

Robert Rector and “The Truth – About the New Food Stamp Work Requirements’ Effects”

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The Trump administration recently finalized a rule tightening work requirements for able-bodied adults without dependents (ABAWDs) receiving food assistance from the Supplemental Nutrition Assistance Program (SNAP). SNAP limits able-bodied adults aged 18 to 49 without children to three months of benefits in any 36-month period, unless they are employed or in a work or training program for at least 20 hours a week. States do not have to offer these individuals a work or training program slot, and most do not, so this provision is more appropriately seen as a time limit rather than a “work requirement.” The law also allows states to request and the U.S. Department of Agriculture (USDA) to grant waivers to the time limit in areas with high unemployment. The rule revises the conditions under which the USDA would waive the ABAWD time limit, including “the criteria to demonstrate ‘lack of sufficient jobs’ and what constitutes an ‘area’ are defined for the purposes of ABAWD time limit waiver requests and approvals.”²

In “The Truth About the New Food Stamp Work Requirements’ Effects,” Robert Rector and Jamie Hall of The Heritage Foundation defend this rule change and work requirements generally.³ Their support, however, is based on a number of misleading claims about welfare and the impact of work requirements. Public policy should be based on facts and credible evidence from rigorous evaluations, whenever possible. This response highlights some of the misleading statements made by Rector and Hall (henceforth, just “Rector”). Each statement is followed by a “PC Response” – short for “Peter the Citizen.”

Rector: “Headlines blared about 700,000 Americans losing access to food stamps. A Washington Post columnist wrote, ‘Just in time for Christmas, the Trump administration finalized the first of three new rules requiring more people to go hungry.’ But the critics are simply not being fair.”

PC Response: The U.S. Department of Agriculture itself produced the “700,000” estimate, so the “headlines” were based on a credible source.⁴ Rector’s concern about “fairness” is ironic considering his own history of “not being fair.” When the U.S. Department of Health and Human Services (HHS) issued guidance in July of 2012 to give states more flexibility to test alternative welfare-to-work programs in their Temporary Assistance for Needy Families (TANF) program, Rector issued a series of papers with headlines like: “Obama Administration Ends Welfare Reform as We Know It” and “How Obama has Guttled Welfare Reform.”⁵

This is like “the pot calling the kettle black.” Regardless of the substance of the proposal, any “gutting” of welfare reform under the waivers would have paled in comparison to the misguided provisions and loopholes states were using to avoid engaging families in work activities. And, who is responsible for TANF’s dysfunctional work requirements? In an interview, Rector admits to being the primary author: “I happen to have written most of these requirements. What the Obama administration has done is taken these and said (tears a sheet of paper). ‘They are gone!

They are out of the picture.’” The fact is TANF’s work requirements have never operated effectively to engage families in work activities.

NOTE: TANF’s work requirements have many problems beyond loopholes; they are unreasonable (for recipients), unrealistic (for states, and thus leading to loopholes), needlessly complicated and inflexible, and not based on credible research. The purpose of this response is simply to point out the irony in Rector’s complaint about “fairness.” Here is a partial checklist of how *he* gutted the work requirements: the caseload reduction credit (driving the target rate to 0 percent for 20 to 30 states for many years) and loopholes like separate state programs (now solely state funded programs), token payments to employed families with full-time workers but who otherwise have no connection to the cash assistance caseload, allowing waiver inconsistencies to carry over from the prior AFDC program, failing to actually define work activities, and excluding able-bodied non-recipient parents even when their children received aid.⁶ (For more detail, see: “The Failure of TANF Work Requirements: A *Much Needed* Tutorial for The Heritage Foundation and the American Enterprise Institute,” at: <https://mlwiseman.com/wp-content/uploads/2016/05/The-Failure-of-TANF-Work-Requirements-1.pdf>.)

Rector was either being deliberately dishonest or he may have been unaware of the existing loopholes. Either way, these kinds of statements cast doubt on his objectivity and qualifications as an expert on welfare policy.

Rector: “Under the rule, some recipient able-bodied adults without dependents who have received aid for more than three months would be required to take a job; if a job is not immediately available, recipients would be required to undertake training, perform community service work, or at least look for a job. ... While the press ambiguously reports that some 700,000 recipients would ‘lose benefits’ under the rule, it’s important to note that not a single individual will lose benefits if they perform the pro-work activities required by the program.”

PC Response: There is nothing “ambiguous” about press reports that “some 700,000 recipients would lose benefits” – it is based on USDA estimates. And while Rector makes the requirement seem quite modest and easy to satisfy, the experience in states like Kansas and Maine, which recently reinstated the time limit for many ABAWDs, suggests that most of those affected are not helped to find employment, but simply lose their benefits. (More on this below.)

In terms of the requirement itself, Rector might have noted that states do not have to offer these individuals a work or training program slot, and most do not. He might also have put the 80-hour per month requirement into perspective. The maximum monthly benefit in FY 2020 is \$194. Expecting 80 hours of participation a month is asking individuals to value their time at \$2.43 an hour (not counting transportation time and costs to “work” locations). Is it any surprise that many of those subject to the requirement fail to comply? The ABAWDs requirement is designed to reduce caseloads, not give a hand up. (Rector may respond by noting that 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. While this is indeed more reasonable, there is no assurance that states will offer these components.)

Rector: “The administration’s rule represents a positive nudge toward employment for work-capable adults who are currently unemployed and receiving aid. Studies show that this type of work requirement reduces dependence and increases employment. Work requirements also ultimately benefit Americans who are capable of working.”

PC Response: There have been no formal evaluations of the ABAWDs requirement. The responsible thing to do would have been to require a random assignment evaluation of “this type of work requirement” before enacting it into law in the first place, but absent this Congress should have built in a formal evaluation requirement to at least determine the effects of the policy in the early years. Even now, as the new rule is implemented, the responsible thing to do would be to evaluate rigorously the impact on SNAP receipt, employment, earnings, total income, and other outcomes.

Rector doesn’t cite any studies in this paper, but an *Issue Brief* released by a colleague at The Heritage Foundation suggests that the “evidence” comes from the experience in Maine and Kansas:

States that have implemented work requirements for ABAWDs on food stamps provide examples of the effectiveness of work requirements.

- Maine reinstated the ABAWD work requirement in 2014 after receiving a statewide waiver for several years. Within three months of the work requirement’s implementation, 80 percent of ABAWDs on food stamps left the rolls. Despite the state making efforts to ensure that work activity was made available to food stamp participants who were unable to find employment, few chose to take those options.
- Kansas saw similar results when it reinstated the work requirement. Its ABAWD caseload fell by 75 percent within just a few months. In a study that examined the impact of the ABAWD work requirement in Kansas, researchers found that 40 percent of ABAWDs who left the food stamp program obtained employment within three months, and about 60 percent obtained employment within a year. These individuals saw their incomes increase by an average of 127 percent, and roughly half of those who left the rolls were employed with reported incomes above the poverty level. In addition, many ABAWDs have unreported income from “off-the-books” employment.⁷

The Maine reference is to a paper Rector co-authored with colleagues and the Kansas reference is to a report by the Foundation for Government Accountability (FGA). There is no reference to either report in any “what works” clearinghouse about effective program interventions. The reason – they have no credible counterfactuals. A more careful examination of the data in Maine and Kansas suggests the main impact was to reduce caseloads (as the impact is so large in such a short period of time, that there are not other plausible explanations for this effect), with little to no impact on employment and earnings.

In Kansas, the FGA report⁸ asserts, “The data shows that the less time these able-bodied adults spend on welfare, the quicker they can get back into the workforce once they are freed from welfare and the more money they will make. These Kansans are discovering new lives of independence and self-sufficiency that, in some cases, they haven’t known for more than two decades.” To support this claim, they add, “Nearly 60 percent found employment within a year of leaving food stamps.”

The employment rate is an important outcome in any welfare reform-related evaluation. Most random assignment evaluations show the employment rate for a baseline quarter (i.e., the quarter of random assignment), and then each quarter thereafter. This shows the status of program participants at a particular point in time and relative to a control group so as to permit credible estimates of employment impacts. The authors of the FGA report did not do this. Instead, they simply reported the number “ever-employed” through a particular quarter – not the employment rate for a particular quarter.

The first three columns of Table 1 below come from Table 7 of the FGA report. The first column shows the time period and the second column shows the number of able-bodied adults with dependents exiting food stamps in December 2013 (i.e., receiving benefits in that month, but not the next), who have a “record of employment since Q4 2013” (i.e., the baseline quarter). The third column reflects a *cumulative* employment rate, that is, the percent of leavers ever-employed at any time since the fourth quarter of 2013. (The term “cumulative” is added because an employment rate presented this way does not show the percent of leavers employed in any one quarter, but rather the percent employed at any time since a baseline period – the fourth quarter of 2013). The *cumulative* employment rate in the fourth quarter of 2014 is 58.9 percent. This forms the basis of the claim that “nearly 60 percent found employment within a year of leaving food stamps.”

The FGA’s characterization of the employment rate leaves the impression that the SNAP “work requirement” caused the increase, because the report provides no reference point. The authors don’t include the baseline employment rate, which would have been the fourth quarter of 2013. For a pre-post study, this is extremely sloppy and misleading. The fact that nearly 60 percent of leavers “found” employment would be impressive if none were employed during the baseline quarter (i.e., the fourth quarter of 2013). In addition, instead of reporting quarterly employment rates, the authors use an employment rate based on any “record of employment since Q4 2013.” Comparing a quarterly employment rate for the baseline (or “pre”) period to an “ever-employed” over the course of a year employment rate (or “post”) period would be comparing apples to oranges. Even with a simple pre-post study, what is needed is a comparison of the quarterly employment rate in the baseline quarter to a quarterly employment rate to a subsequent quarter.

Fortunately, a quarterly employment rate can be calculated from the FGA report, because it provides data on the average quarterly wages of “all disenrollees” and as well as those who are “current workers.” The quarterly employment rate can be computed by dividing the second figure by the first figure and is shown in the fourth column of Table 1 below. This calculation shows that 38.9 percent of able-bodied adults without dependents who exited SNAP in December 2013 were employed during the baseline quarter.

	Record of employment since Q4 2013	Cumulative Employment Rate	Quarterly Employment Rate (NOT reported by FGA)
Q3 2013			36.4%
Q4 2013	?	?	38.9%
Q1 2014	4,920	38.8%	38.4%
Q2 2014	6,217	48.5%	42.1%
Q3 2014	7,012	54.8%	41.8%
Q4 2014	7,537	58.9%	42.1%
Q1 2015	7,870	61.5%	
Q2 2015	8,252	64.4%	

Source: Table 7 in Jonathan Ingram and Nic Horton, *The Power of Work: How Kansas’ Welfare Reform Is Lifting Americans Out of Poverty* (The Foundation for Government Accountability, February 16, 2016), available at: <https://thefga.org/download/PowerOfWork-KansasWelfareReform.pdf>. The last column is derived from Table 8 of the FGA report.

When quarter-by-quarter employment rates are examined, it is obvious that the FGA’s claims are exaggerated. By the fourth quarter, only 42.1 percent of those who exited SNAP in December 2013 were employed. So, even if one believes a simplistic pre-post study is appropriate, the proper comparison would be 38.9 percent at baseline to 42.1 percent at the time of follow-up a year later – an impact of 3.2 percentage points (8 percent). Does this really justify a claim like, “These Kansans are discovering new lives of independence and self-sufficiency that, in some cases, they haven’t known for more than two decades”?

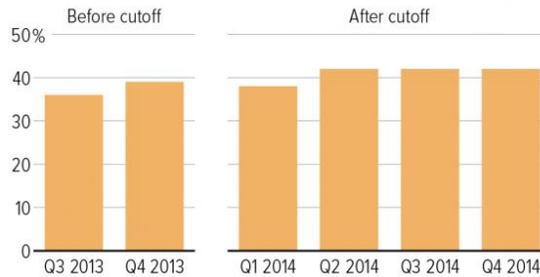
Dorothy Rosenbaum and Ed Bolen of the CBPP first noted this problem in a devastating critique of the FGA “analysis” in December 2016, stating:

... work rates before and after the time limit were very similar... Almost 40 percent of those whose SNAP was cut off already worked in each of the last two quarters before the time limit returned (the third and fourth quarters of 2013). The share working each quarter in the year after the time limit was implemented rose slightly, to just over 40 percent. This modest increase could be explained by two factors: (1) low-wage workers are more likely to apply for and participate in SNAP when they lose a job or their incomes drop, so they often experience improvements in the future as their employment situation improves; and (2) Kansas’ economy was improving over 2014, so a slightly larger share of recipients may have been able to find jobs or higher pay. The time limit does not appear to have dramatically affected work rates for the group subject to it.

The figure below from the CBPP critique illustrates this point.

Kansas Work Rates Nearly the Same Before and After Time Limit

Share of non-disabled childless adults cut off SNAP who earned wages in each quarter (Q) of a calendar year



Note: CBPP derived the share with wages from information on average quarterly wages among those cut off SNAP from table 8 of Ingram and Horton.
Source: Jonathan Ingram and Nic Horton, "The Power of Work, How Kansas' Welfare Reform is Lifting Americans Out of Poverty," The Foundation for Government Accountability, February 16, 2016, Table 8

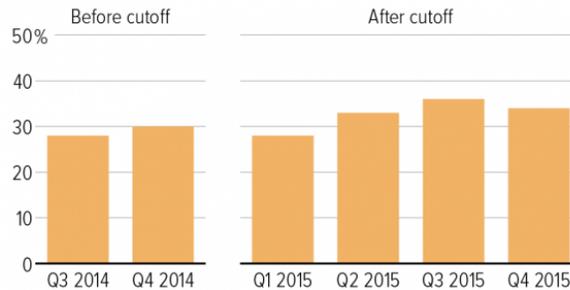
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The authors of the FGA report had this data and they should have presented it. Their depiction of an increasing “ever-employed” rate is highly misleading and is not evidence of the impact of the SNAP “work requirement.”

A closer look at the Maine data reveals the same issue, as illustrated in the CBPP figure below.

Maine Work Rates Nearly the Same Before and After Time Limit

Share of non-disabled childless adults cut off SNAP who earned wages in each quarter (Q) of a calendar year



Source: Maine Office of Policy and Management, "Preliminary analysis of work requirement policy on the wage and employment experiences of ABAWDs in Maine of Health and Human Services," April 19, 2016, figure 1

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If Rector wants to defend the ABAWDs requirement, he could argue about the importance of mutual obligations or cost concerns, but he should not make unsubstantiated claims about “studies” demonstrating positive employment effects or that, “Work requirements also ultimately benefit Americans who are capable of working.”

Note: economic theory suggests that reducing or terminating benefits of a welfare program would lead to more work; the problem is that the increase in employment pales in comparison to

number that lose benefits (without employment) and are made worse off. For a more detailed assessment of the methodological problems of the FGA studies, see: “How Do the Foundation for Government Accountability’s Evaluations of Welfare Reform Measure Up? A Report Card (Hint: The FGA Fails),” June 24, 2018, at: <https://mlwiseman.com/wp-content/uploads/2016/05/Evaluating-Welfare-Reform.pdf>.

An Appendix to this paper provides a more complete list of critiques of the FGA’s “studies.” Support for work requirements should be based on close attention to policy details and credible evidence, not junk science.

Rector: “A major problem in the welfare state is that benefits tend to reduce work and earnings among the affected population. Random assignment controlled experiments (conducted as part of national income maintenance experiments) offer – by far – the best information on the effects of welfare on behavior. These experiments show that each \$1 in welfare transfers typically results in 66 cents in reduced employment and earnings.”

PC Response: This estimate is grossly misleading about welfare generally and, in particular, if the goal is to share the “truth” about the effect of SNAP on ABAWDs. Rector doesn’t cite a source for his estimate, but it appears⁹ to be derived from a summary by Gary Burtless of the Brookings Institution of the labor supply effects of one of the negative income tax experiments conducted in *the 1970s*:

In the Seattle-Denver experiment, for example, eligible two-parent families received transfer payments that were \$2,700 larger than the nonexperimental payments sent to members of the control group. The combined earnings reduction of husbands and wives in the Seattle-Denver treatment group was almost \$1,800, or approximately two-thirds of the net experimental payment. The average tax rate of the Seattle-Denver plans was about 50 percent, implying that the \$1,800 earnings reduction caused payments to be \$900 above what they would have been in the absence of a work effort response. Thus, one-third of the net transfer cost of the Seattle-Denver plan was due to the reductions in reported earnings among participants. Another way to interpret the same set of figures is to say that the experiment spent nearly \$2,700 on transfers and succeeded in raising the incomes of two-parent families by only \$900. Even if the earnings reductions are taken to be modest, it is reasonable to assume whether most taxpayers would be willing to spend \$3 in order to raise the incomes of poor, two-parent families by only \$1.¹⁰

There are several problems with Rector’s assertion. First, he states that “each \$1 in welfare transfers typically results in 66 cents in reduced employment and earnings.” In a random assignment experiment, the impact of a policy is measured by comparing the experimental treatment group to a control group – one that received existing benefits, most notably AFDC cash aid and food stamps. Any impact on earnings would be from the *added* benefits of the experiment, not “every” dollar.

Second, Burtless notes that this particular experiment provided a level of benefits that was not at all typical of welfare benefits at the time (or even today, when compared to possible TANF and/or SNAP benefits):

But those results were obtained in an experiment in which the average negative income tax plan provided a guaranteed income of about 115 percent of the poverty line and taxed earned income at a marginal rate of approximately 50 percent. No feasible welfare reform plan could offer universal benefits this generous.¹¹

Third, the result was limited to *two-parent* families, hardly relevant to an article that is about the SNAP ABAWDs population. Fourth, several factors in the experiment were thought to bias the findings. For example:

Several analysts have found evidence that at least part of the employment and earnings reduction reported in the experiments was spurious. Recipients of negative income tax payments had a clear incentive to underreport their employment and earnings, because to do so permitted them to receive a larger payment than the one to which they were legally entitled. Wage earners enrolled in the control group did not face this kind of misreporting incentive.¹²

Instead of providing a grossly misleading and largely irrelevant statistic about the link between welfare benefits and work, Rector should be more concerned about the fact that Congress has never authorized a random assignment experiment of the ABAWDs requirement to provide more credible evidence about its impact on employment, earnings, and SNAP receipt. As noted above, even a cursory examination of the data in Kansas and Maine suggest that it is not effective.

Rector: “Traditional welfare, therefore, is a very inefficient means of raising income and living standards.”

PC Response: If a dollar of welfare resulted in a reduction in earnings of 66 cents, as claimed, Rector might have a point, but as noted above, that claim is not credible or relevant. In fact, Rector’s own work on poverty and extreme poverty suggests that the expansion of tax credits and non-cash assistance that is not captured in the official poverty statistics has had a major impact on reducing poverty.¹³ The improvements in income and living standards certainly haven’t come about by the highly dysfunctional work requirements in the present system. And, his continued advocacy for unreasonable and unrealistic work requirement policies would threaten to undermine these gains.

Rector: “The work requirement approach has nearly universal public support. More than 90% of the public agrees that ‘able-bodied adults who receive cash, food, housing, and medical assistance should be required to work or prepare for work as a condition of receiving those government benefits.’ The public does not want to deny aid to those who need it, but does believe that recipients should take steps toward self-support in exchange for the assistance they are given. Welfare should be based on reciprocal obligations between society and recipients, rather than a one-way handout from taxpayers to recipients.”

PC Response: Many Americans may support work requirements when asked a general question about the subject, but for most this support might also depend on a host of factors. For some, it may be the reasonableness of the requirements in terms of the hours required and penalties for

non-compliance. It may also depend on whether the work programs are designed to provide a “hand up,” not just to enforce a *quid pro quo*. Another factor might be the process for determining who is “able-bodied.” In particular, some observers have pointed to evidence that many people fell through the cracks when Maine tightened its work requirement, because they didn’t have health insurance and had difficulty verifying their medical conditions.¹⁴ For others, the cost of monitoring and creating work programs on an unprecedented scale may be a concern. Most important, without credible evidence about the impact of the requirement, it’s impossible for the general public and policymakers to make an informed decision. For a more extensive discussion about the misuse of public opinion polls, see: “The Misuse of Opinion Polls to Promote ‘Punishing’ Work Requirements: Why Policy Details Matter,” May 6, 2018, at: <https://mlwiseman.com/wp-content/uploads/2016/05/Misuse-of-Opinion-Polls.pdf>.

Rector: “We have been down this road before. Work requirements were at the heart of successful welfare reform in the 1990s. That reform replaced the old Aid to Families with Dependent Children program with a new program called Temporary Assistance to Needy Families. The Temporary Assistance to Needy Families program, for the first time, required single parents to work or prepare for work as a condition for receiving aid. As a result, welfare caseloads plummeted, employment surged, and child poverty dropped at a record rate.

PC Response: What is Rector’s source for the putative success of work requirements? Himself. What evaluation method did he use to make a cause-and-effect claim that TANF’s work requirements were “the heart” of this success? A simple examination of data trends before and after welfare reform coupled with speculation about what caused the trends. He makes no serious attempt to disentangle the many other possible effects, e.g., the strong economy and expanded aid to the working poor, nor does he examine the actual implementation of the work requirements or the fact that the main impact of TANF in its early years was a massive infusion of federal funding, as the architects of welfare reform based the block grant on historic funding levels when caseloads were at their highest point ever.

A more comprehensive and longer-term examination suggests TANF’s main impact is about bureaucratic disenfranchisement, not about employment and poverty reduction. Between 1996 and 2016, the number of families receiving cash assistance fell by about 75 percent, from 4.4 million to 1.2 million. If this decline had been achieved by increasing employment that in turn led families to no longer need assistance, TANF could be judged a success. But independent reviews by the Congressional Research Service, the Government Accountability Office, and the U.S. Department of Health and Human Services suggest that about 80 percent of the decline was achieved by reducing the take-up rate among eligible families, pushing many of them deeper into poverty.¹⁵

Table 2 shows the *average monthly* number of families eligible for assistance compared to the *average monthly* number receiving assistance for selected years from 1981 to 2016. Between 1981 and 1996, AFDC served nearly 80 percent of those eligible for assistance. In 1996 (before TANF), 5.6 million families were eligible to receive benefits and 4.4 million did so (79 percent of those eligible). In 2016, 4.9 million families were eligible to receive assistance, but only 1.2 million did so (25 percent of those eligible). In other words, the number of families eligible for assistance, but not receiving it, grew by 2.5 million, from 1.2 million in 1996 to 3.7 million in

2016. These 2.5 million families were very poor (given TANF’s low income eligibility thresholds) and most were pushed deeper into poverty. (The number of potentially eligible families might be even higher if the 1996 eligibility and benefit rules were used instead of those in effect in 2016.)

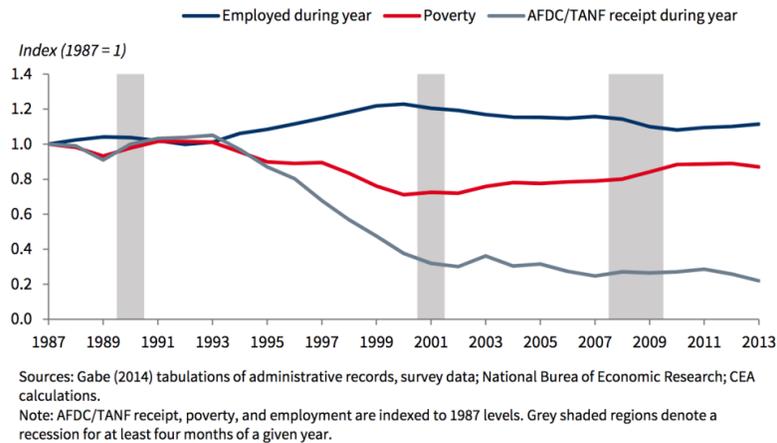
By way of comparison, the number of single mothers with work during the past year rose from 75.1 percent in 1996 to 76.8 percent in 2016. The 1.7 percentage point gain reflects about 180,000 more single mothers with employment, which is just a fraction compared to the decline of 2.5 million in the number of families eligible for but not receiving assistance.¹⁶

Year	TANF			
	Eligible (millions)	Participating (millions)	Eligible, Not Participating (millions)	Participation Rate (%)
1981	4.8	3.8	1.0	80.2
1987	4.9	3.8	1.1	76.7
1992	5.6	4.8	0.8	85.7
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
2016	4.9	1.2	3.7	24.9

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>; 2016 data from Gene Falk, Congressional Research Service. The eligibility estimates are derived using the TRIM model, which has been used for over 40 years by administrations of both parties to calculate eligibility for TANF and other programs.¹⁷ Program administrative data are used for the number of families receiving benefits.

A similar dynamic can be seen in a recent report by the President’s Council of Economic Advisers (CEA).¹⁸ 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 2013 was about the same. 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. Again, it is important to recognize that any gains in employment pale in comparison to the number of families that lost assistance.

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



While this “analysis” is a vast oversimplification of TANF’s impacts on employment, welfare receipt, and poverty, it is clear that the lesson from a longer-term perspective should be a cautionary tale.

Rector: “Each year, government spends \$1.1 trillion on more than 90 means-tested aid programs that provide cash, food, housing, and medical benefits to poor and low-income Americans. Nearly all of these programs are unconditional entitlements. They do not require constructive self-help behavior from recipients. Only two programs, Temporary Assistance to Needy Families and the earned income tax credit, have substantial work requirements. Even there, the work requirements are riddled with loopholes. As noted, Temporary Assistance to Needy Families initially focused on work, but today, half the able-bodied caseload in it is completely idle.”

PC Response: Who is responsible for the loopholes? Rector deserves much of the blame, as the work requirements were poorly crafted, along with the block grant structure that incentivized many states to treat TANF as a slush fund to supplant existing state spending and otherwise fill budget holes.

Rector’s characterization of the share of “able-bodied” adults who are “completely idle” is misleading in two ways. First, the percentage is based on *reported* hours so it understates actual participation because there are a variety of reasons for not reporting all hours of participation.¹⁹ Second, this percentage has been relatively constant over time, even during the early years that Rector believes reflect TANF’s great success. For example, about 60 percent of TANF adults had zero hours of participation in FY 2000.

Any objective analysis of TANF’s work requirements would find that they are dysfunctional and not a model for other programs. Indeed, promoting work requirements in any program at this point is irresponsible without evidence from rigorous evaluations conducted on a smaller scale. For more detail on the dangers of using TANF as a model, see: “Expanding Work Requirements

in Non-Cash Welfare Programs: TANF is NOT a Model, but a Cautionary Tale,” October 22, 2018, at: <https://mlwiseman.com/wp-content/uploads/2018/10/TANF-No-Model.pdf>.

Rector: “Clearly, a lot needs to be done to transform the current welfare system into a more benign system that provides ample aid to those who need it, while at the same time promoting the positive behaviors of work and marriage. Such a reformed system would not only be more efficient in raising overall income, it would also be more humane, because work and marriage provide intrinsic psychological and social rewards well beyond their immediate economic impacts.”

PC Response: Rector is right that the current welfare system should be improved, but such reform should be based on attention to policy details and credible evidence. Unfortunately, TANF replaced an evidence-based welfare reform model that could have formed the basis for system-wide reform. In 1987, the Reagan Administration began encouraging states to use existing authority to conduct welfare reform experiments – through waivers of AFDC’s rigid rules (and, to a lesser extent, food stamp and Medicaid rules due to more limited waiver authorities for those programs). This approach was continued by President Bush and President Clinton. This process did not provide a fixed level of funding, like block grants. Instead, it relied on an approach that would provide a real counterfactual using the “gold standard” of evaluation – random assignment.²⁰ It provided rigorous evidence about the impacts of welfare reform, including many examples of state experiments that increased employment and earnings, and also reduced welfare dependency and poverty.²¹ The next step would have been to refine this process and expand waiver authorities in other programs. Instead, TANF replaced it with a blank check to states with no accountability.

To learn the “truth” about the effects of the ABAWDs requirement and other welfare reforms, we need to return to what Johns Hopkins University professor Robert Moffitt calls the “golden era of RCTs” (referring to the AFDC waiver era and the many random assignment experiments subsidized and supported by the U.S. Department of Health and Human Services).²² At the very least, it’s important to be clear about what we know and what we don’t know.

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, the American Enterprise Institute, and the White House under both President Reagan and President George H.W. Bush.

² U.S. Department of Agriculture, “SNAP – Final Rulemaking: Requirements for Able-Able-Bodied Adults Without Dependents, Questions and Answers – December 4, 2019,” available at: <https://fns-prod.azureedge.net/sites/default/files/media/file/SNAP%20-%20ABAWD%20Final%20Rule%20QA%20Set%201.pdf>.

³ Robert Rector and Jamie Bryan Hall, “The Truth About the New Food Stamp Work Requirements’ Effects,” The Heritage Foundation, December 9, 2019, available at: <https://www.heritage.org/hunger-and-food-programs/commentary/the-truth-about-the-new-food-stamp-work-requirements-effects>.

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