

Do Work Requirements Work?
Understanding the Limits of the Evidence:
A Response to Angela Rachidi and Robert Doar

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In “How effective are work requirements?,” Angela Rachidi and Robert Doar of the American Enterprise Institute (AEI) contend that experimental findings from random assignment experiments conducted in the 1990s provide evidence that “largely supports” extending work requirements to non-cash programs like SNAP (the Supplemental Nutrition Assistance Program, formerly known as food stamps) and Medicaid.² They further argue that critics of work requirements have “misread” and “misrepresented” this evidence. Their central argument is captured in the following three paragraphs:

Some argue against work requirements because of the welfare reform experiments from the 1990s. But too often *critics* misread the evidence from those early studies, which included the National Evaluation of Welfare to Work Strategies (NEWWS). NEWWS studied 11 different programs across the country using the gold standard of evaluation. Evaluators randomly assigned people to a program group that included a work requirement along with services or to a control group that had no requirement and no services. But of the 11 programs studied, only four were considered labor force attachment – or “jobs-first” – programs, meaning that they focused initially on placing people in jobs. The seven other programs, in contrast, were called human capital development or “education-first” programs, which focused on gaining education credentials first, then employment.

Critics incorrectly *cite* the results from the education-focused programs, which were found to be largely ineffective compared to jobs-first programs, to suggest that work requirements would not be effective today in SNAP or Medicaid. The education-first programs are largely irrelevant to today’s discussion of extending work requirements to other safety-net programs – no one proposes that recipients be required to go to college in order to receive SNAP or Medicaid.

The jobs-first programs in NEWWS most relevant for today’s discussions showed impressive gains in employment and earnings. In those programs, increases in the average number of quarters worked in a five-year follow-up period ranged from 8 percent to 21.1 percent, with similarly high increases for average total earnings.

Rachidi and Doar provide links to papers by two “critics” – Heather Hahn of the Urban Institute and Ed Dolan of the Niskanen Center – and suggest that they have “misread” the NEWWS findings because they “incorrectly cite” results from education-focused programs as opposed to limiting their analysis to “jobs first” (or employment-focused) programs. Not only do Rachidi and Doar mischaracterize the statements by Hahn and Dolan, they themselves have “misread” the research and go on to make the very same mistake that they accuse their critics of, that is, of over-generalizing the findings of experimental studies – but they do it on a much larger scale.

Mischaracterizing the Arguments of the Critics

Rachidi and Doar assert that critics “misrepresent” the evidence because they “incorrectly *cite* the results from the education-focused programs.” This criticism greatly exaggerates the claims of most “critics.” For example, Hahn devoted just two sentences to the NEWWS findings:

A study of the long-term effects of mandatory welfare-to-work programs during the 1990s found that few programs increased job-finding rates for participants above the already high job-finding rates of peers not participating in the programs. Although program participants worked more quarters and earned more than the control groups, family net income remained largely unaltered, with most families still living in poverty (Hamilton et al. 2001).³

This statement is factually accurate and it is true whether one examines the full range of NEWWS findings or limits the analysis to “employment-focused” programs. To the extent she was critical of work requirement proposals, her criticisms were based on a broader assessment of the TANF experience and not the NEWWS findings. Moreover, most of her testimony was about the work levels in SNAP and Medicaid, the importance of these programs in helping people maintain employment, the administrative challenges in implementing work requirements, and a range of other issues. While one can debate the merits of her arguments, it is simply wrong to suggest that she “misread the evidence from these early [NEWWS] studies.”

Like Hahn, Dolan did not base his arguments against work requirements by citing the results of education-focused programs.⁴ He made three main points with respect to the NEWWS findings. First, he noted that any employment gains were modest, but in his critique, he focused on the “most successful” program – the one that operated in Portland, Oregon, and one that falls into the “employment-focused” category. While Rachidi and Doar might argue with Dolan’s characterization of the impacts as “modest” (though most researchers would not), this is not an example of “incorrectly citing” education-focused programs.

Second, Dolan noted that “most of the gains accrued to taxpayers rather than participants” pointing out that in six of the ten experiments “the increase in wages earned was less than the decrease in benefits.” This statement is true as well. Indeed, three of the four “employment-focused” programs showed that benefit losses outweighed wage increases, compared to just three of six “education-focused” programs. So, if Dolan “incorrectly cited” the NEWWS findings by including “education-focused” programs, he weakened his own case.

Third, Dolan went on to say that “the NEWWS experiments produced positive results only where work requirements were backed by intensive administrative support.” Here, he again cited the “successful Portland experiment” and did not make claims based on “education-focused” programs. Like Hahn, Dolan raised concerns about work requirements unrelated to the NEWWS research that should be the subject of debate, but it is simply wrong to suggest that he “incorrectly *cites*” the results from education-focused programs.

Mischaracterizing Research Findings

Rachidi and Doar make a number of claims based on the NEWWS findings that are, at the very least, misleading in terms of their accuracy or their applicability to the debate over work requirement proposals.

Misleading claim #1: “Critics incorrectly cite the results from the education-focused programs, which were found to be largely ineffective compared to jobs-first programs, to suggest that work requirements would not be effective today in SNAP or Medicaid.”

The characterization of education-focused programs as “largely ineffective” is inconsistent with the actual findings and even a quote Rachidi and Doar used in their article from the MDRC researchers themselves:

Nearly all 11 programs increased how much people worked and how much they earned, relative to control group levels, but the four employment focused programs generally produced larger five-year gains in employment and earnings than did most of the seven education-focused programs.

MDRC’s more careful assessment correctly points out that “nearly all” the programs had positive impacts and that the employment-focused programs “generally” had larger impacts. Indeed, the education-focused program in Riverside increased the average number of quarters worked in the five-year follow-up period by 16.6 percent, well within the 8 percent to 21.1 percent increase Rachidi and Doar cite for employment-focused programs.⁵

Moreover, while the Portland program (the one with the largest employment and earnings impacts) was classified as “employment-focused,” it did not fall into the job search first category – unlike the other “jobs first” programs – but rather adopted a “mixed strategy.” According to the MDRC researchers, “Portland’s success may have resulted from its unique combination of a focus on employment, the use of both job search and education, and an emphasis on finding good jobs.”⁶

Misleading claim #2: “The education-first programs are largely irrelevant to today’s discussion of extending work requirements to other safety-net programs – no one proposes that recipients be required to go to college in order to receive SNAP or Medicaid.”

This claim is problematic for three reasons. First, Rachidi and Doar imply that “education-first programs” are about going to “college.” Here is how the NEWWS report characterizes these programs:

All in all, however, assignments to GED preparation or basic education courses predominated in these education-focused programs, and assignments to vocational training programs were less common, primarily as a result of welfare recipients’ low levels of educational achievement; enrollment in college played an even smaller role.⁷

Indeed, the report goes on to say the following about college: “Although this option was not used widely in the programs, some individuals could attend college to fulfill their participation requirements.”⁸

Second, Rachidi and Doar are wrong to suggest the education-focused programs should not be considered in the debate about extending work requirements to SNAP and Medicaid. The House Agriculture Committee’s version of the Farm Bill and many state Medicaid waiver requests include various education and training programs as allowable work activities.

Third, and most important, in the absence of more research, Rachidi and Doar are too quick to pick one program model to the exclusion of others. Many of the education-focused programs also had positive impacts on employment and earnings. Gordon Berlin, president of MDRC, explains that evidence from both education-first and job-search-first strategies is “relevant”:

The challenge for policymakers is to find ways to maintain the employment orientation that underlies reform’s success, while opening the door to additional education and training. Results from carefully designed tests of job-search-first programs, education-first programs, and mixed-strategy programs provide strong support for the idea that education and training have an important, although probably subsidiary, role to play in the future of welfare reform. The evidence indicates that both job-search-first and education-first strategies are effective but that neither is as effective as a strategy that combines the two, particularly a strategy that maintains a strong employment orientation while emphasizing job search first for some and education first for others, as individual needs dictate. There is little evidence to support the idea that states should be pushed to one or the other extreme.⁹

Misleading claim #3: “Any fade out that occurred in later years was largely due to the control group becoming subject to work requirements, which diluted any subsequent program effects.”

Neither Hahn nor Dolan raised “fade out” as an issue (though other “critics” do), but Rachidi and Doar are correct to note that the impacts on many outcomes began to “fade out” after a few years, both in terms of the number of sites with statistically significant impacts and the size of those impacts. They suggest that this was “largely due to the control group becoming subject to work requirements.” This interpretation is speculative. In some sites, the embargo on control group members becoming subject to work requirements was in place for the full five-year follow-up period. Even where the embargo was lifted, the MDRC researchers suggest this “most likely had only a small effect on measured program impacts.”¹⁰

Misleading claim #4: “Critics of work requirements often argue that even with the employment and earnings increases generated by these programs, they failed to increase income (or reduce poverty) substantially for participants during the five-year follow up. There are two problems with applying this argument to today’s discussions. First, refundable tax credits for low wage workers are more generous now than during much of the study period. Second, participation in SNAP among working households is much higher now than during the late 1990s. Both suggest that total income from working today is likely to be higher than cash welfare alone.”

All else equal, more generous refundable tax credits and higher SNAP take-up rates might increase the impacts on incomes. But other policy changes, particularly state-level changes that made TANF less generous than AFDC (e.g., larger sanctions) could have the opposite effect. It is also important to understand that the impacts on income are an average across all those assigned to the experimental group. The fact that incomes failed to rise for the group as a whole doesn't rule out that possibility that incomes rose for those who did go to work. Regardless of what the impact of an experiment is on a group as a whole, it is important to examine distributional effects as well.

Misleading claim #5: “In any case, the question of increased income and poverty reduction is better assessed by population-based research, which incorporates the broader question of how potential recipients would be affected by work requirements – not only those who self-selected into a welfare program. Part of the appeal of work requirements is that they might lead potential recipients to avoid assistance altogether once they realize that it's better for them to work. Research suggests that welfare reform (which included work requirements, as well as other provisions) increased employment and reduced poverty among single-mother families, along with contributions from other policies like the EITC and a strong economy.”

These “suggestions” are decidedly ambiguous. Past efforts to use statistical modeling to disentangle the relative importance of welfare reform, the economy, and other factors have proven challenging, with findings that are uncertain and even inconsistent due to different methods, data sets, and time periods.¹¹ Worse, work requirement advocates have relied on simplistic comparisons in trends over cherry-picked time periods to make statements of causality and justify untested policies. This is most evident in statements by those who view TANF's work requirements as a model for the rest of the safety net. (See: Peter Germanis, “A Note to Pre-Post Conservatives: You Are Not Fooling Anyone – Except Maybe Yourselves (and Some Politicians),” September 2, 2017, available at: <https://petergermanis.com/wp-content/uploads/2021/02/PrePost-Conservatives.0904.pdf>.) There is no substitute for a rigorous, random assignment experiment, though other methods can certainly supplement such a research design.

Over-Generalizing on a Larger Scale

Rachidi and Doar accused the “critics” of inappropriately generalizing about work requirements because they cited NEWWS findings that included education-focused programs. They go on to argue that the NEWWS findings from “employment-focused” programs suggest that work requirements *would be* effective today in SNAP or Medicaid. This is a highly speculative leap of inference. Moreover, they are guilty of the very criticism they levied on those they believe incorrectly applied the NEWWS findings, but they over-generalize on a much larger scale. The following are just some examples:

Generalizing across the scale of welfare-to-work programs. The employment-focused NEWWS programs did enforce a participation mandate, but none came close to meeting the kinds of work requirements that have been proposed in SNAP and Medicaid, which generally involve a participation mandate of 20 hours per week (or more) on an on-going basis for a large segment of the caseload. For example, in a review of six experiments, MDRC calculated a

participation rate of just 5 to 10 percent when limited to those who “participated at least 20 hours per week during every week” or “were employed at least 15 hours per week every week.” Even when this criteria was loosened to count all participation and employment, regardless of how many hours, and adding those who were sanctioned, the participation rates rose to just 35 to 44 percent.¹²

Generalizing across types of programs. The NEWWS findings shouldn’t be generalized to TANF, much less SNAP or Medicaid. All of the programs evaluated were initiated under AFDC and they differ in important respects from the way programs have operated under TANF. First, most of the programs excluded single-parent families with children under three years of age, whereas under TANF most states set the age of youngest child exemption at “under one” or lower. Second, none of the programs included a time limit, a “substantial earned income disregard,” or emphasized “upfront practices aimed at diverting people from welfare” – policies common in most states under TANF. Third, TANF’s work requirements demand a high level of hourly participation and have various restrictions on counting hours of participation, particularly in education and training activities. Many of the hours in education and training would not be countable under TANF’s rules, even in employment-focused programs like the one in Portland.

It is even more dangerous to generalize across programs that differ in terms of their eligibility rules and benefit levels like SNAP and Medicaid.

Generalizing across target populations. As noted above, the NEWWS findings were limited to the AFDC non-exempt population, generally single mothers without very young children. Even within this target group, further subgroup analysis shows that impacts vary by the baseline characteristics of the caseload, e.g., short-term vs. long-term welfare recipients, employment history, level of disadvantage, educational attainment, race and ethnicity, etc.¹³ The significant variation of impacts by these characteristics within the AFDC population alone suggests that it is not appropriate to generalize the NEWWS findings to entirely different populations in different programs, e.g., childless adults receiving SNAP or Medicaid.

Generalizing across programs with different funding levels. The NEWWS evaluation also had data on the cost of programs. For example, the two most successful programs operated in Riverside, California, and Portland, Oregon. The per participant cost for employment-related services in these programs (in 2018 \$) was \$3,289 and \$4,204, respectively.¹⁴ These programs, however, did not require the same level of hours that TANF requires or that is being discussed in most current work proposals. The average annual cost of creating a work program slot may be considerably higher. Despite the cost of administering work programs, many current proposals provide relatively little (if any) additional funding, making it impossible to run the types of programs included in the NEWWS evaluation, much less more intensive ones.

Conclusion

Rachidi and Doar conclude with two points. The first is the importance of having “an accurate read of the evidence”:

Debate over work requirements in safety-net programs is healthy. But misreading and misrepresenting the evidence does not advance that debate. An accurate read of the evidence suggests that work requirements are more likely to lead to employment gains than not.

A more accurate “read” is that more research is needed. The relatively small scale, AFDC-era evaluations of mandatory work programs provide many important insights about such programs, but they should not be used for making claims about work requirements that would operate on a much larger scale (in terms of levels and hours of participation required), apply to different programs and populations, and be implemented with substantially different funding levels.

Rachidi and Doar are on more solid ground with their second conclusion, “States should be given an opportunity to see whether this is true,” particularly with the caveat, “on the condition that rigorous evaluation accompanies the initiatives.” Notably, this did not happen when TANF was created, it is not a condition in the House version of the Farm Bill, and it remains to be seen how “rigorous” many of the evaluations of Medicaid work requirements will be.

A much better approach was recently outlined in an AEI debate between Heather Hahn and Ron Haskins (aka, the “architect” of welfare reform) – “Do work requirements work?”¹⁵ 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.

¹ The views in this document reflect my own as a citizen and do not reflect the views of any organization I am now or have ever been affiliated with. By way of background, I am a conservative and have worked on welfare issues for the Heritage Foundation, the American Enterprise Institute, and the White House under both President Reagan and President George H.W. Bush.

² Angela Rachidi and Robert Doar, “How effective are work requirements,” American Enterprise Institute, August 1, 2018, available at: <http://www.aei.org/publication/how-effective-are-work-requirements/>.

³ Statement of Heather Hahn, Senior Fellow Labor, Human Services and Population Center, Urban Institute before the Subcommittee on Higher Education and Workforce Development, Committee on Education and the Workforce, United States House of Representatives, Hearing on “Strengthening Access and Accountability to Work in Welfare Programs,” March 15, 2018, available at: https://edworkforce.house.gov/uploadedfiles/testimony_hahn_3.15.18.pdf.

⁴ Ed Dolan, “Do We Really Want Expanded Work Requirements in Non-Cash Welfare Programs,” Niskanen Center, July 23, 2018, available at: <https://niskanencenter.org/blog/expanded-work-requirements-in-non-cash-welfare-programs/>.

⁵ Gayle Hamilton, Stephen Freedman, Lisa Gennetian, Charles Michalopoulos, Johanna Walter, Diana Adams-Ciardullo, and Anna Gassman-Pines, National Evaluation of Welfare-to-Work Strategies How Effective Are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs (New York, NY: Manpower Demonstration Research Corporation, December 2001), p. 86, available at: https://www.mdrc.org/sites/default/files/full_391.pdf.

⁶ Ibid, p. ES-13.

⁷ Ibid, p. ES-8.

⁸ Ibid, p. 15.

⁹ Gordon L. Berlin, “What Works in Welfare Reform: Evidence and Lessons to Guide TANF Reauthorization,” MDRC, June 2002, pp. 36-37, available at: http://www.mdrc.org/sites/default/files/TANFGuide_Full.pdf.

¹⁰ Gayle Hamilton, Stephen Freedman, Lisa Gennetian, Charles Michalopoulos, Johanna Walter, Diana Adams-Ciardullo, and Anna Gassman-Pines, National Evaluation of Welfare-to-Work Strategies How Effective Are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs (New York, NY: Manpower Demonstration Research Corporation, December 2001), p. 26, available at: https://www.mdrc.org/sites/default/files/full_391.pdf. They explain: “Most probably program impacts on employment and earnings and other outcomes in the last two years of follow-up in a few of the five sites above would have been somewhat larger had some control group members not been exposed to welfare-to-work programs. For several reasons, however, lifting the control group embargo on services prior to the end of the five-year follow-up period in these five sites most likely had only a small effect on measured program impacts. ... most control group members were not eligible to receive program services when the control group embargo ended, often because they had already left welfare. From one-quarter to one-half of control group members in these five sites were receiving welfare when their embargo on program services was lifted. In addition, after the embargo was lifted, some control group members were not contacted about enrolling in the program until after the end of the follow-up period, and others were assigned to a program orientation but did not show up. Moreover, the likely effects of ending the control group embargo were estimated for the sites where the embargo was lifted by calculating impacts for a subsample of control group members who were precluded from program services for four to five years. It was found that the patterns of impacts in years 4 and 5 resembled those for all sample members in those sites.”

¹¹ Stephen H. Bell, *Why are Welfare Caseloads Falling* (Washington, DC: The Urban Institute, March 2001), <http://www.urban.org/uploadedPDF/discussion01-02.pdf>.

¹² Gayle Hamilton, *Moving People from Welfare to Work: Lessons from the National Evaluation of Welfare-to-Work Strategies* (New York, NY: MDRC, July 2002), p. 50, available at: https://www.mdrc.org/sites/default/files/full_453.pdf.

¹³ Gayle Hamilton, Stephen Freedman, Lisa Gennetian, Charles Michalopoulos, Johanna Walter, Diana Adams-Ciardullo, and Anna Gassman-Pines, National Evaluation of Welfare-to-Work Strategies How Effective Are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs (New York, NY: Manpower Demonstration Research Corporation, December 2001), p. 26, available at: https://www.mdrc.org/sites/default/files/full_391.pdf.

¹⁴ LaDonna Pavetti, “Mandatory Work Programs Are Costly, Have Limited Long-Term Impact,” Center on Budget and Policy Priorities, April 12, 2018, available at: <https://www.cbpp.org/blog/mandatory-work-programs-are-costly-have-limited-long-term-impact>.

¹⁵ Ron Haskins and Heather Hahn, “Can Work Requirements in Safety Net Programs Work?” American Enterprise Institute, “Poverty and Social Policy Debate Series: Federal Work Requirements,” 2018, available at: www.aei.org/spotlight/federal-work-requirements-debate/.