

Will Work Requirements Reduce Poverty? A Response to Robert Doar

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In “Closing argument on farm bill: Work requirements in SNAP will reduce poverty,” Robert Doar of the American Enterprise Institute (AEI) boldly claims that adding work requirements to programs like SNAP and Medicaid will reduce poverty. His “closing argument,” however, is superficial and misleading – it is based on a misinterpretation of the evidence about work requirements and ignores the importance of policy details. This paper addresses Doar’s claims to justify expanding work requirements to SNAP (and Medicaid); each is followed by a “PC Response” (where PC refers to my pseudonym – “Peter the Citizen”).

Robert Doar: “With Congress considering adding work requirements in the Supplemental Nutrition Assistance Program (SNAP, or food stamps), I have been reflecting on what I learned while running SNAP and other safety-net programs in New York City for Mayor Michael Bloomberg.”

PC Response: Doar’s experience as an administrator both for New York and New York City makes him well-suited to offer lessons about the feasibility and challenges of implementing work programs on a relatively large scale. Instead, he chooses to speculate about impacts of untested programs that would operate on an unprecedented scale with little or no additional funding. Indeed, most AEI statements about work requirements follow a simple formula: (1) assert that work requirements “work” by mischaracterizing the TANF experience and/or findings from rigorous evaluations of mandatory welfare-to-work programs; and (2) generalize from the (mis)interpretation of those findings to claim that work requirements would work in other programs and for different populations, ignoring important policy details like available funding and implementation challenges like expanding the administrative infrastructure to implement work requirements on an unprecedented scale.

Note: When Douglas Besharov and I were at AEI we prepared a detailed assessment of New York City’s work requirements, focusing on how they were implemented and developing lessons for TANF’s work participation requirements. We were careful to note that there was no rigorous evaluation of New York City’s “work first” program, so it was not possible to draw definitive conclusions about its impacts on important outcomes like caseloads, employment, and poverty. See:

Douglas J. Besharov and Peter Germanis, *Full Engagement Welfare in New York City: Lessons for TANF’s Participation Requirements*, August 2004, available at: https://www.aei.org/wp-content/uploads/2011/10/20050324_fullengagementwelfareinnew.pdf.)

Robert Doar: “The case for work requirements begins with values. When it came to adults able to work, Bloomberg always emphasized what he learned from his parents: work was expected,

and any job was better than no job. Work requirements also express the value that employment has benefits beyond a simple paycheck, that it is an essential component of individual and family well-being. They reflect the fundamental value that those who receive public assistance and can work, should work.”

PC Response: I share this sentiment, but work requirements should also be designed to actually help families increase their employment and earnings. The experience with TANF and SNAP (for able-bodied adults without dependents – ABAWDs) – the only two programs with serious work requirements – suggests that their main effects have been limited to cutting caseloads and costs. This statement is not based on the findings of a rigorous evaluation (as there are none), but rather a careful examination of policy details, implementation, data on key outcomes, and common sense. For more detail, see:

“The Failure of TANF Work Requirements: A *Much Needed* Tutorial for the Heritage Foundation and the American Enterprise Institute,” August 12, 2016, available at: <https://mlwiseman.com/wp-content/uploads/2016/05/The-Failure-of-TANF-Work-Requirements-1.pdf>.

“The FGA’s ‘First of Its Kind Study’ Should Have Been the Last: An Evaluation Note for Pre-Post Conservatives,” July 4, 2017, available at: https://mlwiseman.com/wp-content/uploads/2016/05/The-FGA.FF_.pdf.

“A Note to Pre-Post Conservatives: You Are Not Fooling Anyone – Except Maybe Yourselves (and Some Politicians),” September 2, 2017, available at: <https://mlwiseman.com/wp-content/uploads/2016/05/PrePost-Conservatives.0904.pdf>.

Well-designed work requirements can be a useful policy tool, but they should be reasonable (for recipients), realistic (for states to implement), and based on credible evidence. When considering a work requirement like the one proposed for SNAP by the House Agriculture Committee I also reflect on what I’ve learned, but I reach a very different conclusion than Doar.

Unreasonable. For recipients, the bill would require 80 hours of participation for a benefit of about \$150 to \$185 a month, essentially requiring recipients to value their time at \$2 an hour. Many of those subject to work requirements would likely to choose not to comply and accept the sanction. This would reduce caseloads and costs, but would do nothing to promote their employability. This approach is similar to TANF’s requirements, which require 130 hours a month for a relatively small benefit; this is undoubtedly one factor that explains the sharp drop in participation among eligible families, from about 78.9 percent in 1996 to just 26.3 percent in 2015.² (TANF’s block grant structure is the other major factor responsible for the caseload decline.)

Unrealistic. For states, the bill would require them to provide work, training, or education slots for over 3 million adults (ignoring the fact that states are nowhere near serving this number now) and does not provide anywhere near the funding to provide a meaningful level of services. Ed Bolen and his colleagues at the Center on Budget and Policy Priorities explain:

Research shows that employment and training opportunities like the ones the Chairman has cited can cost \$7,500 to \$14,000 per participant. Even less intensive TANF work programs cost substantially more than the bill would provide. Current per-person costs for work and assessment activities for TANF program participants subject to work requirements in the median state in 2016 were nearly \$5,000 per year. If at least 3 million SNAP beneficiaries per month needed work slots, and costs mirrored those in TANF, it would cost more than \$1.2 billion per month to provide such employment services. That translates to almost \$15 billion a year or \$150 billion over ten years.

By contrast, the House bill dedicates \$7.3 billion over ten years in new federal grant funding (financed by benefit cuts) for the work program, or less than \$30 per participant per month if 3.4 million people need work slots.³

Doar occasionally mentions the need for additional funding, but never offers any specific policy details about how work programs would be funded. For example, in testimony about employment requirements before the before the House Committee on Education and the Workforce he stated:

... any consideration of work requirements must include a discussion over the resources available to states. As a former state administrator, I am familiar with the problem of insufficient resources from the federal government. Additional resources would help, but should not be viewed as a precondition, because, I believe, sufficient funding to achieve what I have laid out without additional federal investment is already in place – though it may be necessary for governments at all levels to reprioritize.

For example, including required state funding, TANF provides \$30 billion per year to support employment programs for families with children, including noncustodial parents, with state flexibility in how those funds are utilized. TANF funds not being spent on increasing employment among low-income families should be directed to this primary goal of TANF. And using those funds to encourage employment among SNAP or Medicaid recipients is entirely appropriate.⁴

The TANF experience demonstrates the need for making additional funding a “precondition.” Many states use TANF as a form of revenue sharing, rather than on core welfare purposes. There are also vast disparities in TANF funding across states, because the block grant and associated state maintenance-of-effort or MOE requirement were based on historic spending under TANF’s predecessor programs, primarily Aid to Families with Dependent Children (AFDC).

Table 1 presents, for selected years between 1996 and 2015, the number of poor families with children and the federal block grant amount per poor family (in 2015 \$) for the nation as a whole and for two states – New York and Texas. It shows the vast disparity in funding across states based on initial differences in AFDC-related spending and how they have changed over time because the block grant is not adjusted for changing economic and demographic conditions. For the nation as a whole, the *annual* amount of federal block grant per poor family initially rose, from \$3,971 in 1996 to \$4,334 in 2000, as the number of poor families fell faster than inflation

reduced the value of the block grant. Since that time, an increase in the number of poor families and inflation have steadily reduced the annual federal TANF block grant amount per poor family to just \$2,436 in 2015 (44 percent less than in 1996). Aside from the variability, it is worth noting that the TANF block grant dollar amount per poor family pales in comparison to the poverty threshold of \$19,100 (for a family of three in 2015),⁵ as well as to the average cost of a work program under TANF of about \$5,000.⁶

Table 1 also demonstrates the importance of examining TANF at the state level. New York and Texas had nearly the same number of poor families with children in 1996, but New York received about *five* times more per poor family in federal funds than Texas (\$6,621 vs. \$1,339). While inflation eroded the block grant amounts equally in both states, the number of poor families in New York fell by about 31 percent, while the number in Texas grew by about 20 percent. As a result, in 2015, New York received nearly *nine* times as much per poor family as Texas (\$6,332 vs. \$731). When Doar reflects on his experience as an administrator, he had the good fortune of being in a state with one of the most generous block grants and favorable demographic trends.

Table 1: TANF as a Funding Stream					
(Federal TANF Block Grant \$ per Poor Family with Children – 2015 \$)					
	Year				
	1996	2000	2005	2010	2015
U.S.					
# Poor	6,316,094	5,254,030	5,975,388	7,068,760	6,772,912
\$ per Poor Family	\$3,971	\$4,334	\$3,397	\$2,545	\$2,436
NY					
# Poor	550,562	442,098	450,076	463,828	379,309
\$ per Poor Family	\$6,621	\$7,493	\$6,560	\$5,638	\$6,332
TX					
# Poor	552,220	550,800	627,483	745,596	664,693
\$ per Poor Family	\$1,339	\$1,219	\$953	\$710	\$731

TANF block grant = \$16.5 billion (U.S.); \$2.4 billion (NY); and \$486 million (TX)

Table 2 adds the required MOE spending to the federal block grant.⁷ This increases the funding somewhat, but exacerbates state disparities. Now, New York has *ten* times the resources per poor family as Texas (\$10,818 vs. \$1,086).

Table 2: TANF as a Funding Stream					
(Federal TANF Block Grant + Required MOE \$ per Poor Family with Children – 2015 \$)					
	Year				
	1996	2000	2005	2010	2015
U.S.					
# Poor	6,316,094	5,254,030	5,975,388	7,068,760	6,772,912
\$ per Poor Family	\$6,474	\$7,065	\$5,538	\$4,148	\$3,972
NY					
# Poor	550,562	442,098	450,076	463,828	379,309
\$ per Poor Family	\$11,310	\$12,801	\$11,207	\$9,631	\$10,818
TX					
# Poor	552,220	550,800	627,483	745,596	664,693
\$ per Poor Family	\$1,988	\$1,808	\$1,416	\$1,055	\$1,086

TANF block grant + basic MOE requirement = \$26.9 billion (U.S.); \$4.1 billion (NY); \$722 million (TX)

These *per family* calculations are based on the full TANF block grant plus the basic MOE requirement. For Texas, this amounts to \$722 million. However, Texas has diverted its funding to other purposes, despite the rise in the number of poor families with children. In FY 2015, it spent just \$136 million on basic assistance, work activities, and work supports. This represents \$205 per poor family per year for what should be welfare reform related spending. The Texas experience demonstrates the importance of having a “precondition” on the amount of funding and how those dollars can be spent.

After years of ignoring the fact that many states have used federal TANF funds to supplant existing state expenditures and/or count existing state spending toward their maintenance-of-effort (MOE) requirement, it is encouraging that Doar might now consider limiting TANF spending to its core purposes, but why not be specific and make it a “condition”? Why not limit all TANF/MOE spending to basic assistance and work activities? Why not reexamine its funding formula to make it more responsive to changes in economic and demographic conditions and to make it more equitable across states? Why not take a look at its dysfunctional work requirements and design an approach that actually helps needy families? And, why not build in a requirement for rigorous evaluation so that we can actually learn what works and what doesn’t? For more detail, see:

“TANF has been a massive policy failure – Let’s start over: A Response to Robert Doar,” October 22, 2015, available at: <https://mlwiseman.com/wp-content/uploads/2015/11/TANF-has-been-a-massive-policy-failure.A-response-to-Robert-Doar.pdf>.

“Reforming ‘Welfare Reform’ New York Style: A Possible Doar-Germanis Compromise?” May 11, 2016, available at: <https://mlwiseman.com/wp-content/uploads/2016/05/Reforming-Welfare-Reform-New-York-Style.pdf>.

“The Failure of TANF Work Requirements: A Much Needed Tutorial for the Heritage Foundation and the American Enterprise Institute,” August 12, 2016, available at: <https://mlwiseman.com/wp-content/uploads/2016/05/The-Failure-of-TANF-Work-Requirements-1.pdf>.

Not Evidence-based. There is no credible evidence to suggest that the specific work requirements developed by the House Agriculture Committee would “work.” In fact, they are not likely to do much in the way of promoting employment and could push millions of families/individuals deeper into poverty. A much better approach was recently outlined in an AEI debate between Heather Hahn and Ron Haskins (aka, the “architect” of welfare reform) – “Do work requirements work?”⁸ Both agreed that it was important to go slow, begin with modest and realistic work requirements, provide funding to implement work requirements, and carefully evaluate both implementation and outcomes.

Here too, Doar occasionally sounds as if he would support this approach. In his testimony he stated:

To make this work, states should be allowed flexibility to find the approach that works best for them. They should be free to experiment with allowable activities, the number of hours to meet various work requirements, and the consequences imposed for not meeting the requirement. States should be required to conduct a rigorous evaluation of their approach and report findings to federal oversight agencies, but flexibility at the state level is needed.⁹

This is absolutely the right, so Doar should explain why he supports rigid top-down approaches like those in the SNAP legislation and in TANF, without a requirement for a rigorous evaluation. Before the 1996 “welfare reform” law, states could seek waivers to test “welfare reforms,” but these waivers were subject to strict accountability controls, most notably cost neutrality and a requirement for a rigorous evaluation (i.e., a random assignment evaluation). As a result, we would have learned what works and what doesn’t in promoting work and other policy objectives. This was a bi-partisan and evidence-based approach. The next step should have been to expand waiver authority in other programs. Instead, TANF replaced this promising approach with a blank check with no meaningful accountability.

If Doar is serious about flexibility, accountability, and rigorous evaluation, he should join me in my effort to repeal and replace TANF with exactly the approach he outlined in his testimony. And, this should be the model for expanding work requirements to other programs. Instead of basing his “reflection” on evidence, Doar justifies expanding work requirements to SNAP (and other programs) based on the failed TANF model.

Robert Doar: “It also happens to be what an overwhelming majority of Americans from both parties believe.”

PC Response: Conservatives often cite public opinion polls to suggest that their proposals to expand work requirements for welfare programs enjoy public support. For example, Doar himself recently stated, “In a survey conducted in 2016, 87% of Americans, including 80% of poor Americans, agreed that poor people should be required to work or seek work in exchange for benefits.”¹⁰ Doar’s data came from AEI’s “2016 Poverty Survey,” which posed the question about work requirements in the following manner.

Some welfare programs have different requirements to qualify for benefits. Which one of the following do you think is generally the better approach?

Requiring poor people to seek work or participate in a training program, if they are physically able to do so, in return for benefits, OR	87%
Sending benefits to the poor without asking for any effort in return?	9%
Don’t know	3%

The way the question is worded, is it a surprise that 87 percent say they support work requirements?

The House Agriculture Committee’s bill would significantly expand the scope of work requirements for SNAP recipients, requiring able-bodied adults between the ages of 18 and 59 who don’t have children under 6 to work or participate in a work program for at least 20 hours

per week in exchange for a benefit of about \$150 to \$185 a month. For those who are not employed, this equates to less than \$2 in benefits per hour of participation in a work-related activity. Failure to meet the bill's work requirements would result in a one year loss of benefits for the first infraction and three years for a subsequent one.¹¹ These requirements are considerably harsher than the current rules for able-bodied adults without dependents (ABAWDs), where the hours of participation in a workfare or community service program can be based on the SNAP allotment divided by the minimum wage – resulting in a weekly requirement of about 6 hours.

Robert Rector of The Heritage Foundation is an ardent supporter of work requirements, but even he has expressed serious reservations about the House bill, particularly the unreasonableness of its hourly requirement:

It was easy defending the Maine program, because I could say it only asked for six hours of community service, but it has to be proportionate. The idea here is not to punish these people.¹²

He also raised concerns in terms of the duration of the sanction – an entire year for the first infraction and three years for subsequent ones:

That's exactly what you don't want to do. You want to have a work program where it's very firm but it's very forgiving: If you didn't do what you were supposed to do last month, okay, we're not going to give you the benefit, but if you want to do the right thing this month we'll put you back on the rolls.¹³

As a result, he predicts:

The severity of these penalties is unnecessary and counter-productive. The sanctions' severity means that they are not likely to be enforced; bureaucracies will face incentives to find other legal ways to determine that recipients met work requirements regardless of whether they actually did.¹⁴

If a public opinion poll provided this background, many of those who support work requirements *generally* might have a different view about the work requirements in the House bill.

In addition to the general public, one could also seek the opinions of those who would have to administer the new SNAP work requirements. The bill would pose significant administrative challenges to states, forcing them to create new bureaucracies to monitor millions of SNAP recipients to determine whether they are subject to the requirements and, if so, whether they satisfy them. Meanwhile, the bill's funding levels would come nowhere near providing the amount that would be needed to implement work programs called for in the bill, particularly since states have not developed the infrastructure to mount large-scale work programs.¹⁵

The American Public Human Services Association (APHSA), a bipartisan, nonprofit membership organization representing state and local health and human services agencies, develops positions on bills “through a representative internal process that involves and relies on

our state and local members.”¹⁶ In other words, it seems to rely on an informal poll of its members. The APHSA released a statement after a careful review of the bill’s specifics. While expressing general support for work programs, the APHSA raised multiple concerns regarding the administrative burden, the inadequacy of funding, the severity of the sanctions, and numerous other issues. As a result, it concluded, “. . . we cannot offer support at this time for a number of the provisions in the work solutions section of the bill as currently outlined.”¹⁷

If advocates for work requirements want to use polling data to support their position, the honest approach would be to accurately describe the context and provisions of a specific proposal. If Robert Rector finds the central elements of the House Agriculture Committee’s work requirements “indefensible,” “unnecessary,” and “counter-productive,” many other Americans are likely to find them objectionable as well. For more detail, see:

“The Misuse of Opinion Polls to Promote ‘Punishing’ Work Requirements: Why Policy Details Matter,” May 6, 2018, available at: <https://mlwiseman.com/wp-content/uploads/2016/05/Misuse-of-Opinion-Polls.pdf>.

Robert Doar: “Managing government safety-net programs also made it clear that the only way out of poverty is through earnings. SNAP and other safety net programs can and do reduce material hardship, but for non-workers, receiving support from such programs alone is not enough to raise incomes above the poverty line. If people are to escape poverty, earnings must be part of the equation. Those of us in favor of work requirements are also in favor of work supports that combined with earnings from jobs have brought millions of Americans out of poverty, and could do even more in the future.”

PC Response: Over the last 25 years, there has been a substantial increase in spending on programs designed to “make work pay,” including the Earned Income Tax Credit (EITC), the Additional Child Tax Credit (ACTC), Medicaid (which used to be limited primarily to those receiving cash assistance), and other work supports.¹⁸ The problem isn’t that spending on income support for those who work is inadequate – it’s that many work requirement proposals are unreasonable, unrealistic, and not based on evidence. It’s long past time to refocus the debate on those “welfare reform” left behind – those who can’t or don’t work. The key issue should be how work requirements can be designed to best promote employment and self-sufficiency without exacerbating poverty. This requires careful attention to policy details and an honest appraisal of the evidence surrounding work requirements.

Robert Doar: “In experiments in Milwaukee, and Oregon, labor force participation rates increased (which should be a central goal in our current state of near-full employment), wages increased, and child poverty decreased as a result of work-first initiatives for welfare recipients.”

PC Response: If Doar is referring to rigorous evaluations of work-first programs, he probably meant to refer to Riverside, California and not Milwaukee. (There is no random assignment study of a “work-first program” in Milwaukee. Wisconsin did aggressively implement a welfare-to-work program beginning well before the 1996 welfare reform law, but that program was not subject to a rigorous evaluation.) And, the “Oregon” program is typically referred to as

the “Portland” program, named after the city and not the state. In addition, the Portland program is more accurately described as employment-focused with a mixed strategy of activities.

During the 1980s and 1990s, there were dozens of experiments that tested the impact of welfare-to-work programs, including the “work-first” model. Doar picks just two and suggests that the results of these experiments justify the kinds of work requirements that are being advanced in for SNAP (and Medicaid). There are several problems with this kind of justification.

Problem #1: Exaggerating the Evidence. Doar implies that the employment- and poverty-related impacts of work requirements are large. In examining the evidence on work requirements, Doar does not present a complete summary of the findings from the research related to work requirements. From dozens of possible experiments, he selects two with some of the largest impacts, as if their impacts could be readily replicated. Even with his cherry-picked examples, however, the impacts are modest.

Table 3 below presents the findings for three outcome measures – average quarterly employment, earnings, and total income – for two periods (the average over years 1-3 and 4-5). The employment impacts are statistically significant and relatively large in years 1-3 for Riverside (28 percent) and Portland (36 percent). However, the overall level of employment is still quite low and the size of the impacts diminishes over time, with year 4-5 impacts of just 9 percent and 7 percent, respectively. Earnings impacts follow a similar pattern – they are relatively large over a low base during years 1-3 (22 percent and 44 percent, respectively) but they too diminish over time (9 percent and 13 percent, respectively in years 4-5). More important for Doar’s claims about poverty, the impacts on income are either negative or not statistically significant because the earnings gains that did come about were offset by the loss of welfare benefits.

While both programs reduced the poverty rate modestly (though the result was not always statistically significant), they also had larger impacts on *increasing* the deep poverty rate (i.e., with incomes below 50 percent of the poverty line).¹⁹ As with many policy changes, there can be winners and losers, so it is important to look at distributional effects. This comports with findings from a comprehensive synthesis of the impact of dozens of state welfare reform programs on caseloads, child poverty, and a range of other outcomes prepared by RAND.²⁰ With regard to mandatory work programs, the authors of the synthesis note, “With a few exceptions, most of the poverty impacts are insignificant and small in magnitude.”²¹

Table 3: Impacts on Employment, Earning, and Total Income				
	Average over Years 1-3		Average over Years 4-5	
	Control Group	Impact	Control Group	Impact
Riverside – Job Search 1st				
Average quarterly employment (%)	26.1	7.4*** (28%)	33.3	2.9*** (9%)
Earnings (\$)	2,726	588*** (22%)	4,156	359* (9%)
Income (\$)	8,709	-282** (-3%)	7,753	-220 (-3%)
Portland				
Average quarterly employment (%)	34.2	10.3*** (36%)	47.5	3.5*** (7%)
Earnings (\$)	3,184	1,157*** (44%)	5,846	752*** (13%)
Income (\$)	8,596	151 (2%)	8094	250 (3%)

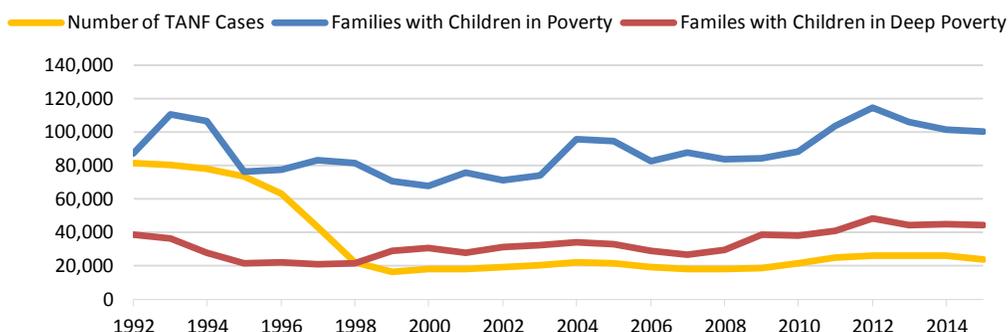
Source: Gordon Berlin, *What Works in Welfare Reform: Evidence and Lessons to Guide TANF Reauthorization* (New York, NY: Manpower Demonstration Research Corporation, June 2002), Table 3, available at: https://www.mdrc.org/sites/default/files/TANFGuide_Full.pdf.

Problem #2: Inappropriate Generalizations. Regardless of the specific findings in Riverside and Portland, their results should not be generalized across programs with very different funding structures, rules, and types of benefits (i.e., from AFDC to TANF, Medicaid, SNAP, and housing assistance); population groups (e.g., from single parents with children to childless adults); and scale of operations, keeping in mind that the percent of families engaged in the earlier experiments and the intensity of their participation was relatively low compared to TANF’s current requirements and those called for in most proposals to expand work requirements in various non-cash programs. For more detail, see:

“Do Work Requirements Work? Understanding the Limits of the Evidence: A Response to Angela Rachidi and Robert Doar,” August 8, 2018, <https://mlwiseman.com/wp-content/uploads/2018/08/AEI.work-requirements.pdf>.

Note: Doar probably confused Milwaukee with Riverside, but it is worth noting that many conservatives cite Wisconsin, particularly its reforms in the 1990s, as a model for welfare reform and work requirements, making claims similar to Doar’s about “Milwaukee and Oregon.” There is no credible evidence, however, that these reforms provided substantial help. As shown in the figure below, TANF caseloads started to decline around 1993, as did the number of poor families and the number in deep poverty. The declines in poverty, however, ended around the time the 1996 welfare reform law was enacted, but caseloads continued to decline. If work welfare reform and work requirements were such a success, why is the number of poor families with children in Wisconsin 25 percent higher in 2015 than in 1996? More relevant, why is the number of families with children with incomes below 50 percent of the poverty line (deep poverty) more than 100 percent higher since 1996?

Wisconsin Trends in Poverty, Deep Poverty, and TANF Cases



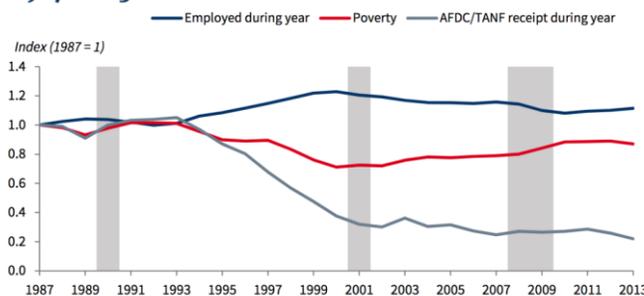
Source: CBPP; see Table 1 citation.

Source: Ife Floyd, LaDonna Pavetti, and Liz Schott, “TANF Reaching Few Poor Families,” Center on Budget and Policy Priorities, December 13, 2017, available at: <https://www.cbpp.org/research/family-income-support/tanf-reaching-few-poor-families>.

Robert Doar: “But the best evidence we have for the success of work requirements is the dramatic national increase of about 15 percentage points in labor force participation among never-married mothers (from about 45 percent to about 60 percent) in the aftermath of 1996 Welfare Reform, which added work requirements to our cash welfare system.”

PC Response: Even if one believes a simplistic analysis of trends in employment, poverty, and caseload data is a good way to assess the impact of a policy, such an analysis should be a cautionary tale. Consider Figure 12 from a recent report by the Council of Economic Advisers, which shows for *single mothers with children* (not just never-married mothers), “(i) AFDC/TANF receipt, (ii) employment, and (iii) poverty, each expressed as a rate in the population and then indexed to 1987 values.”²² The CEA notes that “between 1996 and 2000, single mother caseloads fell by 53 percent. Over the same period, their employment rate increased by 10 percent, and their poverty rate fell by 20 percent.”²³ This is roughly the same time period Doar examines. Even during this period, caseloads fell faster than employment rose and poverty declined. But, examining the entire 1996 to 2013 period shows virtually no change in employment and poverty rates, but the receipt of cash assistance has declined by 75 percent.

Figure 12. Index of Percent of Female-Headed Families Employed, in Poverty and Receiving AFDC/TANF, 1987–2013



Sources: Gabe (2014) tabulations of administrative records, survey data; National Bureau of Economic Research; CEA calculations.
Note: AFDC/TANF receipt, poverty, and employment are indexed to 1987 levels. Grey shaded regions denote a recession for at least four months of a given year.

A simplistic examination of employment trends is not a credible way to establish causality. There are many economic, demographic, and policy-related changes that influence the outcome measures of interest. While Doar does mention the economy and the EITC, he makes no attempt to disentangle the relative importance of these and other factors or to isolate the impact of TANF's work requirements from other TANF provisions (e.g., the substantial windfall in federal funds during TANF's early years, time limits, etc.).

The "best evidence" about work requirements comes from random assignment experiments. Researchers at RAND prepared a comprehensive synthesis of the impact of dozens of state welfare reform programs on caseloads, child poverty, and a range of other outcomes.²⁴ The random assignment evaluations they reviewed examined programs in the very period when employment rates for single mothers were rising (and caseloads and poverty rates were falling). While most reform programs showed modest employment and earnings gains, as well as declines in welfare receipt, 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.

For more detail on the problems in using simplistic pre-post statements as "evidence," see:

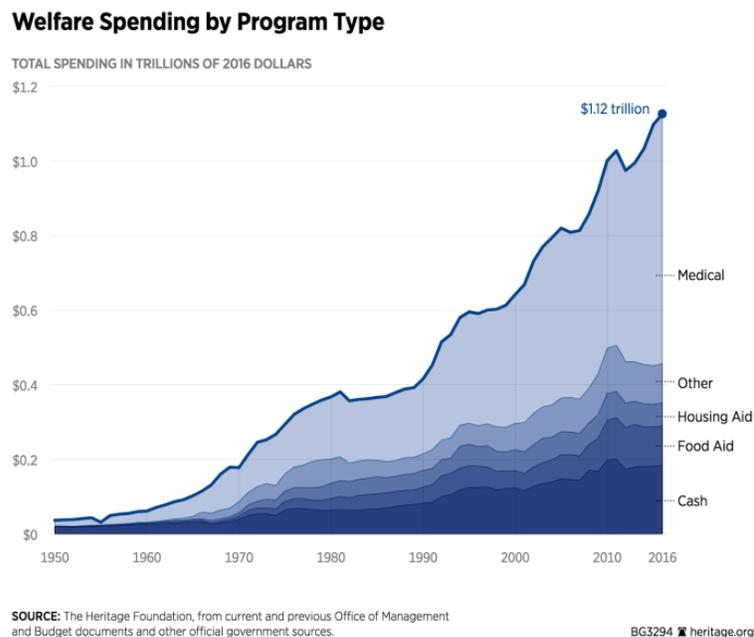
"A Note to Pre-Post Conservatives: You Are Not Fooling Anyone – Except Maybe Yourselves (and Some Politicians)," September 2, 2017, available at: <https://mlwiseman.com/wp-content/uploads/2016/05/PrePost-Conservatives.0904.pdf>.

Robert Doar: "While a healthy late-1990s economy, and the earned income tax credit played a role in poverty reduction, no credible scholar denies that work requirements were key. Despite later economic slowdowns, the poverty rate for households headed by single mothers (after accounting for taxes and transfers) never returned to pre-2000 levels. Today, it's still below what it was in 1995 thanks to benefit programs that encourage and reward recipients for working."

PC Response: While most "credible" scholars would agree that the creation of TANF led to substantial caseload declines and some would agree that it led to employment gains (in its early years), there are few (if any) that would give work requirements (or TANF) any significant credit for poverty reduction. As noted above, with regard to mandatory work programs, the authors of the RAND synthesis note, "With a few exceptions, most of the poverty impacts are insignificant and small in magnitude."²⁵ If Doar believes there are "credible scholars" who show that work requirements reduced poverty, he should cite their work and describe their methodology.

In his description of poverty trends, Doar refers to a poverty measure other than the official rate, because he notes that the rate is lower "after accounting for taxes and transfers." So, he is likely referring to the Supplemental Poverty Measure (SPM) or a consumption-based poverty measure. And, he is correct – regardless of which of these measures one examines, the poverty rate adjusting for taxes and transfers is lower. The most obvious factor in the decline in material poverty (regardless of the starting point) is the sharp increase in spending on non-cash means-

tested programs and refundable tax credits (e.g., the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC)). As shown in the figure below (from The Heritage Foundation), between 1996 and 2016, federal-state spending (in 2016 dollars) on all means-tested welfare programs grew from about \$600 billion to over \$1.1 trillion. Excluding spending on health programs, expenditures grew from about \$300 billion to about \$450 billion, despite the fact that spending on AFDC/TANF cash assistance fell by about \$25 billion.



Source: Robert Rector and Vijay Menon, “Understanding the Hidden \$1.1 Trillion Welfare System and How to Reform It,” The Heritage Foundation, April 5, 2018, available at: <https://www.heritage.org/welfare/report/understanding-the-hidden-11-trillion-welfare-system-and-how-reform-it>.

There is far less evidence, however, that TANF and its work requirements have done the same; even a cursory examination of the TANF experience suggests they increased the depth of poverty for millions of families. This dynamic is best reflected in the dramatic drop in the percentage of families *eligible* to receive benefits that actually *receive* it.²⁶ Table 4 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 to 2015. In 1996 (before TANF), about 5.6 million families were eligible to receive benefits and about 4.4 million (79 percent of those eligible) did so. By 2015, the number eligible for TANF was higher (6.1 million), but the number receiving benefits fell over 60 percent to 1.6 million (26 percent of those eligible). As a result, the number of families that were eligible for TANF cash assistance but that did not receive it grew by 3.3 million, from 1.2 million to 4.5 million. If TANF (and its work requirements) were a success in getting needy families to work, one would expect the number eligible and the caseload to decline in tandem.

**Table 4:
Number and Percentage of Eligible Families Participating in TANF
(Average Monthly Data, Selected Years, 1996-2015)**

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
2012	5.7	1.9	3.8	32.4
2015	6.1	1.6	4.5	26.3

Source: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Welfare Indicators and Risk Factors: Seventeenth Report to Congress*, May 4, 2018, p. A-11, available at: <https://aspe.hhs.gov/system/files/pdf/259196/WELFAREINDICATORS17THREPORT.pdf>.

Robert Doar: Today’s economy reinforces the power of work and earnings to help people escape poverty. The Census Bureau’s coming release of official poverty numbers will announce that poverty has dropped, possibly to historic lows, because more people who once did not work have gotten back to work and earnings. Sadly, this number could be even lower – if programs like SNAP and Medicaid did more to promote work. While many who run these benefit programs believe that helping recipients find work is not their job, this only keeps the poor trapped in a cycle of poverty. Work requirements can change that.

PC Response: Programs should do more to promote work, but policy details and evidence matter. Well-designed work requirements may reduce poverty, but poorly designed work requirements undoubtedly increase it. The TANF experience is a cautionary tale, yet Doar and others have clearly not learned its lessons.

Robert Doar: “Some experts worry about the potential harm of work requirements, but there is little evidence to back up their claims. A commonly expressed concern is that work requirements increase deep poverty, a claim that University of Chicago economist Bruce Meyer has proved to be unfounded. Using data from state administrative records, Meyer found that deep poverty is extremely rare, and has not increased meaningfully since the 1990s welfare reform. Instead, he found that about half of those classified as members of the ‘extreme poor’ actually have incomes above the poverty line after accounting for safety net benefits.”

PC Response: Doar seems to use the terms “deep poverty” and “extreme poverty” interchangeably – the first generally refers to those with incomes (or consumption) below 50 percent of poverty and the latter refers to a \$2 a day per person threshold. It should come as no surprise that the substantial increase in spending on means-tested programs over the last 25 years has reduced poverty (as well as deep poverty and extreme poverty) for millions of families when the value of these benefits is considered. However, TANF and its work requirements have also undoubtedly pushed millions of families deeper into poverty (e.g., as indicated by Table 4 above). These families have lost TANF, and if they are not working, they have not benefited from the expansion in aid to the working poor. A simplistic analysis of trends without examining distributional effects would miss this dynamic.

Robert Doar: “Some caveats about the administration of these work requirements still apply. For those who are already working, proving compliance should be quick and easy. Children should be protected from their parent’s offenses, and not all benefits should be cut. Disability claims must be treated carefully, with allowances made for those who have applied for, but not yet been awarded, disability benefits.”

PC Response: Doar’s caveats are important and this is where his experience as an administrator could help; instead, he simply lists a few possible concerns without elaborating on them or providing any specific guidance or examining past experience.

Reporting hours is part of data collection. There are trade-offs between administrative ease, accuracy, and cost. If the requirements are too burdensome, eligible individuals may be dropped from the rolls – a concern expressed by some about the early implementation of the Medicaid work requirement in Arkansas.²⁷ If they are too lax, e.g., because hours are based on self-attestation, the data may not be accurate. And, if implemented well, the administrative costs associated with determining eligibility, collecting data, and verifying the accuracy of the data could be significant – a cost that should be balanced against a realistic assessment of the likely benefits of the requirements.

Doar also notes that “disability claims must be treated carefully.” There is some evidence with that with respect to the enforcement of the SNAP ABAWDs work requirement this is not always the case. For example, Chris Hastedt, public policy director at Maine Equal Justice Partners, explains: “We see many, many, many people who fall through the cracks.”²⁸ 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.’”²⁹ But Doar also seems to apply a rigid standard for what constitutes a “disability” – those who receive disability benefits or have applied, but not yet been awarded benefits. There are many other conditions that are debilitating that require permanent or at least temporary accommodations.

Doar also suggests that it is important to protect children and that “not all benefits should be cut.” This is a valid concern, yet Doar ignores this caveat when it comes to TANF. The creation of TANF eliminated the entitlement to assistance and many states have full family sanctions and time limits that terminate aid to the entire family – including children. Shouldn’t children in families receiving TANF be protected? Shouldn’t there at a minimum be a requirement for a rigorous evaluation to at least examine the outcomes in programs like TANF that permit full family sanctions and other policies that terminate all benefits to a family (e.g., a time limit)? Doar is silent on these issues.

For more detail on my (one-sided) debate with Doar on these issues, see:

“Reforming ‘Welfare Reform’ New York Style: A Possible Doar-Germanis Compromise?” May 11, 2016, available at: <https://mlwiseman.com/wp-content/uploads/2016/05/Reforming-Welfare-Reform-New-York-Style.pdf>.

“TANF is a Step Backward for the Poor and for Conservatism: An Explanation for Shawn Fremstad,” December 21, 2016, available at: <https://mlwiseman.com/wp-content/uploads/2016/05/Fremstad.pdf>.

Robert Doar: “Jobs and job training should be a primary goal with broad options for how to meet requirements.”

PC Response: Doar should explain what he means by “broad options.” Elsewhere, with respect to TANF, he has argued for a rigid work-first model with rigid participation standards and hourly requirements, even when the best evidence suggests such an approach would preclude states from operating the most effective programs. For an example, see the discussion at:

“The Failure of TANF Work Requirements: A Much Needed Tutorial for the Heritage Foundation and the American Enterprise Institute,” August 12, 2016, pp. 28-31, available at: <https://mlwiseman.com/wp-content/uploads/2016/05/The-Failure-of-TANF-Work-Requirements-1.pdf>.

Robert Doar: “During the roughly seven-year period between the official end of the recession in 2009 and the return to pre-recession employment levels in 2016, the absence of work requirements contributed to high poverty rates, with labor force participation remaining at historic lows as programs like SNAP and Medicaid grew and subsidized the lack of work. It shouldn’t take this long for low-income families to recover from an economic downturn. If we pass work requirements, families won’t have to wait as long.”

PC Response: Whether the “absence of work requirements contributed to high poverty rates” depends on how those requirements would have been designed. Doar and many other conservatives simply assert that such requirements would promote employment and reduce poverty without ANY focus on policy details. Indeed, the only detailed proposal by conservatives that has emerged in recent years is one proposed by Representative Jim Jordan and Senator Mike Lee – the “Welfare Reform and Upward Mobility Act.” Unfortunately, its requirements are not reasonable and realistic; instead, the bill creates a Rube-Goldberg-like set of bureaucratic rules for three overlapping, but uncoordinated, work requirements – two for TANF and one for SNAP. For a detailed critique:

“The Welfare Reform and Upward Mobility Act: A Conservative Plan to Eviscerate the Safety Net (An Update),” June 11, 2017, available at: <https://mlwiseman.com/wp-content/uploads/2016/05/WRandUMA.2017.pdf>.

If Doar is serious about reducing poverty, he should provide policy details, justify those details, and address concerns by those who disagree.

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 consider myself a conservative and have worked on welfare issues for The Heritage Foundation, American Enterprise Institute, and the White House under both President Reagan and President George H.W. Bush.

² U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Welfare Indicators and Risk Factors: Seventeenth Report to Congress*, May 4, 2018, p. A-11, available at: <https://aspe.hhs.gov/system/files/pdf/259196/WELFAREINDICATORS17THREPORT.pdf>.

³ Ed Bolen, Lexin Cai, Stacy Dean, Brynne Keith-Jennings, Catlin Nchako, Dorothy Rosenbaum, and Elizabeth Wolkomir, “House Farm Bill Would Increase Food Insecurity and Hardship,” July 30, 2018, available at: <https://www.cbpp.org/sites/default/files/atoms/files/4-16-18fa.pdf>.

⁴ Robert Doar, “Employment requirements needed in benefit programs,” Testimony before the House Committee on Education and the Workforce, March 15, 2018, available at: <http://www.aei.org/wp-content/uploads/2018/03/Doar-Testimony-Committee-on-Education-the-Workforce.pdf>.

⁵ This is the Census poverty threshold for one adult and two children.

⁶ There is significant variation in the cost of programs based on the duration and intensity of participation, the type of work activity, the administrative structure, and the need for support services. For more detail, see LaDonna Pvaetti, “Mandatory Work Programs are Costly, Have Limited Long-Term Impact,” Center on Budget and Policy Priorities, April 12, 2018, available at: <https://www.cbpp.org/blog/mandatory-work-programs-are-costly-have-limited-long-term-impact>.

⁷ The required, or basic, MOE level is used because many states report “excess MOE” to maximize their caseload reduction credit or qualify for the TANF Contingency Fund. These “excess” expenditures typically involve claiming existing state spending and do not reflect new spending.

⁸ Ron Haskins and Heather Hahn, “Can Work Requirements in Safety Net Programs Work?” American Enterprise Institute, “Poverty and Social Policy Debate Series: Federal Work Requirements,” 2018, available at: www.aei.org/spotlight/federal-work-requirements-debate/.

⁹ Robert Doar, “Employment requirements needed in benefit programs,” Testimony before the House Committee on Education and the Workforce, March 15, 2018, available at: <http://www.aei.org/wp-content/uploads/2018/03/Doar-Testimony-Committee-on-Education-the-Workforce.pdf>.

¹⁰ Robert Doar, “Employment Requirements in Benefit Programs Needed to Reduce Poverty,” Testimony before the House Committee on Education and the Workforce, March 15, 2018, available at: https://edworkforce.house.gov/uploadedfiles/testimony_doar_3.15.18.pdf.

¹¹ The adult could only regain eligibility by becoming employed for at least 20 hours per week or becoming exempt, e.g., for age or disability.

¹² Robert VerBruggen, “Welfare Reform 2.0,” *The National Review*, April 26, 2018, available at: <https://www.nationalreview.com/magazine/2018/05/14/republicans-welfare-reform-efforts-improve-food-stamps/>.

¹³ Robert VerBruggen, “Welfare Reform 2.0,” *The National Review*, April 26, 2018, available at: <https://www.nationalreview.com/magazine/2018/05/14/republicans-welfare-reform-efforts-improve-food-stamps/>.

¹⁴ Robert Rector, Jamie Bryan Hall, and Mimi Teixeira, “Five Steps Congress Can Take to Encourage Work in the Food Stamps Program,” The Heritage Foundation, April 20, 2018, available at: https://www.heritage.org/sites/default/files/2018-04/IB4840_1.pdf.

¹⁵ The Center on Budget and Policy Priorities (CBPP) has a detailed and transparent estimate suggesting that to meet the bill’s mandate, about 3 million SNAP beneficiaries per month would have to be placed in a work slot. Using the average cost of establishing such programs from rigorous research studies of welfare-to-work programs, it estimates that the bill’s requirements would cost about \$15 billion per year, yet the bill provides for just \$1 billion, when fully phased it. See: Ed Bolen, Lexin Cai, Stacy Dean, Brynne Keith-Jennings, Caitlin Nchako, Dorothy Rosenbaum, and Elizabeth Wolkomir, “House Agriculture Committee’s Farm Bill Would Increase Food Insecurity and Hardship,” Center on Budget and Policy Priorities, May 1, 2018, available at: <https://www.cbpp.org/research/food-assistance/house-agriculture-committees-farm-bill-would-increase-food-insecurity-and>.

¹⁶ American Public Human Services Association, “Preliminary Response of the American Public Human Services Association Response to the Sections in the Title IV Nutrition Portion of the Proposed House Farm Bill Reauthorization,” May 2, 2018, available at: <http://files.constantcontact.com/391325ca001/b80bf6ed-875e-4824-be8d-8298eeface15.pdf>.

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- ¹⁹ LaDonna Pavetti, “Work Requirements Don’t Cut Poverty, Evidence Shows,” Center on Budget and Policy Priorities, June 7, 2016, available at: <https://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows>.
- ²⁰ 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_systhesis/reports/consequences_of_wr/rand_report.pdf.
- ²¹ Jeffrey Grogger, Lynn A. Karoly, and Jacob Alex Klerman, *Consequences of Welfare Reform: A Research Synthesis* (Santa Monica, CA: July 2002), p. 166, available at: http://www.acf.hhs.gov/programs/opre/welfare_employ/res_systhesis/reports/consequences_of_wr/rand_report.pdf.
- ²² Council of Economic Advisers, *Expanding Work Requirements in Non-Cash Welfare Programs*, (Washington, D.C.: The White House, July 2018), p. 47, available at: <https://www.whitehouse.gov/wp-content/uploads/2018/07/Expanding-Work-Requirements-in-Non-Cash-Welfare-Programs.pdf>.
- ²³ Council of Economic Advisers, *Expanding Work Requirements in Non-Cash Welfare Programs*, (Washington, D.C.: The White House, July 2018), p. 47, available at: <https://www.whitehouse.gov/wp-content/uploads/2018/07/Expanding-Work-Requirements-in-Non-Cash-Welfare-Programs.pdf>.
- 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_systhesis/reports/consequences_of_wr/rand_report.pdf.
- ²⁵ Jeffrey Grogger, Lynn A. Karoly, and Jacob Alex Klerman, *Consequences of Welfare Reform: A Research Synthesis* (Santa Monica, CA: July 2002), p. 166, available at: http://www.acf.hhs.gov/programs/opre/welfare_employ/res_systhesis/reports/consequences_of_wr/rand_report.pdf.
- ²⁶ The data on TANF families eligible for benefits is estimated using simulation models. The estimates are produced by experts using survey and administrative data, with careful attention to reporting issues and program rules. For TANF, the eligibility estimates come from the TRIM model, which has been used for over 40 years by administrations of both parties to calculate eligibility for TANF and other programs. For more detail on the TRIM model, see: 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*, September 22, 2015, available at: <https://aspe.hhs.gov/sites/default/files/pdf/116161/FINAL%20Fourteenth%20Report%20-%20FINAL%209%2022%2015.pdf>; and, The Urban Institute, “TRIM3: Transfer Income Model, Version 3,” available at: <http://trim.urban.org/T3Technical.php>.
- ²⁷ Robert Pear, “Federal Panel Alarmed as Thousands Are Dropped From Medicaid in Arkansas,” *The New York Times*, September 14, 2018, available at: <https://www.nytimes.com/2018/09/14/us/politics/arkansas-medicaid-work-requirements.html>.
- ²⁸ 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/>.
- ²⁹ 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/>.