

Robert Doar's Poor Response to a Child Allowance

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In July, the Internal Revenue Service will begin sending checks to qualifying families -- \$300 a month for every child under 6 and \$250 for each older child. In “‘Free’ Money Can Make Life Worse,” Robert Doar, president of the American Enterprise Institute (AEI), was predictably critical of the approach:

These monthly payments will flow regardless of whether the recipient is working, looking for work, or in training or education programs. In addition, recipients will no longer have to enter a welfare office, ask for help, and have government workers encourage them to find a job. Democrats in Washington claim these checks will reduce child poverty, as if the absence of money were the only problem for these families.²

While the cost and behavioral responses to a child allowance are legitimate topics of debate, this “Peter the Citizen” response focuses on Doar’s unfounded criticisms of the new child tax credit and his unsupported claims about the effectiveness of an approach based on the 1996 welfare reform. More specifically, Doar supports a punitive approach to public assistance – one with “specific requirements as a condition of benefits,” based on nothing other than his assertions that this would improve the lives of low-income families.

Each of Doar’s statements below is followed by a “PC Response” – short for “Peter the Citizen.”

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Doar: “The left continues its push to do away with accountability in safety-net programs.”

PC Response: Doar should reflect on his own record with respect to “accountability in safety-net programs.” He has on numerous occasions supported the TANF (Temporary Assistance for Needy Families) model. Many states treat TANF as a slush fund and use it to supplant existing state expenditures or fill budget holes, without any accountability. If Doar wants accountability, he should look back to the preTANF model that operated under AFDC (Aid to Families with Dependent Children). While AFDC was imperfect, the waiver approach allowed states to modify program rules, but only if they tested the impact of these policy changes with a random assignment evaluation. That way it would be possible to determine whether a reform actually helped reduce poverty and improve family well-being. Instead, Doar seems satisfied with the TANF model that permits state politicians to enact reforms that may harm families (e.g., time limits as short as one year, immediate full-family sanctions, etc.) with no accountability to assess their impact. Instead of worrying about what the “left” is doing, he should work to make sure the “right” has a better model to point to.

Doar: “These monthly payments will flow regardless of whether the recipient is working, looking for work, or in training or education programs. In addition, recipients will no longer

have to enter a welfare office, ask for help, and have government workers encourage them to find a job.”

PC Response: Doar doesn’t explain what he means by government workers “encouraging” aid recipients “to find a job.” The devil is in the details of program rules surrounding work requirements (often beyond the control of workers) and these are often unreasonable for recipients, unrealistic for states to implement, and not based on credible evidence of effectiveness. For example, in TANF – the model Doar wants other programs to emulate – recipients can be required to participate for 130 hours a month (to count in the federal work participation rate) in exchange for a few hundred dollars. How is requiring recipients to value their time at as little as \$1.50 an hour “encouraging”? It should come as no surprise that the take up rate of cash assistance among eligible families plunged from 80 percent under AFDC to less than 25 percent under TANF today.

Under TANF, “encouragement” can mean many different things, but in many states, it is really telling them to get off assistance. One of the more extreme examples can be found in Georgia, when B.J. Walker became commissioner.

Once Walker arrived in Georgia, poverty experts there say she set out to overhaul the state’s TANF program with a single goal: not just getting people into jobs, but keeping them from getting benefits by any means necessary. New applicants soon found themselves being handed flyers emblazoned with slogans like “TANF is not good enough for any family,” “TANF = work now,” and “We believe welfare is not the best option for your family.”

“Local offices were really taking a lot of steps to dissuade people from applying—or once they had applied, they were doing things to make the process really cumbersome and difficult,” recalls Allison Smith of the Georgia Coalition Against Domestic Violence, whose office began documenting troubling reports of welfare applicants being discouraged from applying for benefits by any and all means necessary: “Making them go through 60 job searches a week, or come to 8 orientations.” One woman in her seventh month of pregnancy was ordered to take a waitressing job that would require her to be on her feet all day. Another was told that if she applied for TANF while living in a shelter her children would be taken away. Smith recalls, “Some of the stuff that was said to individuals was pretty awful – ‘If you can’t find a job, we’ll have you shoveling shit at the dog pound.’”³

Georgia, perhaps more than any state, illustrates the failure of welfare reform (but it has failed everywhere). Between 1996 and 2019:

- The number of TANF cases *fell* from 131,155 to 10,039.
- The number of families in poverty *rose* from 161,462 to 210,079.
- The number of families in deep poverty *rose* from 73,810 to 93,926.
- The TANF-to-poverty ratio dropped from 82 to 5.⁴

Is this really success? If Doar wants an approach that “encourages” and helps promote employment, he should acknowledge TANF’s failures and propose something that is likely to achieve that goal. Instead, he has a history of doubling-down on the TANF model and promoting similar reforms in other programs, such as SNAP (the Supplemental Nutrition Assistance Program) and Medicaid.

Doar: “Democrats in Washington claim these checks will reduce child poverty, as if the absence of money were the only problem for these families.”

PC Response: These checks will undoubtedly reduce poverty – and by a substantial amount. And, Democrats recognize that “the absence of money” is not “the only problem for these families,” as evidenced by their support for expanding funding for a wide range of social programs. Has Doar endorsed a substantial increase in funding for social services, health care, employment and training, and other programs to address the “problems” for poor families? If so, he should point to these endorsements.

Doar: “My decades of work in New York’s social services agencies make me skeptical. People weather all kinds of challenges and hardships, and nothing is as simple as it seems. Sending money is sometimes helpful, but it rarely addresses the underlying issues.”

PC Response: Doar often boasts of his record in New York City. With respect to TANF, New York receives one of the largest grants per poor child – about nine times what Texas receives. And, Doar ran an AFDC-style program under TANF – retaining the old sanction policies, bypassing the 5-year federal time limit, and maintaining the entitlement to assistance. In fact, Doar has pointed out on several occasions how much more successful New York City has been than other major cities in reducing poverty. Notably, these other cities adopted the harsher TANF model that led to much greater caseload declines and increases in poverty. So, instead of worrying just about the effects of “sending money,” he might also contemplate the effects of sanction policies that reduce the money for those who fail to meet what are often unreasonable work and other behavioral requirements.

Doar: “Current federal welfare policy, shaped by bipartisan welfare reform during the Clinton administration, establishes specific requirements as a condition of benefits—precisely because these expectations help people find work and improve their lives. Many homes plagued by addiction, domestic violence and unemployment need the attention of a social worker. Meddling with that connection, imperfect as it may be, has consequences.”

PC Response: Doar provides no evidence to support the claim that the “specific requirements as a condition of benefits” improved the lives of poor families. He ignores findings by the Congressional Research Service, Government Accountability Office, and the U.S. Department of Health and Human Services that suggest that about 80 percent or more of the decline in TANF caseloads is due to fewer eligible families receiving assistance. He ignores the fact that the researchers who evaluated welfare-to-work programs under AFDC say that none of the programs would have met the standards for meeting TANF’s statutory work participation rate targets. He ignores the fact that states have used TANF’s block grant as a slush fund to supplant tens of billions of dollars in state spending and otherwise fill budget holes vs. investing in services to

help families. He ignores the fact that there is no meaningful accountability or requirement to evaluate state reforms – even those that may push families deeper into poverty. Finally, he ignores the fact that TANF has been a massive policy failure and its failure as a safety net is the very reason the new child tax credit came about.

Doar: “This new, no-strings-attached cash from Washington, for example, will leave unaddressed the serious problems of substance abuse. By sending checks directly, the Biden administration will sever the contact between parents and social workers, which helps uncover signs of addiction.”

PC Response: The new child tax credit makes no changes to TANF or safety net programs – how is this “severing” the “contact” with social workers? This isn’t a valid criticism against the new child tax credit.

Doar: “Not every unmarried, nonworking mother who dropped out of high school has a substance-abuse problem. But many do. New York’s cash aid program offered help to struggling parents when they sought public assistance. A substance-abuse screen—a mandated set of questions—could lead to treatment and counseling. The questionnaire didn’t catch every case, but it helped many.”

PC Response: For a second time, the child tax credit makes no changes to TANF. If New York wants to maintain this policy, it is free to do so. This isn’t a valid criticism against the new child tax credit.

Doar: “Sending automatic checks will eliminate other opportunities to help, too. Under current law, when single parents apply for aid they must help locate and engage nonresident parents for child support. This effort not only leads to significant financial support, it sends a strong signal about parental responsibility, especially for fathers. Not surprisingly, these steps ultimately have positive effects on children. By ensuring that absent parents meet their financial obligations, they cause billions of dollars to flow to single-parent households annually. More important, parents who pay child support become more involved in their children’s lives. That in turn improves the test scores, self-esteem and behavioral development of children in one-parent households. This can’t happen with an IRS computer cutting checks.”

PC Response: For a third time, the new child tax credit makes no change TANF’s child support requirements. This isn’t a valid argument against the new child tax credit. If anything, Doar should be more concerned about the fact that 75 percent of families eligible for TANF don’t receive it and thus aren’t subject to the child support requirement.

Doar: “The close contact between social workers and beneficiaries can save lives. My social-services colleagues in New York understood that domestic violence was an issue in some households seeking aid. We were pleased to enforce the federal mandate that required us to ask if those seeking aid were contending with abusive partners. In a small but especially vulnerable group of families, we uncovered very serious problems. This won’t be possible in a system with automatic benefits.”

PC Response: For a fourth time, the new child tax credit makes no changes to TANF or other safety net programs, so the same “federal mandate” will continue to apply. This isn’t a valid argument against the new child tax credit.

Doar: “Then there are the many health-related implications. The involvement of a social worker, which brings another pair of eyes into the household, can lead to care and important diagnoses, particularly mental-health difficulties.”

PC Response: Doar is also on record supporting work requirements for Medicaid, a policy that would undoubtedly lead to less health insurance coverage and poorer health outcomes. And, a child tax credit need not lead to less contact with social workers – what Doar is really complaining about is the fact that under the child tax credit approach individuals can’t be sanctioned and forced to comply with various requirements.

Doar: “The fundamental problem with the new program is that it will reduce the community connection of millions of families that are at heightened risk of distress. Many of these families need help that money can’t buy. The mission of welfare programs isn’t merely to raise incomes; it’s to help struggling families thrive.”

PC Response: Doar is right – the goal of welfare programs should be to “help struggling families thrive.” Aside from complaining about the child tax credit and making vague references to how various requirements and mandates help families, he provides no policy details or evidence of effectiveness for his approach. Instead, his record is one of supporting the failed TANF model and endorsing unreasonable, unrealistic, and underfunded work requirements in SNAP and Medicaid.

Doar: “Sen. Daniel Patrick Moynihan didn’t like the welfare reforms of the 1990s. He worried that the system, which emphasized personal responsibility and encouraged work, would lead to ‘children sleeping on grates.’ He was wrong. In fact, outcomes improved across nearly every measure of child well-being. Child hunger has dropped, education has improved, and health outcomes have gotten progressively better. Properly measured, child poverty fell almost 8 percentage points in the subsequent decade.

PC Response: Moynihan was wrong about the extent of poverty, in part because there was a large expansion in other safety net programs. To the extent poverty declined, it is because “properly measured,” more comprehensive poverty measures include the non-cash programs and refundable tax credits that were created or expanded over the “subsequent decade.” However, most of these expansions benefited those who work. There is no credible evidence that the TANF approach reduced poverty to any significant extent. And, properly measured, the effects of TANF should be examined by looking at the *depth* of poverty, not the poverty *rate*. What Doar ignores is the fact that many non-working families were pushed deeper into poverty – perhaps not enough to be forced to “sleeping on grates,” but poorer nevertheless.

Doar: “These days, you know who sleeps on grates? Adults who receive monthly checks from the federal government but don’t have to deal with caseworkers. Almost 80% of the homeless,

the people setting up tents in cities all across America, receive government benefits, often in the form of monthly cash aid that comes without any regular connection to caseworkers.

PC Response: It's not clear whether Doar is suggesting the giving cash to the homeless causes poverty or whether requiring a connection to caseworkers could improve outcomes. Either way, he should provide a clearer description of a program model he endorses and evidence of effectiveness.

If his approach is one of mandating a requirement, like the work requirements in SNAP for able-bodied adults without dependents (ABAWDs), the evidence is clear that this approach is associated with lower caseloads and little to no change in employment.

Doar: "The new child payment program is in place for one year, though Democrats want to make the checks permanent. My liberal friends who cheer the checks from Washington are concerned about substance abuse, absent parents, domestic violence and mental health. But their new benefit circumvents some of the most effective ways to address these serious challenges."

PC Response: As with virtually all AEI statements about poverty and welfare reform, Doar provides no policy details and no citations to credible evidence. If Doar and AEI want credibility, it's time to get specific and go beyond simplistic talking points in developing policy solutions.

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

² Robert Doar, “‘Free’ Money Can Make Life Worse, *Wall Street Journal*, June 21, 2021, available at: <https://www.wsj.com/articles/free-money-can-make-life-worse-11624313507>.

³ Neal Demause, “Georgia’s Hunger Games,” *Slate*, December 26, 2012, available at: <https://slate.com/news-and-politics/2012/12/georgias-war-against-the-poor-the-southern-state-is-emptying-its-welfare-rolls-at-the-same-time-that-poverty-is-soaring.html>.

⁴ See Laura Meyer and Ife Floyd, “Cash Assistance Should Reach Millions More Families to Lessen Hardship,” Center on Budget and Policy Priorities, November 30, 2020, available at: <https://www.cbpp.org/research/family-income-support/cash-assistance-should-reach-millions-more-families-to-lessen>.