

## **Making Progress on TANF A Response to Scott Winship**

### ***Discussion Draft***

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I've had a Twitter account for four weeks. On August 22, Scott Winship replied to someone else's tweet about me saying, "True – I do find engaging him unproductive!" Fortunately, he seems to have had a change of heart and suggested that we might "make progress" if I could answer a number of questions. While I think I have answered the questions he raised in previous papers, I am happy to do so again. I will also respond to some of his other tweets and recent statements about "welfare reform" in the hopes that we can have a more productive debate.

In his tweets, Scott occasionally groups me with liberals or the Center on Budget and Policy Priorities (CBPP). I respect the work of CBPP, but I am a conservative and offer an alternative conservative perspective to the conventional wisdom that the 1996 welfare reform law, and the creation of the Temporary Assistance for Needy Families (TANF) block grant, was an "unprecedented success." In fact, I argue that TANF is a massive policy failure and should not be held out as an example of "conservatism." I favor an alternative conservative approach based on a model developed in the Reagan Administration, which provided states flexibility, but had strong accountability provisions – most notably cost neutrality and rigorous evaluation – to ensure that states actually help needy families.

In my August 22, 2016, response to Scott's paper, "TANF is a Massive Policy Failure, But Other 'Liberal' Welfare Policies Reduced Poverty: A Response to Scott Winship," I did not take issue with his approach to poverty measurement, as that is not my area of expertise. However, like many conservatives, he makes claims about welfare reform's causal effects based on simple pre-post comparisons, without adequate recognition of other causal factors and without looking in the "black box." And, like many conservatives, he fails to acknowledge the magnitude of TANF's dysfunctionality. Conservatives have yet to write anything that even remotely reflects an understanding of what TANF looks like and how it has been implemented, much less its lessons for other safety net programs. (See, for example, my August 22, 2016, paper, "The Failure of TANF Work Requirements: A *Much Needed* Tutorial for the Heritage Foundation and the American Enterprise Institute.") Writing in the *Daily News* about reforms to other safety net programs, Scott says:

Far from rolling back reforms, other lessons of the welfare overhaul should be extended to parts of the safety net that continue to embody perverse incentives, discouraging work and independence. ... We ought to build into these programs provisions to discourage long-term dependence, generous exemptions from work requirements and time limits to protect families with the greatest challenges – and financial support for the working poor to ensure that work leaves people better off.<sup>2</sup>

This sounds great, but as with virtually all conservative statements these days (including Speaker Ryan's *A Better Way*), there is no attention to detail. By any objective analysis, TANF's work

requirements are an abject failure, so how would work requirements for other programs be designed to prevent the gaming and bureaucratic disenfranchisement associated with TANF's requirements? What would be the required participation rate, who would be required to participate, how many hours would individuals be required to participate, what activities would be allowed, would there be restrictions on counting certain activities as under TANF, how would these requirements be funded, how would the effects be evaluated, what penalties would states face if they failed to meet work requirements, would there be reasonable cause provisions; could states that fail enter into corrective compliance, how would requirements across programs be coordinated, etc.? If conservatives want to be seen as serious thinkers about welfare reform, they need to master the policy details – that has been their biggest failure.

What follows is a series of tweets from Scott either raising questions directly to me or making statements about TANF as “welfare reform.” In places, I have modified the wording from a particular tweet to make it easier for the reader, but these are not substantive changes. I also add a few statements from some of Scott's recent press articles. This note is not intended to be a full response to Scott's tweets or articles, but rather to highlight differences and possibly areas of agreement. Scott's statement is followed by a “PC Response” (where PC refers to my pseudonym – “Peter the Citizen”).

### **TANF's Theoretical Effects**

**Scott Winship:** “Here's how you & I could make some progress, Peter. I have acknowledged many times that states aren't doing much in way of training, job readiness, placement, etc., will you acknowledge even so, by making welfare less appealing vs work, reform could still have increased employment and thereby reduced poverty because that's the possibility you always ignore in your writing.”

**PC Response:** In terms of employment, I agree and have addressed this in my papers, but only to a limited extent, because despite the theoretical possibility of an employment impact, I think the actual impact was small (as I explain below).

I acknowledged *your* recognition that states are doing little in the way of providing work-related activities and I appreciate that observation, as most conservatives believe TANF's work requirements are behind its putative success. In my June 13, 2016, paper, “The American Enterprise Institute's Proposals to ‘Improve’ TANF: A Cruel Hoax on the Poor,” I quoted you in the midst of a response to something AEI had written about work requirements:

From TANF's inception, caseloads fell much faster than the number of poor families (or families eligible for cash assistance). So, while there may have been some “help,” much of the decline seems to have come from efforts to “cajole, lure, or force” families off welfare (or keep them from coming on it), whether they have jobs or not.

Scott Winship of the Manhattan Institute notes the “under-performance” of states in this regard:

One place where welfare reform has under-performed is in the small number of welfare recipients states have engaged in work-related activities. Most of the success of welfare reform in encouraging work can be attributed to the ways that it has made receipt of benefits less attractive relative to work. People largely left welfare or chose not to enroll independently of state work promotion efforts. Because states can count declines in welfare rolls as increases in work, and because they can game the federal work requirements via various strategies, few of them have devoted much effort toward helping recipients become employed or more employable.

Despite acknowledging the failure of states to engage a large number of recipients, Winship nevertheless believes TANF is a “success” – because it “made receipt of benefits less attractive relative to work.” As such, TANF’s main function has been to impose barriers and cut caseloads through a process known as “bureaucratic disenfranchisement.” If this is the standard by which some conservatives define “success” TANF certainly has been very successful. A better measure would be to go by Speaker Ryan’s words, who described success in terms of “how many people we help,” further cautioning, “Those who protect the status quo must answer to the 46 million Americans living in poverty.”

I did not emphasize the possibility that making welfare “less appealing” would increase employment in the response to AEI, but I did discuss that in my August 17, 2016, paper, “Speaker Ryan’s ‘Poverty, Opportunity, and Upward Mobility Report’: The Need for ‘A Much Better Way.’” That Congressional report is devoid of any substance, whether it comes to describing a particular problem or in its policy solutions. I tried to explain to the authors how they should think about work incentive effects (in oversimplified terms) and the importance of understanding how “income” and “substitution” effects can influence work behavior. In that discussion, I described in no uncertain terms that making welfare less generous (if that’s what you mean by “less appealing”), the incentive to work would increase. But, I also noted that there are other trade-offs.

With respect to poverty, the answer is more complicated. If caseloads decline because TANF increased employment, it might reduce poverty for those who get jobs, but it might exacerbate poverty for those who lose welfare without jobs. Even if the child poverty rate is down overall, as you assert (and I don’t dispute), I do not believe it was due to TANF (as I explain below) and any effect would be small, particularly in comparison to its effects on increasing the depth of poverty for a far larger number of families (which isn’t captured well by looking at rates).

**Scott Winship:** “If you agree then we can argue about whether it *\*did\** do that, about whether other reforms would’ve been better, and about whether no reform would’ve been better.

**PC Response:** I AGREE that what you describe is *theoretically possible*. Making welfare less appealing should induce more work according to economic theory; the answer with respect to poverty is much more difficult, because even if work goes up, if caseloads go down much faster

there would be winners and losers to balance out (ignoring other behavioral responses, e.g., cohabitation).

*Did TANF increase the employment rate of single mothers and reduce the poverty rate of single-mother families?* I don't believe TANF had much impact (but not "no impact") on employment rates and that's why I don't mention it often. And, I believe it increased the depth of poverty for far more families than it "helped" through more employment.

As I explain this in many of my papers, I believe the employment and poverty rate trends would have continued in TANF's early years whether TANF was enacted or not. First, employment rates were rising sharply before TANF was implemented by states in 1997 (see table below); it is unreasonable to think this would have stopped had TANF not been enacted. Second, TANF added little to the flexibility states had with respect to cash assistance and conservatives themselves gutted the work requirements (and the requirement for an evaluation so we would really know the impact of public policies). So, from 1996 to 2000, when the employment rate grew fastest, from 63.5 percent to 72.8 percent, the main causal factors were the strong work message and a huge federal windfall in funding, some of which did go to child care and work supports. Over time, the work message weakened and the windfall disappeared. Third, employment and poverty impacts from random assignments experiments of "welfare reform" and "welfare-to-work programs" conducted during the period of the most rapid national decline showed much more modest effects than indicated by the pre-post changes.

I don't consider a simple pre-post comparison to be a valid way of measuring causal effects, but for the sake of argument, if one looks at changes in employment rates of single mothers between 1996 and 2013, they are relatively small compared to the drop in the TANF reciprocity rate of single mothers. The table below shows that the employment rate of single mothers is barely higher in 2013 than when TANF was implemented (65.3 percent vs. 63.5 percent). However, the AFDC/TANF reciprocity rate of single mothers is much lower – it declined from about 33 percent of single mother families to about 12 percent of single mother families. (The number of single-mother families receiving TANF is not a readily available statistic, but about 25 percent of the caseload consists of either two-parent families or are headed by non-parental caretaker relatives.) The "impact" is converted to the number of single mothers/single mother families by simply taking the rate in a particular year, subtracting the 1996 rate, and then multiplying the pre-post "impact" by the current year number of single mothers. Then we can see that the number gaining employment is small relative to the number losing TANF. The caseload decline is more than 11 times as great as the employment impact. The same approach could be undertaken with poverty rates. This is a simplistic approach, but if conservatives use a pre-post approach, they can note the employment gains, but they should not ignore the much, much larger number losing TANF.

Single Mothers: Employment and Caseloads (draft)								
Year	# Single Mothers (000s)	Employment Rate	# Employed Single (000s)	Single mom TANF (000s)	Single Mother TANF Receipt Rate	Gaining Employment (000s)	Losing TANF (000s)	
1988	8,321	57.4%	4,776	2,812	34%			
1989	8,400	58.2%	4,889	2,849	34%			
1990	8,745	60.3%	5,273	3,043	35%			
1991	9,031	58.1%	5,247	3,373	37%			
1992	9,567	57.3%	5,482	3,622	38%			
1993	9,860	57.3%	5,650	3,759	38%			
1994	9,837	58.0%	5,705	3,775	38%			
1995	9,887	61.1%	6,041	3,593	36%			
1996	10,052	63.5%	6,383	3,326	33%			
1997	9,874	65.6%	6,477	2,805	28%	207	-453	
1998	9,881	68.8%	6,798	2,288	23%	524	-973	
1999	9,741	70.7%	6,887	1,934	20%	701	-1,281	
2000	9,712	72.8%	7,070	1,727	18%	903	-1,478	
2001	10,044	72.5%	7,282	1,644	16%	904	-1,671	
2002	10,206	71.2%	7,267	1,640	16%	786	-1,728	
2003	10,411	69.6%	7,246	1,635	16%	635	-1,801	
2004	10,489	69.7%	7,311	1,615	15%	650	-1,847	
2005	10,476	68.9%	7,218	1,546	15%	566	-1,911	
2006	10,938	69.6%	7,613	1,430	13%	667	-2,180	
2007	10,748	70.0%	7,524	1,298	12%	699	-2,249	
2008	10,797	69.1%	7,461	1,276	12%	605	-2,287	
2009	10,990	65.8%	7,231	1,379	13%	253	-2,248	
2010	11,185	64.1%	7,170	1,439	13%	67	-2,252	
2011	11,467	63.6%	7,293	1,430	12%	11	-2,354	
2012	11,125	65.7%	7,309	1,389	12%	245	-2,282	
2013	10,970	65.3%	7,163	1,295	12%	197	-2,326	

Source: Tom Gabe, CRS. Single mother caseload = AFDC/TANF caseload multiplied by 75 percent; typically about 25 percent of AFDC/TANF cases are two-parent or caretaker relative cases. I chose administrative data because it reflects average monthly data and is consistent with the employment rate which is the March employment rate using the CPS.

So, based on pre-post comparisons attributing all changes to TANF, even if it worked once (e.g., in 2000 when the funding windfall was at its maximum and before work requirements or time limits were fully phased in), it doesn't work now – the windfall is gone and states have diverted considerable sums to activities unrelated to welfare reform. Indeed, *cash assistance has continued to get less and less appealing since 2000, so why hasn't the employment rate continued to go up?*

In sum, you wanted me to acknowledge that “reform could still have increased employment and thereby reduced poverty because that’s the possibility you always ignore in your writing.” I agree it is a theoretical possibility, and you are right – I largely ignore it – because I don’t believe TANF caused employment to go up much (or the poverty rate to decline), but TANF is certainly responsible for much of the caseload decline.

*Would other reforms or no reform have been better?*

It is both the case that nothing would have been better than TANF, and the welfare system could have been improved. Here's why.

You probably assume that “nothing” is the AFDC/JOBS program. But, that's not the baseline. The baseline is an “Opportunity Grants”-like process for AFDC. As I explain in my April 24, 2016, paper, “Saving Speaker Ryan: 20 Reasons Why TANF is NOT ‘Welfare Reform,’ NOT a Model for Reforming the Safety Net, and NOT Conservatism,” TANF replaced an evidence-based welfare reform model, which had strict accountability measures, with a blank check with virtually no meaningful accountability. I explained the waiver process as follows:

In 1987, President Reagan started 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. When the 1996 law passed, many states simply continued these policies – they didn't need TANF to enact “welfare reform.” 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. 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. As a result, it would be possible to know whether state reforms actually reduced welfare dependency by increasing self-sufficiency. And, the experience of the control group could be used to ensure cost-neutrality, as the budgetary effects of any programmatic changes would be measured by examining the experimental-control group differences in costs. TANF replaced this approach with one that essentially provides states a blank check with no accountability. Solution: In reforming any safety net program, look to the “Reagan model” – build in accountability and evaluation to ensure that the reform actually succeeds in reducing dependency and poverty. Do not replicate the “TANF model.”

That process could have been improved and extended to other programs. As we built evidence of what works and what doesn't, we would have the basis for making national reforms.

We could have also added funding to test experimentally new ideas. For example, I notice that you recently recommended the following:

While welfare reform succeeded at increasing work and reducing poverty, it was less successful reversing the tide of out-of-wedlock childbearing. One lesson from reform is that big, clear financial incentives may be more effective than government programs that try to change people's behavior. A way to apply that lesson to nonmarital childbearing would be to expand the Child Tax Credit — but only for married couples. That would

leave single parents no worse off, but encourage delayed, planned and marital childbearing.<sup>3</sup>

As a conservative, I am reluctant to spend more money, particularly on untested ideas. A better reform approach, based on what I described above, would be to fund and evaluate this idea. On the surface, I am skeptical that your approach would have any impact on non-marital births, even with a large incentive. (It might have more of an effect on marriage, if it were based on current marital status.) And, this is a potentially expensive idea, though the end cost would depend on the parameters and behavioral effects. Suppose the idea ends up costing \$10 billion a year (in outlays and/or foregone tax revenues), but has no effect on non-marital births. While it certainly would increase the incomes of married couple families, it would also have negative work incentive effects (the “income effect”), which would be important to measure, and much of it would not be targeted to the poor (at least based on current parameters). But, the big cost is the opportunity cost – that \$10 billion could perhaps have been spent on something else that actually did reduce non-marital births or have other positive impacts. And, if it did reduce non-marital childbearing, we would want to know how much and conduct a formal cost-benefit analysis.

Whether your idea is a good one or not is an empirical question. This is why I believe the waiver process, and expanding it to other programs, would have been the preferred way to go. We should constantly be evaluating programs and policy options and building on an evidence base. (Note: there are many technical issues in doing this right, neither Speaker Ryan’s Opportunity Grants proposal nor Senator Rubio’s Flex Fund proposal have much detail, but what I have seen raises red flags. So, while I think this is the right approach, it has to be done carefully to avoid becoming another debacle like TANF. I wrote more about this in my November 4, 2015, paper, “How to Really Discuss Poverty like Grown-Ups: A Cautionary Tale about ‘Opportunity Grants,’ the ‘Flex Fund,’ and ‘Serious’ Conservative Anti-Poverty Strategies.”

**Scott Winship:** “To be clear, I don’t think PRWORA was the single best policy that could’ve been enacted. But it was better than no PRWORA. That’s my only claim, & I don’t make it or try to justify it in the new paper, which is about establishing basic facts. I titled it as I did without causal inference, for a reason. My conclusion discusses the question and how difficult it is to answer.”

**PC Response:** In my response to you, I said:

In “Poverty After Welfare Reform,” Winship tackles each of these issues and shows how each factor affects a variety of poverty rates – the child poverty rate, the poverty rate of children in single-mother families, deep child poverty rates for those in single-mother families, and extreme (\$2 a day) child poverty rates for those in female-headed families. His analysis is comprehensive and impressive.

Later, I wrote:

Notably, the title of Winship's paper is poverty *after* "welfare reform." He shows changes in poverty rates over time using a number of adjustments, but presents no evidence that "welfare reform" *caused* those changes.

So, I was clear that you presented trends and your findings were not causal and that your title was quite appropriate. But, you are constantly making causal claims, as in, "Welfare Reform Reduced Poverty and Nobody Can Contest It."<sup>4</sup> That's a very causal statement. Then, your recent headline in the *Daily News* was: "Happy birthday, welfare reform: The law signed by Bill Clinton in 1996 helped millions of American families rise out of poverty."<sup>5</sup> In this article, you say: "While welfare reform succeeded at increasing work and reducing poverty, it was less successful reversing the tide of out-of-wedlock childbearing."<sup>6</sup> You are making causal inferences.

And, notwithstanding your title, "Poverty After Welfare Reform," I believe you did make a number of causal statements, as I indicated my response to you:

Winship goes too far in suggesting that "welfare reform" in 1996, as reflected in the creation of the Temporary Assistance for Needy Families (TANF) block grant, is a success. Indeed, he defends the status quo and goes so far as to suggest its "lessons" should be extended to other safety net programs:

The idea that rolling back welfare reform would help the poor is wholly unjustified by the evidence. Obviously, much depends on the details of future proposals, but the facts do not even imply that extending the lessons of welfare reform to other safety-net programs would be harmful to the very poor.

The problem with this statement is that Winship presents absolutely no "facts" about TANF or any "evidence" of its impacts beyond merely asserting that it increased employment and reduced poverty. His analysis of poverty rates, while impressive, is not a basis for making causal inferences about the effects of "welfare reform" and his focus on various poverty *rates* does not fully capture distributional effects and changes in the depth of poverty.

If you were just presenting "facts," you would have simply described the poverty rate trends with all your adjustments. In fact, as I said, the vast majority of your paper is impressive and you deal with the subject in a comprehensive manner. I haven't studied poverty measurement issues in over a decade, so I can't comment on your assumptions and adjustments, but I'm not taking issue with them.

In my opinion, you did make unwarranted causal claims. When you say the evidence does not justify "rolling back welfare reform," haven't you made a causal conclusion that it either had no adverse effects or that it helped the poor?

Then you say, "the facts do not even imply that extending the lessons of welfare reform to other safety-net programs would be harmful to the very poor." I read this to mean that you do think the "facts" support the idea that the TANF model could be extended to other programs without

being harmful. (And, whether *you* meant it or not, lots of conservatives will take your findings as evidence that TANF is a model to be replicated.)

You don't really explain what the "lessons of welfare reform" are; some conservatives would say the work requirements; you seem to suggest its making welfare "less appealing vs. work." But, then later you advocate extending work requirements to other programs despite acknowledging TANF's failures. Regardless, even the suggestion that the TANF model is one to look at is misguided. There is no basis for generalizing the results (whatever they are) of TANF to any other program – the populations differ, the types of benefits provided differ, the programmatic rules and funding approaches differ, etc.

And, your "facts" are limited. My main issue with TANF is the incompetence of the legislation and the technical details – the overcomplexification and ineffectiveness of federal requirements, the excessive state flexibility to supplant state funding, the gaming of work and other federal requirements, and myriad of other dysfunctional provisions. I identify over 100 technical "mistakes" in *TANF is Broken!* These are also "facts" that should be considered and they are the facts I have devoted considerable time explaining.

### **What are TANF's Lessons?**

**Scott Winship (from "Poverty After Welfare Reform"):** "...the facts do not even imply that extending the lessons of welfare reform to other safety-net programs would be harmful to the very poor."

**PC Response:** I can't figure out what the "lessons" are. So, I will speculate about some of the possibilities and let you clarify for me.

**Possible Lesson #1:** TANF is mainly about making welfare "less appealing." This could increase employment, but you don't present evidence of that and post-2000. But, in your paper, the cash income poverty line trends upward, suggesting that strategy was wearing off. But, child poverty still went down because other programs expanded, and as I show in the table in my response to you, they expanded a lot.

You seem to argue that because TANF weakened, the rest of the safety net was expanded. Indeed, you have several tweets supporting this position, such as:

It is abt policy tho--rest of safety net wldv looked different wo PRWORA

And, in your paper, you write:

The question is what would have happened in the absence of the welfare reform we actually implemented. This is a very difficult question to answer. If the AFDC program circa 1991 remained with us today, would policymakers have expanded SNAP, Medicaid, and the EITC as much as they actually did? Would they have created the Children's

Health Insurance Program, made the Child Tax Credit refundable, or passed Obamacare?  
Would the antipoverty policy response during the Great Recession have been as strong?

As I counter in my response to you,

This is an unusual argument. Winship is suggesting that shredding the cash assistance safety net led to an expansion in other parts of the safety net. So, if we extend the TANF model to SNAP, can we expect to see child allowances, an increase in the minimum wage, and universal health care?

And, it is worth noting that some of the expansions, notably the Affordable Care Act and the Recovery Act Stimulus package barely passed, while others occurred before TANF was enacted.

**Possible Lesson #2:** Many conservatives believe extending the block grant concept, the flexibility, the work requirements to other programs are the model to follow. In my response to you, I said:

If Winship and conservatives want to use TANF as a model for reforming other safety net programs, they should actually study the implementation of the “program” and ask themselves the following 10 questions about TANF:

1. Does it make sense to have work requirements that don’t work?
2. Does it make sense to have a funding structure for a safety net program that is unresponsive to changes in economic and demographic circumstances?
3. Does it make sense to give states so much flexibility they can count virtually any expenditure as “reasonably calculated” to advance a TANF purpose?
4. Does it make sense to permit states to use TANF funds to supplant existing state expenditures and use it as a giant slush fund?
5. Does it make sense to replace a simple and effective federal-state matching approach with an ineffective, Rube Goldberg-like financing scheme?
6. Does it make sense to give states so much flexibility they can duplicate the benefits and services of dozens of other low-income programs with virtually no accountability?
7. Does it make sense to provide funding for safety net programs that have either no income limit or that permit states to set very high income limits?
8. Does it make sense to impose rules that are ineffective and/or needlessly complicated?
9. Does it make sense to ignore evidence-based research?
10. Does it really make sense to use TANF as a model for reforming other welfare programs?

TANF has failed with respect to each of the first nine questions (see *TANF is Broken!*) and thus the answer to question #10 should be a resounding “no” – it should not be a model for reforming other welfare programs. If Winship disagrees, he should explain how any of this dysfunctionality is a “lesson” for reforming other safety net programs.

**Possible Lesson #3:** In your *Daily News* article you wrote:

Far from rolling back reforms, other lessons of the welfare overhaul should be extended to parts of the safety net that continue to embody perverse incentives, discouraging work and independence. Federal disability programs help millions of adults with serious work limitations and impaired children, but they also support a growing population of able-bodied adults and children with questionable diagnoses. Food stamps and housing programs have minimal to no work requirements or time limits.

We ought to build into these programs provisions to discourage long-term dependence, generous exemptions from work requirements and time limits to protect families with the greatest challenges — and financial support for the working poor to ensure that work leaves people better off.

Like Speaker Ryan’s “A Better Way” report on poverty, this says nothing of substance and it is unclear how you derive any of these “lessons” from the TANF experience. I agree welfare programs and phase out rates can affect work incentives. Do you have a specific solution? As I wrote in my response to Speaker Ryan’s report, this is really an empirical question, so what would you do. Like in *Up from Dependency* and like now, we have to acknowledge that we don’t have the answers and we should experiment with a variety of reforms.

And, as I indicated above, you yourself noted that states were underperforming when it came to work requirements. So, how is that a “lesson” from TANF? Conservatives have shown no competence in designing work requirements; that’s an important lesson from TANF. So, on what basis would you advocate extending them to other programs? Notably, you recently tweeted, “Work increased because the incentives were changed to promote work. Binding work req. proved unnecessary.” So, are they necessary or not? If not, why are you bringing them up? If they are, where are the details?

And, do you know what the evidence is on time limits? I don’t. TANF ended an approach where we could have learned something about the effects of time limits. There is no credible evidence on the optimal duration, what exemption or extension policies there should be, and whole host of other policy choices.

**Scott Winship:** “Welfare reform was the most successful anti-poverty legislation since the national expansion of food stamps in 1974. History will regard it as a model, not a mistake.”

**PC Response:** One is a guaranteed basic income; one is revenue sharing for the states with a myriad of dysfunctional requirements. The perception of TANF has been changing in recent years, even among conservatives. Your paper won’t change that; conservative talking points won’t change that – the growing dysfunction and TANF’s failure as a safety net and work program will show TANF to be the failure it really is.

**Scott Winship:** “In fact, evidence suggests welfare reform was the most important antipoverty policy since the national expansion of food stamps in 1974. I believe that to be true, yet I favor greater federal spending (spent differently) on the poor. Wanting to help poor children does not require one to believe that poverty is worse than it is or worse than in the past. But whether one finds the case persuasive or not, critics of welfare reform will have to find a different reason to oppose it than the supposed rise in extreme poverty.”<sup>7</sup>

**PC Response:** I am the harshest critic of welfare reform, and I am a conservative who advocates a welfare reform model from the Reagan Administration. I base my main criticism on the incompetence of the 1996 welfare reform resulting in what can only be considered the most dysfunctional social program in the past century. I have described in great detail: the problems with TANF’s funding mechanism (and not just its non-responsiveness); the failure of its work requirements; the needless overcomplexification; the excessive state flexibility to supplant and use it as slush fund; and dozens of other technical mistakes. You have yet to explain how such a dysfunctional mess could be a success and why it should be a model for reforming other programs. Ironically, your statement comes in a section called, “Inflating the Truth Helps Nobody”; you are right – it’s time for you to look in the “black box.”

Also, citing your own paper as “evidence” didn’t persuade me. And, based on your reasoning, inflation-adjusted spending on TANF has declined, making it less appealing. If that’s success, why do you advocate *more* spending?

## **Conclusion**

**@swinshi:** “you’ve been reading too much Germanis.”

**PC Response:** We may have to agree to disagree on policy and evaluation, but if you want to be a serious welfare commentator, you should start reading “Germanis” and actually discuss policy details.

It does sound like we can at least agree on the value of good experiments. I just saw the exchange you had with Rachel West of Center for American Progress, which advocated just that approach for one intervention.

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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 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>; for all my papers, see: <https://petergermanis.com/>.

<sup>2</sup> Scott Winship, "Happy birthday, welfare reform: The law signed by Bill Clinton in 1996 helped millions of American families rise out of poverty," August 25, 2016, available at: <http://www.nydailynews.com/opinion/scott-winship-happy-birthday-welfare-reform-article-1.2764481>.

<sup>3</sup> Scott Winship, "Happy birthday, welfare reform: The law signed by Bill Clinton in 1996 helped millions of American families rise out of poverty," August 25, 2016, available at: <http://www.nydailynews.com/opinion/scott-winship-happy-birthday-welfare-reform-article-1.2764481>.

<sup>4</sup> Scott Winship, "Welfare Reform Reduced Poverty and No One Can Contest It," *Forbes*, January 11, 2016, available at: <http://www.forbes.com/sites/scottwinship/2016/01/11/welfare-reform-reduced-poverty-and-no-one-can-contest-it/>.

<sup>5</sup> Scott Winship, "Happy birthday, welfare reform: The law signed by Bill Clinton in 1996 helped millions of American families rise out of poverty," August 25, 2016, available at: <http://www.nydailynews.com/opinion/scott-winship-happy-birthday-welfare-reform-article-1.2764481>.

<sup>6</sup> Scott Winship, "Happy birthday, welfare reform: The law signed by Bill Clinton in 1996 helped millions of American families rise out of poverty," August 25, 2016, available at: <http://www.nydailynews.com/opinion/scott-winship-happy-birthday-welfare-reform-article-1.2764481>.

<sup>7</sup> Scott Winship, "Nobody in America Lives on \$2 Per Day," *The Federalist*, August 26, 2016.