# Tens of thousands of distressed Michigan families losing welfare benefits

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Thousands more Michigan families who are unemployed or underemployed will abruptly lose welfare cash benefits when a new law passed by the Michigan legislature in December is signed by the governor and goes into effect. The determination of legislators to drive the most vulnerable in the state into destitution is consistent with the reactionary nature of many other laws that passed the Michigan State House and State Senate during its infamous 2012 lame duck session.

Right-to-work was the most notorious measure enacted. Other examples of the reactionary rampage included one that put limits on the ability to obtain an abortion and another that eliminated Michigan's longest-standing business tax, the Personal Property Tax (PPT).

One law bars teachers and local government workers--but not state and university personnel--from enrolling same-sex partners in their benefit plans. A new Emergency Manager bill was passed despite the fact that a November 2012 voter referendum overturned the previous one.

The latest change to state welfare law eliminates exemptions to the federal 60-month lifetime limit for cash welfare assistance. Time limits were a key part of then-president Clinton's 1996 federal welfare reform.

Already, in fall 2011, the Republican-controlled state legislature had passed parallel legislation to stop exemptions to the state's time limit on welfare. Democratic governor Jennifer Granholm signed the initial law imposing the state's 48-month limit in 2007.

The start of the clock for the state time limits began with assistance received after October 2007, so many families lost benefits immediately in October 2011. At the same time, the state Department of Human Services (DHS) director Maura Corrigan began to unilaterally enforce the federal 60-month limit without exemptions, counting back to 1996. The policy change was challenged in court; the legislature therefore wants the policy made into law.

In September 2011, just before time limits were put in place, the number of Michigan families receiving cash assistance through the Family Independence Program (FIP) totaled 80,000. By June, the number was the lowest it had been in 40 years, just 55,000. As of the latest data, from November 2012, the DHS officially reports only 61,000 cases were open in the state, reflecting the reinstatement of a narrow category of beneficiaries cut off but reinstated after the court ruling.

Though welfare cases fell by more than 30 percent, welfare outlay by the state was cut in half. Part of the drop in dollar outlay resulted from families with more children losing benefits. They were more likely to be "timed out" than families with fewer children under either state or federal time limits.

A family of three must make under $10,000 annually to qualify for any assistance. The average household grant has dropped from $552 a month to just $400 a month or $4,800 a year. The official annual poverty threshold for a family of three was $18,106 in 2011.

Families are expected to have 40 hours of work or work-related activities per week to stay on assistance. Since families receiving benefits that were cut off were already mostly below the poverty level by a shocking amount, the policy is not likely to raise the official poverty rate by much.

About 6,000 families were reinstated under the temporary restraining order related to a Center for Civil Justice (CCJ) lawsuit. CCJ is a Michigan legal aid group. How many were saved from termination under the injunction in the nine months it has been in force is unknown. The DHS is refusing to release data on how many families got jobs that provided enough income to get off welfare altogether.

It is not likely very many. Nationally, more than 12 million workers are jobless, and 40 percent have been so for more than 27 weeks. Almost 23 million are unemployed or underemployed nationwide.

Michigan has an unemployment rate of 8.9 percent, one of the top five in the nation. After falling slowly since late 2009, the number of Michigan unemployed started to climb again earlier this year, and is up by 22,800 from a recent trough of 388,907 in April 2012. In all, about 412,000 were out of work in Michigan in December 2012.

In addition, families on welfare have consistent barriers to employment. Those who avoided cut-off earlier were exempted for family circumstances such as caring for a disabled family member or living in an area with high unemployment. Half of the people cut off were living in three counties with large urban areas—Wayne (Detroit), Genesee (Flint) and Kent (Grand Rapids).

CCJ's Jackie Doig testified against the bill in December when it was introduced. She said the state was changing the rules and going back on their advice and promises to clients of DHS. "Parents made decisions about whether to apply or not to apply based on what they were told. Working families who received as little as $10 per month relied on what DHS said," she testifed.

She told lawmakers: "It appears to be more restrictive than federal law because it counts *any* state program funded by the TANF block grant. This could include other programs like student aid, utility assistance and childcare."

She continued: "To punish children now for the rational decisions made by their parents, based on what DHS told them in writing and at orientation meetings, is unconscionable." Welfare goes only to households with minor children at home, many with working heads of households who cannot get full-time work.

The bill passed both houses in December and is sitting on Governor Rick Snyder's desk waiting for his signature. Snyder is likely to sign the new welfare bill. He has vetoed only a handful of those presented to him, and mostly for technical reasons. The Republican Governor is behind the court defense of Corrigan's similar anti-welfare policy change.

In all, 282 pieces of legislation were passed late last year and Snyder has lost little time signing the bills. He even delegated his Lieutenant Governor Brian Calley to sign 53 of them while Snyder was on vacation in early January.

The explanation for welfare policies that condemn a large section of society to destitution and ultimately homelessness include one that claims there is no money to continue welfare. This argument is also being used now in Washington to cut entitlement programs for the elderly.

There is ample evidence to refute this, reported by the staunchest supporters of capitalism. One need look no further than the latest report, entitled *Pulling Apart,* released in mid-November by the Economic Policy Institute (EPI) and the Center for Budget and Policy Priorities (CBPP.) These are two liberal Washington think tanks with ties to the unions and the Democratic Party.

They look at trends from the late 1970's to the mid-2000s. The researchers note: "Nationally, the richest fifth of households enjoyed larger average income gains in dollar terms *each year* ($2,550, after adjusting for inflation) than the poorest fifth experienced during the *entire three decades* ($1,330.) The average income of the top fifth of households grew by 71 percent ($71,301) compared to 7 percent ($1,331) for the bottom fifth."

Thus rising inequality is directly related to the rise in poverty, which has regressed to levels last seen three and four decades ago. If between the late 1970's to the mid-2000s households in the bottom fifth had seen the same dollar increase as those in the top fifth, all household incomes would be well above the official poverty level in America.

Instead, under the new Census Bureau Supplementary Poverty Level, a record forty-nine million people are considered poor in America. In Michigan they are now getting a lot poorer as both parties seek to save the capitalists and their profits at any cost to society.