

## **Evidence-Based Policymaking Should be a Two-Way Street: A Note to the American Enterprise Institute**

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In “As Father’s Day approaches, additional funding for fatherhood programs should be tied to evidence of effectiveness,”<sup>2</sup> Matt Weidinger of the American Enterprise Institute (AEI) discusses the importance of supporting “responsible fatherhood,” but notes that the evidence base to support many existing fatherhood programs is relatively weak:

Despite the proliferation of programs, “very few rigorous evaluations have been done to test their effectiveness,” according to a December 2018 study prepared for HHS. The evaluations performed found that fatherhood programs “produce small but statistically significant effects” especially on “father involvement, parenting, and coparenting.” The study notes, however, that “self-report data” is used in assessing those factors, and “fathers may overestimate” improvements on those factors in their self-reports. The same study also noted that “none of the evaluations we analyzed reported on child outcomes,” which it called “the primary rationale for father involvement programs.”

He then cautions against increasing federal funding unless there is stronger evidence of effectiveness:

Given the stakes for families and children, it is well worth continuing current efforts while also striving to determine which are the most effective. But calls for increased federal funding should be held to a higher standard – actual evidence that assistance provided is helping children and families thrive. So far at least, that standard doesn’t appear to have been met, which should temper calls for increased funding.

Robert Doar, now president of AEI, takes a similar position. In “Following the Evidence to Better Policy: How Evidence-Based Policymaking Helped Poor New Yorkers” he writes:

At a time when government resources are limited, it is more important than ever to make sure the programs we do fund are effective and achieve results. Relying on evidence when making decisions on how to use government funds can lead to better policy and better outcomes for Americans.<sup>3</sup>

Weidinger and Doar are absolutely right – whenever possible funding decisions about programs or program changes should be based on rigorous evaluations. Unfortunately, AEI doesn’t seem to apply this same standard when it comes to interventions that are likely to reduce benefits and save federal dollars. Time and again, Doar, Weidinger, and others at AEI endorse policy changes that have not been rigorously evaluated and yet could have substantial, even life-altering (in the case of Medicaid) impacts on low-income families and individuals.<sup>4</sup> This is most obvious in their endorsement of various proposals to modify work requirements for TANF and to extend TANF-like work requirements to other safety net programs. What follows are just two examples of this double standard.

**Example 1: Asserting that TANF’s work requirements have been a success and should be “strengthened.”** Robert Doar frequently states that TANF’s work requirements have been effective in promoting employment and reducing and poverty rates:

After reform, employment among never-married mothers soared from 44 percent to more than 65 percent. The work requirement was critically important to that success, and demonstrated the importance of policy that recognizes the skills and capabilities of struggling Americans.

...The principles behind welfare reform – the most successful antipoverty reform in recent history – suggest that fostering a reciprocal relationship between the benefit recipient and society is critical.<sup>5</sup>

Based on this evidence, he recommends “strengthening” these requirements:

...Though TANF caseloads have decreased dramatically since the 1996 reforms, the work requirement contained in the program should again be strengthened, with the threat of federal sanctions for states not in compliance being backed by action.<sup>6</sup>

Weidinger makes a similar case in a critique of the National Academies of Sciences, Engineering, and Medicine (NASEM) recent report, “A Roadmap to Reducing Child Poverty”:

...the proposals largely ignore, and risk undermining, the work-based reforms that took place over the last generation and helped millions of families lift themselves out of poverty. Indeed, the most important event in that recent history was the 1996 welfare reform law, which conditioned cash welfare benefits on low-income parents working or preparing for work.<sup>7</sup>

Notably, the National Academies report was written by some of the nation’s leading poverty scholars, so when Weidinger asserts, “The latest report on child poverty gets it wrong on welfare-to-work requirements,” one might assume that he can back up his claim with rigorous evidence about the impact of TANF’s work requirements. (Full disclosure: I too took issue with some of the statements in the National Academies report and I did back up my claims; see: “TANF Deepened Poverty: A Note to the National Academies of Sciences,” March 9, 2019, available at: <https://petergermanis.com/wp-content/uploads/2021/02/TANF-Increased-Poverty-Response-to-NAS.pdf>).

***Problems of internal validity.*** The “evidence” Doar and Weidinger cite in support of TANF’s work requirements is nothing more than a simplistic comparison of selected outcomes over a cherry-picked time period. A pre-post assessment is an extremely weak basis for making causal statements about the impact of most policy changes. There are many economic, demographic, and policy-related changes that influence poverty. In particular, TANF was enacted in the midst of a period of strong economic growth and increased aid to the working poor, most notably expansions in the Earned Income Tax Credit (EITC), child care subsidies, and Medicaid and related health care coverage. Even if one could disentangle the impact of these and other factors, then there is the challenge of disentangling an array of TANF provisions that could influence the

outcomes of interest besides the work requirements – the block grant structure, the federal five-year time limit, full-family sanctions, etc. This is virtually impossible even with a sophisticated econometric model (no offense to econometricians); it is wildly irresponsible to suggest that a simple comparison of data points can do this.

***Problems of external validity.*** It is also important to understand that TANF’s effects are likely to vary over time and across states. In particular, in the immediate aftermath of the 1996 law, all states received a huge windfall in federal funding and they spent most of their TANF funds on welfare reform activities. Over time, the windfall disappeared as inflation and other factors eroded the value of the block grant, and states have learned how to divert funds to other non-welfare-related activities and game its work requirements. Even if one believes TANF was a success early on, it is very different today.

And, Doar often relates his claims about the success of TANF’s work requirements to his experience in New York. In 2013, Texas received just \$280 in federal TANF funds per poor child *per year* while New York received \$2,555 per poor child *per year* while – or nine times more.<sup>8</sup> To replicate Doar’s putative success in New York, this suggests that TANF’s block grant should be adjusted to provide all states about \$2,800 per poor child per year (the 2019 equivalent). (Notably, New York has never come close to meeting TANF’s 50 percent work requirement target, instead relying on the caseload reduction credit and various loopholes.)

***The failure to examine implementation.*** An evidence-based review would also examine the empirical basis for TANF’s work requirements and include an assessment of how they were actually implemented. I have written extensively about the failure of TANF in this regard; see: “TANF Work Requirements: An Epic Fail” in *TANF is Broken*, July 2015, available at: <https://petergermanis.com/wp-content/uploads/2020/09/TANF-is-Broken.072515.pdf>. Gene Falk of the nonpartisan Congressional Research Service (CRS) has reached a similar conclusion:

The 50% and 90% targets are aspirational, rather than evidence-based. They were not selected based on success rates of past programs in moving recipients from assistance to work. They call for higher participation rates than what evaluated pre-1996 programs achieved, including the most successful of those programs. Even so, the standard has mostly been met, though usually by means other than engaging recipients in activities. That is, states might be “hitting the target, but missing the point.”<sup>9</sup>

***Shouldn’t we look to the gold standard?*** For all their talk of evidence-based policymaking, both Doar and Weidinger ignore the fact that TANF replaced an evidence-based welfare reform model. 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 relied on a real counterfactual using the “gold standard” of evaluation – random assignment.<sup>10</sup> The findings from random assignment experiments are considered the most credible, because the experimental and control groups are alike and subject to the same external conditions, with the only difference being the intervention itself. Thus, any difference in outcomes between the groups can be attributed to the intervention – welfare reform – itself. If Doar and Weidinger

have ideas for reforming TANF's work requirements and are actually interested in improving the lives of needy families, a better approach would be to first test reforms on a smaller scale in a number of sites.

**Example 2: Extending TANF-like work requirements to SNAP and Medicaid.** In "Closing Argument on Farm Bill: Work Requirements in SNAP Will Reduce Poverty," Doar boldly claims that adding work requirements to programs like SNAP and Medicaid will reduce poverty.<sup>11</sup> His "closing argument," however, is superficial and misleading – it is based on a misinterpretation of the evidence about work requirements under TANF and it ignores the importance of policy details. I elaborate on the problems with Doar's claims in an 18-page response to his 2-page blog at:

"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>.

For purposes of this response, however, it should suffice to note that there have been no rigorous evaluations of the kinds of work requirements Doar endorsed for SNAP (e.g., those put forth in last year's House version of the farm bill) or that states have proposed for Medicaid on a statewide basis. Unlike the fatherhood programs Weidinger worried about that involve a relatively small amount of funding, these work requirement proposals could reduce spending by billions of dollars. Why doesn't AEI recommend building an evidence base by evaluating these types of work requirements on a smaller scale first? Why isn't AEI concerned that the states with Medicaid waivers for work requirements haven't proposed random assignment evaluations? Where is the commitment to evidence-based policymaking?

Instead, what we get from AEI are complaints like the following from Weidinger about the National Academies report:

Yet despite that history, the summary of the report doesn't even mention the 1996 welfare reform law. Also unmentioned is the idea of applying welfare-to-work requirements to other programs. Instead, and despite the post-1996 reform experience of plummeting poverty rates, the report suggests that "It appears that work requirements are at least as likely to increase as to decrease poverty."<sup>12</sup>

Even if one believes TANF's work requirements are a success (and they are not), it is irresponsible to generalize across programs, populations, and time periods. Anyone who cares about evidence-based policy making would understand this.

## **Conclusion**

Apparently, AEI does not.

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<sup>1</sup> 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. 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>.

<sup>2</sup> Matt Weidinger, "As Father's Day approaches, additional funding for fatherhood programs should be tied to evidence of effectiveness," American Enterprise Institute, June 14, 2019, available at: <http://www.aei.org/publication/as-fathers-day-approaches-additional-funding-for-fatherhood-programs-should-be-tied-to-evidence-of-effectiveness/>.

<sup>3</sup> Robert Doar, "Following the Evidence to Better Policy: How Evidence-Based Policymaking Helped Poor New Yorkers," Statement before the Senate Finance Committee On "Can Evidence Based Practices Improve Outcomes for Vulnerable Individuals and Families?," May 10, 2016, available at: <https://www.finance.senate.gov/imo/media/doc/10MAY2016Doar.pdf>.

<sup>4</sup> This critique of AEI is limited to publications in their "Poverty Studies" section.

<sup>5</sup> Robert Doar, "The War on Poverty at 50: Building on What Works, Reforming What Doesn't," Statement before the U.S. House Committee on the Budget, June 10, 2014, p. 9.

<sup>6</sup> Robert Doar, "The War on Poverty at 50: Building on What Works, Reforming What Doesn't," Statement before the U.S. House Committee on the Budget, June 10, 2014, p. 9.

<sup>7</sup> Matt Weidinger, "The latest report on child poverty gets it wrong on welfare-to-work requirements," American Enterprise Institute, March 1, 2019, available at: <http://www.aei.org/publication/the-latest-report-on-child-poverty-gets-it-wrong-on-welfare-to-work-requirements/>.

<sup>8</sup> Gene Falk, "Temporary Assistance for Needy Families (TANF): Financing Issues," Congressional Research Service, September 8, 2015, available at: <https://fas.org/sgp/crs/misc/R44188.pdf>.

<sup>9</sup> Gene Falk, "Temporary Assistance for Needy Families," Congressional Research Service, March 27, 2018.

<sup>10</sup> For an excellent summary of the issues and deliberations during this period, see Judith M. Gueron and Howard Rolston, *Fighting for Reliable Evidence* (New York, NY: Russell Sage Foundation, June 2013).

<sup>11</sup> Robert Doar, "Closing argument on farm bill: Work requirements in SNAP will reduce poverty," American Enterprise Institute, September 7, 2018, available at: <http://www.aei.org/publication/closing-argument-on-farm-bill-work-requirements-in-snap-will-reduce-poverty/>.

<sup>12</sup> Matt Weidinger, "The latest report on child poverty gets it wrong on welfare-to-work requirements," American Enterprise Institute, March 1, 2019, available at: <http://www.aei.org/publication/the-latest-report-on-child-poverty-gets-it-wrong-on-welfare-to-work-requirements/>.