Work Requirements Don’t Work
Coalition on Human Needs & Heartland Alliance
March 2018
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?

<table>
<thead>
<tr>
<th>Currently</th>
<th>At Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash assistance under Temporary Assistance for Needy Families (TANF)</td>
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<tr>
<td>Food assistance under the Supplemental Nutrition Assistance Program (SNAP)</td>
<td>SNAP</td>
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<tr>
<td>• Mandatory employment and training</td>
<td>• Limits on states’ ability to waive the time limits in areas of high unemployment</td>
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<tr>
<td>• Time limit for non-working childless “able bodied” adults 18-49</td>
<td>• Expansions of the populations subject to the time limit – older adults, parents?</td>
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<tr>
<td>Housing assistance in a few demonstration sites</td>
<td>Housing assistance in more places</td>
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<tr>
<td></td>
<td>Health insurance under Medicaid</td>
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<td></td>
<td>• HHS has granted work requirement waivers to 3 states: KY, IN, AR, with more likely to follow</td>
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<tr>
<td></td>
<td>• Advocates have filed lawsuit against HHS</td>
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</tbody>
</table>
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.
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

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

<table>
<thead>
<tr>
<th>Educational Attainment and Race</th>
<th>Unemployment Rate</th>
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</thead>
<tbody>
<tr>
<td>Less than a High School Diploma</td>
<td>Asian: 5.4%</td>
</tr>
<tr>
<td></td>
<td>Black: 6.6%</td>
</tr>
<tr>
<td></td>
<td>Hispanic: 6.8%</td>
</tr>
<tr>
<td>High School Diploma</td>
<td>Asian: 4.1%</td>
</tr>
<tr>
<td></td>
<td>Black: 9.7%</td>
</tr>
<tr>
<td></td>
<td>Hispanic: 4.6%</td>
</tr>
<tr>
<td>Some College, No Degree</td>
<td>Asian: 3.4%</td>
</tr>
<tr>
<td></td>
<td>Black: 5.3%</td>
</tr>
<tr>
<td></td>
<td>Hispanic: 4.4%</td>
</tr>
<tr>
<td>Associate Degree</td>
<td>Asian: 3.1%</td>
</tr>
<tr>
<td></td>
<td>Black: 6.1%</td>
</tr>
<tr>
<td></td>
<td>Hispanic: 3.4%</td>
</tr>
<tr>
<td>Bachelor's Degree or Higher</td>
<td>Asian: 2.8%</td>
</tr>
<tr>
<td></td>
<td>Black: 4.0%</td>
</tr>
<tr>
<td></td>
<td>Hispanic: 3.4%</td>
</tr>
</tbody>
</table>
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

- Ill or disabled, 36%
- Retired, 9%
- Taking care of home or family, 30%
- Going to school, 15%
- Could not find work, 6%
- Other, 3%

Total = 9.8 Million

NOTE: Includes nonelderly adults who do not receive Supplemental Security Income (SSI).

TANF had modest effects on employment
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


Note: Shaded areas denote years of economic recession.
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

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

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>Working</td>
<td>Not working</td>
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<tr>
<td>Q3 2013</td>
<td>11,800</td>
<td>28,200</td>
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</tbody>
</table>

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

<p>| | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>Working</td>
<td>Not working</td>
</tr>
<tr>
<td>Q1 2015</td>
<td>17,600</td>
<td>22,400</td>
</tr>
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</table>

https://www.cbpp.org/kansas-snap-benefit-cutoff-did-not-boost-work
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”
  – Comments due April 9, 2018
  – Template comments available from CLASP
Medicaid

• Medicaid work requirement waivers
  – CMS issued letter encouraging such waivers on January 11
  – 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
“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 excursive. 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

For more information:
https://www.clasp.org/work-and-public-benefits

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