437.20	1,651.25	800.00	-\$14.05
New York	\$52,470.00	\$8,000.00	\$44,470.00	4,042.10	1,981.50	0.00	\$2,060.60
North Carolina	\$41,810.00	\$12,750.00	\$29,060.00	1,307.70	0.00	0.00	\$1,307.70
North Dakota	\$47,410.00	\$14,600.00	\$32,810.00	639.80	0.00	0.00	\$639.80
Ohio	\$44,750.00	\$0.00	\$44,750.00	1,230.63	1,981.50	0.00	-\$750.88
Oklahoma	\$39,100.00	\$6,350.00	\$32,750.00	2,047.25	330.25	400.00	\$1,317.00
Oregon	\$47,770.00	\$2,745.00	\$45,025.00	4,869.56	792.60	0.00	\$4,076.96
Pennsylvania	\$45,790.00	\$0.00	\$45,790.00	1,405.75	0.00	0.00	\$1,405.75
Rhode Island	\$49,360.00	\$10,550.00	\$38,810.00	1,455.38	1,056.80	0.00	\$398.58
South Carolina	\$38,870.00	\$14,600.00	\$24,270.00	2,073.18	8,256.25	0.00	-\$6,183.07
South Dakota	\$39,870.00	\$0.00	\$39,870.00	0.00	0.00	0.00	\$0.00
Tennessee	\$39,930.00	\$0.00	\$39,930.00	0.00	0.00	0.00	\$0.00

*The Work vs Welfare Tradeoff Revisited: Explaining Welfare Benefits at the State Level*

Texas	\$43,460.00	\$0.00	\$43,460.00	0.00	0.00	0.00	\$0.00
Utah	\$44,470.00	\$876.00	\$43,594.00	2,027.12	1,321.00	0.00	\$706.12
Vermont	\$47,320.00	\$7,000.00	\$40,320.00	1,350.72	2,509.90	2,000.00	-\$3,159.18
Virginia	\$48,290.00	\$8,000.00	\$40,290.00	2,526.68	1,321.00	0.00	\$1,205.68
Washington	\$56,320.00	\$0.00	\$56,320.00	0.00	900.00	0.00	-\$900.00
West Virginia	\$37,770.00	\$0.00	\$37,770.00	2,360.56	0.00	0.00	\$2,360.56
Wisconsin	\$45,650.00	\$13,230.00	\$32,420.00	3,479.62	726.55	0.00	\$2,753.07
Wyoming	\$45,450.00	\$0.00	\$45,450.00	0.00	0.00	0.00	\$0.00

Jurisdiction	Mean annual wage	Standard Deduction	Taxable Income	State Income Tax Bill	EITC	CTC	State Tax Bill Minus Credits
Alabama	\$50,620.00	\$3,000.00	\$47,620.00	2,511.00	0.00	0.00	\$2,511.00
Alaska	\$66,130.00	\$0.00	\$66,130.00	0.00	0.00	0.00	\$0.00
Arizona	\$58,620.00	\$14,600.00	\$44,020.00	1,100.50	0.00	200.00	\$900.50
Arkansas	\$48,570.00	\$2,340.00	\$46,230.00	2,474.12	0.00	0.00	\$2,474.12
California	\$73,220.00	\$5,363.00	\$67,857.00	9,922.26	0.00	0.00	\$9,922.26
Colorado	\$67,870.00	\$14,600.00	\$53,270.00	2,343.88	1,792.08	1,200.00	-\$648.20
Connecticut	\$69,310.00	\$0.00	\$69,310.00	6,262.05	1,966.80	0.00	\$4,295.25
Delaware	\$62,260.00	\$3,250.00	\$59,010.00	5,034.06	1,107.60	0.00	\$3,926.46
District of Columbia	\$102,060.00	\$14,600.00	\$87,460.00	14,134.10	1,986.05	0.00	\$12,148.05
Florida	\$55,980.00	\$12,000.00	\$43,980.00	0.00	0.00	0.00	\$0.00
Georgia	\$58,000.00	\$12,000.00	\$46,000.00	2,525.40	0.00	0.00	\$2,525.40
Hawaii	\$61,420.00	\$2,200.00	\$59,220.00	12,084.78	2,476.40	0.00	\$9,608.38
Idaho	\$51,350.00	\$14,600.00	\$36,750.00	2,131.50	0.00	410.00	\$1,721.50
Illinois	\$63,930.00	\$0.00	\$63,930.00	3,164.54	1,321.00	0.00	\$1,843.54
Indiana	\$53,500.00	\$0.00	\$53,500.00	1,631.75	660.50	0.00	\$971.25
Iowa	\$53,520.00	\$0.00	\$53,520.00	4,820.49	990.75	0.00	\$3,829.74
Kansas	\$52,850.00	\$3,500.00	\$49,350.00	4,852.95	1,122.85	0.00	\$3,730.10
Kentucky	\$51,490.00	\$3,160.00	\$48,330.00	1,933.20	0.00	0.00	\$1,933.20
Louisiana	\$50,940.00	\$0.00	\$50,940.00	2,833.70	330.20	0.00	\$2,503.50
Maine	\$55,960.00	\$14,600.00	\$41,360.00	4,302.70	1,226.50	600.00	\$2,476.20
Maryland	\$69,750.00	\$2,550.00	\$67,200.00	3,392.00	2,972.25	1,000.00	-\$580.25
Massachusetts	\$76,600.00	\$0.00	\$76,600.00	3,830.00	0.00	360.00	\$3,470.00
Michigan	\$58,000.00	\$0.00	\$58,000.00	2,465.00	1,632.90	0.00	\$832.10
Minnesota	\$63,640.00	\$14,575.00	\$49,065.00	5,031.84	0.00	0.00	\$5,031.84
Mississippi	\$45,180.00	\$2,300.00	\$42,880.00	2,015.36	0.00	0.00	\$2,015.36
Missouri	\$54,520.00	\$14,600.00	\$39,920.00	3,144.61	0.00	0.00	\$3,144.61
Montana	\$52,220.00	\$14,600.00	\$37,620.00	3,183.08	660.50	0.00	\$2,522.58
Nebraska	\$55,070.00	\$7,900.00	\$47,170.00	5,413.99	571.70	0.00	\$4,842.29
Nevada	\$55,490.00	\$0.00	\$55,490.00	0.00	0.00	0.00	\$0.00
New Hampshire	\$62,550.00	\$0.00	\$62,550.00	0.00	0.00	0.00	\$0.00
New Jersey	\$70,890.00	\$0.00	\$70,890.00	6,209.17	2,642.00	400.00	\$3,167.17

*The Work vs Welfare Tradeoff Revisited: Explaining Welfare Benefits at the State Level*

New Mexico	\$54,400.00	\$14,600.00	\$39,800.00	3,147.70	1,651.25	800.00	\$696.45
New York	\$74,870.00	\$8,000.00	\$66,870.00	5,274.10	1,981.50	0.00	\$3,292.60
North Carolina	\$56,220.00	\$12,750.00	\$43,470.00	1,956.15	0.00	0.00	\$1,956.15
North Dakota	\$55,800.00	\$14,600.00	\$41,200.00	803.40	0.00	0.00	\$803.40
Ohio	\$56,530.00	\$0.00	\$56,530.00	1,554.58	1,981.50	0.00	-\$426.93
Oklahoma	\$50,940.00	\$6,350.00	\$44,590.00	2,609.65	330.25	400.00	\$1,879.40
Oregon	\$62,680.00	\$2,745.00	\$59,935.00	6,174.19	792.60	0.00	\$5,381.59
Pennsylvania	\$58,470.00	\$0.00	\$58,470.00	1,795.03	0.00	0.00	\$1,795.03
Rhode Island	\$64,530.00	\$10,550.00	\$53,980.00	2,024.25	1,056.80	0.00	\$967.45
South Carolina	\$50,650.00	\$14,600.00	\$36,050.00	2,827.10	8,256.25	0.00	-\$5,429.15
South Dakota	\$49,890.00	\$0.00	\$49,890.00	0.00	0.00	0.00	\$0.00
Tennessee	\$52,820.00	\$0.00	\$52,820.00	0.00	0.00	0.00	\$0.00
Texas	\$57,300.00	\$0.00	\$57,300.00	0.00	0.00	0.00	\$0.00
Utah	\$57,360.00	\$876.00	\$56,484.00	2,626.51	1,321.00	0.00	\$1,305.51
Vermont	\$59,190.00	\$7,000.00	\$52,190.00	4,965.44	2,509.90	2,000.00	\$455.54
Virginia	\$65,590.00	\$8,000.00	\$57,590.00	3,521.43	1,321.00	0.00	\$2,200.43
Washington	\$72,350.00	\$0.00	\$72,350.00	0.00	900.00	0.00	-\$900.00
West Virginia	\$49,170.00	\$0.00	\$49,170.00	4,760.32	0.00	0.00	\$4,760.32
Wisconsin	\$56,120.00	\$13,230.00	\$42,890.00	4,034.53	726.55	0.00	\$3,307.98
Wyoming	\$54,440.00	\$0.00	\$54,440.00	0.00	0.00	0.00	\$0.00

## ENDNOTES

1. “Public Benefits.” Legal Information Institute, Cornell Law School. Accessed July 1, 2024.  
[https://www.law.cornell.edu/wex/public\\_benefits](https://www.law.cornell.edu/wex/public_benefits).
2. Broder, Tanya and Lessard, Gabrielle. “Guide: Overview of Immigrant Eligibility for Federal Programs.” National Immigration Law Center. 1 May 2024. Accessed November 22, 2024.  
<https://www.nilc.org/resources/overview-immeligfedprograms/>.
3. “Update: Top Challenges in Pandemic Relief and Response.” U.S. Offices of Inspector General. 3 Feb 2021. Accessed November 22, 2024.  
<https://www.oversight.gov/sites/default/files/documents/reports/2021-02/PRAC-Update-Top-Challenges-Pandemic-Relief-and-Response.pdf>.
4. Rector, Robert, and Vijay Menon. “Understanding the Hidden \$1.1 Trillion Welfare System and How to Reform It.” Heritage Foundation, 2018. Accessed July 1, 2024.  
<https://www.heritage.org/welfare/report/understanding-the-hidden-11-trillion-welfare-system-and-how-reform-it>.
5. Congressional Budget Office. “The Budget and Economic Outlook: 2020 to 2030.” Accessed July 1, 2024.  
[https://www.cbo.gov/publication/59946#\\_idTextAnchor010](https://www.cbo.gov/publication/59946#_idTextAnchor010).
6. USAFacts. “Households.” Accessed July 1, 2024.  
<https://usafacts.org/data/topics/people-society/population-and-demographics/population-data/households/>.
7. McCoy, Jacob. “Benefit Cliffs: When It Doesn’t Make Sense To Work.” Cardinal Institute (blog), December 7, 2023.  
<https://cardinalinstitute.com/benefit-cliffs-when-it-doesnt-make-sense-to-work/>.
8. Tanner, Michael D. “Welfare Reform” in *Empowering the New American Worker*. Cato Institute, 2022. Accessed July 1, 2024.  
<https://www.cato.org/publications/welfare-reform#issue>.
9. Cowen, Tyler. “Does the Welfare State Help the Poor?” *Social Philosophy and Policy* Vol 19, no 1 (2002). Accessed July 1, 2024. pp. 36-54  
<https://www.cambridge.org/core/journals/social-philosophy-and-policy/article/abs/does-the-welfare-state-help-the-poor/FF0399B26971721486BE75A1703A3BE1>.
10. Feldstein, Martin. “Welfare.” *Library of Economics and Liberty*. Accessed July 1, 2024.  
<https://www.econlib.org/library/Enc/Welfare.html>.
11. Ibid.
12. “Netting Taxes and Transfers to U.S. Households.” Manhattan Institute. Accessed July 1, 2024.  
<https://manhattan.institute/article/netting-taxes-and-transfers-to-u-s-households#notes>.
13. Ibid.
14. Ford, Leslie. “Safety-Net Reform: How State Policymakers Can Lead.” The Heritage Foundation. Accessed July 1, 2024.  
<https://www.heritage.org/welfare/report/safety-net-reform-how-state-policymakers-can-lead>.
15. Brookings. “The Social Safety Net Looks Different in Every State.” Accessed July 1, 2024.  
<https://www.brookings.edu/articles/the-social-safety-net-looks-different-in-every-state/>.
16. Tanner, Michael D., Stephen Moore, and David Hartman. “The Work Versus Welfare Trade-Off: An Analysis of the Total Level of Welfare Benefits by State.” Cato Institute, September 19, 1995.  
<https://www.cato.org/policy-analysis/work-versus-welfare-trade-analysis-total-level-welfare-benefits-state>.
17. Tanner, Michael and Hughes, Charles. “The Work versus Welfare Trade-Off: 2013,” August 19, 2013. Cato Institute. Accessed July 1, 2024.  
<https://www.cato.org/white-paper/work-versus-welfare-trade-2013>.
18. Tanner and Hughes 2013, *supra* note 15.
19. Ibid.
20. Macartney, Suzanne and Ghentner, Robin. “How Many People Participate in the Social Safety Net?” ASPE. Accessed July 1, 2024. January 20, 2023.  
<https://aspe.hhs.gov/reports/people-participate-social-safety-net>.
21. “Table 6: Households Receiving TANF, SNAP, WIC, or SSI During Year.” *Survey of Income and Program Participation (SIPP)*. U.S. Census Bureau. Last Revised June 2023. Accessed August 13, 2024.  
<https://www.census.gov/data/tables/2021/demo/public-assistance/sipp-receipts.html>.
22. Macartney and Robin, *supra* note 18.

## ENDNOTES

23. ASPE. “How Many People That Receive One Safety Net Benefit Also Receive Others,” January 20, 2023. <https://aspe.hhs.gov/reports/people-receive-one-safety-net-benefit>.
24. Rector and Menon, *supra* note 2.
25. “Medicaid Primer (IF10322).” Congressional Research Service. Updated April 20, 2023. Accessed July 1, 2024. <https://crsreports.congress.gov/product/details?prodcode=IF10322>.
26. Rudowitz, Robin, et al. “How Is Medicaid Financed? - Medicaid 101.” Kaiser Family Foundation. Accessed July 1, 2024. <https://www.kff.org/health-policy-101-medicaid/?entry=table-of-contents-how-is-medicaid-financed>.
27. “Medicaid Primer” *supra* note 23.
28. “Status of State Medicaid Expansion Decisions: Interactive Map.” KFF (blog), May 8, 2024. <https://www.kff.org/affordable-care-act/issue-brief/status-of-state-medicaid-expansion-decisions-interactive-map/>.
29. Schmidt, Lucie, Lara Shore-Sheppard, and Tara Watson. “The Impact of Expanding Public Health Insurance on Safety Net Program Participation: Evidence from the ACA Medicaid Expansion.” Working Paper. Working Paper Series. National Bureau of Economic Research, November 2019. <https://doi.org/10.3386/w26504>.
30. The remaining states that have not expanded Medicaid are Alabama, Florida, Georgia, Kansas, Mississippi, Tennessee, Texas, South Carolina, Wisconsin, and Wyoming.
31. “Status of State Medicaid Expansion Decisions” *supra* note 26.
32. Rudowitz, et al. “How Has Medicaid Evolved Over Time? - Medicaid 101.” KFF. Accessed July 1, 2024. <https://www.kff.org/health-policy-101-medicaid/?entry=table-of-contents-how-has-medicaid-evolved-over-time>.
33. Blase, Brian and Grossklossch, Drew. “Medicaid Financing Reform: Stopping Discrimination Against the Most Vulnerable and Reducing Bias Favoring Wealthy States.” Paragon Health Institute. July 2024. Accessed August 16, 2024. <https://paragoninstitute.org/medicaid/medicaid-financing-reform-stopping-discrimination-against-the-most-vulnerable-and-reducing-bias-favoring-wealthy-states/>.
34. “The Temporary Assistance for Needy Families (TANF) Block Grant (IF10036).” Accessed July 1, 2024. <https://www.everycrsreport.com/reports/IF10036.html>.
35. Those states are Alabama, Alaska, Georgia, Hawaii, Idaho, Indiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Jersey, New York, South Carolina, and Wisconsin.
36. *Ibid.*
37. “Policy Tables | Welfare Rules Database.” Accessed July 1, 2024. <https://www.urban.org/policy-tables>.
38. Macartney and Ghertner, *supra* note 18.
39. FY 2022 Federal TANF & State MOE Financial Data. US Department of Health and Human Services. Accessed July 1, 2024. [https://www.acf.hhs.gov/sites/default/files/documents/ofa/fy2022\\_tanf\\_and\\_moe\\_financial\\_data\\_table-final.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ofa/fy2022_tanf_and_moe_financial_data_table-final.pdf).
40. *Ibid.*
41. Tanner and Huges (2013) include the EITC even if the value of the EITC exceeds the value of taxes paid. They write, “We made this choice to illustrate the importance of such tax credits in offsetting the marginal tax cost of leaving welfare for work. It is important to understand, however, that to the degree that such tax credits exceed the amount of taxes paid, those credits do constitute a form of welfare.”
42. Bellafiore, Robert. “Earned Income Tax Credit (EITC): A Primer.” Tax Foundation, May 21, 2019. <https://taxfoundation.org/research/all/federal/earned-income-tax-credit-eitc/>.
43. *Ibid.*
44. *Ibid.*
45. Tanner 2022, *supra* note 6.

## ENDNOTES

46. Bellafiore, supra note 43.
47. Ibid.
48. Tanner 2022, supra note 6.
49. “Earned Income and Earned Income Tax Credit (EITC) Tables | Internal Revenue Service.” Accessed July 1, 2024.  
<https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/earned-income-and-earned-income-tax-credit-eitc-tables>.
50. “Child Care Entitlement to States: An Overview.” Accessed July 1, 2024.  
<https://www.everycrsreport.com/reports/R45101.html>.
51. Douwe, Ryan. “Childcare in Empower: The New American Worker.” Cato Institute, December 15, 2022.  
<https://www.cato.org/studies/childcare>.
52. Lynch, Karen E. “The Child Care and Development Block Grant (CCDBG) Brief (R47312).” November 18, 2022.  
<https://crsreports.congress.gov/product/details?prodcode=R47312>.
53. “Fact Sheet: Child Care Stabilization Grants.” U.S. Department of Health and Human Services. Accessed July 1, 2024.  
<https://www.acf.hhs.gov/occ/data/child-care-stabilization-fact-sheets>.
54. Tanner and Huges 2013, supra note 15.
55. McCarty, Maggie, Libby Perl, and Katie Jones. “Overview of Federal Housing Assistance Programs and Policy (RL34591).” March 27, 2019.  
<https://crsreports.congress.gov/product/details?prodcode=RL34591>.
56. Perl, Libby. “LIHEAP: Program and Funding (RL31885).” June 22, 2018.  
<https://crsreports.congress.gov/product/details?prodcode=RL31885>.
57. Ibid.
58. Tanner and Huges 2013, supra note 15.
59. Those states are Alaska and Hawaii, where they are higher to account for the increased cost of living.
60. Ibid.
61. Rosenberg, Randy, and Gene Falk. “Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits (R42505).” September 8, 2023.  
<https://crsreports.congress.gov/product/details?prodcode=R42505>.
62. Ibid.
63. Ibid.
64. Ausdenberg, Andy. “A Primer on WIC: The Special Supplemental Nutrition Program for Women, Infants, and Children.” Accessed July 1, 2024.  
<https://www.fns.usda.gov/wic>.
65. Ibid.
66. “Final Rule: Revisions in the WIC Food Packages (2024) - Food and Nutrition Service (RN 0584-AE82).” April 2024.  
<https://www.fns.usda.gov/wic/final-rule-revisions-wic-food-packages>.
67. Ibid.
68. “USDA Spending on Food and Nutrition Assistance Programs Declined Further in FY 2023.” Accessed July 1, 2024.  
<https://www.ers.usda.gov/data-products/chart-gallery/detail/chartid=109390>.
69. Ibid.
70. Oliveira, Victor. “Winner Takes (Almost) All: How WIC Affects the Infant Formula Market.” Amber Waves USDA Economic Research Service, September 1, 2011.  
<https://www.ers.usda.gov/publications/pub-details/?pubid=45192>.
71. Tanner and Huges 2013, supra note 15.
72. “RD-149: Questions and Answers about Flexibilities in TEFAP to Streamline Distribution of Foods and Reduce Barriers.” Food and Nutrition Service.” Accessed July 1, 2024.  
<https://www.fns.usda.gov/tefap/flexibilities>.
73. “Affordable Connectivity Program & Lifeline FAQs.” Federal Communications Commission. Accessed July 1, 2024.  
<https://www.fcc.gov/acp>.
74. Action, Consumer. “Lifeline and the Affordable Connectivity Program.” Consumer Action. Accessed July 1, 2024.  
<https://www.consumer-action.org/>.



## ENDNOTES

75. EPIC for America. “Online Increasing the High-Speed Internet.” EPIC for America, January 8, 2024. <https://www.epicforamerica.org/publications/bbds-online-increasing-the-high-speed-internet>.
76. “Minimum Wage Laws in the 2024 Wage Law.” U.S. Department of Labor Wage and Hour Division. Accessed August 2, 2024. <https://www.dol.gov/agencies/whd/minimum-wage/history>.
77. Ibid.
78. GAO-24-106808. “Improper Payments and Fraud: How They Are Related but Different.” U.S. Government Accountability Office. Accessed August 16, 2024. <https://www.gao.gov/products/gao-24-106808>.
79. McCoy, Jacob. “Benefit Cliffs: When It Doesn’t Make Sense To Work.” Cardinal Institute (blog), December 7, 2023. <https://cardinalinstitute.com/benefit-cliffs-when-it-doesnt-make-sense-to-work/>.
80. Caplan, Bryan. “The Minimum Wage vs Welfare: Band-Aid or Salt?” EconLog, February 24, 2014. Accessed August 2, 2024. <https://www.econlib.org/>.
81. “Graduated Rate Income Tax.” Tax Foundation. Accessed August 3, 2024. <https://taxfoundation.org/>.
82. “US Department of Labor Statistics, Employed full time: Median usual weekly real earnings: Wage and salary workers: 16 years and over.” FRED, Federal Reserve Bank of St. Louis. Accessed August 2, 2024. <https://fred.stlouisfed.org/series/LES1252881600Q>.
83. “2024 State Individual Income Tax Rates and Brackets.” Tax Foundation, February 20, 2024. <https://taxfoundation.org/data/all/state/2024-state-individual-income-tax-rates-and-brackets/>.
84. Buehler, Donald. “A New Approach to Minimum Wage.” Regulation, Spring 2021. Retrieved from: <https://www.cato.org/regulation/spring-2021>.
85. Pigg, Ruggy, Veronique. “A Minimum Redux for Personal Unemployment Insurance Savings Accounts.” Mercatus Center, September 12, 2018. <https://www.mercatus.org/publications/fiscal-policy/minimum-reduxx-personal-unemployment-insurance-savings-accounts>.
86. Ibid.
87. “The Flat Bottom of Unemployment.” Regulation 2019.
88. Aley, A. “A Timely Redux.”
89. “Federal and State Reforms of Unemployment Income Tax Rates.” Tax Foundation, November 8, 2023. <https://taxfoundation.org/>.
90. Yushkov, Andrey. “2024 State Individual Income Tax Rates and Brackets.” Tax Foundation, February 20, 2024. <https://taxfoundation.org/data/all/state/2024-state-individual-income-tax-rates-and-brackets/>.
91. Yushkov, Andrey. State Taxation Trends: 2024 Analysis. Tax Foundation, March 5, 2024. <https://taxfoundation.org>.
92. Williams, Jonathan. “Economic Impact of State Tax Reforms.” American Legislative Exchange Council, April 12, 2024. <https://www.alec.org/publication/economic-impact-state-tax-reforms>.
93. Ibid.
94. Bureau of Economic Analysis. “Personal Income by State, 2023.” U.S. Department of Commerce, May 7, 2024. <https://www.bea.gov>.
95. Congressional Budget Office. “The Budget and Economic Outlook: 2024 to 2034.” Published June 2024. <https://www.cbo.gov/publication/budget-outlook-2024>.
96. Ibid.
97. Committee for a Responsible Federal Budget. “Debt Projections and Fiscal Responsibility.” August 2024. <https://www.crfb.org>.
98. Ibid.
99. Tax Policy Center. “Analysis of Federal Tax Revenues and Deductions.” Updated July 2024. <https://www.taxpolicycenter.org>.
100. Congressional Research Service. “Federal Budget Overview.” Published June 2024. <https://crsreports.congress.gov>.
101. Ibid.
102. National Bureau of Economic Research. “Effects of Tax Policy on Economic Growth.” August 2024. <https://www.nber.org>.

## ENDNOTES

103. Center for Budget and Policy Priorities. “State Fiscal Policies and Economic Stability.” June 2024.  
<https://www.cbpp.org>.

104. Ibid.

105. Urban Institute. “State and Local Government Revenues.” May 2024.  
<https://www.urban.org>.

106. Ibid.

107. Federal Reserve Board. “Monetary Policy Report, 2024.” July 2024. h  
<https://www.federalreserve.gov>.

108. Ibid.

109. U.S. Department of the Treasury. “Annual Report on the Economy.” June 2024.  
<https://home.treasury.gov>.

110. Ibid.

111. Social Security Administration. “Trust Fund Projections and Solvency.” May 2024.  
<https://www.ssa.gov>.

112. Ibid.

113. Medicare Trustees Report. “Financial Outlook of Medicare, 2024.” June 2024.  
<https://www.cms.gov>.

114. Congressional Budget Office. “Long-Term Budgetary Effects of Medicare and Social Security.” July 2024.  
<https://www.cbo.gov>.

115. Ibid.

116. U.S. Census Bureau. “Poverty and Income Statistics, 2023.” Released May 2024.  
<https://www.census.gov>.

117. Ibid.

118. Pew Research Center. “Public Opinion on Taxation and Government Spending.” Published July 2024.  
<https://www.pewresearch.org>.

119. Ibid.

## ENDNOTES



250 Division Street | PO Box 1000  
Great Barrington, MA 01230-1000  
Telephone: 1-888-528-1216 | Fax: 1-413-528-0103  
Press and other media outlets contact  
888-528-1216  
[press@aier.org](mailto:press@aier.org)

