Explaining Welfare Reform Tweet by Tweet: A Response to Scott Winship
Peter Germanis
October 21, 2018

In a recent article in The Washington Post, political science professors Sanford Schram, Richard Fording, and Joe Soss argued that extending work requirements like those in the Temporary Assistance for Needy Families (TANF) program to non-cash programs like Medicaid and the Supplemental Nutrition Assistance Program (SNAP) would “reproduce the negative effects we found for welfare: People who cannot work will lose benefits.” This conclusion did not sit well with Scott Winship, who believes “welfare reform” was a success and took to Twitter with a 34-tweet response that attempted to refute their claims.

Winship’s counter-arguments are largely based on simplistic comparisons of employment- and poverty-related outcomes over time. This approach is a very weak basis for making causal inferences because it ignores a variety of economic, demographic, and policy-related factors that could influence these outcomes. Even taking this approach, however, it should be clear that the primary reason poverty has declined since 1996 (using a comprehensive poverty measure) is the significant expansion in programs designed to “make work pay.” Meanwhile, TANF itself has become a form of “revenue sharing” in many states and no longer operates as either an effective cash assistance safety net or welfare-to-work program. A more comprehensive assessment suggests that TANF had little impact on the poverty rate, but increased the depth of poverty for many of our nation’s neediest families.

Work requirements can be a useful policy tool if they are reasonable (for recipients), realistic (for states), and based on empirical evidence about what helps improve the employability and earnings of those receiving public assistance. Schram and his colleagues argue that TANF’s work requirements are about reducing caseloads and costs, not providing a “hand up.” Designing work requirements that help needy families requires careful attention to policy details and empirical evidence, something lacking in Winship’s response. There is no magic bullet – the next step should be to embark on a demonstration approach, testing various approaches across different programs and populations and evaluating them rigorously (i.e., with a randomized control trial). Current proposals to impose untested new SNAP work requirements nationwide and Medicaid work requirements statewide in some states risk pushing millions of families deeper into poverty, because these approaches have been designed by politicians and are based on ideology, rather than evidence.

In what follows below, I highlight Winship’s 34 tweets (on August 14, 2018); my 34-page rebuttal includes a “PC Response” (where PC is for “Peter the Citizen”) for each tweet. Many of the issues raised in his tweets cannot be addressed without going into considerable detail, so occasionally I refer readers to other papers that provide a more elaborate explanation.

@swinshi #1: “Some thoughts on this week’s WaPo op-ed on welfare reform by @sanfordschram @rforing and @jbsoss. Per usual, let me stipulate that I think welfare
reform was a success because it reduced poverty, which is the thing we all profess to care about. /1"

PC Response: The term “welfare reform” means different things to different people. For some, it refers to the TANF block grant and its work requirements. For others, it includes not just TANF, but all of the changes made by the Personal Responsibility and Work Opportunity and Reconciliation Act of 1996 (PRWORA), including changes to the Supplemental Security Income (SSI), Food Stamps (now known as SNAP) and various child nutrition programs, child support enforcement, and child care. The term has also been used to refer to changes in the broader safety net over the last 25 years, particularly reforms designed to “make work pay,” including expansions in refundable tax credits – the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC), Medicaid and related health programs, and child care assistance.

In any assessment of “welfare reform” it is important to be clear about whether one is referring to TANF or the broader set of changes to the safety net. The op-ed Winship responded to – “Do work requirements for federal assistance help people escape poverty? No. Here’s what really happens” – was focused primarily on TANF and its work requirements. If this is what Winship means by “welfare reform,” he is wrong in thinking it was a success. Indeed, his own analysis of poverty trends in Poverty After Welfare Reform 3 suggests that the expansion in means-tested non-cash welfare programs and refundable tax credits is what reduced the poverty rate (using a comprehensive measure that counts the value of such aid). That analysis, however, largely ignores distributional effects and the subset of families hurt by TANF. For more detail, see:


Point #1: Caseload Reduction is the Wrong Metric

@swinshi #2: “There are 6 points the authors make. #1 is that caseload reduction is the wrong metric for success. I agree with that, and most conservative reformers would agree with that too. (I know most of the most prominent ones personally.) But... /2”

PC Response: I know the same reformers; they give lip service to poverty reduction and advance policies that are untested and that are likely to push families and individuals deeper into poverty (because they are based on the TANF model). I will go further and assert that most of these “conservative reformers” have a poor understanding of TANF’s work requirements – both in terms of policy and in applying evidence-based thinking to their “analyses.” For a detailed critique, see:

Indeed, I’ve written over 70 papers documenting in great detail many of the erroneous, misleading, and/or misguided claims of “conservative reformers,” including several to Winship himself in the hopes that at least some would begin to focus on policy details, implementation, and more careful interpretation of the available empirical evidence regarding work requirements.

@swinshi #3: “The authors punt big-time on this when they say that a better metric would be what happened to earnings from employment. I’m not sure they want to go here, but at any rate, they don’t. They leave this dangling as if we just don’t know the answer. We do. /3”

PC Response: Winship accuses Schram and his colleagues of “punting” on the issue of whether TANF and its work requirements led to greater earnings from employment. In fact, they are very clear that they do not believe TANF’s work requirements were effective in promoting employment, instead attributing most of the increase in the employment to other factors:

So why did more single mothers take jobs in the mid-1990s? The short-lived economic expansion of that decade helped. But so did policy change – not of TANF, but of the earned income tax credit.

To support their case, they also include a figure showing that the employment trends started well before TANF was enacted and that the gains during TANF’s early years dissipated beginning in 2000. They explain:

That increase started before Congress and the president enacted TANF. And as shown in the figure below, the upward trend leveled off soon after the new work requirements kicked in 1997. In fact, according to the Bureau of Labor Statistics, the rate at which single mothers age 25 and up with less than a high school diploma – prime TANF candidates – held jobs actually fell after 2000, dropping from 53.8 percent to 48.9 percent by 2015. In the figure below, the rate of all single mothers with young children taking jobs first went up but then leveled off at a lower level.
The figure by Schram and colleagues presents a somewhat exaggerated depiction of the increase in labor force participation because the vertical axis starts at around 50 percent; nevertheless, their general point is correct in that employment (and labor force participation) trends started well before TANF was enacted. Moreover, the increase in work would not have stopped abruptly in 1997 if TANF were not enacted, as the economy continued to grow and various “make work pay” policies were enacted around that same time (e.g., the child tax credit, an increase in the minimum wage, and increased spending on support services, most notably child care and Medicaid and the Children’s Health Insurance Program or CHIP).

This same dynamic can be seen in a figure from a recent report by the President’s Council of Economic Advisers (CEA). CEA Figure 12 shows the percent of female-headed families employed, in poverty, and receiving AFDC/TANF cash assistance indexed to 1987 levels. Of note for this discussion is the fact that the employment rate for female-headed families in 1996 and was about the same as in 2013. Moreover, it began to rise well before 1997 and reversed direction in 2000, even before TANF’s work requirements had been fully implemented (in 2002). What is particularly notable about the CEA figure, however, is the fact that the AFDC/TANF caseload shows a steady decline – it did not increase after 2000 when the employment rate began to fall and the poverty rate began to rise. In 2013 (the end-point of the CEA analysis), the employment rate of female headed families is roughly the same as in 1996, but the caseload is about 75 percent lower.

As a general rule, policy conclusions should not be based on a simplistic examination in trends in outcome measures because it is impossible to disentangle the effects of work requirements from other factors, most notably the strong economy and the significant growth in spending on aid to the working poor (and not just the EITC). There is no rigorous evaluation of TANF, much less its work requirements that would permit definitive statements about its effects on employment, dependency, and poverty. However, to the extent one relies on this approach, the most obvious
conclusion would be that TANF has had little or no effect on work levels, but a very large impact on reducing the cash assistance caseload. Indeed, the caseload decline is so large, there is no other plausible conclusion that TANF itself was the driving factor, but not because it helped families become more self-sufficient.

@swinshi #4: “In Table C-11 of this report (https://www.fas.org/sgp/crs/misc/R41917.pdf) the Congressional Research Service finds that the poverty rate among single mothers in 2013, taking ONLY earnings into account, was only a bit higher than the OFFICIAL poverty rate in 1996 (which includes cash transfers) /4”

PC Response: Winship claims that the 2013 poverty rate “taking ONLY earnings into account” (47.6 percent) is only “a bit higher” than “the official poverty rate of in 1996” (39.8 percent). (See Table 1 below recreated from Table C-11 of the CRS report.) It’s not clear why he compares two different poverty measures, particularly since the 2013 “earnings only” measure is more than “a bit higher” than the official rate – about 20 percent higher. Comparing the same poverty rate measures between the two years shows a relatively small decline between 1996 and 2013. For the rate counting earnings only, the drop is from 49.8 percent to 47.6 percent; for the official poverty rate, the decline is from 39.8 percent to 38.0 percent. There are many factors that can affect these rates, so this tweet is hardly proof that TANF and its work requirements were effective in reducing the poverty rate.

<table>
<thead>
<tr>
<th>Table 1: Effect of Earnings, Transfers, and Taxes on Family Poverty Status, All Single Mothers (selected years)</th>
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<tr>
<td>Earnings only</td>
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<td>Earnings + cash transfers other than cash welfare</td>
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<td>Official</td>
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Regardless of the measure, the poverty rate is not a good indicator for assessing the impact of TANF, because the eligibility levels for cash aid are well below the poverty thresholds and poverty is measured based on annual income. TANF benefits range from about 10 percent to about 45 percent of the federal poverty level. 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 TANF lifted a small group of people out of poverty, but pushed a much larger number deeper into poverty, that would be important to know.

@swinshi #5: “The poverty rate including all other non-transfer income (but no transfers) was as low in 2013 as it was in 1996 INCLUDING all cash transfer income. I’ve yet to see
anyone do anything but sputter when confronted with these stats, which are from a nonpartisan Congressional body /5”

**PC Response:** Winship doesn’t define the terms “transfers” and “cash transfer income.” If he is referring to *means-tested cash benefits*, most notably from TANF and SSI, then the comparison would be of a 2013 poverty rate excluding cash welfare of 39.2 percent to a 1996 poverty rate with cash welfare of 39.8 percent. However, the difference between these two measures is not that large to begin with (about 2 percentage points) and, as noted above, the poverty *rate* is not a good measure for assessing the impact of cash welfare. As a result, these “stats” provide little evidence about the effects of TANF’s work requirements.

Winship’s biggest mistake is in believing that causality can be determined by comparing poverty rates between two years. The “nonpartisan Congressional body” that he cites – the Congressional Research Service – makes clear that their data are descriptive and do not disentangle the impact of policy interventions. Tom Gabe, the author of the report, explains:

> …this report focuses primarily on single mothers, as single mothers have been a primary focus of social policy. Untangling the effects of demographic factors, the economy, welfare policy, and other policy interventions on single mothers’ work behavior, welfare receipt, income, and poverty status is beyond the scope of this report. Others have attempted to parcel out these effects with mixed success and differing conclusions as to the relative impacts of each. In contrast to these efforts, the remainder of this report provides a descriptive analysis of U.S.6

The CRS, however, has written a number of reports showing that TANF has become less effective in reducing poverty.7 In terms of its role as a safety net, Gene Falk explains that the decline in the caseload is primarily due to a drop take-up rate of benefits among eligible families, not because a large number of needy families escaped poverty and no longer needed benefits:

> The cash assistance caseload decline has been seen as one of the prime indicators that TANF made progress in achieving the goal of ending the dependence of needy families on government benefits. However, most of the caseload decline has resulted from a decline in the rate at which people eligible for assistance actually receive benefits, rather than a decline in the population in need. In 2015, 18.0 million people were eligible for TANF assistance, but 4.9 million (27%) received it.8

This is depicted in CRS Figure 1 below. It is also worth noting that much of this “bureaucratic disentitlement” (my term, not CRS’) occurred during TANF’s supposed golden era up through 2000.
CRS Figure 2 shows a sharp decline in the percent of poor children who are eligible for and receiving cash assistance. Between 1995 and 2015, the share of poor children receiving benefits fell from 55.6 percent to 18.1 percent. Again, a significant portion of this decline occurred by 2000.

Winship says he is cares about poverty; the CRS also has figures that demonstrate TANF’s declining effectiveness in reducing poverty. CRS Figure 3 shows that in 1995, AFDC reduced the poverty rate by 0.9 percentage points (from 21.5 percent to 20.6 percent), but in 2015 TANF reduced it by just 0.2 percentage points (from 19.3 percent to 19.1 percent).
Of course, as noted above, the poverty rate is not a useful measure for purposes of assessing TANF’s impact. CRS Figure 4 also examines TANF’s effect on the deep poverty rate (where poverty is based on income below 50 percent of the poverty thresholds). AFDC reduced the deep poverty rate by 4.6 percentage points in 1995, from 11.2 percent to 6.6 percent, but TANF reduced it just 0.6 percentage points in 2015, from 8.2 percent to 7.6 percent.

In his first tweet, Winship emphasized that the most important measure of success was not caseload decline, but poverty reduction. In this tweet, he invoked the data of the nonpartisan CRS and implied that their work supports his arguments. If one reads the papers produced by the
CRS, however, one might well conclude that TANF was more about caseload reduction than reducing poverty (if not in intent, then in practice). Gene Falk’s conclusion is as follows:

The drop in the share of TANF-eligible individuals who receive benefits raises the question of 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. TANF was to be “temporary and provisional,” however the data indicate that TANF is increasingly forgone or otherwise not received by those eligible for it, even among the poorest of families. Other means-tested programs that have grown in terms of spending and recipients (e.g., the Earned Income Tax Credit, the Supplemental Nutrition Assistance Program, and Medicaid) do not provide ongoing cash assistance to families to meet basic needs.

Falk is correct to the growth of other means-tested programs, but it is worth noting that much of the growth in these programs has been targeted to those who work and for tax credits may not be available immediately.

@swinshi #6: “And that was in 2013! By 2016, child poverty was at an all-time low, acc to the liberal Center on Budget & Policy Priorities, and the child poverty rate PRE-TAX & -TRANSFER was only a few percentage points above the POST-TAX & -TRANSFER rate in 1996 (including noncash xfers) /6”

PC Response: The poverty rate Winship refers to is a post-tax/transfer child poverty rate (see below). The reason for the decline had nothing to do with TANF or its work requirements, but rather the expansion of other means-tested programs, as Danilo Trisi and Arloc Sherman explain:

The data show that the near-halving of the child poverty rate since the late 1960s is largely attributable to the creation or expansion of various safety net programs, particularly SNAP and two major refundable tax credits. When poverty is measured without counting the income that safety net programs provide (i.e., under the official poverty measure), child poverty has fallen significantly the last two years as the labor market tightened, but is only modestly lower than it was in the 1960s. But once these benefits are taken into account, a large decline in child poverty is evident.
The CBPP report further shows that the safety net’s effectiveness in reducing child poverty has grown dramatically over the last three decades, but again for reasons unrelated to TANF and its work requirements.

What do they say about TANF?

Operating in the other direction, TANF benefits lift considerably fewer children out of poverty – and have a smaller effect in reducing the severity of poverty – than when the program was established in the mid-1990s.11

And, writing elsewhere, researchers at the CBPP have noted that even as the child poverty rate fell, the percent of children living in deep poverty rose, attributing the increase primarily “to means-tested benefits becoming less effective at shielding children from deep poverty.”12 The main reason is TANF’s declining effectiveness.

As in @swinshi #5, where Winship referenced the “nonpartisan” Congressional Research Service, in this tweet he cites the “liberal Center on Budget & Policy Priorities” as if somehow their research could be used to support his position that TANF and its work requirements are an example of successful policymaking. Again, he is mistaken.

@swinshi #7: “I show that by 2014, poverty among the children of single mothers was at an all-time low after accounting for those noncash transfers (not including health care), tax credits, and changes in cohabitation. See Line 4 of Fig. 3 https://www.manhattan-institute.org/html/poverty-after-welfare-reform.html… /7”

PC Response: Winship’s data do show that the child poverty rate in single-mother families reached its lowest point ever by 2014, but he provides no evidence to suggest that the reason is TANF or its work requirements. The most obvious factor for the drop in a comprehensive poverty measure like the one in line 4 of his figure (below) is the sharp increase in spending on non-cash means-tested programs and refundable tax credits (e.g., the EITC and the CTC).
The increase in spending on means-tested programs other over the last 20 years has been substantial. 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 (in 2016 dollars).

@swinshi #8: “But I digress. The point is that if welfare reform only reduced caseloads, without reducing poverty, it would be a failure. That didn’t happen though. Welfare reform reduced poverty, period. /8”
**PC Response:** The trends in welfare caseloads and the official poverty rate – which doesn’t count non-cash means-tested programs or refundable credits, moved together between 1994 and 2000, as one would expect from a strong economy and work incentives provided by increased aid to the working poor. After 2000, however, they began to move in opposite directions. And, even in the early years, the decline in the number of poor single mother families paled in comparison to the decline in caseloads – a fact demonstrated in the CEA’s Figure 12 above. If Winship wants to argue that a more comprehensive measure of poverty shows a decline in poverty, then he should acknowledge that the reason is the sharp expansion in spending on non-cash means-tested programs and refundable tax credits.

While the significant expansion in spending on means-tested programs over the last two-and-a-half decades has undoubtedly reduced the poverty and material hardship for millions of families and individuals, this spending primarily benefited those who worked and were not poor. Many of those who can’t work or don’t work, however, were pushed deeper into poverty because of the collapse of TANF as a safety net. A recent report by Hilary Hoynes and Diane Whitmore Schanzenbach for The Brookings Institution depicts these dynamics by showing changes in spending on families with children in five major assistance programs based on whether the parent has earnings or not AND whether they are poor or not. A cursory examination of Figure 14 from their report clearly shows the sharp decline in spending on TANF for families with “no work” that is not fully offset by increases in SNAP and Medicaid. In contrast, spending on behalf of families in which parents “work” has skyrocketed. (Note: the blue shading represents spending for those with “no work”; the orange shading represents spending for those with “work.”)

Similarly, much of the added spending went to families that were not poor, as can be seen in their Figure 13. (Note: in this figure, the blue shading represents spending for those who have incomes below poverty; the orange shading represents spending for those with incomes above poverty.)
Hoynes and Schanzenbach explain the importance of examining the distributional effects of policies and efforts to reform them:

Welfare reform and the decline in unconditional cash assistance is fully felt by those with the lowest incomes. More than half of the increased spending for the EITC and more than three-quarters of the increased spending for the CTC goes to those with income between 100-200% of poverty. Most of the increases in Medicaid spending are also going to those above 100% of poverty.  

This finding echoes what Robert Moffitt of Johns Hopkins University has documented as well – a decades-long shift in spending on means-tested program away from the very poor (those with incomes below 50 percent of the federal poverty line) to those with incomes as much as 200 percent above the poverty line. He observes, “You would think that the government would offer the most support to those who have the lowest incomes and provide less help to those with higher incomes. But that is not the case.”

@swinshi #9: “Oh, & CBPP has found that all but the bottom 10 percent of single-mother families had higher income in 2012 than in 1995. /9”

PC Response: The CBPP’s analysis points to the importance of distributional effects and the influence of other factors in explaining income changes (e.g., expansions in spending on other means-tested programs). The erosion of TANF as a safety net would be expected to have its largest impact on the poorest single mother families and there’s nothing in its report that would suggest that TANF or its work requirements boosted the income of any of the deciles they examined. In fact, the authors of the report come to a very different conclusion:

A more direct way to see this shift is to examine changes over time in the impact of government benefits and taxes on children in a given income range. From 1995 to 2005, among children in single-mother families in our data:

![Figure 13: Spending on Children, by Poverty Status, Select Programs](image)

Source: Authors’ calculations based on various administrative sources and (for Medicaid) the Annual Social and Economic Supplement to the Current Population Survey. See appendix for details.
• For the very poorest children — those with no identifiable source of family income apart from government benefits — total government support (net of taxes) fell by about $2,400, driven entirely by a decline in TANF.
• Government support also declined (by $1,200) for those with between $1 and $10,000 in non-government income as well as for those making $10,000 to $20,000 (by $200), with TANF again leading the losses.
• Government support rose for those with non-government income between $20,000 and $30,000 (up $1,100) and those making $30,000 to $40,000 (up $800), as increases in the EITC and CTC outweighed declines in TANF.

The safety net rewards and encourages work more than it did 20 years ago. That’s a positive development. But the goal of encouraging work is important but should be pursued in ways that do not expose children to deeper economic hardship. Research suggests that even modest differences in family income for young children in poverty can have measurable effects on academic achievement, school completion, and expected earnings in adulthood.19

@swinshi #10: “Here’s the direct link: https://www.cbpp.org/research/family-income-support/incomes-fell-for-poorest-children-of-single-mothers-in-welfare-laws …. They also found that increases in private income among single moms was greater than declines in welfare 1995-2005 for all but the bottom 20% of single moms. /10”

PC Response: The goal of “welfare reform” should have been to focus and help the neediest families, i.e., “the bottom 20% of single moms.” The fact that it didn’t is a reflection of the failure of TANF as a safety net and as a welfare-to-work program.

My preferred approach for assessing TANF’s impact on poverty relies on a different methodology – it compares caseload changes to changes in the number of families eligible to receive assistance. 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.20 Program administrative data can be used for the number of families receiving benefits.

Table 2 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. Many of these families were pushed deeper into poverty because there were few programs to fill the loss of TANF. Even those that went to work might have to wait over a year to see the benefits from the expanded
EITC and the new CTC. The safety net should encourage work, but it should also catch families that fall on hard times and do more to help them transition back to employment.

<table>
<thead>
<tr>
<th>Year</th>
<th>TANF Eligible (millions)</th>
<th>Participating (millions)</th>
<th>Eligible, Not Participating (millions)</th>
<th>Participation Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>5.6</td>
<td>4.4</td>
<td>1.2</td>
<td>78.9</td>
</tr>
<tr>
<td>2000</td>
<td>4.4</td>
<td>2.3</td>
<td>2.1</td>
<td>51.8</td>
</tr>
<tr>
<td>2004</td>
<td>5.1</td>
<td>2.2</td>
<td>2.9</td>
<td>42.0</td>
</tr>
<tr>
<td>2008</td>
<td>5.2</td>
<td>1.7</td>
<td>3.5</td>
<td>33.0</td>
</tr>
<tr>
<td>2012</td>
<td>5.7</td>
<td>1.9</td>
<td>3.8</td>
<td>32.4</td>
</tr>
<tr>
<td>2015</td>
<td>6.1</td>
<td>1.6</td>
<td>4.5</td>
<td>26.3</td>
</tr>
</tbody>
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Point #2: Rising Labor Force Participation

@swinshi #11: “Imma come back to that bottom 10/20%. For now, let’s turn to the authors’ 2nd point: labor force participation was rising among single mothers well before welfare reform. /11” @swinshi #12: “The authors show the LFP rate, but the EPOP also began rising among single moms before welfare reform. Because the unemployed are in the labor force, the EPOP is the more relevant measure. /12” @swinshi #13: “However, the single-mother employment rate doesn’t appear to have been rising very fast in the decade before WR. See Figure 2 of https://www.brookings.edu/wp-content/uploads/2016/06/2-11-15-lowincome-families-haskins-testimony.pdf … /13” @swinshi #14: “From 1987 to 1996 (9 years), employment among never-married moms rose by 10 points, but from 1996 to 1999 (3 years) it rose by 15 points. /14”

PC Response: The figure below is the one Winship refers to. The work rate for single mothers started to rise around 1992 and peaked around 2000. About half the rise for all single mothers occurred before TANF was implemented in 1997 and it would not have stopped rising had TANF not been enacted. The real question is what, if anything, did TANF contribute to that rise. And, after 2000 the employment rate began declining – despite the fact that states still enjoyed a federal windfall (because the block grant overcompensated them in TANF’s early years relative to what they would have received under AFDC) and the work requirements were fully phased in.
@swinshi #15: “Like the LFP rate, the EPOP fell somewhat after the 1990s, but here’s the thing: if you want to argue that the 1990s rise was about the economy, that’s an argument about business cycles.... /15”

@swinshi #16: “You wld expect, then, that when the economy turns south, employment would return to pre-reform levels. But it never did. At its trough, in 2011, it was still about 10 points higher than in 1996. It never ceases to amaze me how people explain a secular rise with a cyclical arg /16”

PC Response: Based on the figure in @swinshi#13, the 1996 and 2011 work rates for all single mothers seem comparable and not “still about 10 points higher than in 1996.” There might be a 10 percentage point differential if the baseline was 1992 or if the endpoint of the comparison was 2000 when the employment rates peaked. Indeed, using the same CRS source he cites in @swinshi#5, the employment rate of single mothers in 1996 was 63.5 percent; in 2011 it was 63.6 percent – virtually the same.

Winship says he is “amazed” that people make a “cyclical arg” to explain a secular increase and that “when the economy turns south, employment would return to pre-reform levels.” Most people realize that there are a number of factors that must be considered beyond the economy, most notably the expansion in aid to the working poor that took place throughout the 1990s. One also has to examine TANF itself and how it was implemented. What is really “amazing” is the fact that Winship believes he can disentangle all of the possible causal factors to claim that TANF’s work requirements are responsible for the rise in the employment rate without ever actually studying its implementation.

Meanwhile, according to the same CRS publication Winship cites above, the percent of single mother families receiving AFDC/TANF cash assistance fell 64 percent, from 26.6 percent to 9.5 percent – a much larger decline than the increase in employment regardless of the time period over which it is measured. Even if one believes TANF caused the modest rise in employment, someone concerned about poverty should at least wonder about how the much larger number of families no longer receiving assistance cope, particularly since many do not appear to be working and thus not eligible for the expansion in aid to the working poor.
POINT #3: Expansion of the EITC vs. “Welfare Reform”

@swinshi #17: “Point #3 of theirs is that the expansion of the EITC in 1993 “enticed more single mothers into getting jobs.” That’s an ambiguous phrasing – it’s not clear whether they’re saying that it was more important than welfare reform, or just that it was important. /17”

PC Response: As noted above, the authors are very clear that expanding the EITC was the more important of the two factors; they said:

So why did more single mothers take jobs in the mid-1990s? The short-lived economic expansion of that decade helped. But so did policy change – not of TANF, but of the earned income tax credit.

@swinshi #18: “Let me say that the EITC expansion was really important! But so was welfare reform. I should also note that the research has really only looked at the 1990s boom. We don’t have good evidence since 2000. /18”

PC Response: Winship seems to believe the evidence about TANF and its work requirements in the 1990s is strong, but that there isn’t “good evidence since 2000.” The “evidence” he seems to refer to are econometric studies that seek to disentangle the impact of programs and specific provisions within those programs. This evidence, however, is hardly definitive and is plagued by many methodological challenges. A discussion of these challenges is beyond the scope of this response, but can be found in various assessments of the early “evidence”; see:


Leaving aside the many methodological challenges, it is surprising that Winship would continue to claim “welfare reform” is a success in 2018, if “We don’t have good evidence since 2000.” This is important because TANF is not the same “program” over time – if Winship wants to recreate the TANF program that existed during the 1997-2000 period, it would require major changes to TANF today.

The central features of TANF during the late 1990s were a large infusion of additional federal funding and a strong work message, although the actual work requirements themselves were significantly weaker than those that would have been in place had the AFDC/JOBS program continued. Perhaps the best way to think about TANF is to divide its evolution into various time periods to show how it changed over time. This is important for those who say TANF’s lessons should be extended to other safety net programs. The so-called “lessons” vary from period to period.
- **Pre-TANF (1992-1996):** This is a period during which states continued to implement the JOBS program of the Family Support Act of 1988 and many began experimenting with reform through waivers to AFDC. The waiver approach was subject to “cost neutrality,” which is very different than a fixed block grant, and states were held accountable for their reforms by having to evaluate them using a randomized control trial. During this period, the focus of “welfare reform” was on experimentation with cash assistance and welfare-to-work programs – with rigorous evidence of some modest successes.

- **TANF I (1997-2000):** This period is one in which TANF’s provisions were being phased in – the required work rate targets were low (often 0 percent) and no state had reached TANF’s 5-year time limit. Most states focused on traditional welfare reform activities, as they generally continued their waiver policies. This was also a period in which states received a large windfall in federal resources, because the block grant was based on historic funding levels when caseloads had peaked. The GAO estimated that if all states had received the full TANF block grant in 1997 (some didn’t because they had until July 1, 1997, to implement TANF) they would have $4.7 billion more than they would have spent in 1997 under AFDC: “On average, given the actual caseload in 1997, we estimated that states would have had about 25 percent more budgetary resources under TANF than they would have had under AFDC funding rules.”

- **TANF II (2001-2006):** The windfall disappears, as inflation erodes the value of the block grant and states begin changing the way they use TANF dollars, partly in response to a congressional directive. During “TANF I” many states had built up large reserves because they did not spend all their block grant funds, saving a portion for the future. On March 16, 1999, former Rep. Nancy Johnson, then chair of the House Ways and Means Subcommittee on Human Resources, wrote individually to all 50 governors warning that more TANF funds needed to be spent or states risked having Congress take back some of the unspent funds or would have future grants reduced. From this point, states began shifting more of their TANF/MOE funds to activities other than traditional “welfare reform,” such as child welfare, preK, and college scholarships. Notably, this does not necessarily represent new spending, but often the supplantation of existing state spending. TANF’s work requirements were generally ineffective in getting states to engage families in meaningful work activities, because the caseload reduction credit lowered the target (often to 0 percent) and because states could take advantage of various loopholes (e.g., separate state programs, loose work activity definitions, and the exclusion of child-only cases even with a work-capable parent in the unit).

- **TANF III (2007-present):** Inflation continues to erode the block grant and the rise in poverty associated with the Great Recession exposes the weaknesses in TANF as a safety net. In many states, TANF continues to become even more of a form of revenue sharing than a safety net for needy families. Prior to TANF, most states spent about 70 to 80 percent of their funds on basic assistance. In FY 2017, 9 states spent less than 10 percent
of their funds on basic assistance, 22 states spent less than 20 percent on basic assistance, and 43 states spent less than 30 percent on basic assistance. On average, states spent just 22.7 percent of TANF and MOE funds on basic assistance; and, in most states, this spending hasn’t been diverted to work-related activities, as this accounted for just 10.5 percent of spending (an amount artificially inflated because it includes spending on college scholarships for childless adults). Congress tried to close work requirement loopholes by passing the Deficit Reduction Act of 2005, but this led states to discovering new loopholes (e.g., excess MOE for the caseload reduction credit, token payments, and solely state funded programs).

In terms of engaging families in real work activities, TANF has largely been a failure since its inception, as illustrated in the CRS figure below. Throughout its history, only about 10 to 15 percent of those subject to work requirements have been engaged in a work activity other than “unsubsidized employment” for enough hours to count in the rate; the most common such activity is job search – a low-cost activity requiring relatively little investment by a state.

If Winship wants to recreate the TANF program of the 1990s that “good evidence” suggests was a success, then he should support the following three reforms:

1. Increase the TANF block grant and MOE funding levels by 50 percent to restore the erosion caused by inflation.
2. Do away with work requirements altogether, to reflect the fact that states no longer had meaningful participation rate targets under TANF and could take advantage of a number of loopholes.
3. Require states to spend their TANF dollars on core welfare reform activities – basic assistance, work activities, and work supports to reflect the fact that many states did not treat TANF as a form of revenue sharing in its early years as they do today.
These reforms won’t really fix TANF, but they would make it operationally more similar to the TANF that Winship says was a success based on the only “good evidence” available.

@swinshi #19: “The most often cited study, by Grogger (2003) has been mischaracterized a bit, but it shows that welfare reforms were about as important as the improvement in the labor market, but less important than the EITC expansion, in increasing employment among single moms. /19”

PC Response: Winship is presumably referring to a study by University of Chicago economist Jeffrey Grogger, “The Effects of Time Limits, the EITC, and Other Policy Changes on Welfare Use, Work, and Income among Female-Head Families.”26 This study is published in a prestigious journal, The Review of Economics and Statistics, and seeks to determine the impact of various policy and economic variables on a range of outcomes (e.g., welfare use, employment, earnings, and income). Even if one believes that statistical studies can tease out the effects of various aspects of welfare reform, and there are good reasons to be skeptical, Grogger’s study adds little support to Winship’s argument that TANF’s work requirements have been a success.

First, the Grogger study examines the 1993 to 1999 period and thus does not directly speak to TANF or its work requirements. As noted above, there is a tremendous difference between the preTANF waiver reforms and the early years of TANF, AND neither period is remotely generalizable to TANF and its work requirements today. Second, Grogger doesn’t actually estimate the effects of work requirements, but includes them in a variable called “other reforms” (which also includes other TANF policies, e.g., earnings disregards and sanctions). Even so, with respect to employment, he estimates that the EITC accounted for 34 percent of the increase in employment, followed by a decrease in the unemployment rate (21 percent). The variable for “other reforms” accounted for just 6 percent of the increase. If one adds other changes, such as time limits and changes to the maximum benefit level, the magnitude of welfare increased to about 20 percent.

@swinshi #20: “I could believe that. But I also believe that the EITC expansion and welfare reform made each other more effective than either would have been on its own. The exercise of ranking which is more important is kind of fruitless. /20”

PC Response: Schram and his colleagues didn’t undertake an “exercise of ranking” whether the EITC or welfare reform was more important in promoting employment. They simply noted that the EITC increased employment among single mothers, whereas TANF did not. Understanding the impacts of these policies is an important exercise for policymaking.

Point #4: Extreme Poverty

@swinshi: “The authors of the op-ed, though, have given the reader no reason to think that welfare reform was unimportant. OK, I’m counting slowly to 10, because Point #4 invokes extreme poverty.... /21”

PC Response: Schram and his colleagues don’t say TANF is “unimportant” – they make it clear that it led to “massive caseload reductions” and that its work requirements were ineffective in
promoting employment. Their op-ed linked to several articles to support their arguments. So far, in his series of tweets (or anything he has ever written) Winship is the one who has not provided any evidence to show that TANF’s work requirements – the main focus of the article by Schram and colleagues – had any effect on employment and poverty. (I had to count to 10 also.)

@swinshi: “They say that welfare reform ‘may have’ increased extreme poverty, citing Edin & Shaefer and some other research I critique in https://www.manhattan-institute.org/html/poverty-after-welfare-reform.html …. Let me be clear: the extreme poverty research is garbage. Why? /22”

PC Response: Winship has a tendency to misstate the arguments about “extreme poverty” and to exaggerate the issue’s importance in the critique of TANF and its work requirements. For example, in Poverty After Welfare Reform, he writes:

Until recently, no one had ever considered trends in the prevalence of hardship worse than deep poverty. Certainly, no one looked at whether any Americans lived under the “$2-a-day” poverty level conventionally used to describe hardship in developing countries. In part, that was because of the implausibility of the idea that many Americans live in Haitian levels of destitution (particularly noninstitutionalized Americans who have private residences and thus show up in household surveys).27

And, later:

Fast-forward to the present. Edin, now a top sociology professor at Johns Hopkins, and H. Luke Shaefer, a professor at the University of Michigan’s School of Social Work, have written $2.00 a Day: Living on Almost Nothing in America, a book that proffers three headline-making claims: first, there are millions of Americans who get by on less than $2 per day per person in income; second, their ranks have risen alarmingly; and third, the cause of that increase was the passage of welfare-reform legislation in 1996.28

Winship often leaves out the fact that Edin and Shaefer make it clear that they are referring to $2 a day in cash per person, not $2 in total resources, so why even imply that they are referring to “Haitian levels of destitution”? Indeed, here is what Edin and Shaefer say on just this topic:

It would be tragic beyond belief if some segment of Americans lived in conditions comparable to those of the poorest people living in places like Haiti or Zimbabwe. Due to our public spaces, private charities and in-kind government benefits such as SNAP, this level of destitution is probably extremely rare, if not completely nonexistent here.29

Their argument is about the lack of access to cash:

Furthermore, to be without cash in America is to be cut off from society, disconnected from the resources that could help you get out of those desperate straits and move ahead.30
Using the Survey of Income and Program Participation (SIPP), Edin and Shaefer find that 1.5 million households (with 3 million children) were living on less than $2 in cash per person, per day in 2011 – an increase of 130 percent since 1996. Finding that this effect is highly concentrated among the very groups that would have been most impacted by the 1996 reform, they conclude, “We believe this is strong suggestive evidence that a decline in the reach of cash assistance was a major contributing factor to the growth in the extreme poor seen in the SIPP.”

They also look at the increase of households with children with zero cash income in the Supplemental Nutrition Assistance Program (SNAP) administrative data. The results are consistent with the survey data. Between 1996 and 2011, the number of such households increased over 300 percent, from 316,000 to 1.3 million. Notably, SNAP administrators would have access to TANF records and undertake other efforts to verify income.

Given the sharp decline in TANF spending and the share of eligible families receiving assistance, these results should not be surprising. Most of these families receive SNAP and Medicaid, and they may receive assistance from other non-cash programs, so they do not get by on less than $2 a day in resources.

@swinshi: “Here are 3 reasons (though I could list more). First, better measures of income than used by Edin-Shaefer indicate much lower levels and a much smaller rise in extreme poverty. And even those probably mostly reflect bad income data. /23”

PC Response: With respect to cash income, Winship’s own research shows an increase in the percent of children of female head living in households with less than $2 a day in cash income per person (see Figure 11 reproduced from his report).
@swinshi: “You don’t have to believe my CPS-based research (though you really should!). If you aren’t convinced by Bruce Meyer’s recent work, I don’t know what to tell you http://www.aei.org/events/reexamining-the-data-on-extreme-poverty/ … /24”

**PC Response:** Bruce Meyer’s consumption-based poverty measure looks at spending as opposed to cash income. He shows a steady decline in “extreme poverty” and explains the importance of in-kind transfers:

…if one wants to look at changes over time, one has to clearly look at in-kind transfers as well, because most of what we’ve done over time and most of what we’ve expanded has been in-kind transfers.

And you can see that in this figure [not available for this response], which shows trend in three of the largest benefits over time, from ’96 to 2011. The one going down is TANF, but you can see that the increases in the orange line, which is SNAP, and the gray one, which is the EITC, dwarfed the decline in TANF dollars.\(^{33}\)

Notably, Meyer does not make unfounded claims about TANF or its work requirements the way Winship does. He notes that the increases in non-cash aid outweigh the loss in TANF cash assistance, but his research does not address issues related to winners and losers or preclude the fact that many families were made worse off as a result of TANF. Like the data produced by CRS, CBPP, and Winship himself, Meyer’s work is descriptive. Winship is the only one who makes claims of causality about TANF and its work requirements. (I realize I also make such claims, but my statements are based on an examination of many data sources, a careful assessment of the implementation of TANF and its work requirements, and a dose of common sense.)
@swinshi #25: “2nd reason extreme poverty research is garbage: EVEN IF you believe the cash-income $2-a-day numbers (you shouldn’t), extreme poverty begins rising 20 years before welfare reform! No one has explained to me how the 1996 reform could have initiated an increase starting in ’70s /25”

PC Response: There can be multiple factors that affect the $2-a-day numbers and their impact can vary over time. It’s possible that the factors influencing the pre-1996 trend are different than those after 1996. And, Figure 11 from Winship’s report (see above) shows a relatively flat slope for the 1970 to 1996 period (and 1974 and 1996 are nearly the same), followed by a steady upward slope after 1996.

@swinshi #26: “3rd reason extreme pov research is garbage: EVEN IF you believe the cash-income #s, extreme pov supposedly rose among groups unaffected by welfare reform, including childless households, elderly households, married college graduates. How did welfare reform do this? /26”

PC Response: No one claims that welfare reform (or TANF) caused extreme poverty to rise among childless households, elderly households, or married college graduates. A variety of factors could affect these numbers and the factors could vary over time and by population group. Given the sharp decline in the number of families with incomes low enough to be eligible for TANF cash assistance that no longer receive it, seeing an increase in the number who have less than $2 per day per person in cash income is hardly surprising, particularly when researchers rely on a relatively short time horizon, such as a month or a three-month period.

@swinshi #27: “Incidentally, Edin & Shaefer recently replicated my results to show that extreme pov ‘rises’ even in the CPS after mid-90s. Despite having provided comments on my paper draft, they failed to note in this work that extreme pov began rising in the 1970s & among other groups) /27”

PC Response: Apparently, they didn’t deem these trends important, for some of the reasons described above.

**Point #5: Welfare Reform Led to Racial Discrimination**

@swinshi #28: “I could go on and on about extreme poverty, but you’re not going to read my report or listen to Meyer’s presentation, so I’ll just drop it. Point #5 of the authors’ is that welfare reform led to racial discrimination in some states. /28”

PC Response: Both Winship and Meyer present data on trends in poverty rates and extreme poverty measured in various ways. They do not evaluate TANF or its work requirements, nor do they present evidence about the winners and losers of welfare reform writ large. TANF has failed the poor, particularly those who don’t or can’t work. It has become a form of revenue sharing in many states – welfare for state politicians.
@swinshi #29: “I don’t know this lit, and the authors seem to cite only their own work. I could certainly believe it. What I do know is that black child poverty is at an all-time low. Even by the official measure, it was as low in 2016 as at the end of the 1990s boom /29”

PC Response: Schram and his colleagues argue that TANF’s flexibility has exacerbated racial disparities:

Our research found that giving states leeway to design and implement TANF work rules result in racial disparities. States with higher percentages of black welfare recipients were significantly more likely to adopt tougher rules. As a result, a national pattern emerged in which black TANF recipients, on average, faced tougher work requirements and penalties for noncompliance than their white counterparts.

In a recent report on TANF benefits, Ashley Burnside and Ife Floyd of the Center on Budget and Policy Priorities observe:

Moreover, the country’s black population is more likely than the white population to live in the states with the lowest benefit levels. Over half (53 percent) of the country’s black population lives in a state with benefits that are at or below 20 percent of the poverty line. Only 39 percent of the white population lives in these same states. Many of these states had some of the lowest benefits at TANF’s outset and have failed to make much progress since then.34

TANF has been a disaster for needy families everywhere, regardless of race, and it’s not just due to the excessive flexibility, but the vast disparity in resources per poor family that was locked in when TANF was created because the block grant was based on earlier spending levels under AFDC. Even if many of the states with the lowest benefits were committed to helping needy families, the block grant structure with its vast disparities across states and frozen funding over time make it impossible for them to create effective programs today. Of course, this situation is worsened when states treat TANF as a slush fund, rather than a safety net. For examples of state TANF programs gone wrong, see:


While these examples don’t address the issue of racial disparities, they do demonstrate the dangers of giving states a blank check with no accountability, as TANF did.
Point #6: Adult Medicaid Recipients Already Work

@swinshi #30: “Wrapping up...Point #6 is that 2/3 of adult Medicaid recipients (and most SNAP recipients) already work. Well...technically 60% of non-elderly, non-disabled adults that had Medicaid AT SOME POINT DURING THE PREVIOUS YEAR worked AT SOME POINT DURING THE PREVIOUS YEAR. Oh. /30” ///@swinshi #31: “Here’s the link: https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/ .... These academic authors cite...Vox, which cites KFF, which includes methods details at the end of a long post. /31 ///@swinshi #32: “And we don’t know how many of them could work more weeks in a year or more hours in a week. Nor do we know how many of the rest could work – we just know why they say they didn’t work the (entire) previous year. /32”

PC Response: There are a variety of estimates about how many non-elderly, non-SSI adults received various forms of assistance, most notably Medicaid and SNAP. Some examine work during the previous year, others in a specific month, and still others using different time periods. All of the estimates suggest that in any given month many recipients work, but that a sizable number do not work or work a relative small number of hours (e.g., less than 20 hours per week). Winship admits that “we don’t know” the answers to a number of important questions about why many seemingly work capable adults don’t work and how many could work more. This calls for a cautious approach, particularly because the infrastructure needed to create a large number of work slots does not exist. This is not the approach being taken in the House version of the farm bill or in most state Medicaid waiver requests.

@swinshi #33: “Key to work requirements, I’ve argued ad nauseam, are the policy details – in particular, the generosity of exemptions. It’s shoving your head in the sand to simply ‘oppose work requirements.’ There are certainly reasons to go slow, but opponents don’t ‘know’ what will happen /33”

PC Response: Winship has never argued about policy details and his understanding of the policy details surrounding work requirements is superficial at best. Using the word “exemption” on Twitter is not arguing “ad nauseam” about details. There are dozens of details that are important to consider and the role of exemptions depends heavily on how many of the other details are decided. I challenged Winship on this point and asked him to defend the policy details in a bill sponsored by Senator Mike Lee, a co-author of one of his articles – “Removing All Perverse Incentives.”35 I shared my critique of Senator Lee’s bill, a critique that did focus on policy details; see:


What was Winship’s response?
You are blocked from following @swinshi and viewing @swinshi's Tweets.

Winship suggests that those who oppose work requirements are “shoving their head in the sand.” While some object to work requirements in principle, most objections to work requirements today surround very specific proposals – the work requirement proposal for SNAP in the House farm bill and the various state waiver requests to establish work requirements for Medicaid. Many of the critics of these proposals are very knowledgeable about the subject and have raised concerns based on careful attention to details and an objective examination of the past experience and research related to work requirements in TANF and SNAP. When it comes to policy details and evidence, it is Winship and conservatives whoblindly support just about any work requirement proposal. To the extent they object, the objections are usually because a particular proposal is not tough enough in some way.36

**Who is REALLY “shoving their head in the sand”**? Many conservatives today base their support for work requirements on misconceptions about the effectiveness of TANF’s work requirements. Even worse, many rely on fundamentally flawed studies produced by the Foundation for Government Accountability (FGA). In “They’re the think tank pushing for welfare work requirements. Republicans say they’re experts. Economists call it ‘junk science,’” Caitlin Dewey of *The Washington Post* describes the newfound influence of the FGA in the national debate over welfare work requirements.37

House Republicans – including [Speaker] Ryan, who was introduced to the group in 2016 through Kansas Gov. Sam Brownback – have repeatedly proffered the FGA’s analysis as proof that most Americans support strict work rules in welfare programs and that such rules boost income and employment.

… And it has churned out a steady stream of infographics, opinion polls and first-person videos to promote its policies, many trumpeting a 2016 FGA study from Kansas that claimed that the reinstatement of SNAP work requirements prompted thousands of unemployed Kansans to get jobs and more than doubled their average incomes.

… On the farm bill, the FGA mobilized in a huge way to support the Republican plan, canvassing lawmakers’ offices and churning out a stream of widely disseminated “one-pagers” designed to deflect both liberal and tea party criticisms.38

While the FGA’s “analyses” have support among some politicians, their work is not seen as credible among serious observers. Mark Hall, Professor of Law and Public Health at Wake Forest University, describes the widespread criticism of the FGA and its methods as follows:

Various credible and respected sources (including a federal judge, a Pulitzer prize journalist, and both liberal and conservative legislators and analysts) have concluded that it produces and disseminates information and analysis that, based on “even a cursory review,” is “not competent,” “bogus,” “highly misleading,” “fundamentally flawed,” “oversimplistic and exaggerated,” “absurd,” “a parade of alternative facts designed to
obscure the simple truth,” “misrepresents or omits data,” and presents “a myriad of misleading and irresponsible statements.”

But even the research of more respected conservative think tanks is often superficial, misstating basic facts about TANF’s work requirements, mischaracterizing the research findings from past experiments, and making unsupported generalizations. For more detail, see:


Arguing ad nauseam about policy details. Winship raises the importance of “exemptions.” This is an important issue to consider in developing work requirements, but it is just one of many questions that should be considered, particularly for those who advocate expanding work requirements to other non-cash programs. If Winship wants to argue “ad nauseam” about policy details and believes TANF is a success, he should examine TANF’s current rules for its work participation requirements and think about how he would apply those rules to work requirements to other programs. Consider the following questions:

- **Who is subject to work requirements?** There are no formal exemptions in calculating TANF’s work rate. However, because the calculation is limited to families with a “work-eligible individual,” it is limited to adults and excludes from the definition of this term those receiving SSI/SSDI and parents caring for a disabled family member. TANF rules also allow states to “disregard” single parents with a child under one (up to 12 months per lifetime) and those subject to a work sanction in the most recent 3 months in the preceding 12-month period. States can establish their own exemptions beyond these exclusions, but anyone so exempted would still remain in the federal work rate. This means the calculation includes the elderly, those who are temporarily ill/incapacitated or are disabled but do not qualify for federal disability benefits, live in a remote area, are pregnant, and otherwise face barriers that might give them “good cause” for not participating. Indeed, many states recognize the importance of these factors and offer additional exemptions despite the negative impact doing so may have on their participation rate calculation. If Winship believes TANF’s work requirements are a success, would he maintain these narrow “exemptions” or, given his stated belief that exemptions are important, modify them in some way. If so, how and on what basis?
What are the allowable work activities and are there limits on counting them? TANF counts employment, job search and job readiness assistance, work experience/community service, vocational educational training, and various other activities. In addition, for purposes of counting hours of participation toward a state’s work participation rate, there are a variety of limits on counting participation in certain activities or counting them at all (e.g., core vs. non-core hours, three separate limits on job search and job readiness assistance, the 12-month lifetime limit on counting vocational educational training, and the 30 percent cap on participants who can be in vocational educational training or teen parents in high school). Unfortunately, these limits are not based on a reasonable interpretation of the evidence about the effectiveness of work activities and tracking them can be administratively difficult. If Winship believes TANF’s work requirements are a success, would he maintain the same activities and limits on what can count? Or would he establish a different set of activities and limits or set no limits?

How many hours are required to count in the work requirement? For the overall work participation rate, TANF requires an average of 30 hours per week in a month, with 20 hours from “core” activities; single parents with a child under 6 have a 20-hour per week requirement (limited to core activities). Two-parent families also have a separate two-parent work requirement with higher hourly participation requirements (but, unlike for the overall rate, the hours of both parents can count). In most states, these requirements result in a 130-hour per month requirement in exchange for a benefit of about $200 to $400 – i.e., forcing individuals to value their time at about $2 to $3 an hour. As with the limits on counting hours of participation in various activities, there is no empirical basis to support these minimum hourly standards and they have undoubtedly discouraged many eligible families from participating in the program. If Winship believes TANF’s work requirements are a success (and reasonable), would he continue to apply them? If not, how many hours would he require?

What are the sanctions (for individuals) for non-compliance? Sanction policies for work requirements typically have several components: the amount; the duration; good cause exceptions; and criteria for curing a sanction. Under TANF, states specify these conditions. Prior to TANF, states could receive waivers to test changes in sanction policies (and other welfare reforms), which would then be evaluated using a random assignment design. TANF eliminated the entitlement to assistance and the requirement that states evaluate their policy changes, even when they involve full-family (and even lifetime) sanctions. If Winship believes TANF’s work requirements are a success, would he give states complete flexibility in designing sanction policies, including eliminating aid to the entire family? If not, how would he design sanction policies? Would there be any requirement to evaluate the effects of sanction policies, particularly if they involve terminating all or most of a family’s benefits? (Under TANF, there is no requirement.)

What are the minimum work participation rate targets states are required to meet? TANF currently has a 50 percent work participation rate, which few states have actually had to meet. Rather, states have met TANF’s work requirements by receiving a caseload reduction credit that lowered their target rate and taking advantage of unintended loopholes created by careless drafting of the legislation. If Winship believes TANF’s
work requirements are a success, would he adopt a participation rate structure like TANF’s or would he create a real target? If so, given the lack of engagement in real work activities (i.e., other than “unsubsidized employment”) and the lack of an infrastructure to place large numbers of individuals in work activities, would he consider modifications, e.g., phasing in the requirements (generally or by subgroup), providing partial credit for participation that doesn’t meet minimum hourly standards, and/or including a caseload reduction (hopefully not) or an employment credit? Or, would the requirement effectively apply to all non-exempt individuals much like the ABAWDs time limit operates under SNAP?

- **What are the financial consequences for states that fail to meet work participation rate targets?** A penalty (or bonus) structure would be needed to hold states accountable for engaging program recipients in work activities. TANF’s work participation rate penalty is a percentage of the block grant. States have several options to respond to a penalty before it’s actually imposed (e.g., dispute the penalty, seek reasonable cause, or enter into a corrective compliance plan). The process can be complicated and time consuming and is generally not viewed as an effective mechanism for getting states to engage families in work activities. Most states that fail to meet the work requirements enter into a corrective compliance plan that waives (or reduces) the penalty if a state achieves compliance. Many states then resort to one of TANF’s loopholes to satisfy the work requirement, rather than really engaging their caseloads. If Winship believes TANF’s work requirements are a success, would he use the same penalty structure for other programs? If not, how would he change it?

- **How could states be prevented from gaming the work requirements?** The gaming in TANF stems from the block grant structure and the excessive flexibility provided to states. The type of gaming in TANF is far less likely in other programs. Nevertheless, any new work requirement would have to be careful in defining who is subject to work requirements, the activities that count, and other policy parameters to minimize possible gaming. As Ron Haskins recently cautioned, “… the experience with TANF shows that states find ways to undermine work requirements. Congress must carefully craft legislation to ensure that this does not happen again.” If Winship believes TANF’s work requirements are a success, would he convert other programs to flexible block grants with enormous state flexibility? If so, how would he ensure that needy families and individuals are served and states don’t game the requirements? If not, how would he prevent other forms of gaming?

- **How would work requirements be coordinated for individuals receiving benefits from more than one program?** The work requirements could be integrated into a single cross-cutting requirement, or satisfying one program’s work requirements could constitute satisfying another program’s requirements. Which agency would have the lead role? If Winship believes TANF’s work requirements are a success, perhaps the Office of Family Assistance within HHS (the agency that administers TANF) should have the lead role, but then again Medicaid and SNAP involve much larger numbers of individuals that might be subject to such requirements. Or, perhaps a new agency should be created.
• **How much funding would be provided to states to offset the costs of the new work requirements and related support costs?** Work programs entail a variety of costs (e.g., orientation, assessment, work activities, child care, other support services, and administrative expenses associated with dealing with non-compliance). How much funding would be provided? Would states share in the costs? Would the added funding (if any) be sufficient to meet the demands associated with the participation requirements? If Winship believes TANF’s work requirements are a success, would he continue to allow each state to determine the amount spent? Given that some states spend virtually nothing on work activities, would he establish a minimum floor on how much would have to be spent?

• **What is the role of evaluation?** There has been relatively little rigorous evaluation of welfare-to-work programs over the last 20 years. Given that there is little evidence regarding the effectiveness of TANF’s work requirements, would Winship continue to allow states to implement work programs without any kind of evaluation? If not, would he include funding for rigorous evaluations of key work components, including work activities, sanction policies, and other parameters? If so, how much funding would be provided? How would work requirements be evaluated? Who would monitor the evaluations?

These are just some of the many questions that would have to be considered. If Winship wants to argue “ad nauseam” about policy details, I am ready to engage and have tried for several years to engage him – with no success. To paraphrase his tweet, “It’s shoving your head in the sand to simply ‘promote work requirements’ without really addressing policy details.” He may believe that the drafters of the House farm bill and the state officials that developed Medicaid work requirements have adequately addressed these questions; I happen to believe that many of the decisions reflect the TANF experience and are about cutting caseloads and costs than helping lift up needy families/individuals. Let’s have a serious debate about these details.

@swinshi #34/fin: “...any more than they ‘knew’ what would happen in 1996. Most importantly, opponents of work requirements should really grapple harder with the evidence that welfare reform reduced poverty. Your case is not strong. And if you’re wrong, you’re not helping poor people./fin”

**PC Response:** Winship presented absolutely zero evidence about TANF’s work requirements. The fact that a comprehensive measure of poverty shows a decline in poverty since 1996 is a reflection of a substantial expansion in spending on means-tested programs, but most of this spending has gone to those who work and often are not poor. Winship largely ignores these distributional effects and promotes work requirements without examining TANF’s implementation at all and with no research evidence directly related to its work requirements.

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. The 11 states listed in Table 3 have requested work requirement waivers for Medicaid. Between 1996 and 2015, the number of poor families with children rose in 10 of the 11 states by 168,105 (17 percent), from 997,123 to 1,165,228, while the cash assistance caseload plummeted
by 449,029 (73 percent), from 612,939 to 163,910. Whereas TANF served 61 families for every 100 poor families with children in 1996 in these 11 states, it served just 14 per 100 in 2015.

<table>
<thead>
<tr>
<th>State</th>
<th>1996 # Poor</th>
<th>2015 # Poor</th>
<th>Change (1996-2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AZ</td>
<td>153,388</td>
<td>185,299</td>
<td>31,911 (21%)</td>
</tr>
<tr>
<td>AR</td>
<td>70,528</td>
<td>4,421</td>
<td>-66,107 (-93%)</td>
</tr>
<tr>
<td>IN</td>
<td>92,933</td>
<td>144,650</td>
<td>51,717 (56%)</td>
</tr>
<tr>
<td>KS</td>
<td>50,142</td>
<td>61,294</td>
<td>11,152 (22%)</td>
</tr>
<tr>
<td>KY</td>
<td>131,634</td>
<td>138,277</td>
<td>6,643 (5%)</td>
</tr>
<tr>
<td>ME</td>
<td>22,808</td>
<td>26,918</td>
<td>4,110 (18%)</td>
</tr>
<tr>
<td>MS</td>
<td>124,326</td>
<td>90,901</td>
<td>-33,425 (-27%)</td>
</tr>
<tr>
<td>NH</td>
<td>9,858</td>
<td>13,221</td>
<td>3,363 (34%)</td>
</tr>
<tr>
<td>OH</td>
<td>238,331</td>
<td>274,034</td>
<td>35,703 (15%)</td>
</tr>
<tr>
<td>UT</td>
<td>25,670</td>
<td>46,105</td>
<td>20,435 (80%)</td>
</tr>
<tr>
<td>WI</td>
<td>77,505</td>
<td>100,267</td>
<td>22,762 (29%)</td>
</tr>
<tr>
<td>11-State Total - # Poor</td>
<td>997,123</td>
<td>1,165,228</td>
<td>168,105 (17%)</td>
</tr>
</tbody>
</table>

Table 3: Number of Poor Families with Children vs. TANF Caseloads (1996 and 2015) (States with Medicaid Work Requirement Waivers/Waiver Requests)

<table>
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</thead>
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<tr>
<td>AZ</td>
<td>64,905</td>
<td>12,205</td>
<td>-52,700 (-81%)</td>
</tr>
<tr>
<td>AR</td>
<td>23,105</td>
<td>4,421</td>
<td>-18,684 (-81%)</td>
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<td>72,538</td>
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<tr>
<td>11-State Total - TANF Caseload</td>
<td>612,939</td>
<td>163,910</td>
<td>-449,029 (-73%)</td>
</tr>
</tbody>
</table>

Even with sharply reduced caseloads, these states have done little to provide a “hand up.” Across all 11 states, in FY 2015, an average monthly 9,384 work-eligible individuals were participating enough hours to count in the work rate in an activity other than “unsubsidized employment.” This represents just 5.7 percent of their combined TANF caseloads and less than 1 percent of their total number of poor families. These states have not demonstrated the capacity to run large-scale work programs.

Even if Winship still believes TANF is a success, he should be cautious about generalizing from one program to other programs with different funding structures and different populations. Moreover, there are no programs that operate anywhere near the scale that is proposed in the House farm bill or the state Medicaid proposals – assuming the goal of these proposals was to actually engage families/individuals in work activities as opposed to simply hassling them off the rolls. A much better approach for expanding work requirements was recently outlined in a debate between Heather Hahn of the Urban Institute and Ron Haskins (aka, the “architect” of welfare reform) – “Do work requirements work?” 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. This is a responsible approach for moving ahead and would base expansions on evidence.
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. I am a conservative and worked on welfare issues for The Heritage Foundation, the American Enterprise Institute, and the White House in the Reagan George H.W. Bush Administrations.


8 Ibid.

9 Ibid.


11 Ibid.


15 Ibid.


17 Ibid.


19 Ibid.

