

Using Squirrely Data is No Way to Justify Conservative Policies: A Note to AEI's Marc Thiessen

Peter Germanis¹

July 8, 2017

In “No, Trump does not want to force poor Americans to hunt squirrels for food,” Marc Thiessen of the American Enterprise Institute (AEI) made a case in support of a work requirement in the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps).² SNAP limits able-bodied adults aged 18 to 49 without dependents to three months of benefits in any 36-month period, unless they are employed or in a work or training program for at least 20 hours a week – or as little as 6 hours a week in community service or workfare. States do not have to offer these individuals a work or training program slot, and most do not, so this provision is more appropriately seen as a time limit rather than a “work requirement.”

Thiessen's blog post was in response to a story in *The Washington Post* that described the plight of an unemployed, homeless Navy veteran, who lost his job due to a work-related injury and then had his food stamp benefits terminated because Maine began enforcing the SNAP “work requirement” and he could not comply.³ (Previously, the state had received a waiver from the requirement due to high unemployment.) As a result, the veteran was forced to use “his military training to catch, skin and eat squirrels, roasting the animals over an open fire outside the tent he pitched in frigid Augusta, Maine.” Thiessen's response to this story was, “Sorry, that's not how work requirements function,” explaining that, “if a person is truly disabled, he or she would not be subject to work requirements.” He also suggested that the “work requirement” is “not all that stringent,” adding “If you are able enough to hunt and skin squirrels, you're probably able enough to meet those minimal requirements.”

Thiessen then went to claim, “work requirements in Maine have been a huge success”:

What Maine officials found was that, once work requirements were implemented, the number of citizens on food stamps plummeted from 13,332 in December 2014 to 1,886 by September of 2015. According to *Forbes* magazine:

“Within a year, these able-bodied adults saw their incomes rise by an average of 114%. That increase came as more able-bodied adults re-entered the labor force, worked more hours, or found jobs with higher wages. Thanks to this higher income, poverty rates have declined and now, working able-bodied adults are earning more than enough on average to bring them above the federal poverty line.”

Two things struck me as I read his post. First was Thiessen's apparent disregard for the possibility that some, even many, very vulnerable individuals fell through the cracks and faced even greater hardships than before. Second was how easily he seemed to accept the findings from a secondary source about the effects of an important policy change. I am a conservative who believes in work requirements, but Thiessen's cavalier attitude and cursory examination of the “evidence” is troubling, particularly as a representative of one of the nation's preeminent conservative “think tanks.”

Is Maine's SNAP "Work Requirement" a Success?

Thiessen's claim for Maine's success in implementing the SNAP "work requirement" is based on a single article from *Forbes*. The article was written by Jonathan Ingram and Josh Archambault of the Foundation for Government Accountability (FGA) with the title, "New Report Proves Maine's Welfare Reform Are Working."⁴ Maybe Thiessen was convinced by the word "proves" in the title, but establishing "proof" in social science is challenging. The *Forbes* article itself was not a study, but rather a series of claims based on a nine-page memo issued by the Maine Office of Policy and Management to Maine's Commissioner of the Department of Health and Human Services.⁵ The claims made by the FGA are based on a weak methodology, one that was used to make unwarranted and misleading claims about the implementation of the SNAP "work requirement" in Kansas. I wrote in detail about the methodological problems of that study in:

"The FGA's 'First of Its Kind Study' Should Have Been the Last: An Evaluation Note for Pre-Post Conservatives," July 4, 2017, available [here](#).

In this response, I will briefly summarize some of the key problems in the FGA's interpretation of Maine's data, focusing on the central finding Thiessen cited:

Within a year, these able-bodied adults saw their incomes rise by an average of 114%. That increase came as more able-bodied adults re-entered the labor force, worked more hours, or found jobs with higher wages.

The absence of a credible counterfactual. Both Thiessen and the FGA confuse evaluation with data collection. The FGA compares incomes at two points of time – one before implementation of the "work requirement" and one about a year later. They erroneously assume that the increase in incomes observed between these two periods was *caused by* the "work requirement." A simple pre-post study is subject to a number of threats to validity, including maturation (i.e., where changes in the outcomes of individuals are caused by the normal passage of time), history (i.e., where events unrelated to an intervention affect the outcome of interest), secular trends (i.e., where outcomes are the result of a societal trends, such as changing economic conditions), and regression to the mean (i.e., the initial outcomes are at an extreme level relative to an individual's or group's normal trajectory). Of these, the last is probably the most serious threat in the Maine study. Many able-bodied adults without dependents who enroll in SNAP are likely to have just lost a job or had a temporary set-back and their use of SNAP is relatively temporary.⁶

The frequency of work among this population has been noted by Dorothy Rosenbaum and Ed Bolen of the Center for Budget and Policy Priorities (CBPP) in their critique of the FGA's reports on this topic. They note: "At least a quarter of households with childless adults work while receiving SNAP, and about 75 percent work in the year before or the year after receiving SNAP."⁷ Thus, one cannot be confident that the increase in earnings reported in the Maine data was caused by the "work requirement" or due to other factors. It is notable that one of the authors of the Maine memo cautions, "Since this was just a preliminary analysis, we didn't

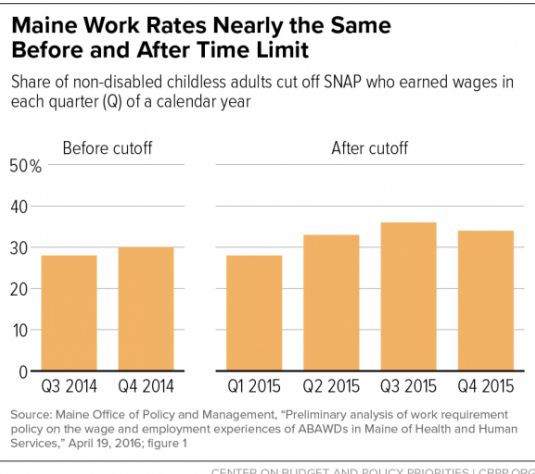
attempt to make any conclusions about causality. A more detailed analysis would be needed for that, bringing in additional data sets that would give us a larger picture of the outcomes.”⁸

The best way to rule out the aforementioned threats to validity is a randomized control trial, whereby able-bodied adults without dependents are randomly assigned to a “work requirement” group or to a control group that is not subject to the requirement. The findings from random assignment experiments are considered the most credible, because the program 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 – the SNAP “work requirement.”⁹ In particular, the threat from “regression to the mean” would be overcome because both program and control groups would be alike in terms of their employment and earnings histories.

Misleading data comparisons. Aside from the lack of a credible counterfactual, the FGA’s characterization of findings is misleading for a variety of other reasons. The following comments pertain to the claims about the subgroup of able-bodied adults whose benefits were terminated for non-compliance in December 2014.

The appropriate baseline quarter. The claim that incomes increased 114 percent is based on a comparison of total quarterly wages in a baseline quarter (quarter 3 of 2014) to a follow-up quarter (quarter 4 of 2015). Aggregate earnings rose from \$3,854,613 to \$8,239,529. Arguably, a better baseline quarter would have been the fourth quarter of 2014, as the main focus for this subgroup is the loss of benefits from noncompliance. Using the fourth quarter of 2014 would raise the baseline figure to just over \$5,000,000. This would lower the increase to 65 percent. Either way, the increase is not necessarily due to the “work requirement” – the authors would need a credible counterfactual to make that claim.

Small employment rate gains. Even if one believes a pre-post study is a credible way of inferring impacts, the change in quarterly employment rates is quite small. The figure below comes from Figure 5 of the Maine report (as reproduced by the CBPP).¹⁰ About 30 percent of this group was employed before the cut-off and about 30 to 35 percent were employed during any one of the four following quarters.¹¹ Even if valid, this is hardly sensational.



Inappropriate claims about poverty rates. The FGA claims – and Thiessen repeats – that poverty rates declined: “Thanks to this higher income, poverty rates have declined and now, working able-bodied adults are earning more than enough on average to bring them above the federal poverty line.” The problem with this assertion is that the memo itself makes no mention of “poverty.” Presumably, the FGA made this claim based on the subgroup’s earnings in the fourth quarter of 2015, but nowhere does the FGA or the Maine report present actual data on poverty rates. That would require data that was not reported in the report, including information about all cash income for a year, e.g., 2014 for the baseline and 2015 for the follow-up year. (Other factors, like family composition and the value of noncash benefits would also be important in understanding changes in circumstances.)

Nevertheless, even if one believes in the validity of the pre-post approach and assumes that an examination of a single quarter’s earnings can be used to derive a poverty rate, a closer examination of how this claim was derived suggests a relatively small impact. The average monthly earnings for *working* adults terminated for non-compliance was \$1,171 in the fourth quarter 2015. By way of comparison, the poverty threshold in 2015 for an adult under age 65, expressed on a monthly basis, was \$1,028. But, only 34 percent of all of the adults in this group were working and undoubtedly a significant share of those working had incomes below the monthly poverty threshold. Since 66 percent of the group had no earnings record, they would all presumably be poor, so a reasonable guesstimate of the poverty rate, measured this way, would be about 80 percent. Of course, poverty is measured using annual income and many of those working in the fourth quarter of 2015 undoubtedly had spells of unemployment in earlier quarters, so even this poverty rate is understated.

Another way to look at the data would be to examine the average monthly earnings for the entire group that was terminated due to non-compliance, not just those who were working. These figures are easily derived by taking the aggregate total quarterly earnings for this group and dividing by the size of the group (6,866) and then by 3 to get the monthly average.

3rd quarter 2014: \$187
4th quarter 2014: \$242
4th quarter 2015: \$400

As indicated by these figures, this group as a whole falls well short of a poverty level income in any quarter – and now they have lost their SNAP benefits.

Other misleading claims. The FGA reports tend to cherry-pick data comparisons. As an example, the foregoing statistics were for just one of three cohorts that received SNAP benefits in December 2014 – the cohort of 6,866 adults who were terminated due to noncompliance. The original memo included two other cohorts – the 2,703 adults who complied with the requirement as of December 2014 and the 103 adults who had their cases closed for higher earnings. Including their earnings suggests a smaller overall gain in earnings. Using quarter 3 of 2013 as the baseline, instead of an income gain of 114 percent, the gain would be just 53 percent. (Using quarter 4 of 2013 as the baseline, instead of an income gain of 65 percent, the gain would be just

30 percent.¹²) Why didn't the FGA present the results for the entire caseload in December 2014, as this would be a more complete picture?

Another drawback of the Maine memo and the FGA analysis is that the results are for SNAP adults receiving benefits in December 2014, who either didn't comply, did comply, or were closed due to earnings. The SNAP caseload at any given point in time, however, is likely to be composed of longer-term recipients, and does not reflect the many enrollees who come and go during a year. A USDA study that examined the dynamics of SNAP receipt using national survey data explains:

... in the cross-sectional sample, we miss many short spells that occur within the same panel period – they are likely to end before or to begin after our sample month. Longer spells, however, are more likely to include our sample month. For this reason, the longer spells are more heavily represented in the cross-sectional sample than in the entry cohort sample.¹³

Thus, the findings, even if one did believe them, have limited generalizability to the typical SNAP enrollee over the course of an entire year.

The bottom line. The Maine memo provides very little data and the FGA uses it to make dramatic (and misleading) claims about the SNAP “work requirement’s” impact on income and poverty. A more careful examination of the Maine data and the FGA’s analysis does not support Thiessen’s claim that “[w]ork requirements in Maine have been a huge success” – unless the only metric used to judge “success” is a reduction in the caseload.

The Need for a Process Study

Any serious evaluation would have included a process study to assess how the state had implemented the “work requirement” – to examine the disability determination process, the activities that were offered, the reasons for participation or non-participation, and perhaps most important to follow-up with a sample of those who exited to find out how they were coping – particularly for the majority of exiters who do not seem to have employment in any given quarter.

Thiessen seems comfortable assuming that the Navy veteran whose benefits were cut-off didn't need his benefits, despite his injury. He notes that

...under federal law, work requirements only apply to *able-bodied adults without dependents* (ABAWDs). So if a person is truly disabled, he or she would not be subject to work requirements.

He further reasons, “If you are able enough to hunt and skin squirrels, you’re probably able enough to meet those minimal requirements.” It is naïve to assume that all disability determinations were made accurately.

Chris Hastedt, public policy director at Maine Equal Justice Partners, explains: “We see many, many, many people who fall through the cracks.”¹⁴ She notes that some of those who lost their SNAP benefits had difficulty verifying their medical conditions, “And that’s simply because they don’t have medical insurance, they don’t have a doctor that they can go to, to say, ‘Please verify the fact that I’m not able to work right now.’”¹⁵

As the parent of an adult child who has two debilitating conditions, I find Thiessen’s lack of empathy troubling. My daughter graduated from college in May 2013 and was getting ready to start a job in New York City to pursue her dream in journalism. She was healthy and athletic, but one day – with no warning – she collapsed – her chest was pounding and she couldn’t breathe. After dozens of visits to doctors and specialists, she was diagnosed with two chronic and debilitating conditions. The first is Postural Orthostatic Tachycardia Syndrome, which is generally not “life-threatening,” but it most certainly is “life-altering,”¹⁶ as she has daily bouts of dizziness, nausea, and fatigue. The second is Ehlers-Danlos Syndrome, a very painful condition characterized by instability of the joints. Simple activities, like writing or typing, cause such strain on her muscles that the pain forces her to stop in the matter of a few minutes. As a result, she can’t work. My daughter is not on public assistance, because she is fortunate to have a support network. Many others with her conditions are not so fortunate and because these conditions often are not obvious or easily diagnosed, they may fall through the cracks. One can’t assume, as Thiessen did, that just because a policy is set forth on paper that that is how it was actually implemented.

Aside from the disability determination process, an evaluation of the SNAP “work requirement” should examine the availability of work or other opportunities to meet the requirement. As noted above, the SNAP “work requirement” is more like a time limit, as it does not require any work opportunity to be offered. Some adults may live in rural areas without easy access to work or training slots. And, volunteer opportunities may not be easy to come by because volunteer organizations don’t have enough supervisory staff. In fact, the Navy veteran Thiessen wrote about said he went to the Department of Health and Human Services and asked to volunteer, but explained “they didn’t feel comfortable sending me into a volunteer position.”¹⁷ An independent process study could examine these and other important implementation issues.

Conclusion

Thiessen ends his post with a short sermon about the “blessing” of work:

Some oppose work requirements because they see them as a way to punish welfare recipients or deny them benefits. But work is not a punishment. Work is a blessing. And work requirements are a critical tool to help rescue our fellow Americans from the misery of idleness – so they can achieve meaning and happiness in their lives through the power of honest, productive work.

As AEI’s president, Arthur Brooks, puts it: “We understand that when society empowers people to work for social assistance, we help those people twice. First, through welfare, we are helping meet their immediate material needs. And second, through work, we are helping them earn success – the key to a fulfilling and dignified life.”

I agree about the value of work and work requirements, but it is important to evaluate our programs and policies rigorously to determine whether they are achieving their objectives. Too often, today, conservatives are willing to accept the findings from simplistic studies that confirm their viewpoint. Even a cursory examination of the Maine data should raise red flags, as most of those affected by the policy are not working and they remain very poor.

For welfare reform to be successful, we should evaluate our policies with methods that provide a *credible* counterfactual and that examine its implementation. This is particularly true when public policies involve denying benefits to vulnerable populations. This was the approach we were heading in before the 1996 welfare reform, as states needed waivers to test policy changes – waivers that were conditioned on a rigorous evaluation (generally random assignment).

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 Marc Thiessen, "No, Trump does not want to force poor Americans to hunt squirrels for food," American Enterprise Institute, May 26, 2017, available at: <https://www.aei.org/publication/trump-does-not-want-poor-americans-work-requirements/>.

³ Caitlin Dewey and Tracy Jan, "Trump to poor Americans: Get to work or lose your benefits," *The Washington Post*, May 22, 2017, available at: https://www.washingtonpost.com/news/wonk/wp/2017/05/22/trump-to-poor-americans-get-to-work-or-lose-your-benefits/?utm_term=.89f2cb1b63d9.

⁴ Jonathan Ingram and Josh Archambault, "New Report Proves Maine's Welfare Reforms Are Working," *Forbes*, May 19, 2016.

⁵ Memo from Paul LeParulo and Amanda Rector to Commissioner Mayhew, "Preliminary analysis of work requirement policy on the wage and employment experiences of ABAWDs in Maine," April 19, 2016, available at: http://www.maine.gov/economist/opm/pub/ABAWD_analysis_final.pdf.

⁶ As will be discussed later in this "response," by focusing on a cohort receiving benefits in a specific month – December 2014 – the data collection was for a cohort of SNAP recipients who are more likely to be long-termers than the typical enrollee over the course of a year.

⁷ Dorothy Rosenbaum and Ed Bolen, "SNAP Reports Present Misleading Findings on Impact of Three-Month Time Limit," Center on Budget and Policy Priorities, December 14, 2016, available at: <http://www.cbpp.org/research/food-assistance/snap-reports-present-misleading-findings-on-impact-of-three-month-time>.

⁸ Darren Fishell and Michael Shepherd, "Have LePage's food stamp cuts led to higher incomes?," *Bangor Daily News*, May 11, 2016, available at: <http://bangordailynews.com/2016/05/11/the-point/have-lepages-food-stamp-cuts-led-to-higher-incomes/>.

⁹ Dorothy Rosenbaum and Ed Bolen, "SNAP Reports Present Misleading Findings on Impact of Three-Month Time Limit," Center on Budget and Policy Priorities, December 14, 2016, available at: <http://www.cbpp.org/research/food-assistance/snap-reports-present-misleading-findings-on-impact-of-three-month-time>.

¹⁰ See Dorothy Rosenbaum and Ed Bolen, "SNAP Reports Present Misleading Findings on Impact of Three-Month Time Limit," Center on Budget and Policy Priorities, December 14, 2016, available at: <http://www.cbpp.org/research/food-assistance/snap-reports-present-misleading-findings-on-impact-of-three-month-time>. The CBPP table cites Table 1 of the Maine report, but the correct citation is Table 5.

¹¹ These quarterly figures may be understated because the earnings records are limited to those covered by Maine's Unemployment Insurance (UI) program, so this would exclude the self-employed, some occupations, and those working outside the state. However, even in a simple pre-post assessment, the "impact" would presumably not change as the relative understatement should be the same across all quarters.

¹² Author's calculations using Figures 1 and 2 from the Maine memo.

¹³ Joshua Leftin, Nancy Wemmerus, James Mabli, Thomas Godfrey, and Stephen Tordella, *Dynamics of Supplemental Nutrition Assistance Program Participation from 2008 to 2012* (Arlington, VA: Decision Demographics, December 2014), p. 76, available at: <https://fns-prod.azureedge.net/sites/default/files/ops/Dynamics2008-2012.pdf>.

¹⁴ Patty Wight, "'I felt like a caveman': How work requirements for state benefits hurt one Maine man," *Bangor Daily News*, June 3, 2017, available at: <http://bangordailynews.com/2017/06/03/politics/i-felt-like-a-caveman-how-work-requirements-for-state-benefits-hurt-one-maine-man/>.

¹⁵ Patty Wight, "'I felt like a caveman': How work requirements for state benefits hurt one Maine man," *Bangor Daily News*, June 3, 2017, available at: <http://bangordailynews.com/2017/06/03/politics/i-felt-like-a-caveman-how-work-requirements-for-state-benefits-hurt-one-maine-man/>.

¹⁶ Quote by Svetlana Blitshteyn in Sara Altshul, “POTS: A Mysterious Syndrome That Can Turn Your Life Upside Down,” available at: <http://www.everydayhealth.com/news/pots-mysterious-syndrome-can-turn-your-life-upside-down/>.

¹⁷ Patty Wight, “‘I felt like a caveman’: How work requirements for state benefits hurt one Maine man,” *Bangor Daily News*, June 3, 2017, available at: <http://bangordailynews.com/2017/06/03/politics/i-felt-like-a-caveman-how-work-requirements-for-state-benefits-hurt-one-maine-man/>.