

Why AEI drives me crazy: A Brief Response to Robert Doar

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In “Why the New York Times drives me crazy,” Robert Doar of the American Enterprise Institute (AEI) lamented that, as a regular reader, sometimes the newspaper “drives me a little crazy.”² His most recent complaint was about an article written by Claire Cain Miller and Ernie Tedeschi, “Single Mothers Are Surging Into the Workforce,”³ that in Doar’s view mischaracterized the state of the safety net:

The article turns the story of a strong economy and a properly functioning safety net lifting families out of poverty into a spooky story about a “fraying safety net.” That’s wrong. Single mothers entering the workforce is an unsurprising thing and a good thing, full stop. And our government-funded safety net is bigger than ever.

Doar is right that the “safety net is bigger than ever,” but he also ignores some gaping holes created by the 1996 welfare reform law, particularly the replacement of the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance for Needy Families (TANF) block grant.⁴ This is a concern, because many conservatives see TANF as a model for reforming other safety net programs, as evidenced by proposals to convert these programs into block grants and/or to impose work requirements that are unreasonable (for recipients) and unrealistic (for states to implement). As a “regular reader” of AEI blogs and papers on welfare reform related issues – this drives *me* crazy!

This response addresses some of the claims made by Doar about the safety net and his criticism of the *Times* article, followed by a “PC Response.” (“PC” is short for “Peter the Citizen.”) It is a *brief* response, but the Appendix to this paper provides a list of 17 of my past responses to Doar and others at AEI that document misstatements of policy, misuse of data, misinterpretation of research, and perhaps most important – the problems with vague, superficial, and often misguided policy proposals.

Doar: “The Times is ‘surprised’ that the share of single mothers in the workforce has increased by four percentage points in the past four years, even though this is precisely what mid-1990s welfare reform was designed to encourage, especially in good economic times. And the Times neglects to mention the most important outcomes of that reform: As employment among single mothers rose, family incomes increased, and child poverty decreased significantly, never again to return to pre-welfare reform levels. Yes, the share on cash welfare dropped, as the Times notes. That’s primarily because more families were earning more income and climbing out of poverty. Seems like a good result to me.”

PC Response: Doar’s suggestion that the cash welfare rolls declined “primarily” because families earned more and climbed out of poverty is grossly misleading and fails to put the employment, poverty, and caseload trends in proper perspective.

The *main factor* driving TANF caseloads down is not more employment, but bureaucratic disenfranchisement, as reflected in the sharp decline in its take-up rate among families *eligible* to receive cash assistance. Table 1 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 had declined by about 10 percent, to 5.0 million, but the number receiving benefits declined 70 percent, to 1.3 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 2.5 million, from 1.2 million to 3.7 million. Many of these families were pushed *deeper* into poverty because there were few programs to fill the loss of TANF. Even those who went to work might have to wait over a year to see the benefits from the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC).

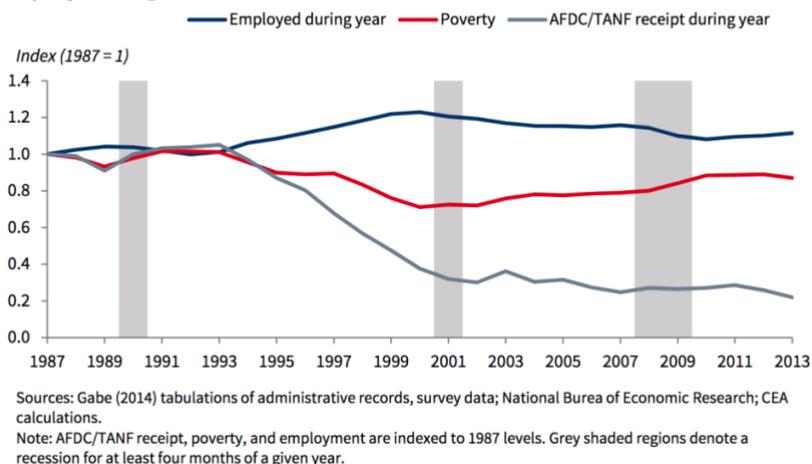
| Year | TANF | | | |
|------|---------------------|--------------------------|--|------------------------|
| | Eligible (millions) | Participating (millions) | Eligible, Not Participating (millions) | Participation Rate (%) |
| 1996 | 5.6 | 4.4 | 1.2 | 78.9 |
| 2000 | 4.4 | 2.3 | 2.1 | 51.8 |
| 2004 | 5.1 | 2.2 | 2.9 | 42.0 |
| 2008 | 5.2 | 1.7 | 3.5 | 33.0 |
| 2012 | 5.7 | 1.9 | 3.8 | 32.4 |
| 2015 | 5.0 | 1.3 | 3.7 | 26.3 |

Source: For 1996-2012, 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>. For 2015, unpublished data from Gene Falk of the Congressional Research Service run on November 21, 2017.

Note: 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.⁵ Program administrative data are used for the number of families receiving benefits.

In addition, comparing the magnitude of changes in employment and poverty among female-headed families to the decline in the TANF caseload adds needed perspective. If the caseload decline were the result of more work, as Doar suggests, one would expect the sharp decline in the caseload to be matched by an equally sharp increase in employment, and then the poverty-reducing impact of welfare reform becomes more plausible. This, however, was not the case, as can be seen in a figure from a recent report by the President’s Council of Economic Advisers (CEA).⁶ CEA Figure 12 shows the percent of female-headed families employed, in poverty, and receiving AFDC/TANF cash assistance indexed to 1987 levels. What is particularly notable about the figure is the fact that in 2013 (the end-point of the CEA analysis), the employment and poverty of female headed families is roughly the same as in 1996 (contradicting Doar’s assertion), but the caseload is about 75 percent lower. This suggests that many families were pushed deeper into poverty. (Regardless of the endpoint, the result will be that the caseload decline is many times larger than the increase in employment or the reduction in poverty.)

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



Doar: “But back to the present: My biggest gripe is the insistence that we should be suspicious of this new era of increasing work and declining poverty because it is partly driven by ‘a fraying federal safety net.’”

With apologies to the Old Gray Lady — that’s absurd. More Americans than ever are enrolled in Medicaid, food stamp enrollment is still well above pre-recession levels (the average per-family benefit is higher too), and the Earned Income Tax Credit provides more support than ever for working parents.”

PC Response: The actual statement in the *Times* article was: “At the federal level, the safety net has become less reliable, so working for pay is increasingly their only option.” It is true that the safety net as a whole has expanded significantly since the mid-1990s, but this increase has mainly helped those who work and often who are not poor. The evisceration of TANF cash assistance, however, has undoubtedly pushed many families deeper into poverty and the safety net is not a reliable source of income for many of those who do not or cannot work. So, while the safety net as a whole provides generous support to those who work, it has left many of the nation’s most economically disadvantaged families behind, both in terms of direct support and in providing the kinds of work activities and supports that might help them become more self-sufficient.

For more detail on the changing nature of the safety net and the importance of examining distributional effects, see:

Hilary Hoynes and Diane Whitmore Schanzenbach, “Safety Net Investments in Children,” The Brookings Institution, BPEA Conference Drafts, March 8–9, 2018, available at: https://www.brookings.edu/wp-content/uploads/2018/03/2_hoynesschanz1.pdf.

Robert Moffitt reference in “U.S. Welfare Spending Up – But Help for the Neediest Down,” Press Release, May 6, 2014, available at: <http://releases.jhu.edu/2014/05/06/u-s-welfare-spending-up-but-help-for-the-neediest-down/>.

Doar: Does the expansion to the refundable Child Tax Credit, passed as part of 2017 tax reform, count as support for low-income mothers of children? It seems like it should. Yet it is not mentioned in this article.”

PC Response: The Child Tax Credit is a good example of a relatively poorly targeted benefit, as most of the benefits go to those who are not poor (and it doesn’t help those without earnings at all). A more effective anti-poverty strategy would have been to devote more resources to those below the poverty line. Indeed, this issue was described by the Center on Budget and Policy Priorities (CBPP) as follows:

The 2017 tax law increased the maximum value of the Child Tax Credit (CTC) – first enacted to help working families offset the cost of raising children – from \$1,000 to \$2,000 per child, but low-income working families are largely missing out on that full CTC increase. For starters, 11 million children under 17 in the lowest-income working families – who under prior law received only a partial CTC or no credit at all – receive either no improvement in the credit or a token increase of \$1 to \$75. Another 15 million children in low- and modest-income working families get a CTC increase of more than \$75 but less (and in many cases far less) than the full \$1,000-per-child increase that families at higher income levels get. Further, the law ends the CTC for 1 million children – overwhelmingly “Dreamers” – in working immigrant families.

The CTC’s changes are an example of how little priority the GOP drafters of the 2017 law placed on addressing the decades-long stagnation of working-class wages across races. Most glaring was that they did nothing to expand the Earned Income Tax Credit (EITC), which is tailor made to address this problem. In fact, the new tax law erodes the credit’s value over time. Instead of focusing on working-class families by making robust improvements to the CTC and EITC, the 2017 law tilted steeply to the wealthy and profitable corporations.⁷

Doar: “The big increase to the child care grant for the poor that was passed last year (under Trump!) is mentioned but with the tone of the Wizard referring to ‘the man behind the curtain.’”

PC Response: The authors made a straightforward statement about the expansion in child care:

And last year, Congress approved a \$2.4 billion increase of the Child Care and Development Block Grant to provide federal child care assistance to states, the biggest increase since the program began in 1990.

It’s not clear how Doar can discern a “tone” from this statement or why he would make a gratuitous reference to the *Wizard of Oz*. And, what does invoking “under Trump!” add to the discussion?

Doar: “These are just a few examples among the dozens of programs designed to help low-income families, including these single mothers and their children, some of which require work while others do not. The value of the federal cash welfare block grant may be declining, but the claim that the safety net is ‘fraying’ is preposterous.”

PC Response: As noted above, context and distributional effects are important. The cash assistance safety net for needy families with children whose parents do not or cannot work is most definitely frayed – and it has left millions of families with less income. The authors were right to conclude, “At the federal level, the safety net has become less reliable, so working for pay is increasingly their only option.”

Doar: “The related fear that instituting work requirements leaves many single mothers ‘without jobs or federal aid’ is equally misplaced. There is significant federal aid even for those who do not work – Medicaid being the prime example.”

PC Response: This is an unbelievably callous remark; Medicaid is no substitute for TANF cash assistance. Medicaid does not help families meet non-medical basic needs. For many families, the only real source of support is from SNAP, which can only be spent on food assistance and its maximum benefit is only about 30 percent of the poverty line. Moreover, Doar does not appreciate the importance of cash to pay for most other basic needs, yet for many families TANF is not available or the conditions under which it is available are unreasonable. (Would you spend 130 hours a month satisfying a work requirement for a benefit of \$200 to \$400 – the requirement in many states?)

The Congressional Research Service estimated the percentage of the eligible population served in 2012 by some of the major means-tested programs.⁸ While SNAP provided benefits to 69.6 percent of eligible persons, TANF served just 28.4 percent of those eligible; for housing assistance and child care subsidies the reach was even lower – 18.2 percent and 16.9 percent, respectively.⁹

Doar: “And jobs are clearly available, as this very article attests.”

PC Response: The fact that jobs exist doesn’t deal with the problem that many single mothers face significant barriers to employment and that the approach to work requirements under TANF has been about hassle and not help.

Doar: “There is also significant evidence that many welfare recipients work without reporting their income, which would leave them appearing ‘disconnected’ but actually earning for their families.”

PC Response: The term “disconnected” is typically applied to those aren’t working, in school, or receiving welfare. Welfare recipients who work but don’t report their earnings may be erroneously categorized as “unemployed,” but not “disconnected.” Notably, to the extent families have earned income, they have a financial incentive to report it so as to claim the EITC and CTC, which in most states would more than offset any reduction in other public assistance benefits.

While some individuals certainly do have earnings that is not reported to welfare agencies, it would be important to examine the size and scope of the problem. In the meantime, we shouldn't ignore the plight of those who don't have other resources.

Doar: “Meanwhile, most serious scholars have dismissed the phony assertion that deep poverty among children has gone up – in fact, there is greater evidence that it is at its lowest level ever.”

PC Response: Most “serious scholars” acknowledge the importance of distributional effects in assessing policy changes. Poverty and deep poverty have been declining for the population as a whole and may be at their lowest level ever, but that doesn't mean that there aren't subgroups of families or individuals that have been made worse off by the 1996 changes to the safety net. For TANF, the sharp decline in the take-up rate among *eligible* families means many very low-income families have lost a few hundred dollars a month. This may not be enough to change their poverty/deep poverty status, but should be a matter of concern. Even if they go to work, they may have to wait over a year to receive the EITC and CTC – in the meantime, their financial situation may remain dire as other benefits are reduced and they incur work-related expenses and other taxes (e.g., FICA).

Most “serious scholars” would also take issue with many of Doar's policy recommendations. To the extent poverty has declined using more comprehensive measures than the official poverty measure, it is primarily because of the expansion of means-tested benefits that provided direct aid and in some cases a financial incentive to work (and, of course, the state of the economy). Doar, however, is on record supporting policies that would tend to cut benefits and that cannot be supported by rigorous evidence and would in all likelihood push families deeper into poverty, most notably time limits on aid and work requirements that are unreasonable (for recipients) and unrealistic (for states) based on the failed TANF model. (As an administrator in New York state and then New York City he could not implement many of the policies he now promotes due to limits in federal or state law. For TANF, he essentially ran a program based on the AFDC/JOBS model. And, because New York receives a TANF block grant that is far more generous in terms of funding per poor child, his experience is not generalizable to other states.)

Doar: “Most of what was left out of the coverage of this issue would have been included had the *Times* bothered to talk to even one non-progressive expert. But of the no fewer than seven sources cited for evidence in the article not one could be characterized as even remotely right of center.”

PC Response: This would have been an ideal time for Doar to fill in the blanks. Who are these non-progressive experts and how would they have filled in the blanks? For nearly four years, I have challenged conservatives to focus on policy details and to develop policies based on credible empirical evidence, and with the occasional exception of Ron Haskins, I have yet to see anyone outline a serious agenda. AEI certainly hasn't filled this void. Doar and his colleagues have yet to produce a single publication that has a modicum of detail on policy issues and one that can support its recommendations with evidence.

Doar: “For now and the foreseeable future, the combination of our safety net and hot economy is working, by raising incomes and improving family well-being. The Times appears to be so focused on denigrating any positive news in the time of Trump that it can’t see what’s right in front them: Child poverty in America is at its lowest point – ever.”

PC Response: For those who can work, the safety net and a hot economy is working, but the safety net should be designed to help those who can’t or don’t work – the “truly needy.” The demise of TANF cash assistance and the failure of its work requirements to engage individuals in activities that might actually provide a hand up is a serious policy concern.

Even worse, Doar consistently promotes TANF-like policies that would reverse the progress he boasts about. A far better approach would be to carefully evaluate possible reforms before implementing them on a large scale. This was the policy under AFDC waivers prior to TANF; this is what evidence-based conservatives should support.

APPENDIX: Peter the Citizen Responses to AEI

“TANF has been a massive policy failure – Let’s start over: A Response to Robert Doar,” October 22, 2015, available at: <https://petergermanis.com/wp-content/uploads/2021/02/A-Response-to-Doar.102215.pdf>.

“Reforming ‘Welfare Reform’ New York Style: A Possible Doar-Germanis Compromise?” May 11, 2016, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Reforming-Welfare-Reform-New-York-Style.pdf>.

“House Lacks Courage to Undertake Real Welfare Reform: A Response to Angela Rachidi,” May 22, 2016, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Rachidi.pdf>.

“Understanding ‘\$2 a Day’ Poverty: An Explanation for Robert Doar,” June 11, 2016, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Doar2final.pdf>.

“The American Enterprise Institute’s Proposals to “Improve” TANF: A Cruel Hoax on the Poor,” June 13, 2016, available at: <https://petergermanis.com/wp-content/uploads/2021/02/AEI2.pdf>.

“The Failure of TANF Work Requirements: A *Much Needed* Tutorial for the Heritage Foundation and the American Enterprise Institute,” August 12, 2016, available at: <https://petergermanis.com/wp-content/uploads/2021/02/The-Failure-of-TANF-Work-Requirements.pdf>.

“TANF is a Step Backward for the Poor and for Conservatism: An Explanation for Shawn Fremstad,” December 21, 2016, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Fremstad.pdf>.

“Making Progress on TANF: A Response to Angela Rachidi,” February 12, 2017, available at: <https://petergermanis.com/wp-content/uploads/2021/02/TANF-Response-to-Rachidi.pdf>.

“‘Wisconsin Works for Everyone’ as a Model for National Welfare Reform: Is Robert Doar Right?” February 12, 2017, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Doar-is-Right.pdf>.

“Losing Ground on TANF: AEI’s *The Reach of the Cash-Based Safety Net* Misses the Big Picture,” March 1, 2017, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Losing-Ground-on-TANF.pdf>.

“TANF Can’t be Reformed – It Must be Repealed and Replaced: A Brief Explanation for Angela Rachidi,” March 4, 2017, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Rachidi-Brief-Explanation.pdf>.

“TANF: A Great Innovation or a Massive Policy Failure? A Response to Arthur Brooks,” March 4, 2017, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Brooks.pdf>.

“Using Squirrely Data is No Way to Justify Conservative Policies: A Note to AEI’s Marc Thiessen,” July 8, 2017, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Thiessen.pdf>.

“The Best Way Forward on TANF is to Start Over: A Response to Angela Rachidi,” May 12, 2018, available at: “The Best Way Forward on TANF is to Start Over: A Response to Angela Rachidi,” May 12, 2018, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Rachidi-051218.pdf>.

“Do Work Requirements Work? Understanding the Limits of the Evidence: A Response to Angela Rachidi and Robert Doar,” August 8, 2018, available at: <https://petergermanis.com/wp-content/uploads/2021/02/AEI-Work-Requirements.pdf>.

“Will Work Requirements Reduce Poverty? A Response to Robert Doar,” September 22, 2018, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Will-Work-Requirements-Reduce-Poverty.pdf>.

“TANF is Broken! The Real Irony is Believing It’s been a Success,” January 26, 2019, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Weidinger-TANF.pdf>.

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. This paper assumes the reader has a basic understanding of the TANF program, but for those readers who want more context and background, see Peter Germanis, *TANF is Broken! It's Time to Reform "Welfare Reform" (And Fix the Problems, Not Treat their Symptoms)*, July 25, 2015 draft, available at: <https://petergermanis.com/wp-content/uploads/2020/09/TANF-is-Broken.072515.pdf>.

² Robert Doar, "Why the New York Times drives me crazy," May 30, 2019, available at: <http://www.aei.org/publication/why-the-new-york-times-drives-me-crazy/>.

³ Claire Cain Miller and Ernie Tedeschi, "Single Mothers Are Surging Into the Work Force," *The New York Times*, May 29, 2019, available at: <https://www.nytimes.com/2019/05/29/upshot/single-mothers-surge-employment.html>.

⁴ Other provisions that had the impact of increasing poverty are SNAP's work requirement (really time limit) for Able-Bodied Adults without Dependents (ABAWDs) and restrictions on immigrants receiving benefits.

⁵ For more detail on the TRIM model, see: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Welfare Indicators and Risk Factors: Fourteenth Report to Congress*, September 22, 2015, available at:

[https://aspe.hhs.gov/sites/default/files/pdf/116161/FINAL%20Fourteenth%20Report%20-](https://aspe.hhs.gov/sites/default/files/pdf/116161/FINAL%20Fourteenth%20Report%20-%20FINAL%209%2022%2015.pdf)

[%20FINAL%209%2022%2015.pdf](https://aspe.hhs.gov/sites/default/files/pdf/116161/FINAL%20Fourteenth%20Report%20-%20FINAL%209%2022%2015.pdf); and, The Urban Institute, "TRIM3: Transfer Income Model, Version 3," available at: <http://trim.urban.org/T3Technical.php>.

⁶ Council of Economic Advisers, *Expanding Work Requirements in Non-Cash Welfare Programs*, (Washington, D.C.: The White House, July 2018), available at: <https://www.whitehouse.gov/wp-content/uploads/2018/07/Expanding-Work-Requirements-in-Non-Cash-Welfare-Programs.pdf>.

⁷ Center on Budget and Policy Priorities, "2017 Tax Law's Child Credit: A Token or Less-Than-Full Increase for 26 Million Kids in Working Families," 2018, available at: <https://www.cbpp.org/sites/default/files/atoms/files/8-27-18tax.pdf>.

⁸ Gene Falk, Alison Mitchell, Karen E. Lynch, Maggie McCarty, William R. Morton, and Margot L. Crandall-Hollick, "Need-Tested Benefits: Estimated Eligibility and Benefit Receipt by Families and Individuals," Congressional Research Services, December 30, 2015, available at: <https://fas.org/sgp/crs/misc/R44327.pdf>.

⁹ *Ibid*, p. 14.