

When it Comes to Work Requirements – Facts, Policy Details, and Evidence Matter: Why Can’t Conservatives Learn This Lesson?

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The debate about work requirements and welfare reform is plagued by misinformation, primarily stemming from conservative think tanks. This is a serious problem because these organizations provide advice to conservative lawmakers who then advance misguided legislation on these topics. A good example comes from a recent paper by Leslie Ford, a visiting fellow in Domestic Policy Studies at The Heritage Foundation, who wrote a short paper, “3 Food Stamp Reforms to Improve Outcomes for the Truly Needy—and Save Taxpayers Billions.”² The paper examined three reforms to the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program). One of the reforms was in a section called “Strengthen Work Requirements,” in which Ford makes the case for stronger work requirements for SNAP based on the TANF model.

In one short, three-sentence paragraph, Ford makes 12 erroneous or misleading statements about TANF and its work requirements. Ford is not alone, conservative “scholars” from these and other think tanks regularly misstate basic facts, ignore policy details, and make statements of causation based on simplistic and cherry-picked data trends while ignoring how the law was implemented and evidence from more credible sources. A title to one of my papers, “The Failure of TANF Work Requirements: A *Much Needed* Tutorial for the Heritage Foundation and the American Enterprise Institute,”³ sums up the problem. The paragraph in question in Ford’s paper is:

In 1996, when work requirements were broadly implemented for all work-capable recipients in the cash benefit [welfare](#) program, Temporary Assistance to Needy Families, the requirements had positive impacts. Employment rose, particularly among [single mothers](#) who did not graduate high school. The percentage of single mothers on TANF who worked rose from [51% in 1992 to 76% within eight years](#).

What follows is a 12-point listing of the erroneous or misleading statements. Some of the errors are minor, like getting the name of the TANF program wrong, but others are deeply concerning, most notably using the TANF experience to justify strengthening its work requirements for able-bodied adults without dependents (ABAWDs) and extending TANF-like work requirements to SNAP families with children.

#1 TANF is Temporary Assistance for Needy Families, not “to Needy Families.”

#2 Work requirements were implemented before 1996, not “in 1996.”

The first work requirements were implemented in FY 1990. Many proponents of the TANF model suggest that its work requirements replaced a “no-strings-attached cash benefits program.” For example, writing elsewhere Ford says:

Before 1996, the primary cash-benefit program was Aid to Families with Dependent Children (AFDC), founded in the Social Security Act of 1935. These monthly cash payments were remarkably similar to the new child allowances: Policymakers did not expect low-income recipients to work or to prepare for work. The results of these no-strings-attached cash benefits were profoundly negative for low-income families.⁴

The Family Support Act of 1988 imposed the first work requirements on *states*. For the overall caseload the required participation rate rose from 7 percent in FY 1990 to 20 percent in FY 1995 and for the two-parent rate it rose from 40 percent in FY 1994 to 75 percent in FY 1998. While the 20 percent participation rate target may seem modest, it is arguably more stringent than TANF’s requirements, where the adjusted target is reduced by a caseload reduction credit and where states have artificially inflated work participation rates using a variety of loopholes. The number of participants in work activities (other than unsubsidized employment) under AFDC-JOBS greatly exceeded the number that have ever participated under TANF, whether measured in absolute numbers or as a percentage of the caseload. The AFDC-JOBS work requirements were designed to help move people into jobs; TANF’s work requirements are designed to push families off the rolls.

#3 TANF’s work requirements weren’t “implemented” in 1996 but were gradually phased in starting in FY 1997. Due to the caseload reduction credit, for many states there was no requirement.

The law creating TANF was passed in August 1996, but its work requirements weren’t implemented in that year, but were gradually phased in starting in FY 1997. In terms of the adjusted targets states were to meet under TANF – for many states and for many years they have been lower than the 20 percent they were required to meet under AFDC-JOBS.⁵ Indeed, in FY 2000, 31 states had a 0 percent target, so for these states, there was no requirement.

Note: Even though states with a 0 or near-0 percent target didn’t have to impose a work requirement, many did so on their own, often relying on TANF’s unreasonable minimum hourly requirements and strict limits on countable activities. The primary effect seems to have been a sharp decline in eligible families receiving assistance, not actual engagement in work activities that might help them find and retain employment. Would you put in 130 hours per month for a few hundred dollars?

#4 Work requirements were imposed on states, not “all work capable recipients.”

The federal work requirements hold *states* accountable, not individuals. When a state has a 0 percent target, it doesn’t have to engage anyone. There is a requirement that a parent or caretaker receiving assistance under the program to engage in work (as defined by the state) after

receiving assistance under the program for 24 months, but this requirement has no teeth and is largely ignored.

Note: the SNAP requirement for ABAWDs and many of the Medicaid work requirement proposals are focused on individuals – they do not have participation rate targets for states like TANF does.

#5 TANF’s work requirements are not based on all “work capable recipients.”

The denominator for TANF’s work requirements was initially based on all “adult” recipients; there was no distinction between whether they were “work capable” or not. In fact, TANF did away with a number of exemptions that can affect the ability for recipients to participate in work activities including exemptions for those who are ill, incapacitated, of advanced age, needed at home to care for another, in at least the second trimester of a pregnancy, and the caretaker of a child under age 3 (or, at state option, a child younger than age 3 but not younger than 1). (TANF does allow states to “disregard” single parents with a child under one, but this is limited to 12 months in a lifetime for recipients).

#6 The link to what is supposed to describe TANF – the “cash benefit welfare program” – has nothing to do with TANF.

The link supposedly describes TANF, but it is about how pandemic-related unemployment benefits along with health care subsidies can provide very generous levels of assistance. It has absolutely nothing to do with TANF.

#7 The work requirements had positive impacts.

Ford provides no credible evidence that TANF’s work requirements had positive impacts beyond simplistic trends in employment and poverty rates in the immediate aftermath of the law’s passage. The problem with this conclusion is that there were many other factors that influenced these outcomes, including a strong economy and expansions in programs designed to “make work pay,” such as the Earned Income Tax Credit, the Child Tax Credit, child care, and Medicaid. Moreover, TANF itself has many features aside from work requirements that could influence employment rates, such as time limits and perhaps most significantly, in the early years, the substantial increase in federal funding because the block grants were based on a period when caseload were at their peak. During these early years, many states did use the added funds to expand work supports. Meanwhile, as noted above, the work requirement targets facing states were minimal and the work participation rates themselves were often artificially raised due to the various loopholes available to them.

Ford also fails to note that the positive impacts cited peaked in 2000 and then reversed course even before TANF’s work requirements were fully phased in in FY 2002. And, she makes no mention of other troubling statistics, like the decline in the take-up rate among eligible families from about 80 percent in 1996 to just 21 percent in 2019.⁶

#8 The link to the article in support of an increase in employment due to TANF was written July 26, 1996, a month before the legislation was enacted.

To support TANF's putative role in increasing the employment rate, Ford cites an Urban Institute study, "Potential Effects of Congressional Welfare Reform Legislation on Family Incomes."⁷ This study cannot be used to support the *actual* effects of the law as it was published a month before the law was passed. Moreover, the authors of the report highlighted the potential negative effects, contradicting Ford's rosy claims. For example:

Our findings show that the proposed welfare reform changes would increase poverty and reduce incomes of families in the lowest income group. With the legislation fully phased in, spending on the current social safety net would be reduced by about \$16 billion per year compared to current law. We estimate that 2.6 million more persons would fall below the poverty line as a result, including 1.1 million children. More than one-fifth of all families with children would see their incomes fall by about \$1,300 per year, on average. Almost half of the families adversely affected by the legislation currently work, and 4 out of 5 families who would be affected currently have incomes below 150 percent of poverty.

#9 The percentage of "single mothers on TANF" who worked did not rise from 51% in 1992 to 76% within eight years.

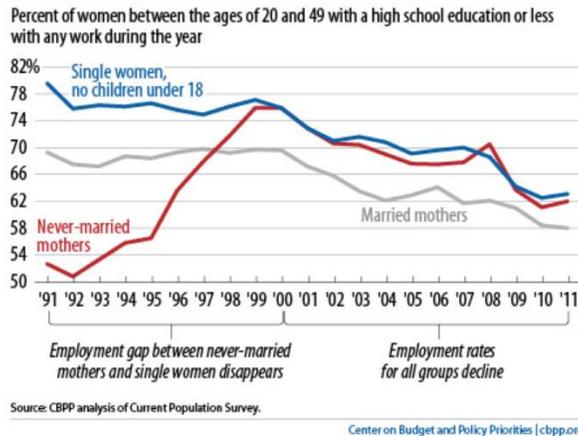
The data for this claim come from an article published by the Center on Budget and Policy Priorities.⁸ The percentage increase in employment was for *all* single mothers with a high school degree or less, not for "single mothers on TANF."

By way of background, in FY 1992, the percent of AFDC families (mostly single-mother families) with earnings was 7.4 percent vs. 16 percent in FY 2000 under TANF. This increase is mainly due to expansions in earnings disregards first under AFDC with waivers and then continuing under TANF.

#10 Any employment effects of TANF would begin in 1997, not in 1992.

Much of the increase in the employment occurred before TANF was implemented in 1997 and likely would have continued regardless of whether TANF work requirements existed or not (see figure below).

Never-Married Mothers Are Now Just As Likely to Work As Single Women Without Children



While Ford cites this article as evidence of positive impacts, subsequent declines in employment rates led the author of the article to conclude, “These findings suggest that if we want more single mothers with limited education to work, simply reducing welfare benefits or tightening work requirements won’t likely succeed.” (This is the second example of a study Ford cites that reaches conclusions contrary to her own.)

Note: Some may argue that welfare reform began with AFDC waivers prior to TANF’s implementation in 1997, but this approach was very different from the TANF model and the two periods should not be equated.

#11 The employment effects in the article were NOT for single mothers “who did not graduate high school,” but for single mothers with a high school degree or less.

This is just plain carelessness. Moreover, Ford is presumably basing this finding on the CBPP study, not the Urban Institute report related to the link in the sentence.

#12 The article uses this “evidence” as a justification for strengthening SNAP’s ABAWDs work requirement.

Most of the article is about SNAP and the section in which this paragraph appears is used to take the TANF experience to justify SNAP’s work requirement for ABAWDs. Even if one erroneously believed TANF’s work requirements were effective, it is a mistake to generalize the findings from: one target group (mainly single moms with kids) to another (childless adults); programs with different funding structures; programs with different exemptions and allowable activities; etc. Moreover, there is rigorous research (using a Regression Discontinuity Design) that suggests the SNAP ABAWDs requirement is ineffective in promoting employment but does lead to large caseload declines.⁹ Ford should look to rigorous research – research that highlights how the work requirements have been implemented and credible approaches to determining the impacts of such requirements. Instead, like many conservatives, she relies on simplistic and cherry-picked data trends and ideology to advance misguided policies that can do great harm.

Conclusion

Ford ends the section on work requirements with the following additional recommendation:

Congress should follow the valuable lessons of the 1996 welfare reform. Policymakers can and should expand work requirements to all work-capable beneficiaries who are not caring for a child under the age of 6.

TANF's work requirements are unreasonable for recipients (effectively asking many recipients to value their time at a few dollars per hour), unrealistic for states (so states game them), and based on a misapplication of research findings. If the goal is to have work requirements (and for many it's not), the real lesson is that it's time to start over and base requirements on rigorous research – not ideology.

It's also important to provide policy details. For example:

- Would all non-exempt recipients be expected to participate or would states be held accountable for meeting certain participation rate targets (as in TANF)?
- What would be the sanctions on individuals who fail to comply?
- What would the penalties be for states that failed to implement the law?
- How much funding would be provided to create work programs and provide work supports like child care?
- What work activities would count?
- Who would be exempt?
- How many hours would families have to participate per month to meet these requirements?
- How would the impact of these work requirements be evaluated? (Congress should have included a requirement to evaluate the ABAWDs work requirement by randomized control trial. This would have provided the best evidence on the impact of such requirements.)

These are just a few of the many questions and issues that should be considered. Simply saying something like “Congress should follow the lessons of the 1996 welfare reform” is unhelpful to anyone serious about policymaking.

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 Leslie Ford, “3 Food Stamp Reforms to Improve Outcomes for the Truly Needy—and Save Taxpayers Billions,” *The Daily Signal*, February 1, 2023, available at: <https://www.dailysignal.com/2023/02/01/three-food-stamp-reforms-to-improve-outcomes-for-the-truly-needy-and-save-taxpayers-billions/>.

³ Peter Germanis, “The Failure of TANF Work Requirements: A Much Needed Tutorial for the Heritage Foundation and the American Enterprise Institute,” August 12, 2016, available at: <https://petergermanis.com/wp-content/uploads/2021/02/The-Failure-of-TANF-Work-Requirements.pdf>.

⁴ Leslie Ford, “Why Work Matters and How the Safety Net Should Encourage It,” The Heritage Foundation, October 8, 2021, available at: <https://www.heritage.org/welfare/report/why-work-matters-and-how-the-safety-net-should-encourage-it>

⁵ This is an oversimplification due to differences in how work rates are calculated. If anything, TANF is even weaker, at least in holding states accountable because of the widespread use of unintended loopholes many states use to artificially raise the work participation rates. For a more detailed discussion, see: Peter Germanis, “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>.

⁶ Gilbert Crouse, 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, p. A-12, available at: <https://aspe.hhs.gov/sites/default/files/documents/08b81f08f8a96ec7ad7e76554a28efd1/welfare-indicators-rtc.pdf>.

⁷ Sheila R. Zedlewski, Sandra J. Clark, Eric Meier, and Keith Watson, “Potential Effects of Congressional Welfare Reform Legislation on Family Incomes,” The Urban Institute, July 26, 1996, available at: <https://www.urban.org/sites/default/files/publication/67221/406622-Potential-Effects-of-Congressional-Welfare-Reform-Legislation-on-Family-Incomes.pdf>.

⁸ Danilo Trisi, “The Myth That Single Mothers Don’t Work,” The Center on Budget and Policy Priorities, October 9, 2012, available at: <https://www.cbpp.org/blog/the-myth-that-single-mothers-dont-work>.

⁹ See, for example: Colin Gray, Adam Leive, Elena Prager, Kelsey Pukelis, and Mary Zaki, “Employed in a SNAP? The Impact of Work Requirements on Program Participation and Labor Supply.” *American Economic Journal: Economic Policy*, 15 (1), pp. 306-41, available at: <https://www.aeaweb.org/articles?id=10.1257/pol.20200561>.