

**Show Me the Evidence:
Peter the Citizen’s Fight for Rigor and Results in Social Policy
(A response to Ron Haskins)**

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In “Helping Work Reduce Poverty,” Brookings Institution scholar Ron Haskins discusses the link between work and poverty.² He is also the main architect of the 1996 welfare reform, which created the Temporary Assistance for Needy Families (TANF) block grant, along with its work requirements and five-year time limit. Haskins contends that TANF’s “strong” work requirements increased work rates and reduced poverty among single mother families. He suggests that “it is reasonable to at least explore how to impose work requirements similar to those in the TANF program in the SNAP, housing, and Medicaid programs while minimizing the problems that have accompanied the implementation of TANF.”

To his credit, Haskins recognizes that TANF’s implementation has not been without problems:

It now appears that many states take steps to keep destitute families off welfare and do little to reach out to floundering mothers who are having difficulty juggling work and child-rearing. Simultaneously, states use the flexibility provided by TANF spending rules to spend the funds on social problems other than reducing destitution and supporting work programs. As a result, many fewer poor families receive a TANF cash payment today than in the years before welfare reform, and it appears that many families with children, especially those headed by a single mother, at the very bottom of the income distribution are worse off than before welfare reform.

These implementation problems are so serious that it would be a mistake to even suggest that TANF’s work requirements are “strong” and a model for other programs. While work requirements have helped some families move from welfare to work, TANF’s requirements are “weak” with respect to holding states accountable for engaging needy families in work activities, “punitive” in terms of their treatment of *many* needy families, and largely “ineffective” as a tool for promoting work.

As a co-author of *Show Me the Evidence: Obama’s Fight for Rigor and Results in Social Policy*, Haskins understands the importance of having a strong counterfactual in determining the “impacts” of social programs. He emphasizes the importance of random assignment experiments and examining how programs are actually implemented. In concluding that TANF’s work requirements increased work rates and reduced poverty, however, he ignores his own emphasis on rigor and relies on simplistic data comparisons over time to make unwarranted claims of causation. A more careful analysis would suggest that TANF has undermined efforts to promote work and reduce poverty. Indeed, the TANF experience suggests that “imposing work requirements similar to those in TANF” would be a recipe for failure. Instead, policymakers should move cautiously and expand work requirements only after they have been tested and evaluated rigorously on a smaller scale – something Haskins thankfully agrees with. In the meantime, they should also address TANF’s very real problems, which stem mainly from the

block grant structure, excessive state flexibility, flawed work requirements, and the lack of any meaningful accountability measures.

Most conservatives still believe TANF is an “unprecedented success.” For the past two years, I have been writing papers as a citizen to highlight TANF’s many problems. My hope is that conservatives will adopt more “rigor” in their assessment of the 1996 law and use evidence rather than ideology in developing reform proposals. This response addresses a number of the claims made by Haskins about TANF’s work requirements, followed by a “PC Response.” (“PC” is short for “Peter the Citizen.”)

Background

The Family Support Act of 1988 imposed the first real work requirements on states under the new Job Opportunities and Basic Skills Training (JOBS) program. By FY 1995, states were to have 20 percent of their nonexempt caseloads involved in a work, education, or training activity for an average of 20 hours per week. About half of the Aid to Families with Dependent Children (AFDC) caseload was exempt (primarily single mothers with a child under the age of three) and thus excluded from the participation rate calculation.

The 1996 law changed the overall work participation rate by requiring states to engage at least 50 percent of TANF families with an adult receiving assistance (now a “work-eligible individual) in one or more of 12 specified work activities. To count toward TANF’s overall rate, an individual must participate for a minimum average of 30 hours per week in a month, of which at least an average of 20 hours per week must be in one or more of nine “core” activities (see Table 1); for a single parent with a child under 6 years of age, the requirement is an average of 20 hours per week in one of the nine core activities. The law also included a caseload reduction credit, which reduces a state’s required participation rate by one percentage point for each percentage point that the state’s assistance caseload for the prior year (the comparison year) falls below the caseload in a base year (initially FY 1995; later changed to FY 2005), not counting reductions due to federal or state eligibility changes since the base year.

“Core” Activities	“Non-Core” Activities
Unsubsidized employment	Job skills training directly related to employment
Subsidized private sector employment	Education directly related to employment
Subsidized public sector employment	Satisfactory attendance at secondary school or in a GED program
Work experience	
On-the-job training	
Job search /job readiness assistance	
Community service programs	
Vocational educational training	
Providing child care to a participant in a community service program	

The foregoing is a very brief overview of TANF's work requirements; the actual rules regarding who can count, hours of countable participation, the caseload reduction credit, and other related provisions can be quite complicated, but understanding them is not required to see how TANF has failed.³

Does TANF have strong work requirements?

Haskins: "TANF has strong work requirements, but the work requirements in SNAP and housing programs are much weaker. The strong TANF requirements were enacted in 1996 and implemented by states and localities the following year, although some states had already implemented some of the requirements even before the federal legislation was enacted."

PC Response: It is important from the outset to establish that the AFDC/JOBS [TANF's predecessor] work requirements and the TANF work requirements are two distinct requirements. The fact that some states operated work requirements "even before the federal legislation was enacted" is true, but those requirements operated in a very different programmatic and fiscal environment. As explained below, TANF gutted those work requirements and has, in the longer-term, underfunded the safety net and welfare-to-work programs due to the fixed funding and excessive flexibility of the block grant.

"Strong" is *not* the wrong word to describe TANF's work requirements. A more accurate characterization would be that they are "weak" in holding states accountable for engaging needy families in real work activities; "punitive" with respect to their treatment of individuals, should states choose to apply TANF's rules; and "ineffective" in connecting poor families with real work opportunities.

"Weak" with respect to states. While the 1996 law sent a strong message about the importance of work, the law actually gutted the modest work requirements under the prior AFDC/JOBS program. In TANF's first 15 years, the caseload reduction credit alone slashed the work requirement targets as many states had no requirement or a near-zero percent target rate. Between FY 1998 and FY 2011, about 20 to 30 states had a 0 percent target. How can anyone call this strong? As Haskins himself observed as early as 2003, "...because of the caseload reduction credit, the average state now has only a 5 percent work participation requirement and many states have a zero requirement."⁴

Even without the caseload reduction credit, the law provided a variety of ways for states to meet the requirements without actually serving anyone in a real activity, including (but not limited to):

- TANF made "unsubsidized employment" an activity (full-time employment was an exemption under prior AFDC/JOBS program). This allows states to simply count those who combine work and welfare; since TANF's inception over 50 percent of the hours counted toward the work rate have been in this "activity."

- Making “unsubsidized employment” an activity has led some states to provide token payments, paying as little as \$5 a month to families that don’t receive traditional cash assistance but work full-time. This artificially inflates the work rate.
- Until FY 2007, families assisted through “separate state programs” funded with maintenance-of-effort (MOE) dollars were not subject to TANF’s work requirements. Congress was either careless in writing the law or it intentionally created a loophole. By 2005, over half the states had such programs. Their main purpose was to remove families from the rolls that did not have enough hours to count in the work rate, e.g., two-parent families (who also faced a 90 percent work rate) and those with barriers to employment.
- Congress closed the separate state program loophole effective FY 2007, but this simply led to a new loophole – the “solely state funded” program. Given the broad flexibility states have in how they use TANF funds, it is easy for states to manipulate funding streams to create assistance programs for those unlikely to meet TANF’s work rates outside the TANF-MOE structure and instead use TANF funds for existing state activities that meet one of its broad purposes, but are not core welfare reform activities.
- The original TANF statute did not define work activities – it simply listed them. This led to broad work activity definitions in some states. For example, Wisconsin included bed rest and personal care activities as part of recovery from a medical problem, physical rehabilitation including massage and exercise, personal journaling and motivational reading, and others typically not considered “work activities.”⁵
- States with section 1115 welfare reform waivers when the 1996 law was enacted were allowed to continue their waiver policies to the extent they were inconsistent with TANF through the end of the approved project period. Twenty states continued such waivers, which included provisions related to exemptions, countable work activities, and hours of participation.⁶ While states still had to meet the new work rate targets, the pre-TANF policies often gave them a distinct advantage. For example, in FY 2005, Massachusetts had a 12.6 percent work rate (measured according to TANF rules), but the state’s waivers exempted parents with a child under six years of age and removed TANF’s strict limits on how long education activities can be counted, raising the rate to 59.9 percent.⁷

This is only partial listing of the loopholes states have used to “game” TANF’s work requirements. There is nothing about TANF’s work requirements that make them “strong” in holding states accountable; in fact, they are much weaker than the previous AFDC/JOBS requirements. Today, TANF’s work requirements are a travesty.⁸ Most states use gimmicks to meet them, rather than actually connecting needy families to welfare-to-work activities that might help. In an average month in FY 2015:

- About a dozen states artificially inflated their work rates by paying token benefits (e.g., \$5 a month) to low-income families that otherwise would not be on welfare to artificially boost their work rates. This accounted for over 15 percent of the national caseload – at least 250,000 families, all of whom were already working and who otherwise had no connection TANF cash assistance.⁹

- In over half the states, well over 100,000 families have been shifted to solely state funded programs because they did not have enough countable hours to count in the work rate; this is possible because TANF is a flexible and fungible funding stream.¹⁰
- By way of comparison, less than 100,000 TANF families that were counted as “participating” were engaged in a real activity:
 - Vocational educational training: 28,000
 - Work experience: 13,000
 - Job search and job readiness assistance: 61,000

Since some individuals may be in more than one activity, a rough approximation is that in an average month in FY 2015, about 80,000 to 90,000 work-eligible individuals participated in a real activity enough hours for the family to count.¹¹ This represents just 6 percent of the cash assistance caseload and just over 1 percent of poor families with children.

Is this really a model anyone would want to defend? How does creating a work requirement structure that encourages states to use gimmicks rather than engage families in a real activity help needy families? As long as TANF is a block grant with excessive state flexibility, loopholes will remain. If conservatives are serious about ending loopholes, the first step would be to end the block grant structure; the second would be to limit spending to basic assistance and work activities – nothing else; and the third would be to focus on requirements that are reasonable and reflect operational realities. Real welfare reform requires adequate funding, realistic work requirements, and rigorous evaluation so that we can learn what works and what doesn’t and build on an evidence base.

“Punitive” with respect to individuals. In many states, work requirements are largely irrelevant, because the states don’t use TANF to fund cash assistance anymore – they don’t need gimmicks. For example, in Texas, in 2014, there were 707,093 poor families with children, but only about 37,000 received TANF cash assistance and only about 10,000 had an adult that was required to participate in work activities.¹² When only 1-2 percent of poor families with children are subject to work requirements, it isn’t hard for a state to meet those requirements. TANF expects 130 hours of participation a month in exchange for a small grant – about \$280 in Texas for a family of three.¹³ That is asking these families to value their time at about \$2 an hour – it’s no wonder the rolls have shrunk. As such, the main function of TANF’s work requirements has been to impose barriers and cut caseloads through a process known as “bureaucratic disentanglement.”

Many state politicians are happy to apply these requirements, because when families are hassled off the rolls (or deterred from coming on), the welfare savings can be added to the TANF slush fund and used to fill state budget holes. And, as caseloads decline, the caseload reduction credit again reduces their work rate targets. Although Congress tried to restore meaning to the work rate in the Deficit Reduction Act of 2005 by recalibrating the base year from which the credit is calculated from FY 1995 to FY 2005, by FY 2015, 14 states faced a 0 percent target for their overall rate.

“Ineffective.” Welfare reform should be about giving needy families a hand up, but instead, under TANF, it has abandoned them. When states use gimmicks to meet their work rate or hassle families off the rolls (or discourage them from coming on), some might find employment, but many become more dependent on other programs like SNAP and are pushed deeper into poverty. In the preTANF waiver era (described below), most state welfare reforms combined a mix of “help” and “hassle.” If state reforms had negative effects on family incomes, child well-being and other outcomes (based on a random assignment experiment), the waivers could be terminated. In other words, states were expected to reduce welfare rolls by giving needy families a “hand up,” not just pushing them off assistance, and they had to prove it. Under TANF, this responsible, evidence-based approach was replaced by giving state politicians a blank check with no real obligation to help needy families.

Note: Many states did run strong welfare-to-work programs, particularly in TANF’s early years, but most started these under the prior JOBS program. Except for the work message, TANF did not “strengthen” work requirements. The number of individuals served in a real activity (i.e., one other than “unsubsidized employment”) has steadily declined since TANF’s inception. The combination of TANF’s fixed block grant and its excessive state flexibility to divert spending away from core welfare reform activities has made virtually impossible for states to run meaningful welfare-to-work programs today.

Can the TANF experience with work requirements be generalized to other programs?

Haskins: “We can examine the impact of the TANF work requirement to gain some idea of the possible impact of adopting similar work requirements on the prime-age and able-bodied beneficiaries of SNAP and housing programs.”

PC Response: This statement is wrong in a number of respects. First, there are no credible “impact” studies that shed light on the effects of TANF’s work requirements, though a careful study of how states have implemented them shows serious problems (as described above). Second, even if one had credible impact findings, generalizing from TANF to other programs, populations, and time periods would be problematic. I discuss these issues in more detail below.

The “Impact” of TANF Work Requirements. Determining the impact of social programs can be challenging; a good counterfactual is required. In *Show Me the Evidence: Obama’s Fight for Rigor and Results in Social Policy*, Ron Haskins and Greg Margolis remind us of this important consideration:

...evidence-based strategy can work only if the field of social science has a method ready for widespread use that allows successful programs to be identified with high reliability. Fortunately, in what is social science’s most important contribution to social policy, the field does have such a method: the random-assignment experiment or, more formally, the randomized control trial.¹⁴

Despite this sage advice, Haskins later bases his assessment of TANF’s impact on simplistic comparisons of employment and poverty rates over time.

One of the arguments for the block-grant approach was that states would become laboratories for testing new approaches to promote self-sufficiency among welfare recipients. In fact, the opposite happened, as states were no longer required to rigorously evaluate their welfare reforms and we know little about the effects of most reform policies. Writing in 2015, Liz Schott, LaDonna Pavetti, and Ife Floyd of the Center on Budget and Policy Priorities observed:

The result is that, 19 years after TANF's creation, we still have no rigorous evidence to inform debates about expanding work requirements to other programs. Similarly, because few states have implemented innovative employment strategies for families with substantial personal and family challenges, we still have very limited knowledge about how to significantly improve their employment outcomes. In short, states had an opportunity to innovate and rigorously evaluate new approaches to service delivery, but that is not the path they chose.¹⁵

The knowledge gap is not limited to work requirements. There is little evidence regarding the impact of time limits, sanctions, family caps, diversion programs, and an array of other provisions.

Ironically, TANF replaced an evidence-based welfare reform model with a blank check to states with no meaningful evaluation component. In 1987, President Reagan started encouraging states to use existing authority to conduct welfare reform experiments – through waivers of AFDC's rigid rules (and, to a lesser extent, food stamp and Medicaid rules due to more limited waiver authorities for those programs). This approach was continued by President Bush and President Clinton. By August 1996, 43 states had received welfare waivers to test a wide variety of reforms. The preTANF waiver process relied on an approach that would provide a real counterfactual using the “gold standard” of evaluation – random assignment.¹⁶ The findings from random assignment experiments are considered the most credible, because the experimental and control groups are alike and subject to the same external conditions, with the only difference being the intervention itself. Thus, any difference in outcomes between the groups can be attributed to the intervention – welfare reform – itself. This approach provided credible evidence about the impacts of welfare reform, including many examples of state experiments that increased employment and earnings, and also reduced welfare dependency and poverty.¹⁷ The next step should have been to refine this process and expand waiver authorities in other programs.

Unlike the AFDC waiver experiments, which could be evaluated using random assignment to assess their impacts on welfare dependency and self-sufficiency, TANF cannot be evaluated in this manner. TANF is just a funding stream. There is no counterfactual that could be constructed in any rigorous way, because the funds are now used for hundreds of different activities. To assess TANF, it is not only important to examine trends in key outcomes, but also to examine how the law was written, how the policies were implemented, and apply a good dose of common sense.

Generalizing from TANF to Other Programs. Haskins suggests that the TANF experience might allow us “to gain some idea of the possible impact of adopting similar work requirements

on the prime-age and able-bodied beneficiaries of SNAP and housing programs.” Even if one had credible impact finding for TANF’s work requirements, it would be inappropriate to generalize to other programs like SNAP.

First, the programmatic structure of the programs is very different. TANF gives states enormous flexibility to design cash assistance programs and work requirements – including the flexibility to game the work requirements. In contrast, SNAP has uniform eligibility rules and benefit levels and many of the gimmicks states use to meet TANF’s work requirements would not be possible under SNAP.

Second, the funding structure is very different. TANF is a fixed block grant, whereas SNAP benefits are fully funded by the federal government. TANF is not responsive to changes in economic and demographic circumstances, whereas SNAP is.

Third, TANF primarily serves very poor single mothers, whereas SNAP has a much more diverse population, in terms of its demographic characteristics and economic circumstances. It would be inappropriate to generalize from TANF to SNAP populations like two-parent families, individuals, childless couples, and single mothers not receiving TANF benefits.

Fourth, TANF is not a “program”; it is a fixed funding stream. In TANF’s early years, Congress provided a windfall of 20 to 30 percent in federal funding, helping states run relatively rich welfare-to-work programs; over time, however, inflation, demographic changes and the diversion of TANF funds to other purposes means that state TANF agencies have considerably less funding available to them. So, if there were impact findings for TANF’s work requirements, one would expect their “effectiveness” to vary significantly by time period. Indeed, the biggest increases in employment and reductions in poverty TANF proponents cite occurred from 1996 to 2000, just as TANF enjoyed its great windfall.

Wisconsin, a state long lauded by conservatives for its welfare reforms, is a prime example of TANF’s differential effects over time. Unlike Governor Thompson, who reaped a massive windfall from TANF, Governor Walker is getting far less in TANF funding when adjusted for inflation; and he is dealing with a nearly 40 percent increase in the number of poor families with children. Unlike Governor Thompson, who faced a 0 percent work target throughout most of his Administration, Governor Walker faced a 50 percent requirement and has failed to meet TANF’s work rates for four consecutive years (FY 2012-FY 2015). Table 2, “A Tale of Two Governors: The Best of Times and the Worst of Times” (from *TANF is Broken!*) contrasts TANF in these two eras. (The comparison here is not intended to be a reflection on either governor, but rather to illustrate the failure of the block grant approach for safety net programs.) In 1997 Governor Thompson had nearly twice the federal funding for each poor family with children as Governor Walker did in 2012. Even if there were a credible evaluation showing Governor Thompson’s TANF was a success (and there isn’t one) that result would not be generalizable to TANF today, much less to SNAP or any other program.

Table 2		
A Tale of Two Governors: The Best of Times and the Worst of Times		
	Gov. Thompson (1997)	Gov. Walker (2012)
TANF Block Grant (2014\$)	\$467.8 million	\$327.7 million
Windfall/Deficit vs. 1996 (2014\$)	\$105.7 million	-\$34.4 million
# of poor families w/children	82,984	114,395
\$ per poor family w/children (2014\$)	\$5,637	\$2,865
Work Rate Targets	1997: 8% 1998-2006: 0%	2011: 0% 2012-2014: 50%

Sources: CBPP for poverty data; GAO for state-specific 1996 spending and block grant amounts. HHS for data on work rate targets.

Does TANF’s five-year time limit encourage work?

Haskins: “The TANF program has several features that encourage recipients to work. First, beneficiaries are limited to receiving five years of the TANF cash benefit. This restriction is seen as a way to send a message that, as the program’s name suggests, TANF is temporary and recipients must find a way to support themselves over time.”

PC Response: TANF’s five-year time limit did send a strong message in TANF’s early years, but today it is not a factor in most states. Some states bypass the time limit, most notably New York, by funding families beyond five years in separate state programs, and California, by continuing benefits to children. Conversely, many other states use TANF’s flexibility to set shorter time limits. Sadly, many of the states that take this approach do little to provide welfare-to-work services to give families a “hand up,” but instead divert the money for other non-welfare reform purposes. And, because TANF replaced an evidence-based approach to welfare reform, one requiring the very kind of randomized control trial Haskins endorses, we now have no information about what happens to needy families when a state like Arizona cuts them off after just one year.

Are work requirements really relevant in TANF anymore?

Haskins: “Second, recipients are subject to a work requirement that encourages them to engage in activities to prepare for or find work. States are free to design their own programs in this regard, but all states must have a program that aims to get recipients into the workforce sooner rather than later. In addition, the program must include a system of sanctions by which recipients who do not meet the state-determined work requirements see their benefits reduced or even terminated.”

PC Response: TANF is a flexible funding stream; it is not “welfare reform” and there is no requirement that states use TANF to fund either cash assistance or to establish welfare-to-work

programs. What the TANF law does say is that if families with an adult (now “work-eligible individual”) receive assistance, the state will be required to meet minimum work participation rates. Some states have virtually eliminated their cash assistance programs so work requirements are irrelevant.

For example, Texas has about 10 percent of the nation’s poor families with children. In FY 2015, the state spent just 14 percent of its TANF/MOE funds on core welfare reform activities (i.e., basic assistance, work activities, and child care); and only 4 out of every 100 poor families with children in 2014-15 received cash assistance, down from 47 out of 100 when TANF was enacted.¹⁸ Do work requirements really matter in Texas when so few families receive it? Even then, thanks to the caseload reduction credit, in FY 2015 the state had a 0 percent target.

Texas is not alone – in FY 2015, an astounding 28 states spent less than 20 percent of their TANF-MOE funds on basic assistance. (There are no work requirements for the activities funded with the 80-plus percent of TANF dollars in these states.) In a dozen states, the TANF-to-poverty ratio is less than 10. And, 14 states had a 0 percent work rate target – i.e., they faced no real *federal* work requirement. To characterize TANF as a meaningful safety net and one that has meaningful work requirements is highly misleading – it has become a slush fund in all too many states.

Did TANF’s work requirements increase employment rates?

Haskins: “Did these demanding reforms increase work rates among mothers on TANF? Never-married mothers had much lower work rates than mothers overall before the mid-1990s, when welfare reform was enacted. In 1992, for example, the work rate of all mothers was 63.9%, which exceeded the 44.4% rate for never-married mothers by nearly 45%. During the years leading up to welfare reform, the work rate of both groups of mothers increased modestly. But following welfare reform, while the work rate of all mothers continued its gentle rise, the work rate of never-married mothers increased dramatically. In fact, in the four years following welfare reform, the work rate of never-married mothers increased by more than 34% as compared with the average of the four years before welfare reform. Compared with this large increase, the increase in work rates for all mothers over the same period was a little over 7%.

The recessions of 2001 and 2007-2009 reduced the work rates of never-married mothers (and every other demographic group). For never-married mothers, the decline was from a high of 66.5% in 2000 to a low of 58.2% in 2011. But as the economy recovered from the Great Recession, the work rate of never-married mothers began to move up again. The 65.1% rate for never-married mothers in 2016 is about 41% above the comparable rate in the five years before welfare reform. It seems reasonable to conclude that, although varying somewhat with the health of the economy, the work rate of never-married mothers has permanently increased – the most important goal of welfare reform.”

PC Response: Haskins’ portrayal of the rise in employment rates among never-married mothers is misleading. He compares the *average* employment rate for “the four years before welfare reform” to the employment rate in 2000. Using the *average* employment rate for 1992 to 1995

takes a period with an average unemployment rate of 6.5 percent and compares it to a year (2000) when the unemployment rate was just 4.0 percent. At the very least, if one is making a statement about “TANF” and its work requirements, then the starting point is roughly the mid-point between 1996 and 1997 – not an average of four years prior to TANF’s enactment.

To get a clearer picture of the before and after “welfare reform” changes in employment rates, I use a series for single mothers, prepared by the Congressional Research Service; I also estimate the 2016 rate for purposes of this exercise by assuming the differential between never-married from Haskins’ article and single mothers from the CRS report remained constant between 2011 and 2016. Table 3 shows the employment rate of single mothers for the years covered in Haskins’ paper, except I add a year for the start of TANF – the average of 1996 and 1997, as TANF was implemented between September 30, 1996, and July 1, 1997. (I did not have the data series for never-married mothers used by Haskins, but the differences are immaterial for the general points I make.)

	Year				
	1992	1996/97	2000	2011	2016
Employment Rate – Single Mothers	57.3%	64.5%	72.8%	63.6%	71.7% (est.)

Source: Thomas Gabe, “Welfare, Work, and Poverty Status of Female-Headed Families with Children: 1987-2013,” Congressional Research Service, November 21, 2014, available at: <https://www.fas.org/sgp/crs/misc/R41917.pdf>.

The employment rate of single mothers started to rise well before TANF was enacted. From 1992 to 1996/97, it rose from 57.3 percent to 64.5 percent, an increase of 7.2 percentage points. TANF’s work requirements had nothing to do with this rise. From 1996/97 to 2000, the employment rate of single mothers continued to rise, from 64.5 percent to 72.8 percent, or 8.3 percentage points. So, the key question is – how much of this 8.3 percentage point increase is due to TANF’s work requirements? And, is it reasonable to conclude that whatever this amount is reflects a permanent increase in the employment rate? To make judgments about these questions, one needs to disentangle causal factors, examine the actual implementation of TANF. It is also worthwhile considering the impact from a broader perspective; in particular, the increase in employment regardless of how it is estimated is small compared to the dramatic drop in the caseload.

Factors to consider in making causal inferences. The main problem with Haskins’ analysis is the suggestion that the impact of TANF’s work requirements can be captured by a simple examination of employment rates over time. A pre-post assessment of TANF’s work requirements (or even all of welfare reform) is an extremely weak approach to establishing causality. There are many factors that affect employment rates beyond TANF’s work requirements, particularly the economy (which was very strong in the 1990s); the expansion in health spending and aid to the working poor; changes to other policies (e.g., periodic increases in the minimum wage); changes in drug use, crime, teen pregnancy and other social behaviors; and state reforms to cash assistance programs other than work requirements (e.g., expanded earnings disregards), which were possible because of waivers and could have been continued. It is

simply not possible to isolate the impact of TANF, much less its work requirements, from all of these factors.

Comparing 1996-2000 to 2011-2016. Haskins suggests that TANF's effects are somewhat fixed over time, as in his statement that "the work rate of never-married mothers has permanently increased" as a result of the reforms, "varying somewhat with the health of the economy." This ignores changes in the relative importance of factors besides the economy over time. One very important factor is aid to the working poor. In particular, the 1993 budget bill included a major expansion of the EITC, leading President Clinton to proclaim that "we will reward the work of millions of working poor Americans by realizing the principle that if you work 40 hours a week and you've got a child in the house, you will no longer be in poverty." In 1992, spending on AFDC cash assistance was more twice the spending on the EITC. By 1996, spending on the EITC surpassed AFDC and the gap has widened at an astronomical pace. Between 1992 and 2016, the period examined by Haskins, real expenditures for the EITC and the refundable portion of the Child Tax Credit grew nearly eight-fold from about \$11 billion to about \$80 billion, meanwhile spending AFDC/TANF cash assistance plummeted, from over \$36 billion to less than \$8 billion (all in inflation-adjusted 2015 dollars). Similarly, spending on health care for low-income families with children has risen rapidly due to a wide range of expansions, including the 1997 creation of the Children's Health Insurance Program. Before 1996, families that left welfare risked losing health care coverage after a transitional period; this is no longer as serious a concern.

Even if one believes TANF had an effect 20 years ago, it is unlikely that the impact was permanent. TANF as cash assistance is virtually gone and TANF's work requirements are dysfunctional and not about connecting families to work. Given that TANF cash assistance and related spending on work activities now represents about 1 percent of all means-tested spending, it is difficult to imagine that TANF had any impact on the employment rate of single mothers from 63.6 percent to an estimated 71.7 percent between 2011 and 2016.

TANF is not "welfare reform." TANF is not "welfare reform," but a flexible funding stream that states can use for a wide variety of benefits and services. In a nutshell, the enactment of TANF set in motion changes that would: (1) initially provide a large windfall of federal funds for states, but also put in place a funding structure that in the longer-term would provide insufficient resources due to inflation and demographic changes; (2) give states excessive flexibility to convert TANF (over time) to a giant slush fund with minimal reporting and accountability provisions, including the ability to use federal funds to simply supplant existing state expenditures; and (3) give states excessive flexibility to avoid or evade virtually all of the federal requirements in the law, most notably work requirements.

Comparing 1996-2000 to 2011-2016. An important factor overlooked by many analysts, both conservative and liberal, is that in the TANF's first five years (FY 1997-FY 2001), the block grant provided states a substantial windfall – at least \$15 billion more in federal funds than they would otherwise have received. This is because Congress based each state's block grant on the federal share of AFDC and related expenditures in the years preceding TANF, when they were at historic highs. The federal block grant is about \$16.5 billion and in FY 1996 the federal cost for AFDC and related programs was just \$15 billion; had the block grant been available in FY

1996, federal costs would have been inflated by nearly 10 percent, or \$1.5 billion.¹⁹ Since caseloads were already declining and would have continued to decline for a number of years whether TANF passed or not (though perhaps not as much), a reasonable *minimum* estimate of the five-year windfall in federal funds is at least \$15 billion (about \$3 billion a year, on average). So, another possible factor for TANF’s putative success in the early years is this windfall, as states were more generous in providing child care and other work supports – partly because they had more money, but also because they hadn’t started to divert TANF dollars to other purposes as they did in later years.

Over time, inflation and demographic changes would wipe out this windfall. Indeed, inflation alone has reduced the value of the block grant by over one-third. And, states soon learned that the enormous flexibility of the block grant could be used to supplant existing state expenditures and fill budget holes. Whereas states spent about 75 percent of AFDC funds on cash assistance and work activities before TANF, they spent less than one-third on these activities in FY 2015. Again, even if one believes TANF had an effect 20 years ago, the sharp reduction in funding *and* diversion to other activities means its impact would be severely diluted today.

TANF Weakened Work Requirements. As co-author of *Show Me the Evidence*, Haskins understands the meaning of a “counterfactual.” With respect to work requirements, the counterfactual is not “no requirement,” but the “JOBS work requirement” that existed at the time TANF was enacted. Table 4 compares the average monthly number of recipients counted toward the work rates in various activities over time.

Table 4: Work Participation under AFDC/TANF: FY 1995-FY2015 (countable participants, selected years)

Year	Poor Families with Children (mil.)*	Caseload	Required to Participate	Participants	Unsubsidized Employment (countable)	All Activities Other Than Unsubsidized Employment**	Job Search and Job Readiness Assistance	Work Experience + Community Service	Education
1995***	6.2	4,382,134	1,864,602	499,388	61,424	437,964	120,851	24,018	235,711
1998	5.9	3,146,870	2,104,265	699,573	490,837	208,736	87,371	111,854	69,217
2001	5.3	2,120,841	1,112,577	382,853	248,149	134,704	51,832	58,455	56,384
2004	6.0	1,984,560	952,523	307,784	163,889	143,895	55,765	71,513	57,942
2007	6.0	1,755,554	882,613	264,119	182,954	81,235	39,786	33,403	40,287
2010	7.2	1,907,041	998,263	294,383	168,248	126,135	53,519	47,205	60,792
2013	6.8	1,749,638	930,398	313,396	203,741	109,655	60,278	48,114	42,830
2015	6.5	1,637,037	928,538	448,736	361,656	87,080	60,650	31,294	31,570

Source: Various HHS work participation rate tables at: [https://www.acf.hhs.gov/ofa/resource-library/search?area\[2377\]=2377&topic\[2357\]=2357&type\[3084\]=3084](https://www.acf.hhs.gov/ofa/resource-library/search?area[2377]=2377&topic[2357]=2357&type[3084]=3084). Author’s calculations.

* Calendar Year

** Individuals may participate in more than one activity, so the sum of participants in each activity may exceed the total. The figures here are an estimate, based on subtracting those in “unsubsidized employment” from the total number of participants.

*** The JOBS rules on countable participation differ from those of TANF in a number of respects, particularly in terms of who is required to participate and the minimum hours of participation required. These differences do not have a significant impact on the basic argument.

For added context, the table also shows the number of poor families, the TANF/SSP caseload, and the number required to participate (i.e., excluding those who are not considered “work-eligible individuals” or not expected to participate). While the table is based on a number of simplifying assumptions, it does clearly show a sharp decline in the engagement of families over time, as well as the relatively small number of TANF families that participate in a work activity other than “unsubsidized employment.”

In FY 1995, the average monthly number of participants under JOBS was 499,388, most of who were in an activity other than “unsubsidized employment” – 437,964. This can form a rough baseline for comparison to TANF. In FY 1998, the first full year under TANF, overall participation shot up to an average monthly 699,573 participants, but most of this simply reflected states counting those who combined work and welfare. Actual participation in an activity fell 52 percent, from an average monthly 437,964 to 208,736. Part of this reduction is due to the 28 percent decline in the caseload, but much of it is due to TANF’s restrictions on counting education, including vocational educational training. TANF’s work first emphasis was reflected in the sharp increase in participation in work experience/community service, from an average monthly 24,018 to 111,854. This increase is somewhat misleading, however, as three states (New Jersey, New York, and Ohio) accounted for over half of all participants in these activities. Most states did not create large work programs.

Between FY 1995 and FY 2015, the number of poor families with children actually rose by about 250,000, yet the average monthly number of individuals in a real work activity that were counted toward the AFDC or TANF work requirements has declined by 80 percent, from about 438,000 to about 87,000. In most years since TANF’s inception, only about 10 to 15 percent of those subject to work requirements actually participated in a real work activity. Indeed, writing as early as 2004, Douglas Besharov and I noted that in many states, fewer than 10 percent of families were involved in an actual work activity. We recommended “toughening TANF” by requiring a 10 percent target, but in more narrow, but real, work activities: “Establish a separate minimum participation rate for work experience, on-the-job training, and other designated forms of education and training of 10 percent—to add a needed focus on activities that build human capital.”²⁰

Putting TANF’s employment gains in perspective. If one examines the 8.3 percentage point increase in the employment rate of single mothers between 1996/97 and 2000 and gives credit to TANF for one-third of the gain (with the economy, aid to the working poor, and other factors accounting for the rest), or 2.8 percentage points, then that would be a generous concession. Given that there were about 11 million single mothers in 2016, that suggests (using the pre-post approach for establishing causality) about 300,000 more are working *because* of TANF. Meanwhile, the TANF caseload fell from about 4.1 million to about 1.4 million over the same time period – a drop of 2.7 million.²¹ In other words, the caseload decline was nine times larger than the increase in employment – even giving TANF credit for far more of an employment impact than is likely. TANF’s employment effects by any calculation are small relative to the caseload declines. Indeed, I would argue TANF has a negative effect on employment because of the evisceration of welfare-to-work requirements.

Did TANF reduce poverty?

Haskins: “As expected, the increasing work rates of mothers, especially never-married mothers, led to a substantial decline in poverty among both families headed by single mothers and black families, which are disproportionately headed by single mothers. In conjunction with the period of increasing work by single mothers, ...the poverty rate among children in these families fell substantially beginning in roughly 1993 until the recession of 2001.”

PC Response: As I explain in “Welfare Reform *Increased* Poverty and No One Can Contest It,”²² most conservative assessments of TANF’s effects on poverty: ignore important factors related to causal inference (i.e., they do not try to disentangle the effects of TANF from other possible influence, such as the economy and increased aid to the working poor); disregard rigorous research findings (particularly random assignment experiments during the same time period that poverty rates fell fastest, i.e., the 1990s, that suggest welfare reform had modest impacts); use inappropriate time periods (often starting years before TANF was enacted and often stopping around 2000); use the wrong poverty measure, i.e., the poverty *rate* rather than a measure that also includes the *depth* of poverty; and confuse TANF with welfare reform – TANF is nothing more than revenue sharing, with a myriad of ineffective and even counterproductive federal requirements. These problems are all issues in Haskins’ paper.

The following list of “mistakes” elaborates briefly on the problems common in many assessments of TANF’s putative “success”. Haskins acknowledges some of these problems, but leaves the mistaken impression that TANF reduced poverty.

Note: The following list repeats some of the arguments regarding TANF’s impact on employment.

Mistake #1: Faulty causal inference. Instead of looking for a credible counterfactual, virtually all conservative claims of TANF’s putative success in reducing poverty rely on simplistic comparisons in poverty rates over time. A pre-post assessment of “welfare reform” is an extremely weak approach to establishing causality. Obviously, there are many other economic, demographic, and policy-related changes that influence poverty rates. In particular, TANF was enacted in the midst of a period of strong economic growth and increased aid to the working poor, most notably expansions in the Earned Income Tax Credit (EITC), child care subsidies, and Medicaid and related health care coverage. And, states were already experimenting with “welfare reform” through waivers; they didn’t need the 1996 law to test new welfare policies. While some conservatives acknowledge that these factors may have had an influence, few try to disentangle the relative importance of each and are happy to leave the impression that reductions in poverty rates were *caused* by TANF.²³

Note: Haskins acknowledges the role of *some* additional factors, most notably the economy and the EITC.

Mistake #2: Ignoring rigorous research. Researchers at RAND prepared a comprehensive synthesis of the impact of dozens of state welfare reform programs on welfare caseloads, child poverty, and a range of other outcomes.²⁴ The random assignment evaluations they reviewed

examined programs in the very period when caseloads and poverty fell rapidly nationally. While most reform programs showed declines in welfare receipt, and some showed reductions in poverty, the magnitude of the impacts was considerably smaller than suggested by the simple trends in national data. This is because the control group also benefitted from a strong economy and increased aid to the working poor. With regard to mandatory work programs, the authors note, “With a few exceptions, most of the poverty impacts are insignificant and small in magnitude.”²⁵ The primary reason for the small impacts is that increases in earnings are often offset by reductions in welfare payments from various programs, even after taking into account the EITC. So, on the one hand, we have rigorous evidence from random assignment evaluations (costing well over \$100 million) suggesting modest impacts, at best, *versus* judgments based on looking at a trend line.

Note: Haskins ignores this evidence altogether.

Mistake #3: The wrong measure. The main measure conservatives use to assess the impact of “welfare reform” is the poverty *rate* – either the official poverty rate or a more comprehensive measure such as the supplemental poverty measure, which incorporates tax payments, in-kind benefits, and work expenses. Regardless of which measure they use, the poverty rate is not a good measure for assessing the impact of welfare reform on those receiving cash assistance, because the eligibility levels for cash aid are well below the poverty thresholds and poverty is measured based on annual income.²⁶ TANF benefits range from about 10 percent to about 45 percent of the federal poverty level.²⁷ Most TANF families are poor whether they receive cash assistance or not – taking their benefits away won’t immediately change the poverty rate, but it will push them deeper in poverty. A simple comparison of poverty rates would miss important distributional effects. If a program lifted a small group of people out of poverty, but pushed a large number deeper into poverty, that would be important to know.²⁸

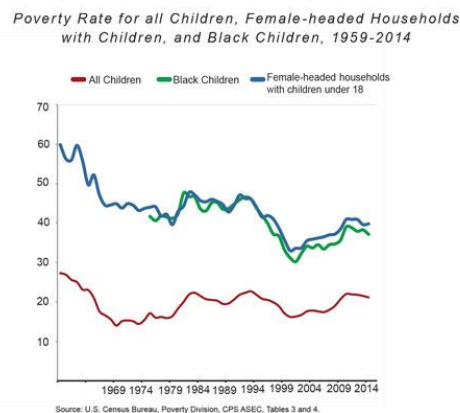
Note: Haskins recognizes that there are distributional effects:

It now appears that many states take steps to keep destitute families off welfare and do little to reach out to floundering mothers who are having difficulty juggling work and child-rearing. Simultaneously, states use the flexibility provided by TANF spending rules to spend the funds on social problems other than reducing destitution and supporting work programs. As a result, many fewer poor families receive a TANF cash payment today than in the years before welfare reform, and it appears that many families with children, especially those headed by a single mother, at the very bottom of the income distribution are worse off than before welfare reform.

Notably, these types of distributional effects would generally be missed in an analysis of poverty *rates* and Haskins makes no attempt to put the size of this group into perspective. His paper suggests that there were more “winners” than “losers,” but this case is not even close. Even if one accepts simplistic pre-post differences in employment or poverty rates as credible impacts, the net gains in employment or decline in poverty among single mothers and their families pale in comparison to the number that have lost cash assistance benefits (as described in more detail below).

Mistake #4: The wrong time period. In comparing changes in poverty rates over time, many conservatives compare trends that begin before TANF was implemented and often stop around 2000. States implemented TANF between September 30, 1996, and July 1, 1997. Given how rapidly poverty (and employment) rates were changing, getting the time sequence right is important. Some conservatives justify this by pointing to the waivers states received before TANF, but as noted in “Mistake #5,” TANF is not “welfare reform,” it is just a flexible funding stream. In particular, TANF added little to flexibility of states to test reforms to their cash welfare programs; indeed, most states simply continued their waiver-based policies under TANF. These waivers and state welfare reforms form the baseline; states would have had this flexibility whether TANF was enacted or not. The key question is not what did “welfare reform” do, but rather, what did TANF do relative to this baseline?

Note: Haskins states, “the poverty rate among children in these [female-headed] families fell substantially beginning in roughly 1993 until the recession of 2001.” He includes the following figure:



As is obvious from the figure, the poverty rate started to decline sharply about five years before TANF was enacted and TANF deserves no credit for that. It then reversed course after about 2000/2001. If TANF is such a success, why the sudden reversal just as it was being fully implemented?

Mistake #5: Confusing TANF with “welfare reform.” TANF is not “welfare reform,” but a flexible funding stream that states can use for a wide variety of benefits and services. In a nutshell, the enactment of TANF set in motion changes that would: (1) initially provide a large windfall of federal funds for states, but also put in place a funding structure that in the longer-term would provide insufficient resources due to inflation and demographic changes; (2) give states excessive flexibility to convert TANF (over time) to a giant slush fund with minimal reporting and accountability provisions, including the ability to use federal funds to simply supplant existing state expenditures; and (3) give states excessive flexibility to avoid or evade virtually all of the federal requirements in the law, most notably work requirements. In short, conservatives (along with President Bill Clinton) gutted real welfare reform and replaced it with a blank check to states with no meaningful accountability provisions.

Note: Haskins does recognize that TANF's flexibility has led to some abuses (my term), as when he states, "states use the flexibility provided by TANF spending rules to spend the funds on social problems other than reducing destitution and supporting work programs." This is perhaps the most significant point in the paper, but Haskins does not elaborate on it beyond a few statements. And, he makes no mention of how the block grant structure and excessive flexibility allow states to game virtually all federal requirements, most notably the work requirements.

Mistake #6: Failing to provide a causal connection. If one believes TANF reduced poverty, what is the plausible causal mechanism? States already had flexibility with cash assistance and TANF added little to this (except for removing the entitlement altogether) and work requirements were weakened as 20 to 30 states had a 0 percent target for the period between FY 1998 and FY 2011. And, other states have taken advantage of various loopholes created by conservatives themselves (see "TANF Work Requirements: An Epic Fail" in *TANF is Broken!*). This leaves the big increase in federal funding and jaw-boning as potential factors in the early years. Over the long-term, all of the aforementioned problems have remained, but the initial windfall has disappeared and is now a large deficit (as inflation eroded the value of the block grant) and states have become far more adept at using TANF like a slush fund and gaming its work requirements.

Note: Haskins suggests work requirements were responsible for TANF's putative "success." However, he fails to examine their actual implementation and does not note the importance of vast differences in funding over time – with huge windfalls early, but large deficits in later years.

Mistake #7: Examining TANF's effects using national data. Given the vast flexibility states were provided and the enormous variation in resources stemming from the funding formula, TANF's effects would also be expected to vary considerably across states. In this regard, one can take the same simplistic pre-post approach to assessing causality, but do so across states. Indeed, Robert Doar of the American Enterprise Institute ran what he describes as a "model" TANF program in New York – both at the state level and in New York City. According to his bio, "Before joining the Bloomberg administration, he was commissioner of social services for the state of New York, where he helped to make the state a model for the implementation of welfare reform."²⁹ Notably, under Doar's leadership, New York didn't eliminate the entitlement (though perhaps only because of a state constitutional provision) – it did not adopt full family sanctions or automatically close cases when they reached TANF's five year limit (instead, transferring many of them to a "separate state program").³⁰ If state policymakers want to adopt full family sanctions and time limits, the responsible approach is to evaluate the effects of such policies – the requirement before TANF replaced the prior evidence-based approach to welfare reform.

Doar presents data showing that between 2000 and 2013, the percent change in poverty rate in New York City was minus 0.9 percent – the lowest in the nation among 20 major cities, followed by Los Angeles and San Diego (plus 3.6 percent and plus 7.5 percent, respectively).³¹ At the opposite end of the spectrum, with the largest increases in poverty, were Indianapolis (81.5 percent), Charlotte (67 percent), and Detroit (57.9 percent). What made New York and California different from many of the other states with cities in Doar's sample, besides having a

vastly better record in reducing poverty rates? The answer: they didn't really eliminate the entitlement and both at least maintained a semblance of a cash assistance safety net.

Note: Haskins does not examine TANF on a state-by-state basis.

An Alternative Perspective – TANF Increased the Depth of Poverty. Table 5 shows the change in the average monthly number of families eligible for assistance compared to the average monthly number receiving assistance for selected years from 1996 through 2013. In 1996 (before TANF), about 5.6 million families were eligible to receive benefits, and about 4.4 million (79 percent) did so. In 2013 the number eligible for TANF was the same (5.6 million), but the number receiving benefits had dropped over 60 percent to 1.7 million (or 31 percent of eligible families). Using the conventional conservative pre-post method for assessing impact (not my preferred approach but one that seems to resonate with conservatives), a reasonable question is: If TANF is such a success and if families had really been “helped” (or motivated to get jobs), why isn't the number of families with incomes below TANF's eligibility thresholds lower today?³²

Table 5: Number and Percentage of Eligible Families Participating in TANF (Average Monthly Data, Selected Years, 1996-2013)				
Year	TANF			
	Eligible (millions)	Participating (millions)	Eligible, Not Participating (millions)	Participation Rate (%)
1996	5.6	4.4	1.2	78.9
2000	4.4	2.3	2.1	51.8
2004	5.1	2.2	2.9	42.0
2008	5.2	1.7	3.5	33.0
2013	5.6	1.7	3.9	30.7

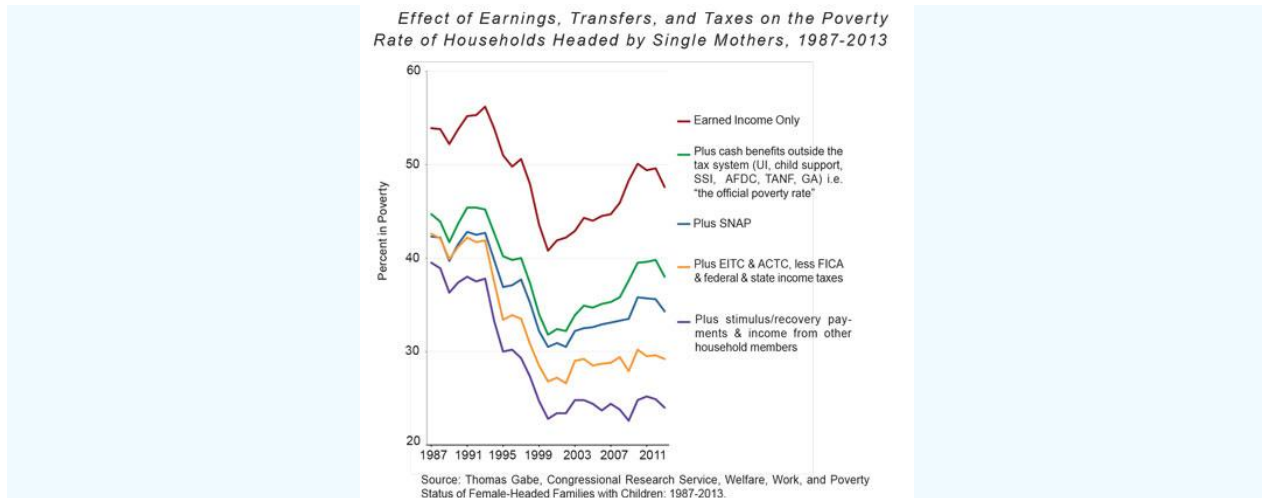
Source: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Welfare Indicators and Risk Factors: Fourteenth Report to Congress*, August 22, 2016.

The more important statistic that can be derived from this table is the increase in the number of families that were eligible to receive TANF, but that did not. This number grew from 1.2 million in 1996 to 3.9 million in 2013. This is an increase of 2.7 million very poor families that were eligible for assistance but did not receive it. For the affected families, this represents a loss in benefits of about \$200 to \$750 per month (the maximum grant for a family of three, depending on the state). Most of these families were poor before being pushed off TANF (or “discouraged” from coming on it) and are poor afterwards. This may not be reflected in a change in the poverty rate, but certainly the fact that they are deeper in poverty should be a matter of concern.³³

A recent report by the Congressional Research Service (CRS) reports the same problem:

...the share of those eligible for assistance who actually received it fell throughout the 1995 to 2012 period. In 1995, 82% of those eligible for AFDC received benefits. By 2012, 28% of those eligible for TANF received benefits.³⁴

Haskins: “A fascinating analysis that focuses directly on work by single mothers combined with benefits from the work-support system was recently conducted by the nonpartisan Congressional Research Service. The CRS analysis, which covers the years between 1987 and 2013, aims to examine how increased work by single mothers, combined with the earned benefits provided by the government's work-support system, affects the poverty rates of female-headed families with kids. The figure below summarizes its findings.



As these various work-support benefits are added to the earnings of single mothers, the poverty rate falls substantially. In fact, during 2013, the last year analyzed by CRS, the poverty rate for single-mother households was cut in half, from 48% to 24%, primarily by receipt of work-support benefits. The figure leaves no doubt that, averaged across all low-income single mothers who work, the work-support system both provides a substantial work incentive and greatly improves the financial well-being of many mothers and their children.”

PC Response: It is true that many safety net programs expanded after 1996 and reduced the poverty rate of single mother families is not evidence of the success of “welfare reform” (and TANF in particular). Indeed, expansions in these programs offset some of the poverty-increasing effects of TANF. Given today’s budgetary climate, it is unlikely that there would be similar offsets if the TANF model were extended to other programs.

As shown in Table 6, the CRS publication also shows TANF’s declining effectiveness in directly reducing poverty. Whereas in 1996, AFDC benefits reduced the poverty rate by 1.7 percentage points (from 41.5 percent to 39.8 percent), in 2013 TANF reduced the poverty rate by just 0.3 percentage points (from 38.3 percent to 38.0 percent).

**Table 6:
Effect of Earnings, Transfers, and Taxes on Family Poverty and Household Low-Income Status,
All Single Mothers, 1996 to 2013
(Numbers in 1,000s)**

Year	# Single Mother Families	Poverty Rate by Income Concept				
		Earned Income	Plus Cash Benefits Other than AFDC/TANF	Plus AFDC/TANF	Plus SNAP and Taxes/Tax Credits	Plus Total Household After-Tax Income
1996	10,052	49.8%	41.5%	39.8%	33.9%	30.2%
2013	10,970	47.6%	38.3%	38.0%	29.2%	24.0%

Source: Thomas Gabe, “Welfare, Work, and Poverty Status of Female-Headed Families with Children: 1987-2013,” Congressional Research Service, November 21, 2014, available at: <https://www.fas.org/sgp/crs/misc/R41917.pdf>.

As noted above, the poverty *rate* is not a particularly useful measure for assessing TANF’s anti-poverty effectiveness because its benefits are so low. A better measure would be to examine the “deep poverty rate,” which is based on half the poverty threshold. Another CRS analysis also points to TANF’s failure in this regard:

Most of those eligible but not receiving AFDC or TANF were poor, with some in deep poverty (family incomes less than half the poverty threshold). Over the 1995 to 2012 period, an increasing number of adults who failed to take up benefits were non-workers and had no other workers in their families. The decline in the share of people eligible for cash assistance also meant that TANF had a smaller impact in ameliorating poverty – particularly among children in deep poverty – than did AFDC. In 2012, there were 3.1 million children in deep poverty that met TANF eligibility criteria but did not receive TANF assistance. The comparable number of children in deep poverty eligible for but not receiving AFDC in 1995 was 0.5 million. In 2012, TANF reduced the rate of deep poverty among children from 9.5% to 8.4%. In 1995, AFDC reduced the rate of deep poverty among children from 11.3% to 6.5%.³⁵

In short, between 1995 and 2012, the number of children in families in both deep poverty and eligible for TANF cash assistance who *did not receive assistance* grew from 0.5 million to 3.1 million. Even this understates the impact on poverty – it ignores declines in participation among those with incomes above the 50 percent poverty threshold, the effect of more restrictive eligibility policies, and the impact of inflation on the value of grants in most states.

Conservatives are right to point out that expansions in the “work support” system, most notably refundable tax credits for those with earnings, have reduced for poverty for those who work. The problem is that they are ignoring the millions of children whose parents don’t or can’t work. As the CRS report notes, most of those eligible but not receiving cash assistance are non-workers who haven’t benefited from work support policies and for whom TANF offers neither cash aid nor a “hand up.”

Haskins: "...what of the mothers who were not able to obtain and hold a job? They and their children are not doing well and are being mostly ignored by policymakers, as Republicans exaggerate the successes of welfare reform, which are real, and liberals condemn welfare reform but propose no solutions except restoring the old system, in which poor mothers have an entitlement to cash income as they did before welfare reform."

PC Response: I believe I am perhaps TANF's harshest critic and I am not a liberal. Indeed, I believe TANF is a massive policy failure and a blot on conservatism. The old system was far better than TANF and having an entitlement to assistance is an advantage, not a disadvantage. As explained above, states already had substantial flexibility under the preTANF AFDC/JOBS program, as they could request waivers. TANF added virtually nothing to this flexibility, as states could receive waivers to test in a rigorous fashion provisions that effectively did eliminate the entitlement, including time limits and full-family sanctions. The main difference is that the federal government did not give states a blank check. They had to prove that their programs reduced dependency and actually helped families by conducting random assignment experiments. Is having no entitlement really an improvement over the "old system" when a state like Arizona can reduce the time limit on assistance to one year without regard to the well-being of very poor families and with no requirement to find out what happened? The waiver approach of the old system offered a responsible way to test policies. Indeed, Speaker Ryan's "Opportunity Grants" and Senator Rubio's "Flex Fund" proposals are really an extension of that approach – not the fixed TANF block grant approach (though both proposals are seriously flawed in the details provide and in what they fail to address.)"³⁶

Note: I don't see many liberals advocating for the "old system." Rather, they seem to argue more for modifications to the TANF block grant, such as increasing the funding, focusing more spending on core welfare reform purposes, modifying work requirements and focusing more on outcomes, etc. While the recommendations generally address some of TANF's shortcomings, they fail to deal with the structural problems, most notably the block grant structure, excessive state flexibility, needless complexity, and a myriad of dysfunctional requirements.

TANF must be repealed and replaced!

Haskins: "...what has happened to the spark of innovation that characterized state programs in the years leading up to and immediately following welfare reform?"

PC Response: Innovative state welfare reform policies were sparked by the preTANF waiver process. TANF's main role in sparking productive innovation in the early years was giving state a large federal windfall, allowing them to spend more money than they otherwise could on child care and other work supports.

Haskins is right to note that there is no longer the kind of innovation surrounding state welfare reform programs that existed 20 years ago. Indeed, as I note in "Did a Flexible Block Grant for Welfare Spur State Innovation? Absolutely – But That 'Innovation' Didn't Help Poor Families," state innovation under TANF is now reflected in how they manipulate its funding rules, work requirements, and other federal requirements.³⁷

Haskins: “It now appears that many states take steps to keep destitute families off welfare and do little to reach out to floundering mothers who are having difficulty juggling work and child-rearing. Simultaneously, states use the flexibility provided by TANF spending rules to spend the funds on social problems other than reducing destitution and supporting work programs. As a result, many fewer poor families receive a TANF cash payment today than in the years before welfare reform, and it appears that many families with children, especially those headed by a single mother, at the very bottom of the income distribution are worse off than before welfare reform.”

PC Response: This should be the central focus of any paper about TANF today – the collapse of the cash assistance safety net, the use of TANF funds as revenue sharing, and the failure of its work requirements to provide a “hand up.”

Haskins: “None of these problems is an inherent part of a demanding and appropriately paternalistic welfare program that requires people to work and disciplines them if they do not. Rather, the problems, as is so often the case with social policy, are functions of the implementation of the reforms.”

PC Response: The problems are inherent in a block grant that gives states excessive flexibility, along with seriously flawed statutory provisions. As I explain in great detail in *TANF is Broken! It’s Time to Reform “Welfare Reform”* there isn’t a single provision that works the way it was intended.

The preTANF waiver process was the right way to give states flexibility. TANF cannot be fixed unless conservatives are willing to start over and deal with its structural problems.

Is it reasonable to extend work requirements “similar” to those in TANF to other programs?

Haskins: “Thus, it is reasonable to at least explore how to impose work requirements similar to those in the TANF program in the SNAP, housing, and Medicaid programs while minimizing the problems that have accompanied the implementation of TANF.”

PC Response: As explained above and in numerous papers, the only reason one would want to examine “work requirements similar to those in the TANF program” would be to avoid all of its mistakes. I cover these problems in many papers, most notably:

“TANF Work Requirements: An Epic Fail,” in *TANF is Broken! It’s Time to Reform Welfare Reform*.

“Saving Speaker Ryan: 20 Reasons Why TANF is NOT ‘Welfare Reform,’ NOT a Model for Reforming the Safety Net, and NOT Conservatism.”

“The Failure of TANF Work Requirements: A *Much Needed* Tutorial for the Heritage Foundation and the American Enterprise Institute.”

“The Failure of TANF Work Requirements in Wisconsin: A Note for Speaker Ryan.”

“The Failure of TANF Work Requirements in 2015: The Need for ‘A *Much Better Way*.’”

These papers are all available at: <http://mlwiseman.com/?portfolio=peter-the-citizen>.

Despite my best efforts, no conservative has addressed these problems in a serious way. I am the only conservative who has proposed a common-sense approach to fixing TANF and restoring meaningful work requirements. And, the only other detailed conservative plan to revise TANF’s work requirements and extend them to other programs is the “Welfare Reform and Upward Mobility Act,” introduced by Senator Mike Lee and Representative Jim Jordan. That bill is unreasonable, unrealistic, and reflects no understanding of the failed TANF experience. I elaborated on the problems with this legislation in two papers: “The Welfare Reform and Upward Mobility Act: A Conservative Plan to Eviscerate the Safety Net” and “The Welfare Reform and Upward Mobility Act: The Epitome of Dysfunctional Conservatism.”³⁸

Haskins: “In a recent report entitled Opportunity, Responsibility, and Security from a working group of conservative and progressive scholars organized by the American Enterprise Institute and the Brookings Institution, a compromise was struck specifying that strong work requirements in welfare programs should not include sanctions that could lead to recipients being denied benefits unless they were offered a job or other ‘constructive activity’ but refused to work. In other words, progressives were willing to accede to strong work requirements on the condition that serious penalties would not be imposed unless the beneficiary had been offered and refused a job or similar activity. If followed, this approach would reduce the problem of destitution among families with children at the bottom of the income distribution. Conservative members of the working group concluded that this stipulation was reasonable and agreed to it.”

PC Response: The problem with the AEI/Brookings “compromise” is that it lacks policy details. Designing work requirements requires describing a wide range of details for both states and individuals. For example, what are the minimum work participation rates states would be expected to meet, what is the consequence for failing to meet the requirements, are there provisions for reasonable cause or corrective compliance? Then there are details related to who is required to participate, the activities that can count toward work participation, and the hours of participation to count. TANF got most of these details wrong and there is nothing in the AEI/Brookings report that suggests the authors have the policy details necessary to correct them (or that they would come to an agreement on these details).

And, even the one specific Haskins offers – “serious penalties would not be imposed unless the beneficiary had been offered and refused a job or similar activity” – lacks detail. One could impose this very condition on TANF and it might have little impact. TANF can require a single mother with a disabling condition to participate 130 hours per month for a grant that in some states is less than \$200. Failure to comply can result in closing the grant. Even if a full-time

workfare position were made available, most low-income mothers may reasonably calculate that participation is not worth the hassle.

Perhaps the most significant detail that is missing in conservative reform plans is the amount of funding that would be provided. The TANF block grant funds are based on historic funding levels for cash assistance that vary enormously from state to state. For example, in 2013, the amount of federal block grant funds per poor child ranged from about \$280 in Texas to about \$2,555 in New York – PER YEAR.³⁹ There is simply no way that states with the relatively small per capita block grant amounts can both provide cash assistance and run meaningful welfare-to-work programs. If conservatives are serious about work requirements, they need to address the fact that such programs can be expensive, particularly when child care and work supports are factored in, and actually say something about program funding.

Haskins: “Before welfare reform, the view was widespread that most mothers on welfare were not able to hold down jobs and that even if they could they would be no better off financially than when they were on welfare. But the experience of welfare reform proves otherwise: In 1995, the Aid to Families with Dependent Children program that TANF replaced had 4.9 million families on the rolls, most headed by single mothers; in 2015, TANF had 1.6 million families, a decline of 3.3 million families.”

PC Response: The fact that the caseload went down is not evidence that welfare reform worked (at least if the goal was to help needy families). As noted above, the increase in employment among single mothers pales in comparison to the decline in the caseload.

The real focus of conservative policymaking should be on those TANF has abandoned – the large and growing number of families with incomes low enough to qualify for TANF cash assistance and who do not receive aid or participate in welfare-to-work. Addressing this issue requires undoing the harm done by TANF and focusing on policy details.

Note: The 1.6 million TANF caseload figure used by Haskins for 2015 is misleading because it does not adjust for cases receiving assistance solely as a “gimmick,” i.e., the families getting small token benefits just so as to artificially inflate the work rate. Nor, does it exclude the cases shifted to solely state funded programs that receive benefits in a funding stream exempt from TANF’s requirements. An estimate that adjusts for these “gimmicks” suggests that the real average monthly caseload is about 1.5 million. The token payments artificially inflate the caseload by about 250,000 families, while the shift to solely state funded programs reduces it by about 150,000. For many states, these variations are considerably greater. For example, the “official” caseload statistics have Maine’s average monthly caseload at 21,653, but without the token payments it would be just 5,968. Similarly, Illinois’ average monthly caseload in 2015 was 17,976, but the real caseload – including the solely state funded cases – was 39,020 or more than double the reported caseload.⁴⁰ These data problems are yet another consequence of TANF’s poor design.

Haskins: “If the Urban Institute review of welfare-leaver studies referred to above is correct, approximately 70% of the single parents who left welfare worked during the following year. Thus, the experience of welfare reform shows that millions of poor mothers were capable of work when given the right incentives, including a strong push from work requirements, sanctions, and time limits. But what about the other 30%?”

PC Response: Haskins *suggests* that somehow most of the caseload decline is due single parents leaving welfare for work. This is misleading for at least four reasons.

1. The rate of employment for welfare leavers has always been high, even in the era before TANF or the waiver-based welfare reform conducted under AFDC. This statistic alone says very little about the impact of TANF.
2. There are several employment measures and Haskins picks the most generous one – the “ever employed” during the year. However, if one picked a measure such as being employed either in the first quarter post exit or the fourth quarter post exit that same study would put the employment rate at 57 percent. Or, if one asked what percentage was employed all four quarters, it would just be 37 percent.⁴¹
3. The study cited by TANF is dated and only a reflection of TANF’s early years when TANF enjoyed a large financial windfall, the economy was strong, and aid to the working poor was increasing. It also reflects a period before states adopted some of their harshest policies, e.g., Arizona’s one-year time limit.
4. The size of the caseload is affected not just by what happens to those who exit, but those who apply and are denied or diverted from assistance.

As I noted above, a far better statistic of TANF’s effects is to examine the increase in families eligible for TANF and not receiving it – that accounts for factors related to entry and exit, the size of earnings, and other factors. In 1996 and 2013, the number of families eligible to receive TANF cash assistance was 5.6 million, but the number receiving benefits fell from 4.4 million to 1.7 million. So, the number eligible for assistance but not receiving it grew from 1.2 million in 1996 to 3.9 million in 2013 – an increase of 2.7 million very poor families. This statistic captures the employment/earnings impact of leavers, as well as those diverted or denied assistance. Instead of using one simple statistic without any context, Haskins and other conservatives should examine this statistic.

Notably, this same finding is echoed in a recent paper by Gene Falk of the Congressional Research Service, who writes:

The declines in the caseload following 2000 raise a question about whether a goal of TANF should be caseload reduction per se, regardless of whether or not the size of the population in need is growing. The drafters of the 1996 welfare reform law wanted TANF to be “temporary and provisional.” However, TANF assistance was increasingly forgone or otherwise not received by those eligible for it, even amongst the poorest of families.⁴²

Haskins: “If the price of including strong work requirements backed by TANF-like sanctions in SNAP and housing programs is the guarantee of a job for anyone who can’t find one, the federal government, in partnership with state and local governments, has experience running such programs. In addition, there is research, some of very high quality, that supplies evidence about how to conduct these programs in ways that produce increased work and earnings.

Though difficult to establish and operate, some of these programs should be considered promising. But none has enough evidence to justify large-scale implementation. Therefore, we should give states the opportunity, on a competitive basis, to try their own approaches to guaranteeing employment while implementing strong work requirements in SNAP (which at least 10 states are already doing on an experimental basis) and housing programs.”

PC Response: There is no credible research that would justify “TANF-like sanctions for other programs,” nor the impact of guaranteeing a job for those subject to mandatory work requirements. Haskins doesn’t cite the studies he is examining, but thanks to TANF, we are less well-positioned to identify effective program models than we were 20 years ago, when TANF replaced an evidence-based reform approach with a blank check.

To his credit, Haskins recognizes the need for caution and the need for experimentation. As a general recommendation, I agree, but if conservatives are serious about advancing such an approach, they should provide policy details, e.g., how much flexibility in deciding who can be subject to new work requirements, what limits (if any) would there be on sanctions, what types of activities would be funded, what evaluation methodology would be required, how long would each experiment run. These are just a few of the dozens, if not hundreds, of questions that would need to be answered to begin to implement this approach.

Even if successful models are identified, then there are issues about how to implement them nationally. In this regard, the TANF experience is illustrative. While there was some evidence to suggest the work-first approach was the most cost-effective welfare-to-work strategy (though that conclusion was premature), there was *no evidence* to justify a 50 percent work rate target or an average weekly participation requirement of 30 hours. As conservatives think about implementing work requirements on a larger scale, these types of provisions should be considered and evaluated. And, some provision should be made for making on-going improvements to work requirements based on research findings. For example, soon after TANF was enacted, research suggested that a mixed strategy, one combining the work first and human capital development models, was most effective, yet TANF’s rigid rules on counting education and training activities would limit the ability of states to implement such programs, at least if they wanted to count such participation toward their work requirements.

Perhaps most important, Haskins and other conservatives should describe the funding arrangements under which states are expected to implement work programs, particularly on a large scale. SNAP and housing assistance benefits are funded with federal dollars – unless more funding is provided for work activities and support services the likelihood that states will implement serious work programs is slim.

Conclusion

Haskins: “The strategy of increasing work and reducing welfare use through time limits, work requirements, and work-support benefits could be applied to millions of able-bodied adults now receiving benefits from SNAP and housing programs.”

PC Response: This statement has absolutely no empirical basis. TANF replaced an evidence-based strategy for welfare reform, one based on giving states flexibility subject to a requirement for a random assignment evaluation, with a blank check to states that has no meaningful accountability. As a result, there is no basis for making causal claims about the effectiveness of TANF’s time limits or work requirements. Even if there were credible research findings, it would be inappropriate to generalize from a fixed funding stream like TANF to other programs, populations, and time periods. Most important, anyone who has actually examined the implementation of TANF should realize its work requirements are about bureaucratic disentanglement and gimmicks, not connecting needy families to work.

Haskins: “If well implemented, which is no small matter of course, job programs not only have the potential to reduce destitution at the bottom of the income distribution but also to improve the future prospects for participants’ employment and financial security. Many years of experience with testing and learning will be required for states to develop successful jobs programs. But in order for that essential learning to begin, carefully evaluated state demonstrations that boost the work requirements of SNAP and housing programs while providing job experience for those who can’t find jobs on their own are a clear and appropriate next step.”

PC Response: I agree with Haskins about the need for experimentation, but the very first step Haskins and other conservatives should take is to step back and reexamine the TANF experience objectively *and* apply a more rigorous methodological approach than simplistic comparisons of data over time. The second step is to actually spell out the policy and funding details of their proposed reform approaches. Simply saying we need more “work requirements” and “experimentation” is not enough – the real challenge is getting the details right. In enacting the 1996 law, Congress got *every* technical detail wrong; nothing in TANF works the way it was supposed to. Extending the TANF model to other programs would repeat this debacle, but on a larger scale.

¹ The views in this document reflect my own as a citizen and do not reflect the views of any organization I am now or have ever been affiliated with. By way of background, I am a conservative and have worked on welfare issues for the Heritage Foundation, the American Enterprise Institute, and the White House under both President Reagan and President George H.W. Bush. This paper assumes the reader has a basic understanding of the TANF program, but for those readers who want more context and background, see Peter Germanis, *TANF is Broken! It's Time to Reform "Welfare Reform" (And Fix the Problems, Not Treat their Symptoms)*, July 25, 2015 draft, available at: <http://mlwiseman.com/wp-content/uploads/2013/09/TANF-is-Broken.072515.pdf>.

² Ron Haskins, "Helping Work Reduce Poverty," Issue no. 30, Winter 2017, p. 93, available at: http://www.nationalaffairs.com/doclib/20161230_Haskins.pdf.

³ For a fuller description of TANF's work requirements, see: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, *Claims Resolution Act - Engagement in Additional Work Activities and Expenditures for Other Benefits and Services, April-June 2011: Engagement in Additional Work Activities and Expenditures for Other Benefits and Services*, February 13, 2012, pp. 1-4, available at: <http://www.acf.hhs.gov/ofa/resource/cra-june2011.html>.

⁴ Ron Haskins, Testimony before the Committee on Finance, U.S. Senate, February 20, 2003, p. 6, available at: <https://www.brookings.edu/wp-content/uploads/2016/06/20030220-1.pdf>.

⁵ HHS Should Exercise Oversight to Help Ensure TANF Work Participation Is Measured Consistently across States, August 2005, available at: <http://www.gao.gov/assets/250/247482.pdf>.

⁶ For more detail, see Gene Falk, *Temporary Assistance for Needy Families: Welfare Waivers*, Congressional Research Service, September 6, 2012, at: <http://democrats.edworkforce.house.gov/sites/democrats.edworkforce.house.gov/files/documents/112/pdf/TANF-CRSMemo-9.6.12.pdf>.

⁷ See HHS data, Table 1B available at: <http://www.acf.hhs.gov/sites/default/files/ofa/wpr2005.pdf>.

⁸ Peter Germanis, "The Failure of TANF Work Requirements in 2015: The Need for 'A Much Better Way,'" December 20, 2016, available at: <http://mlwiseman.com/wp-content/uploads/2016/05/The-Failure-of-TANF-Work-Requirements.2015.pdf>.

⁹ This figure is derived from a wide range of documents; readers interested in more detail on sources for this information should email me at petergermanis1@gmail.com. See also *TANF is Broken!*

¹⁰ This figure is derived from a wide range of documents; readers interested in more detail on sources for this information should email me at petergermanis1@gmail.com. See also *TANF is Broken!*

¹¹ These figures are from U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, "Work Participation Rates – Fiscal Year 2013," January 12, 2016, available at: <http://www.acf.hhs.gov/programs/ofa/resource/wpr2013>. See Table 4A.

¹² Ife Floyd, LaDonna Pavetti, and Liz Schott, "TANF Continues to Weaken as a Safety Net," Center on Budget and Policy Priorities, October 27, 2015, available at: <http://www.cbpp.org/research/family-income-support/tanf-continues-to-weaken-as-a-safety-net>; and U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, "Work Participation Rates – Fiscal Year 2014," Table 4A, July 26, 2016, available at: <http://www.acf.hhs.gov/ofa/resource/work-participation-rates-fiscal-year-2014>.

¹³ Elissa Cohen, Sarah Minton, Megan Thompson, Elizabeth Crowe, and Linda Giannarelli, *Welfare Rules Databook: State TANF Policies as of July 2015* (Washington, D.C.: The Urban Institute, September 2016), Table II.A.4, available at: [http://wrd.urban.org/wrd/data/databooks/2015%20Welfare%20Rules%20Databook%20\(Final%2009%2026%2016\).pdf](http://wrd.urban.org/wrd/data/databooks/2015%20Welfare%20Rules%20Databook%20(Final%2009%2026%2016).pdf).

¹⁴ Ron Haskins and Greg Margolis, *Show Me the Evidence: Obama's Fight for Rigor and Results in Social Policy* (Washington, D.C.: Brookings Institution Press, 2015), p. 12.

¹⁵ Ife Floyd, LaDonna Pavetti, and Liz Schott, "TANF Continues to Weaken as a Safety Net," October 27, 2015, available at: <http://www.cbpp.org/research/family-income-support/tanf-continues-to-weaken-as-a-safety-net>.

¹⁶ For an excellent summary of the issues and deliberations during this period, see Judith M. Gueron and Howard Rolston, *Fighting for Reliable Evidence* (New York, NY: Russell Sage Foundation, June 2013).

¹⁷ Jeffrey Grogger, Lynn A. Karoly, and Jacob Alex Klerman, *Consequences of Welfare Reform: A Research Synthesis* (Santa Monica, CA: July 2002), http://www.acf.hhs.gov/programs/opre/welfare_employ/res_synthesis/reports/consequences_of_wr/rand_report.pdf.

¹⁸ Center on Budget and Policy Priorities, “State Fact Sheets: How States Have Spent Funds Under the TANF Block Grant,” January 5, 2016, available at: <http://www.cbpp.org/research/family-income-support/state-fact-sheets-how-states-have-spent-funds-under-the-tanf-block>.

¹⁹ U.S. General Accounting Office, *Early Fiscal Effects of the TANF Block Grant*, August 1998, pp. 39-40.

²⁰ See Douglas J. Besharov and Peter Germanis, “Toughening TANF: How Much? And How Attainable?,” March 23, 2004, available at: http://www.welfareacademy.org/pubs/welfare/toughening_tanf.pdf.

²¹ This figure is an estimate, adjusting the official caseload statistics, but removing families receiving a token payment solely to game the work requirements and adding back families receiving cash assistance in solely state funded programs.

²² Peter Germanis, “‘Welfare Reform’ Increased Poverty and No One Can Contest It: A Note to Conservatives,” April 24, 2016, available at: <http://mlwiseman.com/wp-content/uploads/2015/11/Welfare-Reform-Increased-Poverty.pdf>.

²³ A number of researchers have used statistical modeling in an attempt to isolate the effect of welfare reform on *caseloads* from these other factors. Stephen Bell of the Urban Institute summarized the findings from eight research studies on the relative importance of welfare reform, the economy, and other factors. Using a rough average across the studies, “welfare reform” explains about 15 to 30 percent of the decline in the caseload, while the economy explains about 30 to 40 percent, and other factors (most notably the increase in the aid to the working poor) explain the remainder. See Stephen H. Bell, *Why are Welfare Caseloads Falling* (Washington, DC: The Urban Institute, March 2001), <http://www.urban.org/uploadedPDF/discussion01-02.pdf>. Fewer econometric studies examined the impact of welfare reform on the poverty rate, but those also found relatively small effects, if any. See Jeffrey Grogger, Lynn A. Karoly, and Jacob Alex Klerman, *Consequences of Welfare Reform: A Research Synthesis* (Santa Monica, CA: July 2002), Table 8.3, available at:

http://www.acf.hhs.gov/programs/opre/welfare_employ/res_synthesis/reports/consequences_of_wr/rand_report.pdf.

These studies include the early years of TANF, when all states received a large federal windfall and before TANF completely fell apart as a safety net and welfare-to-work program.

²⁴ Jeffrey Grogger, Lynn A. Karoly, and Jacob Alex Klerman, *Consequences of Welfare Reform: A Research Synthesis* (Santa Monica, CA: July 2002), available at:

http://www.acf.hhs.gov/programs/opre/welfare_employ/res_synthesis/reports/consequences_of_wr/rand_report.pdf.

²⁵ *Ibid*, p. 166.

²⁶ I often point to poverty figures and changes over time in making my arguments, but I do so in a broader context. My entire argument about welfare reform’s success or failure does not hinge what happens to the poverty rate or the number of poor families. Even if TANF somehow had a positive impact, it would still need a major restructuring to address flawed funding formulas, federal requirements that are ineffective and gamed, supplantation, and many other problems described in *TANF is Broken!*.

²⁷ Ife Floyd and Liz Schott, “TANF Cash Benefits Have Fallen by More Than 20 Percent in Most States and Continue to Erode,” Center on Budget and Policy Priorities, October 15, 2015, available at:

<http://www.cbpp.org/research/family-income-support/tanf-cash-benefits-have-fallen-by-more-than-20-percent-in-most-states>.

²⁸ A better measure would be to examine changes in the deep poverty rate, which is based on 50 percent of the federal poverty thresholds. According to Arloc Sherman and Danilo Trisi, “The number of children that cash assistance (AFDC or TANF) kept above half the poverty line fell from 2.4 million (3.4 percent of all children) in 1995 to 609,000 (0.8 percent of all children) in 2005.” See Arloc Sherman and Danilo Trisi, “Safety Net for Poorest Weakened After Welfare Law But Regained Strength in Great Recession, at Least Temporarily: A Decade After Welfare Overhaul, More Children in Deep Poverty,” Center on Budget and Policy Priorities, May 11, 2015, available at: <http://www.cbpp.org/research/poverty-and-inequality/safety-net-for-poorest-weakened-after-welfare-law-but-regained>. While the deep poverty rate is more appropriate for assessing changes to AFDC/TANF, this approach would still miss potentially important distributional effects.

²⁹ “Robert Doar,” bio, available at: <https://www.aei.org/scholar/robert-doar/>.

³⁰ The entitlement provision in New York is the result of a state constitutional provision. Doar is on record supporting full-check sanctions in a paper ironically called, “Preserving and Strengthening the TANF Program,” co-authored with Sidonie Squier, Lillian Koller, and Rickey Berrey, available at:

<http://nebula.wsimg.com/8c8aa8ebd365f1efd27bd9adcbd8029a?AccessKeyId=EEB98E648E3097DCA50D&disposition=0&alloworigin=1>. Doar and his colleagues assert: “The absence of this provision results in many on the caseload not doing anything but receiving partial benefits. The inclusion of this provision will have the greatest effect on outcomes of anything the Congress can do.” While the provision *may* have positive motivational effects

that lead to work, it could also lead to homelessness, greater food insecurity, and a myriad of other unintended effects. Hence, the need for evaluating policy changes that represent significant changes to the *status quo*.

³¹ Linda Gibbs and Robert Doar, “New York City’s Turnaround on Poverty,” *Washington Monthly*, June 19, 2016, available at: <http://washingtonmonthly.com/2016/06/19/new-york-citys-turnaround-on-poverty/>. For a discussion of Doar’s paper, see: Peter Germanis, “Does Making Welfare Much ‘Less Appealing’ Reduce Poverty?” November 29, 2016, available at: <http://mlwiseman.com/wp-content/uploads/2016/05/Making-Welfare-Less-Appealing.pdf>.

³² It is true that the number of families with children grew by about 10 percent during this period, so one might expect a larger number of potentially eligible families, but TANF’s financial eligibility rules have become more restrictive over time, particularly since benefit levels and income eligibility limits have not kept pace with inflation.

³³ In addition, nearly half the states have not increased their benefit levels since 1996 and some have actually reduced them, representing a decline of 34.5 percent or more when adjusted for inflation. Whereas the participation rate of eligible families was about 80 percent for the 15 years preceding the 1996 law, the erosion in the real value of AFDC/TANF benefits started in the 1970s. So, even those families remaining on assistance have been pushed deeper into poverty. Ife Floyd and Liz Schott, “TANF Cash Benefits Have Fallen by More Than 20 Percent in Most States and Continue to Erode,” Center on Budget and Policy Priorities, October 15, 2015, available at: <http://www.cbpp.org/research/family-income-support/tanf-cash-benefits-have-fallen-by-more-than-20-percent-in-most-states>.

³⁴ Gene Falk, “Temporary Assistance for Needy Families (TANF): Size of the Population Eligible for and Receiving Cash Assistance,” Congressional Research Service, January 3, 2017, available at: [file:///C:/Users/Peter/Downloads/R44724%20\(1\).pdf](file:///C:/Users/Peter/Downloads/R44724%20(1).pdf).

³⁵ Gene Falk, “Temporary Assistance for Needy Families (TANF): Size of the Population Eligible for and Receiving Cash Assistance,” Congressional Research Service, January 3, 2017, available at: [file:///C:/Users/Peter/Downloads/R44724%20\(1\).pdf](file:///C:/Users/Peter/Downloads/R44724%20(1).pdf).

³⁶ Peter Germanis, “Making ‘Opportunity Grants’ Great Again: A Worthy but Challenging Prospect,” December 18, 2016, available at: <http://mlwiseman.com/wp-content/uploads/2016/05/Making-OG-Great-Again.pdf>.

³⁷ Peter Germanis, “Did a Flexible Block Grant for Welfare Spur State Innovation? Absolutely – But That ‘Innovation’ Didn’t Help Poor Families,” January 14, 2017, available at: <http://mlwiseman.com/wp-content/uploads/2016/05/Block-grants-and-innovation.pdf>.

³⁸ Peter Germanis, “The Welfare Reform and Upward Mobility Act: A Conservative Plan to Eviscerate the Safety Net,” November 29, 2016, available at: <http://mlwiseman.com/wp-content/uploads/2016/05/The-Welfare-Reform-and-Upward-Mobility-Act.112016.pdf>, and Peter Germanis, “The Welfare Reform and Upward Mobility Act: The Epitome of Dysfunctional Conservatism – An Explanation for Rachel Sheffield,” November 29, 2016, available at: <http://mlwiseman.com/wp-content/uploads/2016/05/WR-and-UM-Act.Sheffield.112716.pdf>.

³⁹ Gene Falk, “Temporary Assistance for Needy Families (TANF): Financing Issues,” Congressional Research Service, September 8, 2015, available at: https://digital.library.unt.edu/ark:/67531/metadc795456/m1/1/high_res_d/R44188_2015Sep08.pdf.

⁴⁰ Unpublished data from the Center for Budget and Policy Priorities.

⁴¹ Gregoy Acs, Pamela Loprest, and Tracy Roberts, Final Synthesis Report of Findings from ASPE’s “Leaver” Grants (Washington, DC: The Urban Institute, November 27, 2001), available at: <http://www.urban.org/sites/default/files/publication/61806/410809-Final-Synthesis-Report-of-Findings-from-ASPE-S-Leavers-Grants.PDF>.

⁴² Gene Falk, “Temporary Assistance for Needy Families (TANF): Size of the Population Eligible for and Receiving Cash Assistance,” Congressional Research Service, January 3, 2017, p. 13, available at: [file:///C:/Users/Peter/Downloads/R44724%20\(1\).pdf](file:///C:/Users/Peter/Downloads/R44724%20(1).pdf).