

# Personal Responsibility and Work Opportunity Act

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The **Personal Responsibility and Work Opportunity Reconciliation Act of 1996**, [Pub.L. 104-193](#), 110 [Stat.](#) 2105 (PRWORA), is a United States federal law that was considered to be a fundamental shift in both the method and goal of [federal cash assistance](#) to the poor. PRWORA instituted [Temporary Assistance for Needy Families](#) (TANF) which became effective [July 1, 1997](#) and replaced what was then commonly known as welfare, the [Aid to Families with Dependent Children](#) (AFDC) and the Job Opportunities and Basic Skills Training (JOBS) programs. In 1995 spending was \$22.6 billion. Although roundly denounced by liberal groups in 1996, the bill was followed by a reduction in unemployment, which some have attributed to the reform. Indeed, the *New Republic* explained<sup>[1]</sup> "A broad consensus now holds that welfare reform was certainly not a disaster--and that it may, in fact, have worked much as its designers had hoped."

Essentially a cash stipend to the indigent with young children, its had three primary effects: (1) by forcing the recipient to meet certain conditions in exchange for support, it ended welfare as an entitlement program; (2) it placed a lifetime limit of no more than 60 months of benefits paid by federal funds; and (3) it was instituted as a block grant to states, which allowed states to experiment with different approaches as long as basic requirements were met. There is also a component that aims to encourage two-parent families and discourage out-of-wedlock births.

Although PRWORA has expired, Congress has continued to fund the program until a new bill is enacted.

To continue to receive [federal benefits](#), TANF recipients must work or look for work. Some individual state programs emphasized this shift with names for the program such as "Wisconsin Works" or "WorkFirst". Since the Act, enormous numbers of the poor have left or been terminated from the program, with most states' caseloads dropping by 50% over the first few years. Since there is less training and education available than with the earlier JOBS program, these "last hired, first fired" recipients have been returning to welfare and the caseloads have been increasing.

Critics of the law argue that a large reduction in the number of people collecting welfare benefits was largely a result of steady and strong economic growth in the years following the enactment of the law (Sawicky 2002-03, 69; Midgley 2000, 289). The poverty rate declined between 1992 and 1999 by under two percentage points, from 14.5% of families to 12.8% of families, which some have argued shows that the reform was not effective in fighting poverty (Midgley 2000, 288).

Although the law placed a time limit for benefits supported by federal funds of no more than 24 consecutive months and no more than 60 months over a lifetime, some states enacted far briefer

limits. All states, however, have allowed exceptions with the intent of not punishing children because their parents have gone over the time limit.

Federal reporting requirements have ensured some measure of uniformity across states, but the block grant approach has led individual states to carve up the pie of money in different ways, some states more actively encouraging than others a component of education or using the money to fund private enterprise to help job seekers.