

# CLASP

Policy solutions that work for low-income people

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# Work Requirements Don't Work

Coalition on Human Needs & Heartland Alliance

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# What is a work requirement?

- A work requirement is a condition of eligibility.
- Non-exempt individuals must work or participate in other “qualifying activities,” such as volunteering or attending school, for a minimum number of hours per month in order to keep their benefits.
- Depending on the program, people who lose benefits may not be allowed to re-enroll, and family members may also be denied benefits.

# What programs are affected?

## Currently

Cash assistance under Temporary Assistance for Needy Families (**TANF**)

Food assistance under the Supplemental Nutrition Assistance Program (**SNAP**)

- Mandatory employment and training
- Time limit for non-working childless “able bodied” adults 18-49

**Housing assistance** in a few demonstration sites

## At Risk

### **SNAP**

- Limits on states’ ability to waive the time limits in areas of high unemployment
- Expansions of the populations subject to the time limit – older adults, parents?

**Housing assistance** in more places

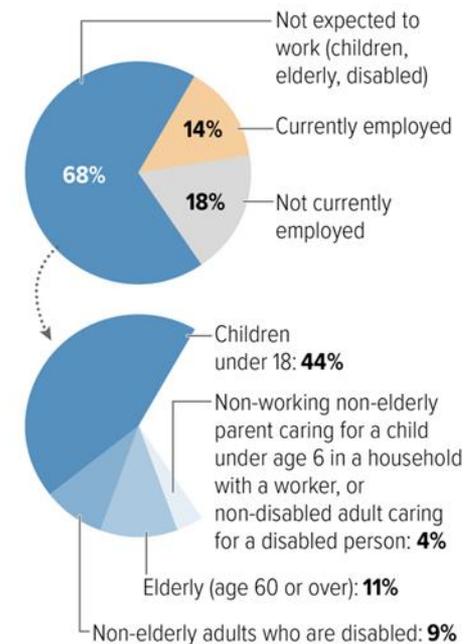
Health insurance under **Medicaid**

- HHS has granted work requirement waivers to 3 states: KY, IN, AR, with more likely to follow
- Advocates have filed lawsuit against HHS

# Work requirements are based on stereotypes of who receives benefits

- The reality is that many recipients who can work are already working.
- Dog whistle invokes racialized stereotypes of “welfare queen” who has to be forced to work.

## 4 Out of 5 SNAP Participants Are Not Expected to Work or Are Working



Note: This chart takes out individuals with earnings first, and then looks at those “not expected to work” among individuals without earnings.

Source: CBPP analysis of 2016 SNAP household characteristics data.

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

# Need to explain the effects of work requirements

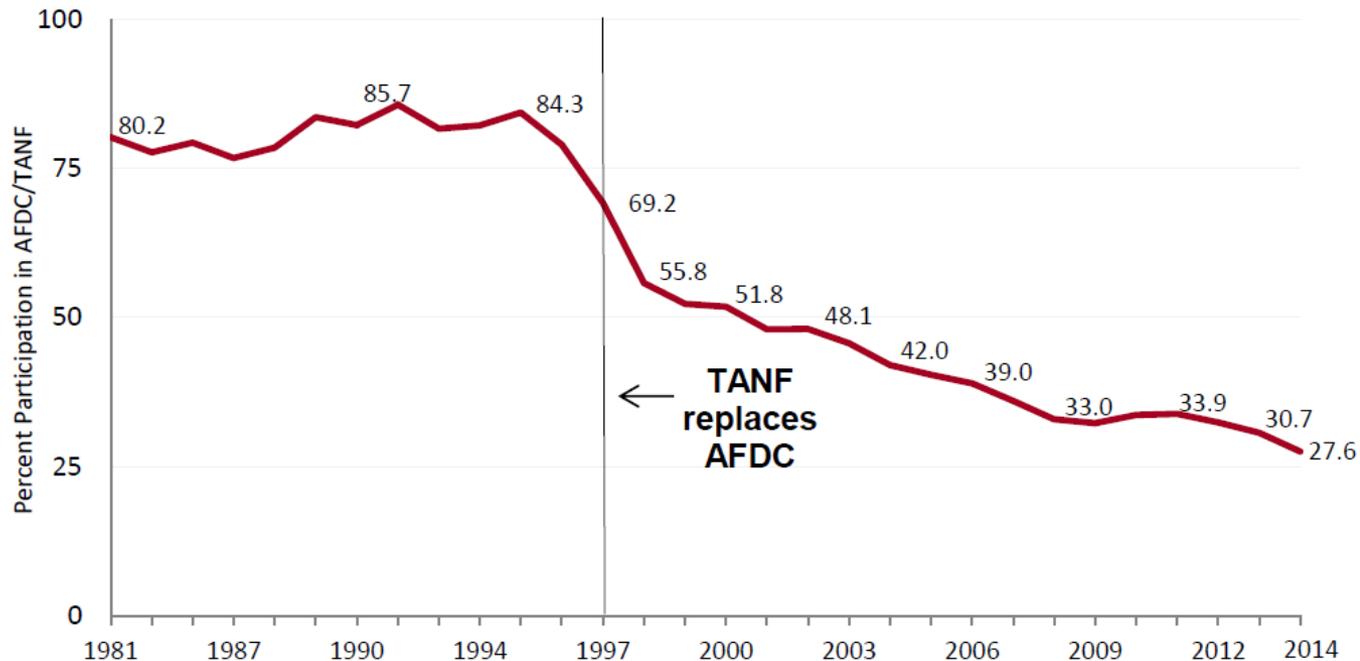
- Majority respond positively to the idea that “those who are able to work should do so.”
- But, people understand that taking away people’s health care and food doesn’t make them more able to work.
- Medicaid expansion enrollees from [Ohio](#) and [Michigan](#) reported that having Medicaid made it easier to look for employment and stay employed.

# What we know from TANF and SNAP

- The main effect of work requirements is to make it harder for people to access and keep benefits.
- Mandatory work programs have little effect on employment or earnings, and use up resources that could be used to provide high quality training and supportive services.
- Most participants continue to work in poverty jobs that offer low pay, unsteady hours, no health coverage, no advancement; others are destitute.

# Receipt of cash assistance fell dramatically among those eligible

Figure 8. Rates of Participation in AFDC/TANF Cash Assistance, Among Those Eligible to Participate, 1981 to 2014<sup>xii</sup>



Source: Administrative data from the U.S. Department of Health and Human Services, Administration for Children and Families. Microsimulation model TRIM3 and the Current Population Survey's Annual and Social Economic Supplement.

# Who loses benefits?

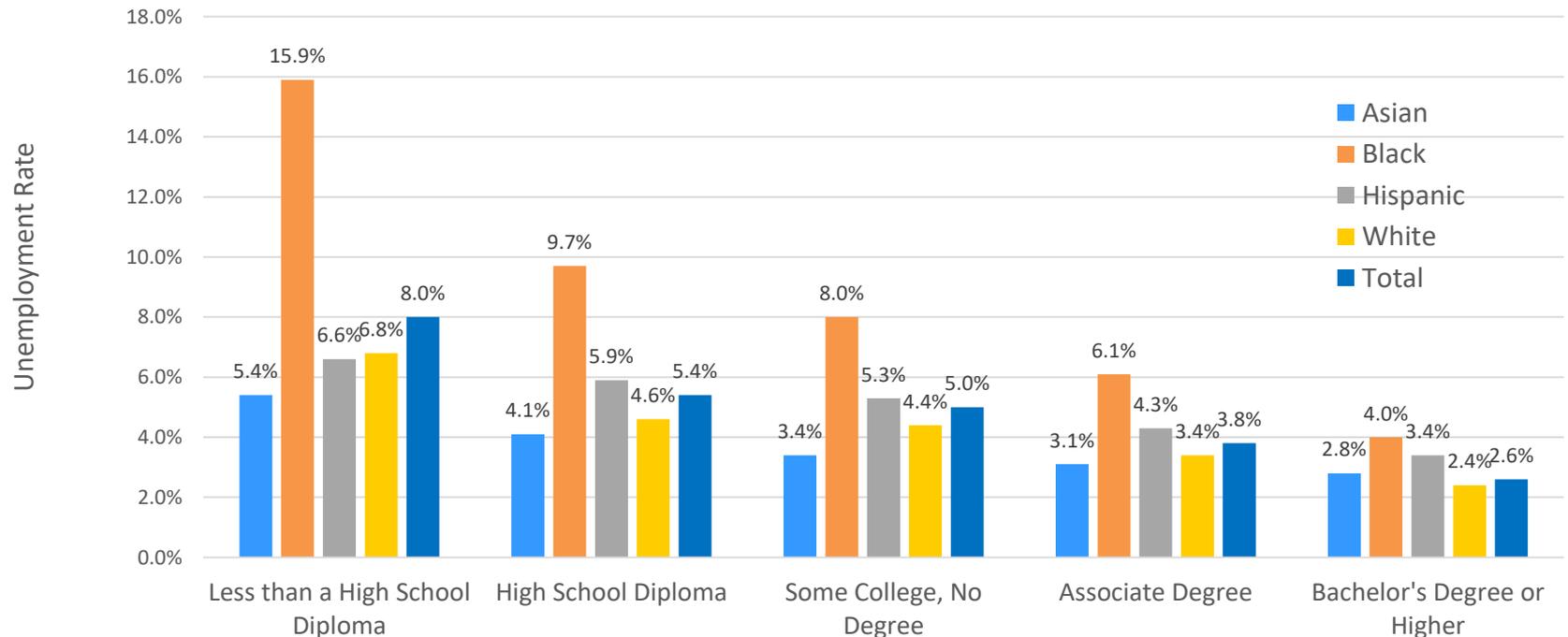
- People who can't find work
- Workers in jobs with not enough or irregular hours
- People who can't keep up with the paperwork (or if the state messes it up)
- People with disabilities or other medical conditions
- Depending on state policies, students and people with caregiving responsibilities may also be affected

# People who can't find work

- During local or national recessions
- Areas of high unemployment
- People with previous histories of justice involvement
- Note: SNAP time limits and Medicaid waivers do not require states to offer job search or work activities to participants.

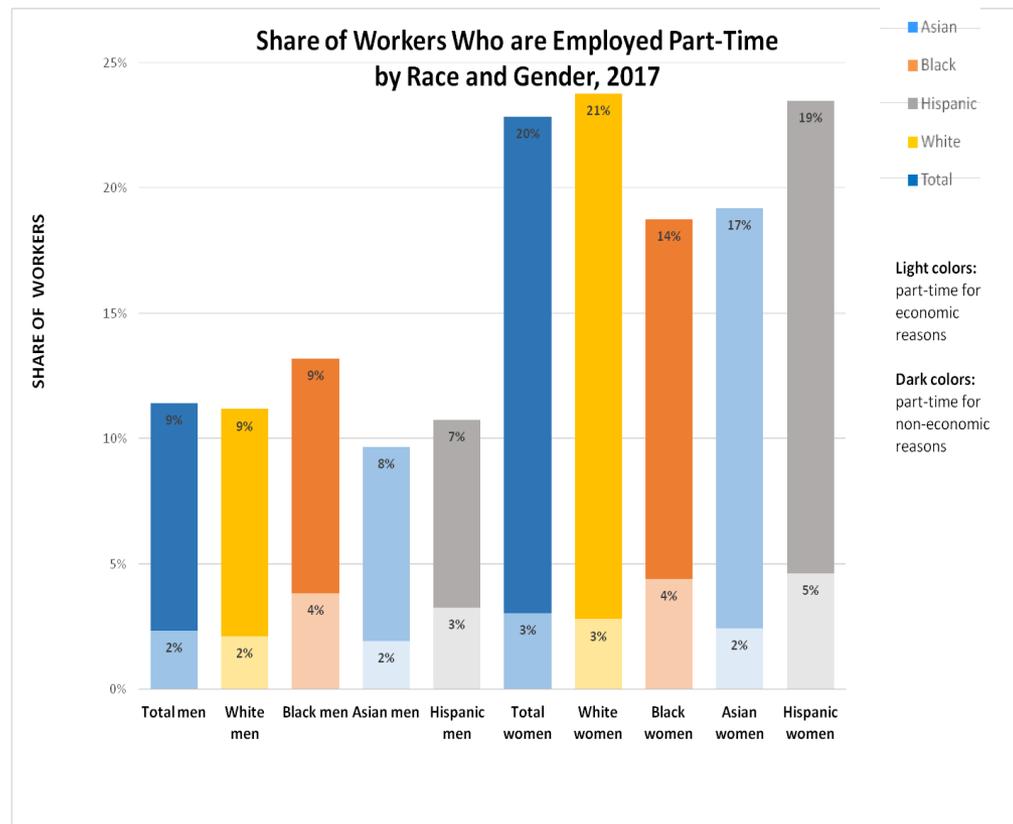
# Disproportionate impact

**Unemployment by Educational Attainment and Race**  
**Adults 25 and Up, 2017**  
Current Population Survey, Table 7



# People working in jobs with not enough or irregular hours

Work requirements do not reflect the realities of today's low-wage jobs, including seasonal jobs, involuntary part-time work, and unpredictable scheduling.



Current Population Survey, Table 8

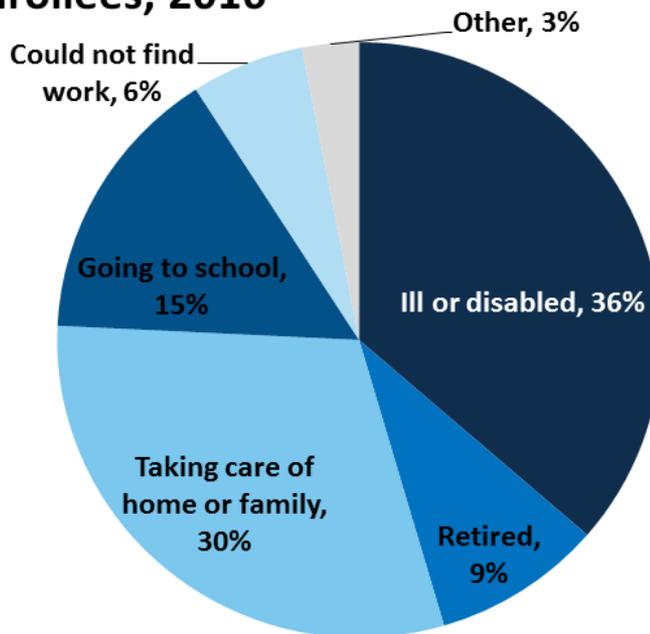
# PAPERwork Requirements

- People may lose benefits due to failure to submit paperwork to document their hours of work—*even when they are meeting the work requirements.*
  - People may lose benefits if the state loses or fails to process their documentation
  - Arkansas' new Medicaid waiver requires people to report their hours online by the 5th of the month, leaving people with no internet access out of luck.

# People with disabilities who do not qualify for SSI

Figure 6

## Main reasons for not working among non-SSI, adult Medicaid enrollees, 2016



Total = 9.8 Million

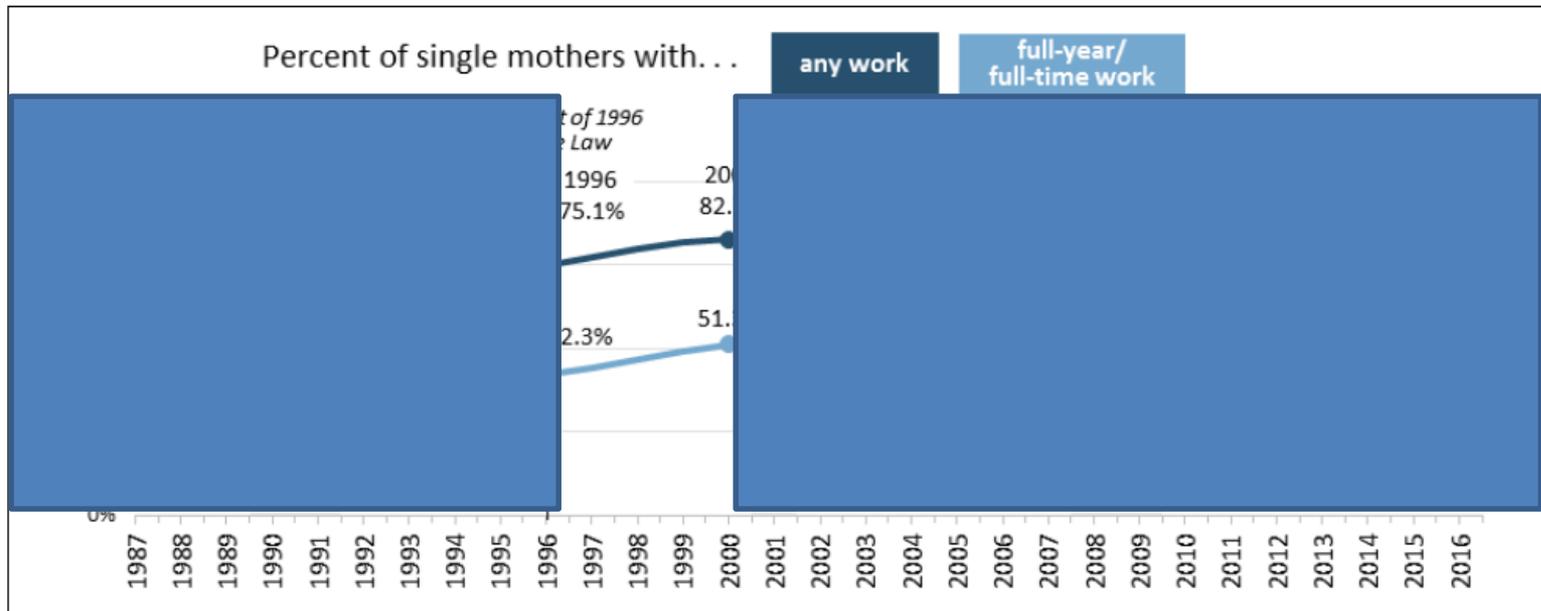
NOTE: Includes nonelderly adults who do not receive Supplemental Security Income (SSI).  
SOURCE: Kaiser Family Foundation analysis of March 2017 Current Population Survey.



<https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>

# TANF had modest effects on employment

**Figure 2. Percentage of Single Mothers with Any Work During the Year, and with Full-Year, Full-Time Work, 1987-2016**

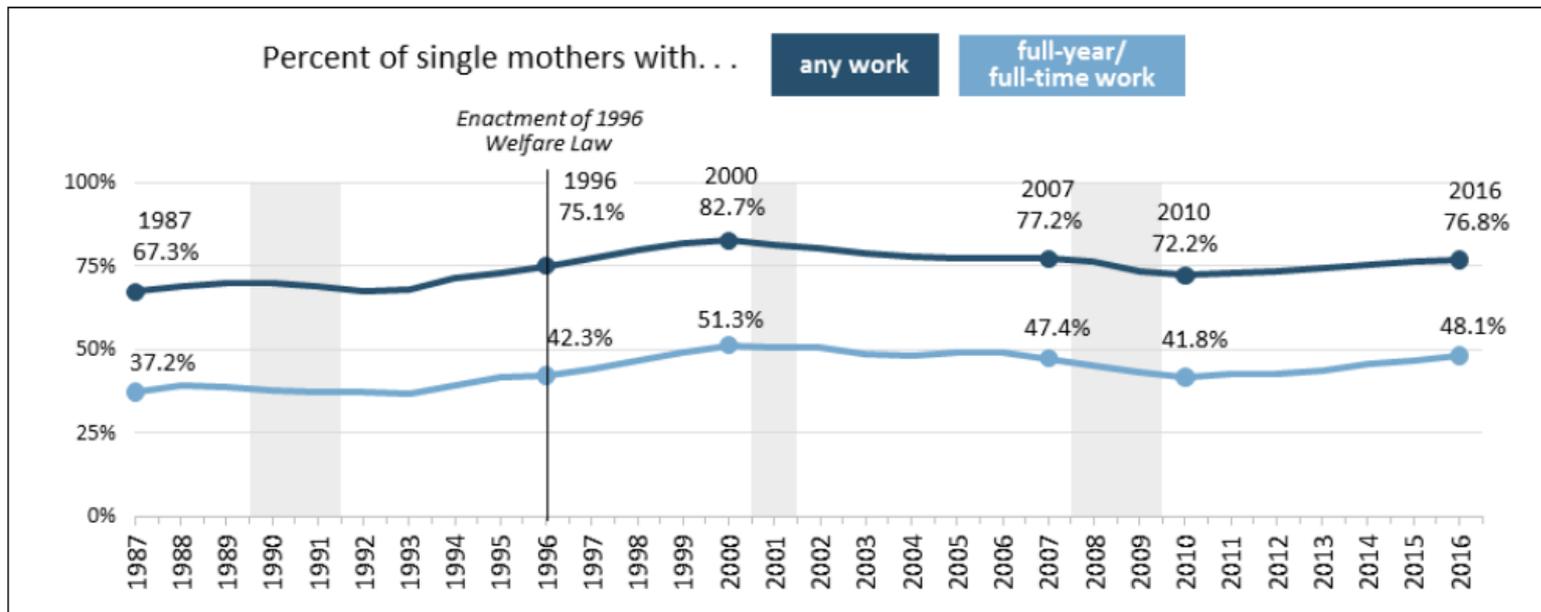


**Source:** Congressional Research Service (CRS) tabulations of the U.S. Census Bureau's Current Population Survey (CPS) Annual Social and Economic Supplements (ASEC), 1988 to 2017.

**Note:** Shaded areas denote years of economic recession.

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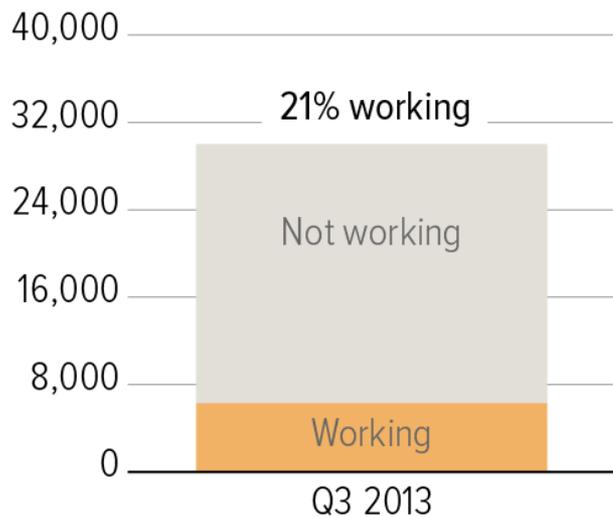
# ABAWD time limits show NO evidence of increasing work

## Kansas SNAP Benefit Cutoff Did Not Boost Work

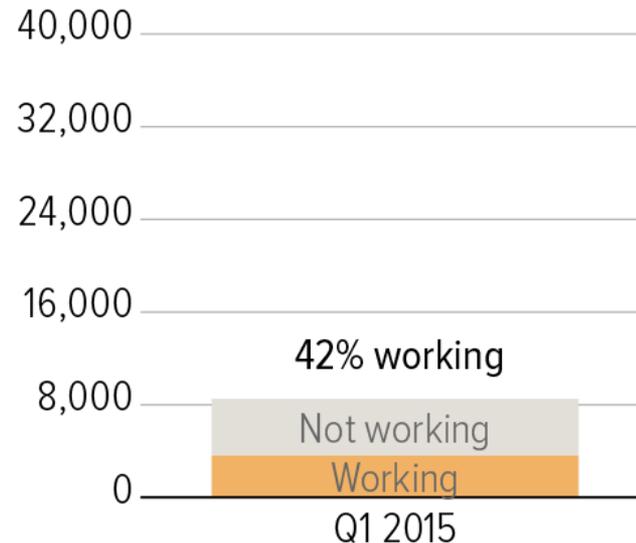
Non-disabled childless adult SNAP participants before and after January 2014 cutoff of those not working 20+ hours per week

<https://www.cbpp.org/kansas-snap-benefit-cutoff-did-not-boost-work>

### Number of such SNAP participants who worked fell...



### ...but the work rate rose only because there were fewer such SNAP participants overall



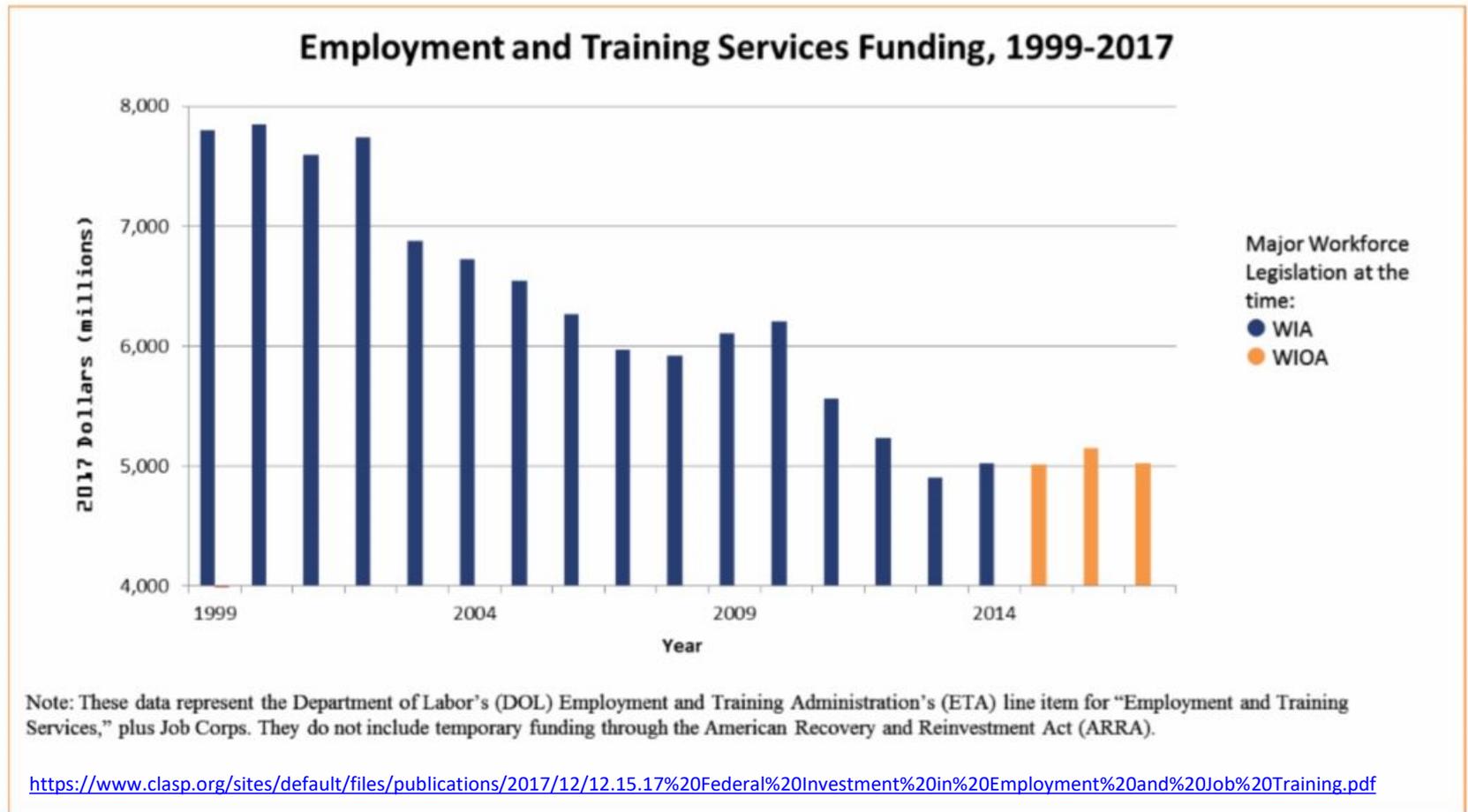
# Effective programs are intensive and higher cost

Many people desperately want to work and just need the opportunity



The most effective job training programs cost \$5,000 to \$10,000 per recipient and serve relatively small numbers of recipients, but pay off in long-term earnings gains.

# Workforce system is underfunded



# Mandatory programs are wasteful

- When states are under pressure to serve lots of participants, they are more likely to operate low-touch job search programs, less likely to focus on career pathways and other strategies that have been proven effective.
- Mandatory programs put focus on attendance, not outcomes
- One study of TANF caseworkers found that they spent more than half their time documenting participation, not helping clients get jobs.

# SNAP

- Farm Bill
  - House bill delayed due to strong Democratic opposition to draft bill including provisions making time limits more stringent
  - Senate may release bill in April or May
  - Needs bi-partisan support to pass
- SNAP “Advanced Notice of Proposed Rulemaking”
  - <https://www.regulations.gov/docket?D=FNS-2018-0004>
  - Comments due April 9, 2018
  - Template comments available from CLASP

# Medicaid

- Medicaid work requirement waivers
  - CMS issued letter encouraging such waivers on January 11
    - <https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>
  - So far, have been approved in Kentucky, Indiana and Arkansas
  - About 8 other states have submitted requests; more likely to follow
  - NHeLP, SPLC and others have sued CMS
- Legislative changes unlikely without reconciliation

# “Workforce Development”

“During a GOP retreat here in Appalachia, **Ryan** urged congressional Republicans to tackle ‘workforce development.’ He messaged the somewhat amorphous phrase as a matter of ‘helping people’ — not a budget-cutting excursion. But at least a half-dozen Republicans told POLITICO that Ryan's proposal could include work requirements for welfare beneficiaries.”

-- Politico, February 1, 2018.

- Appropriations riders? Infrastructure bill?

# Thank you

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For more information:

<https://www.clasp.org/work-and-public-benefits>

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