IndependentWomen®

Reforming Welfare to Fight Fraud and Promote Independence

In 60 Seconds

What's at Stake

Despite spending trillions annually on social safety net programs, millions of Americans remain in poverty and dependent on the government.

- The 1996 welfare reform law successfully reduced poverty. From 1995 to 2001, the poverty rate fell from 13.8% to 11.7%. Single mother participation in welfare programs was nearly cut in half.
- Economic downturns and welfare expansions have moved people into the social safety net with no off-ramps. Today, the U.S. spends over $1 trillion annually on anti-poverty programs.

Medicaid, SNAP, and cash benefits make up the majority of welfare spending.

Most welfare spending is not controlled by Congress.

- In FY2025 alone, major healthcare and income security programs comprised $2.2 trillion in mandatory spending.
- Only 15% of welfare and anti-poverty programs are managed through the appropriations process. The remaining 85% is continuous automatic spending by law.

Fraud and corruption misdirect funds away from the truly needy. As spending continues to increase through mandatory increases and enrollment increases, government agencies and states do not have an incentive to stop improper payments. Transparency is hard to come by in welfare and entitlement programs, with the Department of Health and Human Services not even collecting the information necessary to identify improper payments in the Temporary Assistance to Needy Families program. Although welfare reform in 1996 was successful, reform is needed once again to right-size social safety net programs.

The Way Forward

Welfare programs are valuable tools for providing aid to vulnerable populations in our country. However, the levels of fraud, waste, and abuse have made these programs a continual drain on federal and state budgets without further reducing poverty and financial struggles. Welfare programs must prioritize work to help individuals gain skills and experience so they can eventually become self-sufficient. Benefits must not be given before eligibility is verified. States need to be held accountable for duplicate participation and ineligible participants in programs that create a waste of taxpayer dollars.

While the current administration has been working to reduce fraud, we must put an end to individuals taking advantage of these programs and increased spending with no change in outcomes for this vulnerable population.

Addressing Misperceptions

MISPERCEPTIONS	FACTS
Work requirements are stopping programs from helping families.	Employment is what helped the 1990s welfare reform effort work to lift millions out of poverty. Able-bodied adults, including parents, comprise a significant portion of poverty programs, yet are not participating in the labor force. Despite SNAP and TANF requiring work in order to receive benefits, nearly **two out of three** non-disabled working-age adults in SNAP are not participating in the labor force. TANF has work requirements, but only **21% of adult recipients** are working. Work requirements do not stop programs from helping people; the lack of enforcement does.
Verification is less important than getting benefits to recipients quickly.	Many federal welfare programs operate under an honor code, where benefits may be granted before eligibility is verified. This opens the door for massive fraud schemes as well as applicants submitting false information undetected. "Trust, then verify" weakens program integrity and risks access not being available for families who truly need assistance. Technology can help identify fraud and verify eligible participants. However, gaps still exist. One pilot program identified **14 million** cases of duplicate participation across the three entitlement programs. Eligible participants must be verified before taxpayer dollars are doled out for every individual who applies.
Welfare costs are high because there are so many families that need assistance.	Welfare programs exist to help those who are truly indigent. Eligibility for these programs is often limited by household income level. However, categorical eligibility allows individuals to qualify for one program by qualifying for another. This raises costs for these programs because people can be enrolled who are not truly needy to capture more federal dollars. While this was intended to ease administrative burdens, it has created ways for states to take advantage of federal tax dollars without facing accountability for the waste in their welfare programs.

To learn more, visit ***Policy Focus: Reforming Welfare to Fight Fraud and Promote Independence****.*