

It Takes a “Policy Expert” to Explain Welfare Reform: An Explanation for Oren Cass

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Many conservatives claim that the 1996 welfare reform law, and the creation of the Temporary Assistance for Needy Families (TANF) block grant, was an unprecedented success and that it should be used as a model for reforming the rest of the safety net. This view is reflected in a recent article by Oren Cass, the executive director at American Compass. In “The successful policy that progressives love to hate,” he makes claims about the putative success of welfare reform & work requirements based on ideology rather than a careful analysis of available evidence and any meaningful assessment of how these policies have been implemented.²

Cass begins by citing data from a recent report by Child Trends showing that child poverty, as measured by the Supplemental Poverty Measure (SPM), fell from 27.9% in 1993 to 11.4% in 2019. Based on this trend and little else, he argues that:

One need not be a policy expert to make sense of what is now more than half-a-century of evidence from the War on Poverty. In the first era, built upon AFDC’s offer of cash to non-working families, the child poverty rate declined from 28.4% in 1967 to 27.9% in 1993. In the second era, ushered in by welfare reform and characterized by a strong safety net that insisted on the attachment of cash to work, the decline was more than 30 times larger.

As described in more detail below, this conclusion is irresponsible and, if anything, his article demonstrates the importance of expertise and the danger when non-experts (like Cass) weigh in on topics they know little about.

The suggestion that TANF has been a success and a model for reforming other safety net programs is unfortunate and misguided. Indeed, an objective analysis of TANF should lead one to conclude that it is an unprecedented failure. While the law sent a symbolic message about the importance of work requirements and time limits, in practice, neither of these elements have been implemented in the way Congress intended. In fact, TANF is not “welfare reform” at all, but a fixed and flexible funding stream that has failed to provide an adequate safety net or an effective welfare-to-work program. In many states, it has become a form of revenue sharing used to supplant state spending and fill budget holes.

This response addresses some of the statements made by Cass that suggest welfare reform was a success. Each statement is followed by a “PC Response” – where “PC” is short for “Peter the Citizen.” This includes an assessment of the “evidence” presented by Cass and an alternative viewpoint, not from a progressive, but from a conservative who believes in evidence-based policymaking.

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Cass: “A new report confirms the enormous progress that America has made in reducing child poverty – and the enormous problem that progressives have coping with that fact.”

PC Response: Most progressives have acknowledged and welcomed the “enormous progress” the nation has made in reducing poverty, but they attribute the success to expansions in safety net programs, not to welfare reform. They and other informed observers would note that despite great progress overall, the 1996 welfare reform left a gaping hole in the safety net for those who can’t (or don’t) work. *Conservatives* are the ones who have an “enormous problem...coping with that fact.”

Until recently, conservatives were the ones denying progress. For example, in a June 3, 2016, radio address, former Paul Ryan said:

For years – decades now – Washington has spent trillions of dollars on dozens of programs to fight poverty. But we have barely moved the needle. The war on poverty is a stalemate at best.³

Of course, Ryan was referring to the official poverty measure which ignores 90 percent of spending on means-tested programs because they are provided as non-cash benefits or refundable tax credits.

The “Evidence” – According to Cass

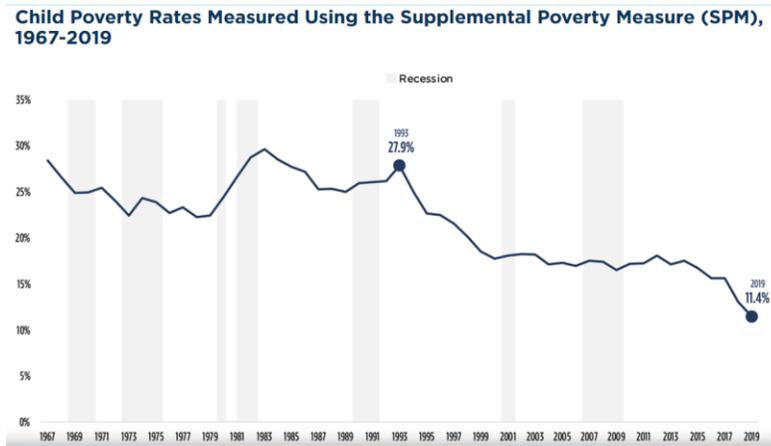
Cass: “The starting point of 1993 is notable because it came just before Congress passed the Personal Responsibility and Work Opportunity Act of 1996 (commonly known as ‘welfare reform’). Welfare reform replaced the open-ended program of cash grants to parents with little or no income, called ‘Aid to Families with Dependent Children’ (AFDC), with a less generous, time-limited, work-required program called ‘Temporary Assistance to Needy Families’ (TANF).

...One need not be a policy expert to make sense of what is now more than half-a-century of evidence from the War on Poverty. In the first era, built upon AFDC’s offer of cash to non-working families, the child poverty rate declined from 28.4% in 1967 to 27.9% in 1993. In the second era, ushered in by welfare reform and characterized by a strong safety net that insisted on the attachment of cash to work, the decline was more than 30 times larger.”

PC Response: Apparently, Cass believes that looking at a simple time trend is sufficient for making causal statements about welfare reform. A “policy expert” would realize that Cass has made a number of mistakes in suggesting that “welfare reform” has led to a decline in child poverty. (A “policy expert” would also get the name of the program right – it’s “Temporary Assistance *for* Needy Families.”)

Mistake #1: Using the wrong time period(s). There are two problems with the time periods chosen by Cass. First, for the first era he compares the change in the child poverty rate between 1967 when the unemployment rate was 3.8 percent and 1993 when it was much higher – 6.5 percent. For the second era, he compares 1993 to 2019 when the unemployment rate was much lower – 3.6 percent. Aside from ignoring other confounding factors (see *Mistake #2*), the

difference in the change in unemployment rates in the two eras (up 2.7 percentage points in the first era and down 2.9 percentage points in the second era) makes this an unfair comparison.



Second, Cass begins the second era in 1993, even though the 1996 welfare reform law wasn't passed until August of that year, and TANF wasn't implemented by most states until 1997. If Cass wants to credit the 1996 law, he should start with 1997, not 1993.⁴ In that case, it is noteworthy that about half of the decline in the child poverty rate from 1993 to 2000 occurred before TANF was implemented (and further declines would have occurred whether the law had passed or not). Moreover, the rate stopped declining in 2000 even before TANF's work requirements were fully phased in. The next big decline occurred between 2017 and 2019. By that time, TANF cash assistance was virtually non-existent in many states. As Robert Rector notes, "...as the number of people on cash welfare...shrink, the capacity of welfare reform to have any effect on behavior has diminished."⁵

Even if one believes the approach used by Cass is valid, the 1993-1997 and 2017-2019 periods should be excluded from any kind of assessment of TANF, leaving a much smaller impact for welfare reform (and a larger impact for the preTANF period).

Mistake #2: Faulty causal inference. Instead of looking for a credible counterfactual, Cass relies on a simplistic comparison of child poverty rates over time. A pre-post assessment of welfare reform is an extremely weak approach to establishing causality, as there are many other economic, demographic, and policy-related changes that could influence child poverty rates. The SPM does capture much of the direct effect of the expansion of other safety net programs on child poverty, but it does not provide much insight into the impact of TANF's work requirements or other aspects of "welfare reform." Notably, the sharp reduction in spending on cash assistance does result in TANF having a much smaller (and declining) direct impact on poverty compared to AFDC.

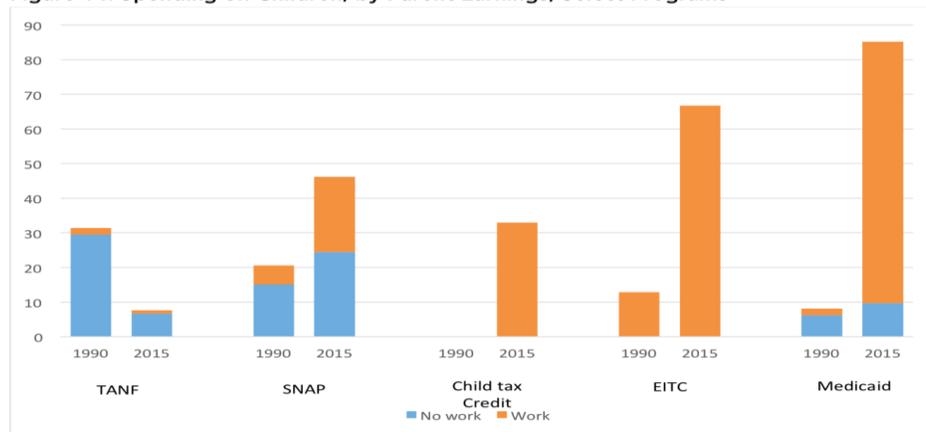
Mistake #3 Ignoring rigorous research. Researchers at RAND prepared a comprehensive synthesis of the impact of dozens of state welfare reform programs on welfare caseloads, child

poverty, and a range of other outcomes.⁶ The random assignment evaluations they reviewed examined programs in the very period when caseloads and poverty fell rapidly nationally. While most reform programs showed declines in welfare receipt, and some showed reductions in poverty, the magnitude of the impacts was considerably smaller than suggested by the simple trends in national data. This is because the control group also benefitted from a strong economy and increased expansions in other safety net programs. With regard to mandatory work programs, the authors noted, “With a few exceptions, most of the poverty impacts are insignificant and small in magnitude.”⁷ So, on the one hand, we have rigorous evidence from random assignment evaluations suggesting small impacts, at best, *versus* Cass declaring victory based on a trend line.

Mistake #4: Ignoring distributional effects. Cass describes the second era as one “ushered in by welfare reform and characterized by a strong safety net that insisted on the attachment of cash to work.” He makes no attempt to distinguish between the role of welfare reform *versus* the expansions in the rest of the safety net tied to work. Welfare reform has undoubtedly pushed many families deeper into poverty – those who can’t or don’t work. Meanwhile, the expansion in benefits for those who do work (e.g., EITC, ACTC, Medicaid, and others) has in dollar terms dwarfed the decline in cash aid, so it should not be surprising that the child poverty rate overall has declined. The real lesson here is that expanding safety net programs can reduce poverty and even mask the failure of welfare reform.

A recent report by Hilary Hoynes and Diane Whitmore Schanzenbach for The Brookings Institution shows the changes in spending on families with children in five major assistance programs based on whether the parent has earnings or not.⁸ A cursory examination of Figure 14 from their report clearly shows the sharp decline in spending on TANF for families with “no work” that is not fully offset by increases in SNAP and Medicaid. In contrast, spending on behalf of families in which parents “work” has skyrocketed. (Note: the blue shading represents spending for those with “no work”; the orange shading represents spending for those with “work.”)

Figure 14: Spending on Children, by Parent Earnings, Select Programs



Source: Authors’ calculations based on various administrative sources and (for Medicaid) the Annual Social and Economic Supplement to the Current Population Survey. See appendix for details.

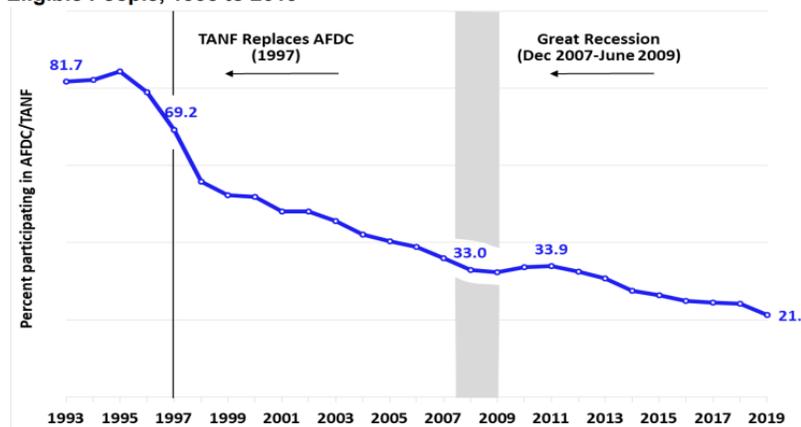
Mistake #5: Confusing TANF with “welfare reform.” TANF is not “welfare reform,” but a fixed and flexible funding stream that states can use for a wide variety of benefits and services. In many states, it has become a slush fund to supplant existing state expenditures or otherwise fill budget holes. It is therefore important to make a distinction between preTANF welfare reform – AFDC with waivers plus the JOBS program (AFDC’s employment and training program) – from TANF. Moreover, TANF’s effects undoubtedly vary over time as well. The first five years were characterized by a huge federal windfall (because the block grant was based on spending levels when caseloads were at historic highs) and no *real* work requirement (as the target in the median state in 2000 was 0 percent). Later years are marked by a shrinking block grant, as it is not adjusted for inflation, the diversion of funding to non-welfare reform uses (i.e., becoming a slush fund), and state gimmickry in meeting the work requirements. Even if one believes TANF was successful in the early years, it has changed markedly over time – a factor Cass ignores.

Mistake #6: Relying on the wrong measure. The poverty rate – whether the official measure or a more comprehensive measure like the SPM – is not a good measure for assessing the impact of welfare reform on those receiving (or eligible to receive) TANF cash assistance, because the eligibility levels for cash aid are well below the poverty thresholds. Most TANF families are poor whether they receive cash assistance or not – taking their benefits away won’t immediately change the poverty rate, but it will push them deeper in poverty. A simple comparison of poverty rates would miss important distributional effects. If a program lifted a small group of people out of poverty, but pushed a large number deeper into poverty, that would be important to know – and that’s what a more careful examination would suggest.⁹

Mistake #7: Failing to provide a causal connection. If one believes TANF reduced poverty, what is the plausible causal mechanism? States already had flexibility with cash assistance and TANF added little to this (except for removing the entitlement altogether) and work requirements were weakened as 15 to 30 states have had a 0 percent target for most of the period between FY 1998 and FY 2020. Other states have taken advantage of various loopholes in the law. This leaves the big increase in federal funding and jawboning as potential factors in the early years. Over the long-term, the aforementioned problems have remained, but the initial windfall disappeared and is now a large deficit (as inflation eroded the value of the block grant) and states have become far more adept at using TANF like a slush fund and gaming its work requirements.

Mistake #8: Ignoring the experts. Assessing the impact of welfare reform is complicated and it does require “policy experts”. In this regard, most independent, non-partisan experts have concluded that TANF’s caseload decline is primarily due to pushing needy families off the rolls, not helping raise their incomes so they can escape poverty. This dynamic is reflected in the sharp decline in the take-up rate of cash assistance among eligible families (see figure below), from nearly 80 percent in 1996 to just 21.3 percent in 2019.¹⁰

Figure 7. Rates of Participation in AFDC/TANF Cash Assistance, Among Eligible People, 1993 to 2019^{xiv}



Source: Administrative caseload data is from the U.S. Department of Health and Human Services, Administration for Children and Families. The participation fraction is from microsimulation model TRIM3 and its input data the Current Population Survey's Annual and Social Economic Supplement.

Consider also the following statements from the U.S. Government Accountability Office (GAO) and the Congressional Research Service that support these findings. The GAO from 2010:

The decline in the number of poor families receiving cash assistance from 1995 to 2005 reflects declines in both the number of eligible families and in eligible families' participation. The strong economy of the 1990s, TANF's focus on work, and other factors contributed to increased family incomes and a decline in the number of eligible families. However, most of the caseload decline – about 87 percent – resulted from fewer eligible families participating in the program, perhaps in response to TANF work requirements, time limits, and sanction and diversion policies.¹¹ [Emphasis added.]

More recently, Gene Falk of the Congressional Research Service reached the same conclusion:

The cash assistance caseload decline has been seen as one of the prime indicators that TANF made progress in achieving the goal of ending the dependence of needy families on government benefits. However, most of the caseload decline has resulted from a decline in the rate at which people eligible for assistance actually receive benefits, rather than a decline in the population in need. In 2015, 18.0 million people were eligible for TANF assistance, but 4.9 million (27%) received it.¹² [Emphasis added.]

If welfare reform were truly the “great success” Cass believes, the caseload should have declined because it was successful in reducing the number of families eligible for assistance – that’s not what happened to any meaningful extent. It also means many of these families have been pushed deeper into poverty.

Bottom-line: The only quantitative “evidence” Cass cites about welfare reform is his statement that, “In the second era, ushered in by welfare reform and characterized by a strong safety net that insisted on the attachment of cash to work, the decline was more than 30 times larger.” For all the reasons cited above, this is truly a remarkable and irresponsible conclusion. No serious observer of welfare reform would make such a statement and it is a sign that Cass would do well to listen to “policy experts” rather than other conservative ideologues.

Anecdotes as Evidence

Cass: “The change [the 1996 welfare reform law], progressives predicted, would plunge millions into poverty. Two of President Bill Clinton’s top social-services administrators resigned in protest. “If, in 10 years time, we find children sleeping on grates, picked up in the morning frozen, and ask, ‘Why are they here, scavenging, awful to themselves, awful to one another,’ will anyone remember how it began?” asked then-Sen. Daniel Patrick Moynihan of New York.”

The welfare rolls declined precipitously – from 5.1 million families in 1994 to just over 2 million in 2000 – but, as Child Trends shows, destitution was not the result.”

PC Response: Again, 1994 is not the starting point, the poverty *rate* is not the right metric, the simple time trend analysis is not a credible approach for making causal statements, and the favorable employment and poverty trends stopped around 2000 even before the law was fully implemented. And, while there haven’t been large numbers of children “sleeping on grates,” there is considerable ethnographic and other research to suggest that welfare reform made many families poorer and life much harder.

Politicians and political figures are often mistaken. If Cass believes their statements should be used as evidence, then the following anecdote about Cass himself is evidence that he lacks expertise in this space. There are also many statements from conservative politicians and political figures who now acknowledge that TANF is not the success Cass claims it to be.

Did President Obama “gut” welfare reform? In 2012, the Obama Administration issued guidance to allow states to seek waivers to TANF’s work requirements, allowing them more flexibility to test alternative welfare-to-work programs. Conservative critics wrote article after article claiming that President Obama was gutting TANF’s work requirements, with sensationalist headlines like “Obama Administration Ends Welfare Reform as We Know It” and “How Obama has Guttled Welfare Reform.” Presidential candidate Mitt Romney made this a major issue in the election.

Cass was domestic-policy director of Mitt Romney’s presidential campaign, and he presumably had a major role in the candidate’s response to this guidance. During the campaign, Romney’s team ran a TV ad dismissing President Obama’s policy initiative, claiming that it would “gut welfare reform”:

Romney TV Ad, “Right Choice”: *President Obama quietly announced a plan to gut welfare reform by dropping work requirements. Under Obama’s plan, you wouldn’t have to work and wouldn’t have to train for a job. They just send you your welfare check. And welfare-to-work goes back to being plain old welfare. Mitt Romney will restore the work requirement because it works.*

It is ironic that the Romney campaign claimed that he would restore “the work requirement.” In 2005, in the midst of his term as governor, Massachusetts had the lowest work participation rate

in the nation (when measured according to TANF rules) at just 12.6 percent.¹³ Nevertheless, Massachusetts did not face a work participation rate penalty for falling below TANF's 50 percent work requirement. That's because states with section 1115 welfare reform waivers when the 1996 welfare reform law was enacted were allowed to continue their waiver policies, to the extent they were inconsistent with TANF through the end of the approved project period. Massachusetts was able to continue its waiver policies through the end of 2005. Governor Romney's use of these waivers allowed the state to exempt parents with a child under six years of age and waived TANF's strict limits on how long education activities can be counted. Thus, the state's work rate with the waivers was 59.9 percent.¹⁴

Why was it "gutting" welfare reform when President Obama proposed more flexibility in counting education and training activities, but not when Governor Romney took advantage of similar flexibility? And, based on what experience would Governor Romney have restored a real TANF-like work requirement?

More important, Cass was apparently unaware of all the ways states were "gutting" work requirements because the law was so poorly crafted. Regardless of the substance of the waiver proposal, the fact of the matter is that conservatives themselves gutted work requirements. Consider the following facts, at the time the waiver guidance was issued:

- The latest work participation rate data showed that 21 states had a 0 percent target for their overall work rate due to the caseload reduction credit.
- Twenty-five (25) states had no two-parent rate to worry about because they had moved their two-parent families subject to work requirements to a solely state funded program; 13 more had a 0 percent target for the two-parent rate due to the caseload reduction credit and the generous "excess MOE" calculation.
- Only 6 states had failed their overall work rate; they would later become the leading users of the "token payment" and/or solely state funded strategies. This includes then-Governor Kasich of Ohio, who also played an important role in the passage of the 1996 law, who gave the green light to using \$10 "token payments" to artificially inflate the work rate starting in FY 2012 as part of a corrective compliance plan.

Given all the loopholes, the work requirements were already gutted. Presumably Cass was unaware of these facts due to a lack of policy expertise. At least when Senator Moynihan made his statement, he was making a prediction without full knowledge about how the economy would improve and how other safety net programs would be expanded (or created) to pick up the slack. In contrast, Cass and the Romney campaign made baseless accusations at the very time most states were gaming the work requirements by taking advantage of loopholes stemming from the law itself.

More recent statements from conservatives about the failure of welfare reform. While Cass seems unaware of the many failures of the TANF program, many conservatives today acknowledge that TANF has "issues" and is indeed "broken." Consider the following examples:

- Ron Haskins (the "architect" of welfare reform): "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.”¹⁵

- Robert Rector (the “godfather” of welfare reform): “States do not spend money on the purposes of welfare reform.”¹⁶ 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.”¹⁷
- 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 gaming its requirements.]
- 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.”¹⁸
- Senator Rand Paul (R-KY) included TANF in his The Festivus Report of 2020, a report about waste in government.¹⁹

If the 1996 welfare reform is such a “successful policy,” Cass should address these criticisms.

The Role of Empirical Evidence

Cass: “When proposals emerged last year for an unconditional ‘child allowance’ that would be paid to all families for each of their children, regardless of whether anyone in the family worked, I wrote in the New York Times that a generous new family benefit was a good idea, but it should go only to families with income of their own. Commentators on the left called this a “monstrous” idea and said I was ‘insisting that starving some kids is important for society.’”

In this view, it seems, one either supports helping the poor through unconditional cash – or one hates the poor. Which policies seem empirically most effective in fighting poverty is rather beside the point for these critics.”

PC Response: Identifying the policies “seem empirically most effective in fighting poverty” should be a priority, but Cass has added nothing to this debate. His “evidence” of the effectiveness of anti-poverty policies after 1993 is deeply flawed. Moreover, it is too general to be of much use in identifying specific policy changes that might be effective, like the design of work requirements.

Cass also ignores the fact that the 1996 welfare law undid an evidence-based approach to reform – one that would have built empirical evidence – and the fact that conservatives have shown little aptitude in translating evidence into policy.

Undoing an evidence-based approach to welfare reform. To the extent possible, policy should be based on empirical evidence from credible evaluations. This was the approach to welfare reform before the 1996 welfare reform law. Starting in 1987, the Reagan Administration began encouraging states to experiment in how they provided welfare – through waivers from AFDC’s rigid rules (and, to a lesser extent, from food stamp and Medicaid rules due to more limited waiver authorities for those programs). The idea was that states and communities were best positioned to find solutions to welfare dependency and, perhaps more important, to provide an alternate avenue to program reform. In exchange for greater flexibility, states were required to evaluate their reforms using the “gold standard” of evaluation – random assignment.²⁰ 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, we would know whether the state reforms reduced poverty by increasing self-sufficiency.

By August 1996, 43 states had received welfare waivers from the U.S. Department of Health and Human Services (HHS).²¹ The next step would have been to improve this process and to expand waiver authorities in other programs. Instead, TANF replaced this evidence-based approach to welfare reform with a blank check with no accountability.

One of the arguments for the block-grant approach is that states would become laboratories for testing new approaches to promote self-sufficiency among welfare recipients. In fact, the opposite happened, as states were no longer required to rigorously evaluate their welfare reforms and we know little about the effects of most reform policies. Writing in 2015, Liz Schott, LaDonna Pavetti, and Ife Floyd of the Center on Budget and Policy Priorities observed:

The result is that, 19 years after TANF’s creation, we still have no rigorous evidence to inform debates about expanding work requirements to other programs. Similarly, because few states have implemented innovative employment strategies for families with substantial personal and family challenges, we still have very limited knowledge about how to significantly improve their employment outcomes. In short, states had an opportunity to innovate and rigorously evaluate new approaches to service delivery, but that is not the path they chose.²²

The knowledge gap is not limited to work requirements. There is little evidence regarding the impact of time limits, sanctions, family caps, diversion programs, and an array of other provisions. Some policies have undoubtedly helped families move toward self-sufficiency, while others have just as surely pushed them deeper into poverty.

Can conservatives translate evidence into policy? Cass notes that time limits and work requirements were central features of welfare reform but does not examine how these provisions were implemented and whether they are likely to have the effects he believes. Writing

elsewhere, Cass made a rare reference to empirical evidence to suggest that liberals have misused findings to argue against work requirements. He writes:

The left-leaning Center on Budget Policy and Priorities titled its survey of work-requirement studies “Work Requirements Don’t Cut Poverty, Evidence Shows.” In all 13 instances it examined, welfare programs with work requirements performed as well or better than programs that had no such requirements (often there was no statistically significant difference). The liberal takeaway from this analysis is that there is therefore no reason to impose work requirements, since giving money away no-strings-attached is equally effective.²³

Cass is right that the liberal takeaway from this research should not be that work requirements don’t work. The fact that most of the experiments showed modest impacts does not mean they could not have been improved with more research. But, it also doesn’t mean that policymakers should take the early findings from experiments and enact work requirements nationwide that bear little resemblance to what was tested – and that’s exactly what conservatives did in designing TANF’s work requirements (as well as those for Able-Bodied Adults without Dependents (ABAWDs) for SNAP).

Supporters of TANF’s work requirements often claim that the law’s provisions are based on evidence. While some random assignment experiments of mandatory work programs conducted in the 1980s and 1990s showed modest impacts on employment and welfare receipt, many of TANF’s work requirement provisions have no empirical support. For example, there was no evidence that a 50 percent requirement was feasible or desirable, that the 20- or 30-hour per week requirements were appropriate, or that the restrictions on countable work activities would result in more effective programming. As Gordon Berlin, past president of MDRC, the firm which conducted these evaluations, once observed:

None of the welfare-to-work programs evaluated by MDRC to date – even the most effective ones – would have met the standards currently in place (that is, had states received no credit for caseload reductions), primarily because too few people participated in them for at least the minimum number of hours per week.²⁴

This observation is echoed by Gene Falk of the Congressional Research Service:

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.”²⁵

TANF’s work-first orientation was based on a limited number of studies, reflecting preliminary findings. Subsequent research published after 1996 suggests that a mixed-model approach was more effective, but TANF’s restrictions on counting education and training would preclude states

from adopting such a model, at least if they wanted credit for counting all hours of participation toward TANF's work rate. Again, Berlin explains the importance of a more flexible approach:

The challenge for policymakers is to find ways to maintain the employment orientation that underlies reform's success, while opening the door to additional education and training. Results from carefully designed tests of job-search-first programs, education-first programs, and mixed-strategy programs provide strong support for the idea that education and training have an important, although probably subsidiary, role to play in the future of welfare reform. The evidence indicates that both job-search-first and education-first strategies are effective but that neither is as effective as a strategy that combines the two, particularly a strategy that maintains a strong employment orientation while emphasizing job search first for some and education first for others, as individual needs dictate. There is little evidence to support the idea that states should be pushed to one or the other extreme.²⁶

Before TANF, states could receive waivers to experiment with different types of work requirements (and other welfare reforms); there was real accountability, as states were required to rigorously evaluate their programs to show that they helped promote self-sufficiency and reduce dependency. Unfortunately, TANF replaced such an approach with its rigid and ineffective (even counterproductive) work requirements. While states can easily game these requirements and substitute their own requirements, the block grant has resulted in a significant diversion of funding to other non-welfare reform activities, so TANF agencies do not have the resources to mount large-scale and properly funded welfare-to-work programs.

Conservatives set the case for work requirements back at least 25 years and possibly permanently. Rather than building on the findings from rigorous welfare-to-work evaluations, TANF was constructed based on ideology – a fact that Robert Rector (the self-proclaimed author of TANF's work requirements) readily acknowledges:

When we designed the TANF law, I took all of the controlled random assignment studies and put them in the circular file. I also used all of Jason's caseload data, and other quasi-experimental data from all over the country that I had been collecting since the 1970s, because I knew those effects were there.²⁷

Ron Haskins, considered the "architect" of welfare reform expressed a similar sentiment:

...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.²⁸

Guesswork is no way to do policymaking. Or, to quote Cass himself – in reference to his own "analysis," "Which policies seem empirically most effective in fighting poverty is rather beside the point for these critics."

A Picture Tells a Thousand Words

Cass: Cass began his article with a picture of President Bill Clinton signing the 1996 welfare reform bill in the Rose Garden.



PC Response: At the signing ceremony, President Clinton was flanked by Lillie Harden, a single mother and former welfare recipient from Arkansas. While Harden was often cited as a success story in the debates leading to welfare reform, because she had left welfare for work. She later said, “It didn’t pay off in the end.” In 2002, she suffered a stroke and required medical attention. Her application for Medicaid was denied, even though she had received it when on AFDC (as she was categorically eligible). She could not afford her \$450 prescription medication and died at the age of 59 in 2014.

Conclusion

Cass: “What do we owe one another, and how do we help the less fortunate among us? In the 1990s, welfare reform appeared to provide a clear answer to that question in principle, and the subsequent decline in poverty a clear answer in practice. But with the passage of time, rather than learn the lesson well, progressives forgot it. The political battle will have to be fought all over again.”

PC Response: If anything, the passage of time has demonstrated that giving states a blank check, as TANF has done, with dysfunctional work requirements was a massive mistake. As noted above, even many conservatives now acknowledge this. The only “clear” evidence is that expanding safety net programs for those who work can reduce poverty and this can be directly measured by computing poverty rates with and without these benefits. What is more difficult to assess is their indirect impacts based on behavioral changes, but many of these either incentivize work (e.g., the EITC and ACTC) or support those who work (e.g., SNAP, CCDF, and Medicaid).

To help the “less fortunate among us” requires undoing the damage caused by “welfare reform.” This requires three main reforms:

1. Restoring the entitlement to cash assistance. As Ron Haskins (the “architect” of welfare reform) observed on TANF’s 20th anniversary, “A great nation has to have a cash welfare program”?²⁹
2. Revamping welfare-to-work programs/requirements so that they are reasonable for recipients, with realistic targets for states, and based on evidence. (For more detail, see: “Expanding Work Requirements in Non-Cash Welfare Programs: TANF is NOT a Model, but a Cautionary Tale,” October 22, 2018, available at: <https://petergermanis.com/wp-content/uploads/2021/02/TANF-No-Model.pdf>.)
3. Investing in rigorous evaluations to build evidence about what works and what doesn’t. This means relying more on randomized control trials and dismissing claims of success based on simplistic comparisons of trends over time.

If Oren Cass really cares about the “less fortunate among us,” he would do well to examine the implementation of welfare reform and take a course on evaluation methods – or, he could just rely on “policy experts” and not the ideologues at conservative think tanks.

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 Oren Cass, “The successful policy that progressives love to hate,” *CNN Opinion*, September 15, 2022, available at: <https://www.cnn.com/2022/09/15/opinions/child-poverty-welfare-reform-success-cass/index.html>.

³ Speaker Paul Ryan, “Weekly Republican Address: This is a Better Way,” June 3, 2016, available at: <http://www.speaker.gov/press-release/a-better-way>.

⁴ Some might argue that welfare reform began before 1997, as states were implementing the Family Support Act of 1988, along with its work requirements, and they could test policy changes by seeking waivers to change AFDC rules. This reform was substantively very different from TANF and the two should not be confused.

⁵ NPR, “Has Welfare Reform Worked?,” March 5, 2007, available at: <https://www.npr.org/2007/03/05/7714067/has-welfare-reform-worked>.

⁶ Jeffrey Grogger, Lynn A. Karoly, and Jacob Alex Klerman, *Consequences of Welfare Reform: A Research Synthesis* (Santa Monica, CA: July 2002), available at: http://www.acf.hhs.gov/programs/opre/welfare_employ/res_synthesis/reports/consequences_of_wr/rand_report.pdf.

⁷ Jeffrey Grogger, Lynn A. Karoly, and Jacob Alex Klerman, *Consequences of Welfare Reform: A Research Synthesis* (Santa Monica, CA: July 2002), p. 166, available at: http://www.acf.hhs.gov/programs/opre/welfare_employ/res_synthesis/reports/consequences_of_wr/rand_report.pdf.

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

⁹ A better measure would be to examine changes in the deep poverty rate, which is based on 50 percent of the federal poverty thresholds. According to Arloc Sherman and Danilo Trisi, “The number of children that cash assistance (AFDC or TANF) kept above half the poverty line fell from 2.4 million (3.4 percent of all children) in 1995 to 609,000 (0.8 percent of all children) in 2005.” See Arloc Sherman and Danilo Trisi, “Safety Net for Poorest Weakened After Welfare Law but Regained Strength in Great Recession, at Least Temporarily: A Decade After Welfare Overhaul, More Children in Deep Poverty,” Center on Budget and Policy Priorities, May 11, 2015, available at: <http://www.cbpp.org/research/poverty-and-inequality/safety-net-for-poorest-weakened-after-welfare-law-but-regained>. While the deep poverty rate is more appropriate for assessing changes to AFDC/TANF, this approach would still miss potentially important distributional effects.

¹⁰ The data on TANF families eligible for benefits is estimated using simulation models. The estimates are produced by experts using survey and administrative data, with careful attention to reporting issues and program rules. For TANF, the eligibility estimates come from the TRIM model, which has been used for 50 years by administrations of both parties to calculate eligibility for TANF and other programs. For more detail on the TRIM model, see: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Welfare Indicators and Risk Factors: 21st Report to Congress*, April 26, 2022, available at: <https://aspe.hhs.gov/reports/welfare-indicators-21st-report>.

¹¹ U.S. Government Accountability Office, *Temporary Assistance for Needy Families: Fewer Eligible Families Have Received Cash Assistance Since the 1990s, and the Recession's Impact on Caseloads Varies by State* (Washington, D.C.: GAO, February 2010), available at: <https://www.gao.gov/new.items/d10164.pdf>.

¹² Gene Falk, “Temporary Assistance for Needy Families,” Congressional Research Service, March 27, 2018.

¹³ See HHS data, Table 1B available at: <http://www.acf.hhs.gov/sites/default/files/ofa/wpr2005.pdf>.

¹⁴ See HHS data, Table 1B available at: <http://www.acf.hhs.gov/sites/default/files/ofa/wpr2005.pdf>.

¹⁵ 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>.

¹⁶ Teresa Wiltz, “States Hold Onto Federal Dollars Meant for Needy Families,” *Stateline*, November 12, 2019, available at: <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2019/11/12/states-hold-onto-federal-dollars-meant-for-needy-families>.

¹⁷ Jenni Bergal, “States Raid Fund Meant for Needy Families to Pay for Other Programs,” July 24, 2020, available at: <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2020/07/24/states-raid-fund-meant-for-needy-families-to-pay-for-other-programs>.

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- ¹⁸ Peter Germanis, “TANF Just Received the Golden Fleece Award! Well-Deserved, but Who Should Get Credit: HHS or Congress?,” July 31, 2019, available at: <https://petergermanis.com/wp-content/uploads/2020/09/Hill.pdf>.
- ¹⁹ Senator Rand Paul, *The Festivus Report 2020*, available at: <https://www.paul.senate.gov/sites/default/files/page-attachments/2020FestivusReport.pdf>.
- ²⁰ Random assignment studies are not perfect either; they may miss entry and general equilibrium effects. And, the control group may be influenced by the “atmospherics” surrounding welfare reform, thus muting its effects. 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).
- ²¹ U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Setting the Baseline: A Report on State Welfare Waivers*, June 1997, <http://aspe.hhs.gov/hsp/isp/waiver2/title.htm>.
- ²² Ife Floyd, LaDonna Pavetti, and Liz Schott, “TANF Continues to Weaken as a Safety Net,” October 27, 2015, available at: <http://www.cbpp.org/research/family-income-support/tanf-continues-to-weaken-as-a-safety-net>.
- ²³ Oren Cass, “Never Enough,” Manhattan Institute, May 24, 2017, available at: <https://www.city-journal.org/html/never-enough-15213.html>.
- ²⁴ Gordon L. Berlin, “What Works in Welfare Reform: Evidence and Lessons to Guide TANF Reauthorization,” MDRC, June 2002, pp. 36-37, available at: http://www.mdrc.org/sites/default/files/TANFGuide_Full.pdf.
- ²⁵ Gene Falk, “Temporary Assistance for Needy Families,” Congressional Research Service, March 27, 2018.
- ²⁶ Gordon L. Berlin, “What Works in Welfare Reform: Evidence and Lessons to Guide TANF Reauthorization,” MDRC, June 2002, pp. 36-37, available at: http://www.mdrc.org/sites/default/files/TANFGuide_Full.pdf.
- ²⁷ University of Maryland School of Public Policy and Secretaries’ Innovation Group, “Implementing the SNAP Pilot Projects to Reduce Dependency and Increase Work Levels,” April 10, 2014, p. 35, available at: http://www.welfareacademy.org/pubs/foodassist/slides/SNAP_Pilots_Conference_Transcript.pdf.
- ²⁸ 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.
- ²⁹ 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>.