

## **“Wisconsin Works for Everyone” as a Model for National Welfare Reform: Is Robert Doar Right?**

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February 15, 2017

In “Will Trump choose work over welfare?,” Robert Doar, the Morgridge Fellow in Poverty Studies at the American Enterprise Institute, suggests that Wisconsin’s recent welfare reform proposal, “Wisconsin Works for Everyone,” could serve as a model for the new Administration.<sup>2</sup>

If the President and his team are serious about promoting work, they should look no further for guidance than one of the swing states crucial to their victory: Wisconsin. Gov. Scott Walker’s Wisconsin Works for Everyone plan exhibits the same key principle that I learned when I led Mayor Bloomberg’s pro-work welfare policy in New York City: Strong work requirements need to be linked with well-designed government assistance programs that make work pay.

While work requirements can be an important tool to help families achieve greater self-sufficiency, conservatives have been unable to translate their ideas into effective policies. In particular, the creation of the Temporary Assistance for Needy Families (TANF) block grant in 1996 gutted the modest work requirements that existed at the time. (See: “TANF Work Requirements: An Epic Fail,” in *TANF is Broken! It’s Time to Reform “Welfare Reform.”*<sup>3</sup>) I have disagreed with Doar on numerous occasions about TANF’s record and reform proposals. I read his assessment of Wisconsin’s new welfare reform plan with great interest. After some initial skepticism, I believe that Doar may be right.

The “Wisconsin Works for Everyone” proposal is a multi-faceted reform approach that would include new work requirements for SNAP (food stamps), housing assistance, and non-custodial parents unable to provide financial support for their children. It would also extend the “the state’s earned income tax credit: both for noncustodial parents who work and pay their child support, and for ... individuals aging out of foster care and former beneficiaries of a federal program for disabled children who lose their eligibility at 18.” And, the plan would address the “existence of child-care benefit cliffs” that result in sharp reductions in aid once the income eligibility threshold is reached, perhaps by establishing “a phase-out in their child-care subsidy program that will extend child-care assistance further up the income ladder.”

Doar explains that the state has prior experience with SNAP work requirements and that there is some research that indicates that the extension of work requirements to housing assistance and non-custodial parents could have positive effects. The “evidence” cited in his article, however, is suggestive at best because it is based on anecdotes and comparison group evaluations that lack the rigor of random assignment. Moreover, even if there were random assignment studies showing positive effects of work requirements and other policy initiatives, it would be important to replicate them elsewhere before using them as a model for a national reform effort. I was becoming skeptical...

Wisconsin's specific model may be right for Wisconsin, but it is untested and it is not a model for a national welfare reform effort. But, that doesn't seem to be what Doar is recommending. Instead, he seems to use the Wisconsin plan as the basis for promoting an era of experimentation:

All federal assistance programs for working-age adults should grant states waivers so they can test and rigorously evaluate efforts to push recipients to work.

Ironically, this is the direction we were heading in before TANF, as the federal government encouraged state experimentation by granting 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). The preTANF waiver process relied on an approach that would provide a real counterfactual using the "gold standard" of evaluation – random assignment.<sup>4</sup> 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.<sup>5</sup> The next step should have been to refine this process and expand waiver authorities in other programs. Unfortunately, TANF replaced this process with a block grant – a blank check to states with no meaningful accountability or evaluation requirements.

Doar is right to highlight the waiver approach to experimentation as opposed to the block grant approach – and to emphasize the importance of rigorous evaluation. This is the responsible, evidence-based approach to welfare reform.

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<sup>1</sup> 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>.

<sup>2</sup> Robert Doar, "Will Trump choose work over welfare?," American Enterprise Institute, February 2, 2017, available at: <https://www.aei.org/publication/will-trump-choose-work-over-welfare/>.

<sup>3</sup> 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>.

<sup>4</sup> 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).

<sup>5</sup> 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](http://www.acf.hhs.gov/programs/opre/welfare_employ/res_synthesis/reports/consequences_of_wr/rand_report.pdf).