WASHINGTON — Despite soaring unemployment and the worst economic crisis in decades, 18 states cut their welfare rolls last year, and nationally the number of people receiving cash assistance remained at or near the lowest in more than 40 years.

The trends, based on an analysis of new state data collected by The New York Times, raise questions about how well a revamped welfare system with great state discretion is responding to growing hardships.

Michigan cut its welfare rolls 13 percent, though it was one of two states whose October unemployment rate topped 9 percent. Rhode Island, the other, had the nation’s largest welfare decline, 17 percent.

Of the 12 states where joblessness grew most rapidly, eight reduced or kept constant the number of people receiving Temporary Assistance for Needy Families, the main cash welfare program for families with children. Nationally, for the 12 months ending October 2008, the rolls inched up a fraction of 1 percent.

The deepening recession offers a fresh challenge to the program, which was passed by a Republican Congress and signed by President Bill Clinton in 1996 amid bitter protest and became one of the most closely watched social experiments in modern memory.

The program, which mostly serves single mothers, ended a 60-year-old entitlement to cash aid, replacing it with time limits and work requirements, and giving states latitude to discourage people from joining the welfare rolls. While it was widely praised in the boom years that followed, skeptics warned it would fail the needy when times turned tough.

Supporters of the program say the flat caseloads may reflect a lag between the loss of a job and the decision to seek help. They also say the recession may have initially spared the low-skilled jobs that many poor people take.

But critics argue that years of pressure to cut the welfare rolls has left an obstacle-ridden program that chases off the poor, even when times are difficult.

Even some of the program’s staunchest defenders are alarmed.

“There is ample reason to be concerned here,” said Ron Haskins, a former Republican Congressional aide who helped write the 1996 law overhauling the welfare system. “The overall structure is not working the way it was designed to work. We would expect, just on the face it, that when a deep recession happens, people could go back on welfare.”

“When we started this, Democratic and Republican governors alike said, ‘We know what’s best for our state; we’re
not going to let people starve,’ ” said Mr. Haskins, who is now a researcher at the Brookings Institution in Washington. “And now that the chips are down, and unemployment is going up, most states are not doing enough to help families get back on the rolls.”

The program’s structure — fixed federal financing, despite caseload size — may discourage states from helping more people because the states bear all of the increased costs. By contrast, the federal government pays virtually all food-stamp costs, and last year every state expanded its food-stamp rolls; nationally, the food program grew 12 percent.

The clashing trends in some states — more food stamps, but less cash aid — suggest a safety net at odds with itself. Georgia shrunk the cash welfare rolls by nearly 11 percent and expanded food stamps by 17 percent. After years of pushing reductions, Congress is now considering a rare plan that would subsidize expansions of the cash welfare rolls. The economic stimulus bills pending in Congress would provide matching grants — estimated at $2.5 billion over two years — to states with caseload expansions.

Born from Mr. Clinton’s pledge to “end welfare as we know it,” the new program brought furious protests from people who predicted the poor would suffer. Then millions of people quickly left the rolls, employment rates rose and child poverty plunged.

But the economy of the late 1990s was unusually strong, and even then critics warned that officials placed too much stress on caseload reduction. With benefits harder to get, a small but growing share of families was left with neither welfare nor work and fell deeper into destitution.

“One TANF is not an especially attractive option for most people,” said Linda Blanchette, a top welfare official in Pennsylvania, which cut its rolls last year by 6 percent. “People really do view it as a last resort.”

The data collected by The Times is the most recent available for every state and includes some similar programs financed solely by states, to give the broadest picture of cash aid. In a year when 1.1 million jobs disappeared, 18 states cut the rolls, 20 states expanded them, and caseloads in 12 states remained essentially flat, fluctuating less than 3 percent. (In addition, caseloads in the District of Columbia rose by nearly 5 percent.)

The rolls rose 7 percent in the West, stayed flat in the South, and fell in the Northeast by 4 percent and Midwest by 5 percent.

Seven states increased their rolls by double digits. Five states, including Texas and Michigan, made double-digit reductions. Of the 10 states with the highest child poverty rates, eight kept caseloads level or further reduced the rolls.

“This is evidence of a strikingly unresponsive system,” said Mark H. Greenberg, co-director of a poverty institute at the Georgetown University law school. Some administrators disagree.

“We’re still putting people to work,” said Larry Temple, who runs the job placement program for welfare recipients in Texas, where the rolls dropped 15 percent. “A lot of the occupations that historically we’ve been able to put the welfare people in are still hiring. Home health is a big one.”

Though some welfare recipients continue to find jobs, nationally their prospects have worsened. Joblessness
among women ages 20 to 24 without a high school degree rose to 23.9 percent last year, from 17.9 percent the year before, according to the Bureau of Labor Statistics.

Some analysts offer a different reason for the Texas caseload declines: a policy that quickly halts all cash aid to recipients who fail to attend work programs.

“We’re really just pushing families off the program,” said Celia Hagert of the Center for Public Policy Priorities, a research and advocacy group in Austin, Tex.

Some officials predict the rolls will yet rise. “There’s typically a one- to two-year lag between an economic downturn and an uptick in the welfare rolls,” said David Hansell, who oversees the program in New York State, where the rolls fell 4 percent.

Indeed, as the recession has worsened in recent months, some states’ rolls have just started to grow. Georgia’s caseload fell until July 2008, but has since risen 5 percent. Still, as of October the national caseloads remained down 70 percent from their peak in the early 1990s under the predecessor program, Aid to Families with Dependent Children.

Nationally, caseloads fell every year from 1994 to 2007, to about 4.1 million people, a level last seen in 1964. The federal total for 2008 has not been published, but the Times analysis of state data suggests they remained essentially flat.

Some recent caseload reduction has been driven by a 2006 law that required states to place more recipients in work programs, which can be costly and difficult to run. It threatened states with stiff fines but eased the targets for states that simply cut the rolls.

“For some states it was not realistic,” said Sharon Parrott of the Center for Budget and Policy Priorities, a Washington research and advocacy group.

Rhode Island was among them. Previously, the state had reduced but not eliminated grants to families in which an adult had hit a 60-month limit. Last year, it closed those cases, removing 2,200 children from the rolls.

Under the new federal accounting rules, that made it easier to meet statistical goals and protected the state from fines.

Michigan also imposed new restrictions, forcing applicants to spend a month in a job-search program before collecting benefits. Critics say the up-front requirement poses obstacles to the neediest applicants, like those with physical or mental illnesses.

“I think that’s a legitimate complaint,” said Ismael Ahmed, director of the Michigan Department of Human Services, though he blamed the federal rules. The program “was drawn for an economy that is not the economy most states are in.”

While food stamps usually grow faster than cash aid during recessions, the current contrast is stark. Many officials see cash aid in a negative light, as a form of dependency, while encouraging the use of food stamps and calling them nutritional support.
“Food assistance is not considered welfare,” said Donalda Carlson, a Rhode Island welfare administrator.

Nationally, the temporary assistance program gives states $16.8 billion a year — the same amount they received in the early 1990s, when caseloads were more than three times as high as they are now. Mr. Haskins, the program’s architect, said that obliged them to ensure the needy could return to the rolls. “States have plenty of money,” he said.

But most states have shifted the money into other programs — including child care and child welfare — and say they cannot shift it back without causing other problems.

Oregon expanded its cash caseload 19 percent last year, so far without major backlash. “That’s the purpose of the program — to be there for that need,” said Vic Todd, a senior state official. But California officials expressed ambivalence about a 6 percent rise in the cash welfare rolls in that state when it is facing a $40 billion deficit. “There’s some fine tuning of the program that needs to occur, to incentivize work,” said John Wagner, the state director of social services.

Among those sanguine about current caseload trends is Robert Rector, an analyst at the Heritage Foundation in Washington who is influential with conservative policy makers. He said the program had “reduced poverty beyond anyone’s expectations” and efforts to dilute its rigor would only harm the poor.

“We need to continue with the principle that you give assistance willingly, but you require the individual to prepare for self-sufficiency,” he said.