

2nd paper

3-5 pages, double-spaced, 12-pt font, 1-inch margins, due by 6 pm on 10/3/08

Please title your paper. Papers are graded on writing quality as well as content.

Consider the following 4-point welfare (Medicaid + Temporary Aid to Needy Families—TANF) plan:

- two-year/five year maximum
 - new TANF recipients: a maximum of two years on, then off
 - no more than five years on during adult recipients' life
- no increase in benefit level for another child born while on TANF
- free medical insurance and child care
 - free medical insurance for recipients while on TANF and for five years after going off TANF, regardless of income level
 - free child care for recipients enrolled in education and job training programs
 - free child care for former recipients with children ages 12 and under (all day for preschoolers, after school for school-aged children) who are working or completing an educational degree for five years after going off of TANF, regardless of income level
 - subsidized medical insurance available to all working poor who are not covered by their employer; free for families below the poverty level, with a gradual phase-out of the subsidy size as income rises
 - subsidized child care available to all working poor; free for families below the poverty level, with a gradual phase-out of the subsidy size as income rises
- child support payments integrated with welfare system
 - both parents responsible for child support regardless of age of parents
 - state increases efforts to collect support from noncooperating noncustodial parents
 - state guarantees support level to child's guardian regardless of TANF reciprocity status so long as the guardian (generally a custodial parent) cooperates by providing names of noncustodial parents and other information helpful in keeping track of their whereabouts

Assume food stamp, housing, and other antipoverty programs are not changed.

Assume you are a state legislative aide who has been asked by your boss (a state legislator) to write an economic analysis of this proposal, clearly and concisely explaining its potential costs and benefits to society. You may want to consider in particular its potential effects on the well-being and work effort of potential recipients, and its potential effects on family formation and dissolution. At the end, give the legislator your opinion as to whether or not the proposal should be modified, and explain in what ways you would modify it, if any, and why you recommend such modifications.