

With welfare it makes sense to work less

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Remember when Mississippi used to have new manufacturing plants popping up weekly? What happened?

If you ask the business leaders, the problem is a lack of skilled labor. People don't want to work. Especially in the Delta, people just won't show up on time and often fail drug tests.

"How can this be?" you may ask. You have to work to eat. Well, that's really not true anymore. In fact, our welfare state rewards not working. You can do as well working one week a month at minimum wage as you can working a \$60,000-a-year, full-time, high-stress job.

My chart tells the story. It is pretty much self-explanatory.

Money Earned in a Year	\$3,625	\$14,500	\$30,000	\$60,000
Payroll and Federal Income Taxes	(278)	(1,225)	(4,574)	(13,034)
Childcare Cost	(2,400)	(9,600)	(9,600)	(9,600)
Mississippi Income Tax	(109)	(725)	(1,500)	(300)
Earned Income Tax Credit (EITC)	1,450	5,020	2,163	0
Food Stamps (SNAP)	6,312	6,312	2,163	0
National School Lunch Program (NSLP)	1,800	1,800	0	0
Temp. Assistance For Needy Families (TANF)	2,040	0	0	0
Medicaid and CHIP	16,500	16,500	10,890	0
Section 8 Rent Subsidy	1,450	4,350	0	0
Utility Bill Assistance (LIHEAP)	1,240	845	0	0
Total Economic Benefit	31,630	37,777	29,542	37,066

Source: **Wyatt Emmerich**: Publisher, [The Northside Sun](http://TheNorthsideSun.com)

It is quite easy to check my numbers, thanks to the Internet. In fact, it only took me a couple of hours on the net to gather this data. Almost all welfare programs have Web sites where you can call up "benefits calculators." Just plug in your income and family size and, presto, your benefits are automatically calculated.

Just to double-check, I looked at what our country spends on welfare at a national level. Backing out Social Security, the U.S. spends about \$750 billion a year on welfare. The U.S. has about 120 million households. If 25 million get welfare (20 percent), that comes to about \$30,000 per family. This figure pretty much backs up my analysis.

The chart is quite revealing. A one-parent family of three making \$14,500 a year (minimum wage) has more disposable income than a family making \$60,000 a year.

If the family provider works only one week a month at minimum wage, he or she makes 92 percent as much as a provider grossing \$60,000 a year.

First of all, working only one week a month saves big-time on child care. But the real big-ticket item is Medicaid, which has minimal deductibles and copays.

By working only one week a month at a minimum-wage job, a provider is able to get total medical coverage for next to nothing.

Compare this to the family provider making \$60,000 a year. A typical Mississippi family coverage would cost around \$12,000, adding deductibles and co-pays adds an additional \$4,500 or so to the bill. That's a huge hit.

The full-time \$60,000-a-year job is going to be much more demanding than working one week a month at minimum wage. Presumably, the low-income parent will have more energy to attend to the various stresses of managing a household.

If the one-week-a-month worker maintains an unreported cash-only job on the side, the deal gets better than a regular \$60,000-a-year job.

In this scenario, you maintain a reportable, payroll-deductible, low-income job for federal tax purposes. This allows you to easily establish your qualification for all these welfare programs. Then your black-market side job gives you additional cash without interfering with your benefits. Some economists estimate there is one trillion in unreported income each year in the United States.

My analysis only includes the better-known welfare programs. One Web site I used, GovBenefits.org, gave me a list of dozens of additional programs and private grants available to low-income family providers.

This really got me thinking. Just how much money could I get if I set out to deliberately scam the system? I soon realized that getting a low-paying minimum wage job would set the stage for far more welfare benefits than you could earn in a real job, if you were willing to cheat.

Even if you didn't cheat, you could do almost as well working one week a month at minimum wage than busting a gut at a \$60,000-a-year job.

I have left out the mother of all welfare programs - Supplemental Security Income (SSI). SSI pays \$8,088 per year for each "disabled" family member. A person can be deemed "disabled" if they are totally lacking in the cultural and educational skills needed to be employable in the workforce.

If you add \$24,262 a year for three disability checks, the lowest paid welfare family would now have far more take-home income than the \$60,000-a-year family.

Ironically, most private workplaces require drug testing, but there is no drug testing required to get welfare checks.

Granted, some of these welfare programs have restrictions to prevent double dipping. No doubt our efficient federal bureaucracy does a bang-up job of preventing such fraud.

I hope I have helped answer the question concerning why Mississippi doesn't get many new industries. The welfare system in communist China is far stingier. Those people have to work to eat.