

On the Dignity of Work: Ron Haskins “Responds” to Matt Weidinger (*Sort of*)

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In “On the Dignity of Work, AOC’s View Has Replaced FDR’s,”² Matt Weidinger of the American Enterprise Institute (AEI) argues that “FDR’s vision promoting the dignity of work is under assault by Democrats providing relief to able-bodied adults.” In particular, he takes issue with the expanded child tax credit:

These “child allowances” replace a program that today provides tax relief and associated assistance only to parents who work, amplifying the new program’s embrace of relief over work.

Many of Weidinger’s arguments about the putative success of welfare reform and the potential negative effects of a child allowance are either misleading, wrong, or do not reflect the mainstream view of researchers and experts who study anti-poverty programs. Indeed, they also seem to be out-of-step with his one-time colleague, *Ron Haskins*, who is considered by many to be the “architect” of welfare reform.

This “Peter the Citizen” response critiques the claims made by Weidinger and follows each with a “PC Response” – short for “Peter the Citizen.” Unlike past papers, this response will rely heavily on the words of Ron Haskins – citing his work in various publications and testimony.

CAVEAT: Some of the quotes by Haskins reflect careful selection on my part and likely exaggerate any differences that he and Weidinger have about TANF and welfare reform generally. Hence, the reference to “Sort of” in the title of this response. Nevertheless, I would argue that the selected quotes are the best reflection of the state of the safety net and the research surrounding it. They also show Haskins’ willingness to go beyond the standard conservative talking points to provide an objective assessment of welfare reform.

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Weidinger: “Policymakers who reject work in favor of relief also are turning back the clock to when Bill Clinton campaigned in 1992 on a pledge to ‘end welfare as we know it’ because welfare had become work-free relief.”

PC Response: Suggesting that the preTANF AFDC program provided “work-free relief” is wrong and highly misleading. The Family Support Act of 1988 imposed the first real work requirements on states under the new Job Opportunities and Basic Skills Training (JOBS) program. By FY 1995, states were to have 20 percent of their nonexempt caseloads involved in a work, education, or training activity for an average of 20 hours per week. In addition, many states strengthened these work requirements through waivers of exemptions, activities, sanctions, and other related policies. While the 20 percent AFDC-JOBS work participation rate target

sounds modest, it did more to hold states accountable for engaging families in work activities than TANF's seemingly tougher 50 percent statutory rate. TANF's 50 percent rate is reduced by a caseload reduction credit and is manipulated by states through various loopholes.

The prior AFDC-JOBS program was also designed to do more to help families achieve self-sufficiency by giving states more flexibility to tailor programs based on their effectiveness vs. forcing them to adopt a rigid work-first model that is unreasonable for recipients, unrealistic for states, and not based on a careful reading of the research. Moreover, the waivers related to work requirements and other policy changes were conditioned on conducting a random assignment experiment to assess the impact and inform policymaking. Meanwhile, TANF is a blank check with no meaningful accountability. "Turning back the clock" would be a good thing.

Haskins acknowledges many of TANF's failures, including that in many states it too is "work-free relief":

States have had two decades of experience with TANF, but many are still avoiding the requirements. I would rather see a modest work requirement in terms of the percentage and number of hours that the caseload must work than a strict requirement that drives states to look for loopholes.³

It is also wrong to suggest that supporters of a child allowance reject "work in favor of relief." **Haskins** served as a member of the Committee on Building an Agenda to Reduce the Number of Children in Poverty by Half in 10 Years, which produced a report that included recommendations to enact a child allowance. In testimony summarizing the findings, conclusions, and recommendations from the Committee's report, *A Roadmap to Reducing Child Poverty*, **Haskins** describes the possible pro-work effect of a child allowance:

Because child allowance benefits are not reduced as earnings increase (at least not until incomes reach 300 percent of the poverty line in Policy #2), they provide a more secure floor than means-tested benefits, one that does not penalize intermittent work. At least 17 developed nations have some form of a child allowance. The U.S. federal tax system's current \$2,000 child tax credit is akin to a once-a-year child allowance. Many families with children benefit from its \$2,000 per child reduction in taxes. However, currently, these benefits are not universal: families with no or very low incomes (and the very rich) are not eligible.⁴

Haskins also explains the importance of extending aid to poor children living in "families with no or very low incomes," citing the possible long-term employment (and other) benefits for children themselves.

Child poverty compromises the health, learning and development of our children and their future employment opportunities and well-being. ...The committee concluded that the weight of the causal evidence indicates that income poverty causes negative child outcomes, especially when poverty begins early in childhood and/or persists throughout a large portion of childhood. Children who grow up in poverty experience worse outcomes than children who grow up in higher-income families on every dimension of well-being –

physical and mental health, education, labor market success, engagement in risky behaviors, and delinquency.⁵

While one can debate the findings from research, Weidinger provides a grossly misleading picture of the policy environment and the motivations of those who support a child allowance by: 1) misstating the character of the AFDC program; 2) ignoring the multiple problems of the TANF program (both overall and particularly with respect to its work requirements); and 3) ignoring the research about the impact of poverty on children and the possible benefits of added assistance.

Weidinger: “Welfare checks then flowed mostly to households in which no one worked and many remained on benefits and in poverty for years.”

PC Response: AFDC checks “flowed mostly to households” without earners because it was targeted to very poor families. In most states, a job would make a family ineligible for assistance because the income eligibility limits in all states were very low and recipients faced a high marginal tax rate when they went to work (100 percent for AFDC after four months of work).⁶ Notably, the expanded child tax credit will be very different than AFDC, because checks will “flow mostly to households” with earnings,⁷ addressing one of Weidinger’s concerns.

Weidinger: “Average lifetime stays on welfare were 13 years and benefit collection was often passed from one generation to the next.”

PC Response: Weidinger often repeats these misleading talking points, without mentioning important qualifications about these claims. In 1998, *Haskins*, then Staff Director of the Subcommittee on Human Resources of the House Ways and Means Committee, edited the *1998 Green Book*, which included a chapter on the AFDC program.⁸ This chapter had a more balanced presentation of these claims.

With respect to the duration of welfare receipt, it is highly misleading to take a snapshot of the caseload at a point in time and claim that the average duration for that group represents “average lifetime stays” of AFDC families generally. As explained in the *Green Book*:

The expected duration of welfare for the point-in-time caseload is much longer than for a beginning group of recipients because the probability of being on welfare at a given time is necessarily higher for long-term recipients than for those who have short welfare spells. The large number of persons who use welfare for a short time come and go, but the long-term users remain on the rolls.⁹

The chapter also includes a table that shows that the expected lifetime duration for new entrants was much shorter, with 27.4 percent expected to receive AFDC for 12 months or less and two-thirds were expected to receive if for five years or less.¹⁰ Very few would be expected to receive assistance for 13 years.

With respect to intergenerational receipt, Weidinger doesn’t actually say welfare receipt “causes” children of welfare parents to go on welfare themselves, but it is implied. The discussion in the

Green Book chapter includes several caveats. First, findings that show an association between parental and child welfare receipt *seem to be* limited to daughters:

A 1990 review of seven studies made between 1986 and 1990 (Moffitt, 1990) concluded that their results provide consistent evidence of strong correlations between parental welfare receipt and later behavior of the daughters. Moffitt concluded that the research showed that daughters from welfare families are much more likely to participate in the welfare system themselves at a later date, and are more likely to have births in general and premarital births in particular. Evidence was weaker for the one study that examined the effect of parental welfare receipt on later work effort by sons.¹¹

Second, and more important, was the chapter's warning about confusing correlation with causation:

The studies do not answer the question of whether growing up in a family that receives AFDC "causes" a daughter to later become an AFDC mother. Many omitted variables, such as the human capital characteristics of the parental family, could be responsible for the observed correlation. Children from AFDC-dependent homes generally have fewer parental resources available to them, live in worse neighborhoods, and go to lower quality schools. All of these factors could have an independent effect on the probability of their receiving AFDC in adulthood. Further, if there is any transmission of AFDC receipt from one generation to the next, it could operate in a number of ways: for example, by lowering the stigma of welfare, by acquainting the AFDC child with rules of the system, by affecting the work effort of the AFDC family or its investments in human capital.¹²

Weidinger should be aware of these qualifications, as he is credited with "assisting" *Haskins* in preparing the publication. It should also be noted that the overall policy environment today is different than during the AFDC era, particularly with respect to the availability of other programs that support work, so generalizing from the experience under AFDC to a child allowance would not be appropriate in any event.

Weidinger: "Then-Senator Joe Biden voted for the eventual 1996 law ending the former welfare program and replacing it with an expectation that recipients work or train for benefits, saying 'The culture of welfare must be replaced with the culture of work.'"

PC Response: Weidinger makes it clear that he considers TANF (AFDC's replacement) to be "welfare reform" (vs. a broader conception of reform that includes changes to the array of safety net programs). While then-Senator Biden might have voted for the legislation in 1996, he would be right to be concerned about the long-term results. And he would not be alone in being highly critical and rejecting that approach today, in large part because TANF is not about a "culture of work," but rather about welfare for state politicians who in many states treat it as a slush fund to supplant existing state expenditures and otherwise fill budget holes.

An indication that TANF expenditures have gone beyond what the drafters of the law envisioned is clear from remarks by *Haskins* at a conference on its 20th anniversary.

At the time the block grant was a good idea, it really shook things up. It gave the governors like Tommy Thompson, Engler, and others a lot of control and they used it wisely. ...But then it turned out that the governors became enmeshed in politics and they had a lot of pressures – they had to do something about their child protection caseload, they had to do something about daycare, they had to give scholarships for college, so they were pulled in all different directions. We gave them the flexibility. It was poorly drafted and so they had tons of flexibility. But we're still in charge; we still write the statutes. Why aren't Republicans doing something? This problem has been obvious for a long, long time. It could be changed, so for example we could change tomorrow the statute that the governors can only spend TANF on cash welfare and work programs – that's it and nothing else. I think that would be a great improvement.¹³

And what about TANF's "expectation that recipients work or train for benefits"? Writing elsewhere, *Haskins* dismisses the suggestion that they were a success:

The straightforward approach of using the TANF work requirements as a model for work requirements in other welfare programs because of their perceived "great success," as many Republicans want to do, is flawed because the TANF work requirements have major problems.¹⁴

And,

Examining these problems with the TANF work requirement leaves little doubt that the TANF approach to requiring work has not proven to be an effective way to help welfare recipients prepare for or find unsubsidized work. New attempts to strengthen the work requirement in TANF and other means-tested programs should learn from, but not follow, the TANF example. In fact, if TANF work requirements are any example, we must find and test new ways to help welfare recipients enter employment. This conclusion is especially important because the unprecedented decline in the TANF caseload has meant that there are now many more families living in poverty, and even deep poverty (below half the poverty level), that do not receive a cash benefit.¹⁵

Weidinger: "Those pro-work reforms succeeded, with work and earnings rising rapidly among parents previously most likely to depend on welfare. Child poverty fell sharply after 1996, and overall poverty and child poverty continued to fall in the years before the pandemic."

PC Response: Conservatives tend to oversimplify the results of welfare reform, typically focusing on simple data trends in the immediate aftermath of welfare reform and attributing these gains to TANF and its work requirements. *Haskins* takes a more comprehensive view:

Although many Republican politicians have attributed these remarkable trends entirely to welfare reform, most analysts cite two additional factors that also contributed: a hot economy generating jobs at a remarkable clip and the expansion of the Earned Income Tax Credit (EITC) and other benefits that "made work pay."¹⁶

Even this ignores many other demographic, economic, and societal factors that can influence employment and poverty trends.

Weidinger notes that the overall and child poverty rates “continued to fall in the years before the pandemic.” Notably, much of this success is directly related to expansions in various non-cash programs and refundable tax credits, along with the economic recovery since the Great Recession.

It is also important to understand distributional effects and to put TANF’s poverty-related findings into broader perspective. In this regard, the poverty *rate* is not a particularly useful metric for assessing TANF’s performance, because most families that receive it are poor with or without it. A better approach would be to examine the impact on the depth of poverty or a measure like the deep poverty rate (i.e., the percent with incomes below 50 percent of poverty). Using a more appropriate metric, **Haskins** highlights TANF’s declining performance:

In 2012, TANF reduced the rate of deep poverty from 9.5 percent to 8.4 percent, a decline of about 12 percent. By contrast, in 1995 the Aid to Families with Dependent Children that TANF replaced reduced the deep poverty rate from 11.3 percent to 6.5 percent, a decline of 42 percent. The two primary goals of TANF are to provide income support to poor families while they struggle to stabilize their life and to help people achieve self-sufficiency through work. TANF now seems to be achieving neither goal.¹⁷

Weidinger: “That successful pro-work system is now being rejected by Democrats in favor of permanent relief regardless of work.”

PC Response: While Weidinger may believe TANF’s work requirements are central to a “pro-work system,” **Haskins** highlights the “work-avoiding ploys” states use to meet them:

...the fact that states have played so many games, already outlined in detail, to meet the work requirements might be considered *prima facie* evidence that the work standard is difficult for states to meet. In the more than two decades since TANF was enacted, virtually no states have met the work requirement without using one or more of the work-avoiding ploys described.¹⁸

As to why TANF’s work requirements have failed so badly, **Haskins** offers some important insights. In particular:

...having been involved in writing the TANF legislation, I would assert that many of the specific work standards in TANF were guesses – guesses informed by a desire among Republicans to fashion a demanding work program, which may have caused them to err on the side of tough requirements.¹⁹

Policy should be based on facts and evidence, not guesswork, particularly when dealing with some of the nation’s poorest and most vulnerable families.

In addition, it's not just Democrats who are rejecting TANF's "pro-work system" – it's also being rejected by many other conservatives:

- **Ron Haskins:** "It follows that the approach to meeting the work requirement taken by states in the TANF program does not provide a model for other welfare programs to follow. It is now essential to help states develop effective work and training programs that can be implemented at scale to help recipients qualify for and find jobs and that repair the hole in the safety net created by the retraction in the number of people served by the TANF program."²⁰
- **Robert Rector** of The Heritage Foundation, dubbed the "godfather" of welfare reform: "States do not spend money on the purposes of welfare reform."²¹ And, "Overall, the states have radically abused the program. Almost every state government has failed to carry out the principal objectives. Promoting work is the key idea of the act and they do virtually nothing – both red and blue states."²²
- **Rep. Adrian Smith** (R-NE), chairman of the Human Resources subcommittee in 2018: "there is abundant evidence that TANF in its current form is broken." [Note: TANF's main features haven't changed since its inception, except funding in real dollars has declined steadily and states have become more adept at, in Haskins' words, "game playing."]
- **Rep. French Hill** (R-AR) awarded TANF the Golden Fleece Award. This "award" was originally introduced by Senator William Proxmire (D-WI) in 1975, as "a monthly bulletin on the most frivolous and wasteful uses of hardworking taxpayers' dollars."²³
- **Senator Rand Paul** (R-KY) included TANF in his *The Festivus Report of 2020*, a report about waste in government.²⁴

Weidinger: "FDR contended in the depths of the Great Depression that 'The Federal Government must and shall quit this business of relief.' But as today's economy emerges from recession, Democrats aren't quitting relief – they are embracing it."

PC Response: On TANF's 20th anniversary, Haskins asserted: "A great nation has to have a cash welfare program."²⁵ By any objective standard, TANF has failed in this regard – a problem Weidinger and many conservatives ignore completely. If they had taken TANF's deficiencies seriously and advanced reasonable, realistic, and evidence-based reforms, the need for a child allowance to address the holes in the safety net could have been avoided. And, had conservatives (and Bill Clinton) built their reforms around the AFDC waiver experience (vs. giving them a blank check), there would have been more evidence from rigorous evaluations about a wide array of reforms.

Conclusion

Ron Haskins: "States did not uphold their end of the bargain. So, why do something like this again?"²⁶

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. 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: <http://mlwiseman.com/wp-content/uploads/2013/09/TANF-is-Broken.072515.pdf>.

² Matt Weidinger, "On the Dignity of Work, AOC's View Has Replaced FDR's," *RealClear Policy*, March 26, 2001, available at:

https://www.realclearpolicy.com/articles/2021/03/26/on_the_dignity_of_work_aocs_view_has_replaced_fdrs_769907.html.

³ Ron Haskins and Heather Hahn, "Do work requirements work? Part 2 of the debate," American Enterprise Institute, June 22, 2018, available at: <https://www.aei.org/poverty-studies/do-work-requirements-work-part-2-of-the-debate/>.

⁴ Testimony of Dolores Acevedo-Garcia and Ron Haskins, "Combatting Child Poverty in America," Subcommittee on Worker and Family Support, Committee on Ways and Means, U.S. House of Representatives, March 11, 2020, available at: <https://www.nationalacademies.org/ocga/testimony-before-congress/combating-child-poverty-in-america>. The testimony includes the following note: "PLEASE NOTE: The following statement was submitted for the Record for Dr. Acevedo-Garcia. Dr. Haskins appeared before the Subcommittee in place of Dr. Acevedo-Garcia, who was unable to travel due to the COVID-19 outbreak. Dr. Haskins delivered the oral statement and took the Subcommittee's questions."

⁵ Testimony of Dolores Acevedo-Garcia and Ron Haskins, "Combatting Child Poverty in America," Subcommittee on Worker and Family Support, Committee on Ways and Means, U.S. House of Representatives, March 11, 2020, available at: <https://www.nationalacademies.org/ocga/testimony-before-congress/combating-child-poverty-in-america>. The testimony includes the following note: "PLEASE NOTE: The following statement was submitted for the Record for Dr. Acevedo-Garcia. Dr. Haskins appeared before the Subcommittee in place of Dr. Acevedo-Garcia, who was unable to travel due to the COVID-19 outbreak. Dr. Haskins delivered the oral statement and took the Subcommittee's questions."

⁶ Many states received waivers to modify AFDC's earnings disregards to lower these tax rates.

⁷ Of course, the percentage with earnings would be lower than the current 100 percent, as the child tax credit is now limited to those with earnings.

⁸ Ron Haskins (editor), "Aid to Families with Dependent Children," in *1998 Green Book: Background Data and Material on Programs within the Jurisdiction of the Committee on Ways and Means*, House Ways and Means Committee, May 19, 1998, available at: <https://www.govinfo.gov/content/pkg/GPO-CPRT-105WPRT37945/pdf/GPO-CPRT-105WPRT37945-2-7.pdf>.

⁹ Ron Haskins (editor), "Aid to Families with Dependent Children," in *1998 Green Book: Background Data and Material on Programs within the Jurisdiction of the Committee on Ways and Means*, House Ways and Means Committee, May 19, 1998, p. 532, available at: <https://www.govinfo.gov/content/pkg/GPO-CPRT-105WPRT37945/pdf/GPO-CPRT-105WPRT37945-2-7.pdf>.

¹⁰ Ron Haskins (editor), "Aid to Families with Dependent Children," in *1998 Green Book: Background Data and Material on Programs within the Jurisdiction of the Committee on Ways and Means*, House Ways and Means Committee, May 19, 1998, p. 531, available at: <https://www.govinfo.gov/content/pkg/GPO-CPRT-105WPRT37945/pdf/GPO-CPRT-105WPRT37945-2-7.pdf>.

¹¹ Ron Haskins (editor), "Aid to Families with Dependent Children," in *1998 Green Book: Background Data and Material on Programs within the Jurisdiction of the Committee on Ways and Means*, House Ways and Means Committee, May 19, 1998, p. 535, available at: <https://www.govinfo.gov/content/pkg/GPO-CPRT-105WPRT37945/pdf/GPO-CPRT-105WPRT37945-2-7.pdf>.

¹² Ron Haskins (editor), "Aid to Families with Dependent Children," in *1998 Green Book: Background Data and Material on Programs within the Jurisdiction of the Committee on Ways and Means*, House Ways and Means Committee, May 19, 1998, p. 535, available at: <https://www.govinfo.gov/content/pkg/GPO-CPRT-105WPRT37945/pdf/GPO-CPRT-105WPRT37945-2-7.pdf>.

¹³ American Enterprise Institute Forum on 1996 Welfare Law, August 22, 2016, available at: : <https://www.c-span.org/video/?414208-3/american-enterprise-institute-forum-1996-welfare-law-congressional-panel&start=1506>.

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- ¹⁸ Ron Haskins, *Using Government Programs to Encourage Employment, Increase Earnings, and Grow the Economy*, Mercatus Working Paper, June 7, 2018, p. 40, available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3191515#references-widget.
- ¹⁹ Ron Haskins, *Using Government Programs to Encourage Employment, Increase Earnings, and Grow the Economy*, Mercatus Working Paper, June 7, 2018, p. 40, available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3191515#references-widget. Ron Haskins, *Using Government Programs to Encourage Employment, Increase Earnings, and Grow the Economy*, Mercatus Working Paper, June 7, 2018, p. 38, available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3191515#references-widget.
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- ²⁴ Senator Rand Paul, *The Festivus Report 2020*, available at: <https://www.paul.senate.gov/sites/default/files/page-attachments/2020FestivusReport.pdf>.
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