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THE SAFETY NET

For Victims of Recession, Patchwork State Aid

By JASON DePARLE

WASHINGTON — As millions of people seek government aid, many for the first time, they are finding it dispensed American style: through a jumble of disconnected programs that reach some and reject others, often for reasons of geography or chance rather than differences in need.

Health care, housing, food stamps and cash — each forms a separate bureaucratic world, and their dictates often collide. State differences make the patchwork more pronounced, and random foibles can intervene, like a computer debacle in Colorado that made it harder to get food stamps and [Medicaid](#).

The result is a hit-or-miss system of relief, never designed to grapple with the pain of a recession so sudden and deep. Aid seekers often find the rules opaque and arbitrary. And officials often struggle to make policy through a system so complex and Balkanized.

Across the country, hard luck is colliding with fine print.

Workers who banked \$2,000 in severance pay can get food stamps in South Carolina; their counterparts in North Carolina cannot. Oklahomans who earned \$10,000 in six months can collect unemployment if they started work on the 15th of February, May, August or November — but not if they started two weeks later.

When Beverly Johnson of Kosciusko, Miss., lost her job at a Bible college, she took solace in the prospect of jobless benefits. Then Ms. Johnson discovered that as an employee of a religious school she was ineligible for aid. "That was a shock," she said.

When the recession cost Erika Nieves of Bridgeport, Conn., her job with a wrestling promoter, she did get unemployment benefits. But that caused her to lose a welfare-to-work grant and her child care subsidy. Now Ms. Nieves is months behind on her rent and is job hunting with a 2-year-old. "They took away my aid when I need it the most," she said.

As a measure of the safety net, The New York Times examined state-by-state enrollment in six federal programs and found large variations in the share of needy helped.

Just 50 percent of people eligible for food stamps receive them in California, compared with 98 percent in Missouri. Nineteen percent of the unemployed get jobless benefits in South Dakota, compared with 67 percent in Idaho.

Fifteen states rank among the top 10 in providing one form of aid and the bottom 10 in another. California

ranks second in distributing cash welfare but last in food stamps. South Dakota, last in jobless benefits, is first in subsidized housing.

Aid in states most hit by recession is also scattershot. Michigan's programs reach a comparatively high share of the needy, while South Carolina's rank in the middle and Nevada's reach relatively few. All have double-digit unemployment rates.

"The system for helping Americans in need is very fragmented, and it confuses everyone," said Theda Skocpol, a political scientist at Harvard. "Some people are covered and some people are not, even though they look like they're in very similar circumstances."

This complexity is a challenge for [President Obama](#) as he reacts to the economic crisis. The February stimulus act contains more than \$100 billion in safety net provisions, but much of the aid consists of financial incentives the states are free to reject. Several governors quickly spurned grants to expand unemployment insurance, for example, saying the move would raise business taxes and kill jobs.

Aid programs spend hundreds of billions of dollars and reach tens of millions of people; the food stamp program alone covers more than one in 10 Americans. Yet the safety net leaves few camps satisfied. Liberals say programs are weak compared with other rich countries and are overly deferential to states. Conservatives fault costs and complexity and warn that aid can do harm.

With generous programs "you could be discouraging people from seeking better jobs," said Stuart Butler of the [Heritage Foundation](#).

Both sides, those who want more spending and those who want less, would unite under Mr. Butler's description of the status quo. "You've got this kind of jigsaw puzzle that doesn't really fit together," he said.

Compared with its peers, the United States has always made social policy in ad hoc ways, with voters quicker to call themselves self-reliant and central government more structurally constrained. Even the New Deal was a hodgepodge affair, with [Social Security](#) initially omitting about 40 percent of the work force.

Now decades after the Great Society brought a new burst of policymaking, aid programs flow through multiple — and sometimes rivalrous — departmental chains of command. Welfare and Medicaid reside at the [Department of Health and Human Services](#); food stamps at Agriculture; rent subsidies at Housing and Urban Development; unemployment insurance at Labor; and tax credits at [Treasury](#).

Families receive aid, or do not, in contrasting ways. Sheila Zedlewski of the Urban Institute examined use of food stamps, health insurance and child care among a representative group of low-income families. About a third got no help, a third enrolled in one program, and just 5 percent enrolled in all three.

"We have people at both ends of the spectrum," Ms. Zedlewski said in an interview. "But we have far more people who get nothing than who get the whole package. A significant group remains outside the safety net."

Nationwide, about two-thirds of people eligible for food stamps receive them. But just 21 percent of poor children get cash welfare; 30 percent of eligible households get subsidized housing; and 44 percent of the unemployed get jobless benefits.

While calls for government transparency are common, within the safety net, confusion often reigns. Ms. Nieves, of Bridgeport, received five food stamp notices in five weeks, telling her how much to expect: \$241, \$256, \$429, \$492 and \$460.

Sometimes rules that make sense in one program collide with another. That is what happened to Ms. Nieves when she lost her job shipping wrestling souvenirs for \$8 an hour. She was on welfare when she found the work, and to ease the transition the state continued her welfare payments and paid for child care. Then sales slumped, and Ms. Nieves was laid off.

Unemployment benefits replaced just half her earnings, but the state withdrew her welfare grant and child care subsidy.

“Basically, when I lost my job, I just lost everything,” she said.

Sometimes rules in a single program collide with themselves. Such was the case with Jewell French-Allen, who got tangled in an obscure provision of Massachusetts unemployment law. With a high-risk pregnancy at age 35, Ms. French-Allen left a \$40,000 a year job and applied for jobless benefits. But the state denied the request, ruling that she had quit by choice. She then took a sales job at much lower pay, and was laid off.

Had she never held the first job, Ms. French-Allen could have gotten unemployment benefits. But because her earlier request had been denied, the state added a test — and disqualified her because the weekly pay from the second job was less than the benefits she would have gotten from the first.

Two days after she was rejected again, she went into labor and delivered a boy who weighed less than two pounds.

“I am bitter — if I had gotten unemployment, he wouldn’t have been born prematurely,” she said. “When you can’t support yourself financially, it puts incredible stress on your body.”

Unemployment coverage tends to be high where jobs pay well and unions are strong. (Leaders include New Jersey, Pennsylvania and Wisconsin.) Subsidized housing is more plentiful in places that had comparatively large populations decades ago, when money to underwrite new apartments peaked. (It is sparse in Arizona and Florida.)

Since states bear the costs of welfare expansions, most poor states trim the rolls. (Louisiana covers about one of every 20 poor families with children.) But the federal government pays for food stamps, and poor states often grab the aid. (Alabama, Georgia and Louisiana have higher enrollment rates than New York.)

Many states defy easy depiction. While Nevada keeps most programs small, unemployment insurance is an exception, perhaps reflecting union influence in Las Vegas. Despite its modest safety net, Mississippi ranks second in subsidized housing, partly a legacy of the Jim Crow age when Southern states used it to preserve segregation.

Along with differences in program enrollment, the size of benefits differs greatly, too — adding another level of variation. Mississippi pays a weekly average of \$190 in unemployment benefits, while Hawaii pays \$416.

While some programs are limited on purpose, some take shape by accident. Colorado invested \$200 million

in a computer system and got a case study in high-tech failure. Within months of the system's start in 2004, the backlog of food stamp and Medicaid cases tripled to 18,000. The state spent three years under court order to reduce delays, but significant backlogs remain.

A bureaucratic bungle compounded the woes of Ms. Johnson, who lost her job as a librarian at Magnolia Bible College in Kosciusko, Miss. Religious schools are exempt from unemployment taxes, so Ms. Johnson, 60, faced the recession without jobless benefits.

She applied for food stamps and was denied because she had more than \$3,000 in an Individual Retirement Account, though officials said she would qualify if the savings were in a [401\(k\)](#).

Finding the distinction illogical, Ms. Johnson searched the Internet and learned that Congress had just changed the law. As of October 2008, savings in either kind of retirement account are no barrier to food stamps.

But state and county officials held firm, and a federal official sent an e-mail message supporting their outdated view. With the help of an advocacy group, the Public Policy Center of Mississippi, she finally traced the problem to an errant Web page at the Department of Agriculture.

"To get maybe \$320 of food stamps took an entire month of work," she said.

Occasionally, people have the opposite fortune: getting benefits they should be denied. That is what happened to Tracey Walker, 43, who was laid off last fall after seven years on the night shift at a Baltimore cosmetics factory and lost her health insurance.

With high blood pressure and headaches, Ms. Walker tried to get Medicaid, but was told her jobless benefits were too high. "I just sat there and cried," she said.

She was ineligible for food stamps, too, but the caseworker prayed, bent the rules and authorized \$180 a month — freeing up just enough cash for blood pressure pills. "It made me cry even more," Ms. Walker said.

There are few growth industries in Baltimore, but Ms. Walker found one: a nonprofit group that helps the needy apply for Medicaid. She started work there last month as an enrollment specialist. Among the benefits she prizes is coverage under the group's health insurance plan.

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