

# Thousands in Michigan continue to lose welfare benefits

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Thousands of Michigan citizens have lost cash welfare benefits in each of the past four months, after a strict 48-month lifetime limit was imposed on recipients by the state legislature last year. The new law signed by Republican Governor Rick Snyder went into effect on October 1, 2011, the beginning of the new fiscal year.

By the end January, almost one in four people who had been on the welfare rolls in Michigan in September had been dropped. The decline in cases continues as official unemployment stands at 9.3 percent in the state, leaving little prospects that those cut off will find work.

About 60,000 parents and children—making up 17,000 family cases—abruptly lost their support, with almost no notice. Even before the law was signed, and to avoid any challenges to cutting the rolls, Department of Human Services (DHS) director Maura Corrigan began to strictly enforce the 60-month limit approved years earlier by Democratic Governor Jennifer Granholm.

The exemptions for families whose caseworkers stated they were making progress by finding employment, or in counties where the unemployment rate is 25 percent above the state average, are no longer in force under Corrigan's directive. Other federal rules related to meeting "Work First" reporting requirements can also be used to remove families from the program.

Time limits and other restrictive policies that were set into motion by the federal Personal Responsibility and Work Opportunity Act ended welfare as an entitlement to poor families in 1996. PRWOA, or welfare reform, was a central initiative of the Democratic administration of Bill Clinton. The change led to severe hardship for millions of families in the US in the ensuing years.

A recent report from the National Poverty Center tracked the effects on the welfare population. The

program was only ever available to the most disadvantaged families as a means-tested program. Referring to the cuts in welfare nationwide, the NPC reports: "This reform has been followed by a dramatic decline in cash assistance caseloads, from an average of 12.3 million recipients per month in 1996 to 4.4 million in June 2011; only 1.1 million of these beneficiaries are adults."

Even so, the magnitude of Michigan's cuts over just four months is unprecedented.

Last year when Michigan's legislature initially voted for the draconian time limits—the worst in the nation—state officials predicted that about 11,000 families would lose their benefits. Within the first month 13,000 families had been dropped from the rolls.

Total family welfare caseloads have dropped by 17,302 in Michigan in four months, from 79,790 cases in September 2011 to only 62,488 family cases at the end of January 2012, according to DHS reports. The total number of recipients, parents and children combined, plummeted from 216,564 last September to 158,422 by the end of January 2012.

Four thousand people were thrown off welfare in Michigan this January, and state officials promise to stay the course, guaranteeing the trend will continue through the rest of winter and beyond. In response to critics in social service organizations, Corrigan has remained adamant that the state will not follow up on families that are cut off.

Luke Shaefer, assistant professor of social work at the University of Michigan, told *Michigan Bridges Magazine* that many of the families continue to be eligible for other assistance programs, such as food stamps or child care assistance, which are also administered by DHS. The department could therefore cross-reference the data.

By law, cash assistance is only awarded to struggling families with children in the home, making the categorical elimination of these benefits a policy that is inhumane on its face. A family of three must make less than \$815 a month, or less than \$10,000 a year, to qualify for any cash help. This is little more than half the official poverty threshold. After surviving for four or five years in such conditions few families can have resources left to face even a few days without income.

Those who might have escaped earlier purges of the rolls under PRWOA often have medical or other barriers that barred them from sustainable full-time work, even when the economy was not in recession.

In a cruel twist, many families who managed to find low-paying jobs in the past—touted as welfare success stories by state officials—were kept on welfare with a cash assistance check of \$10 each month, to keep other federally funded programs and dollars in Michigan. Now every month that struggling working families received the \$10 placeholder benefit is being counted as a month on welfare, causing them to exceed their lifetime limit.

The state also slashed its total expenditures for cash welfare assistance almost in half since September 2011, from about \$44 million in September to under \$24 million this past January. The bulk of the total came from Detroit and other cities that were once auto powerhouses.

Between June 2000 and August 2010, a total of 859,000 jobs were lost in Michigan. This was more half of the country's total employment decline of 1.5 million jobs. The auto industry eliminated 65 percent of its jobs in the state over the period. There were just 123,900 workers in the auto and auto parts manufacturing sectors in late 2010, down from 352,210 in June 2000.

Already reeling from high unemployment, industrial cities will be hit hard. The decline in social conditions resulting from so many families losing their income will have a multiplier effect on all the problems that have plagued family and community well-being.

**Decline in welfare cases in Michigan September 2011 to January 2012**

*Calculated from DHS Trend Information February 2012 (DW)*



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