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Work Requirements in the Safety Net and the Challenges of Implementation

Ron Haskins and Diane Schanzenbach

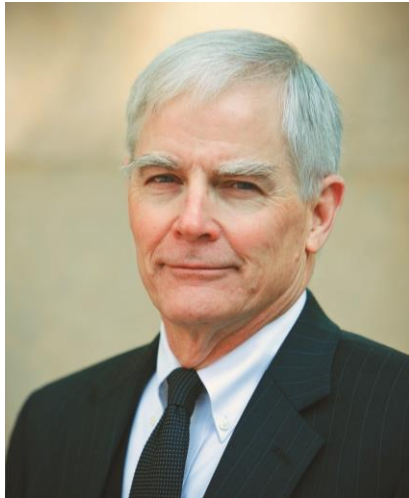
October 31, 2018

Webinar begins at 2pm EDT/1pm CDT/12pm MDT/11am PDT



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Ron Haskins

**Cabot Family Chair & Co-Director, Center on
Children and Families,
Brookings Institution**



Diane Schanzenbach

**Director, Institute for Policy Research
Margaret Walker Alexander Professor
Northwestern University**

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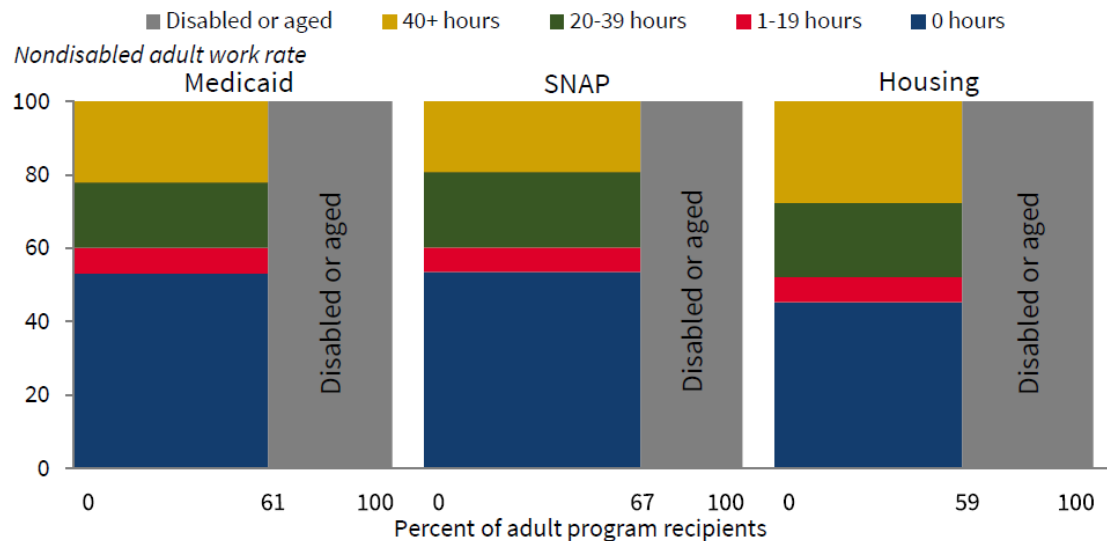
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Ron Haskins
Cabot Family Chair &
Co-Director, Center on Children and Families
Brookings Institution
Washington, DC

Programs that Support Work

- EITC
- Child Care
- Child Tax Credit & Additional Child Tax Credit
- SNAP
- Medicaid
- TANF
- Housing

Figure 1. Percent of Adult Recipients who are Non-Disabled and Working-Age and Weekly Hours Worked, December 2013



Sources: Survey of Income and Program Participation, 2014 Wave 1; CEA calculations.

Note: We identify program recipients based on receipt of benefits during December 2013. “Adult” refers to all individuals age 18 or over. “Working-age” refers to individuals age 18-64. “Aged” refers to all individuals age 65 and over. “Disabled” refers to all adult individuals who receive disability benefits (Supplemental Security Income, Social Security Disability Insurance, or Veterans disability benefits). We base hours of work on the average hours per week each individual reported during December 2013. SNAP refers to the Supplemental Nutrition Assistance Program. Housing refers to households who indicate receipt of rental subsidies.

Work Requirements in TANF

- State work rate of 50% for single-parent families with “work-eligible individuals” (90% for 2-parent families)
- 12 work activities, including:
 - Unsubsidized employment
 - Job search and readiness
 - Work experience
 - Community service
 - Vocational education training
- 30 hours per week (20 hours for single parent with child < age 6)

Work Requirements in SNAP

- Able-bodied adults without dependents (ABAWD) limited to 3 months of benefits in a 36 month period if they do not meet work requirements
- Requirements:
 - Work at least 80hrs./month
 - Enrolled in qualifying education or training program 80hrs./month
 - Comply with a workfare program
 - SNAP Education and Training Program

Work Requirements in Medicaid

- Kentucky, Indiana, Arkansas, and New Hampshire are in the early stages of implementing requirements
- Requirements
 - 80 hrs./month
 - Job training
 - Enrolled in education program

Work Requirements in Housing

- Housing reforms enacted in 1998 contained first work requirements
- Requirement; Some recipients of public housing required to participate in community service or self-sufficiency activities for 8 hours each month

Big Questions on Work Requirements

- Who is subject to work requirements?
- What activities count toward work?
- How many hours must recipients work to count toward fulfilling the requirement?
- What are the sanctions against individuals?
- What are the sanctions against states that fail to meet the work requirement?
- How is funding handled? Is there money for training?
- What kind of evaluation will be conducted and who will pay for it?

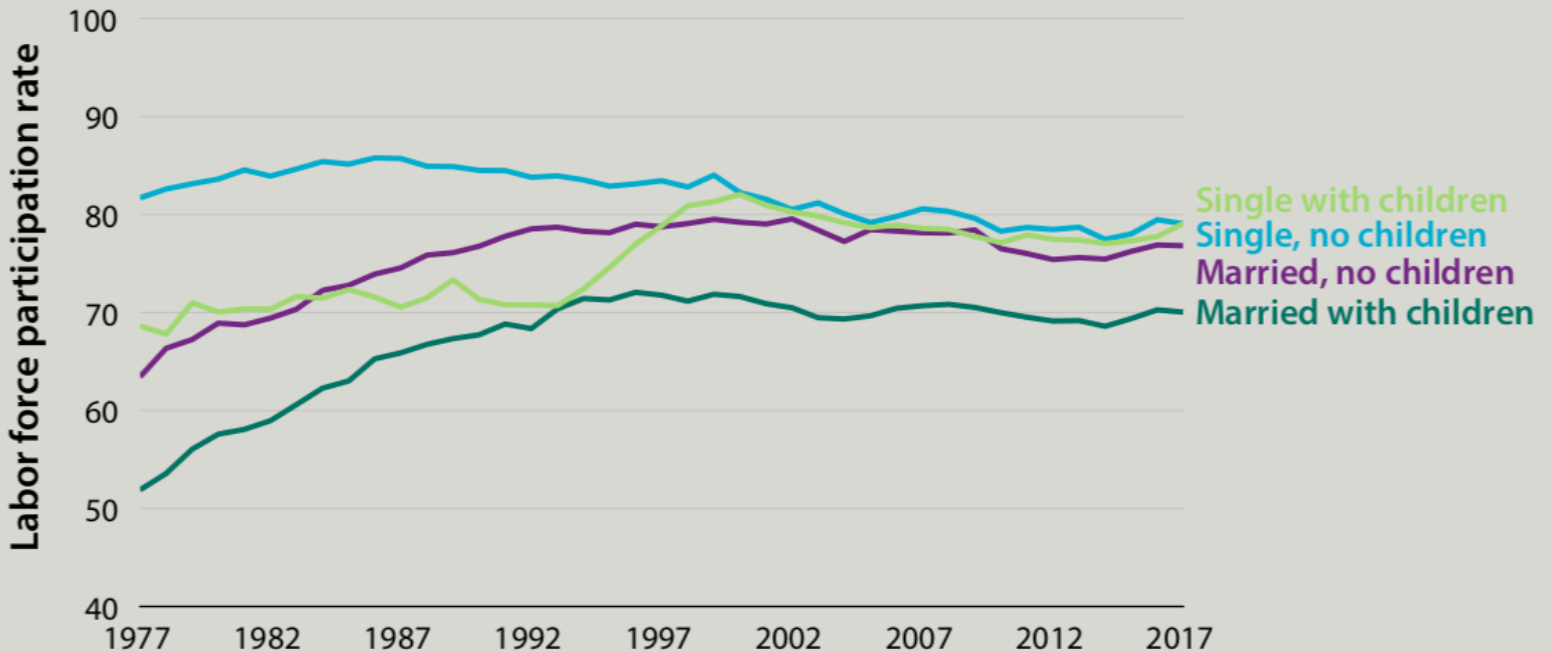
See Peter Germanis, "Expanding Work Requirements in Non-Cash Welfare Programs: TANF Is Not a Model, but a Cautionary Tale", October 2018.

Work Requirements in the Safety Net & the Challenges of Implementation

Diane Schanzenbach
Director, Institute for Policy Research
Margaret Walker Alexander Professor
Northwestern University

“Work Problem” not Limited to those Participating in Safety Net Programs

Prime-Age Women’s Labor Force Participation, by Marital Status and Presence of Children under Age 18

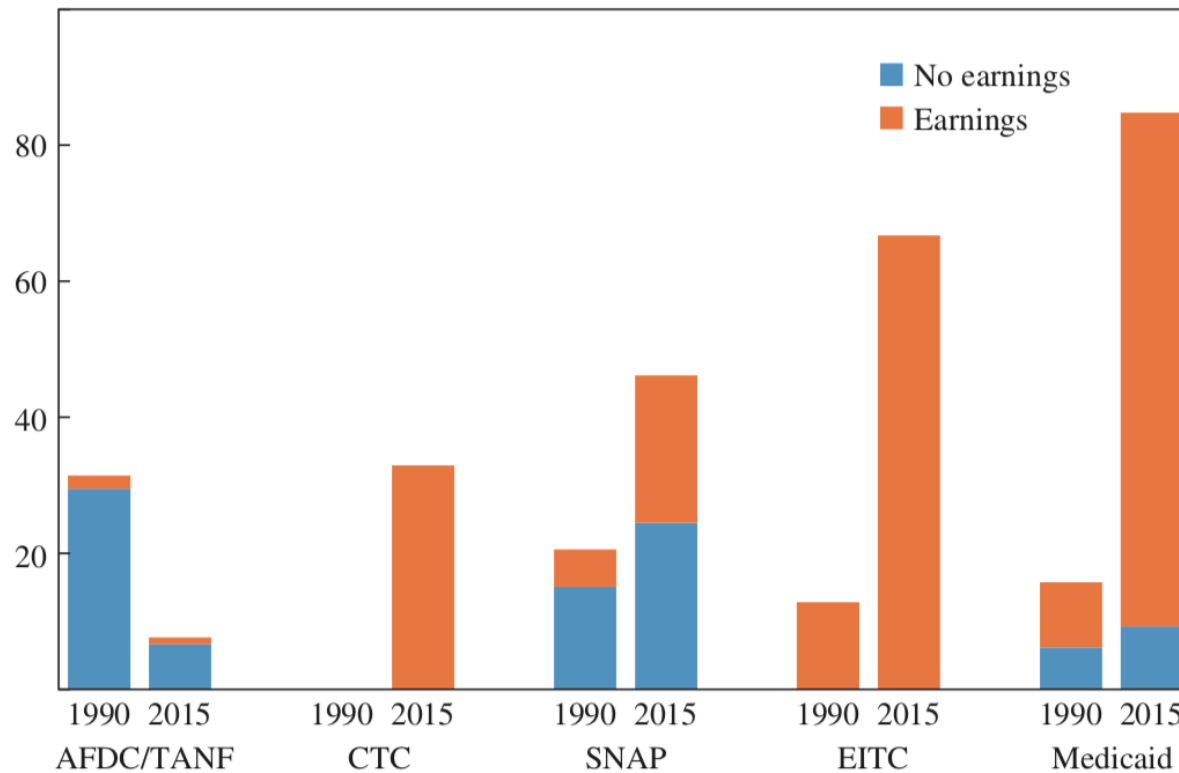


Source: Current Population Survey Annual Social and Economic Supplement (ASEC) (Bureau of Labor Statistics [BLS] 1977–2017); authors’ calculations.

Spending, Increases Overwhelmingly Going to Earners

Figure 14. Government Spending on Children, by Parental Earnings, 1990 and 2015

Billions of 2015 dollars



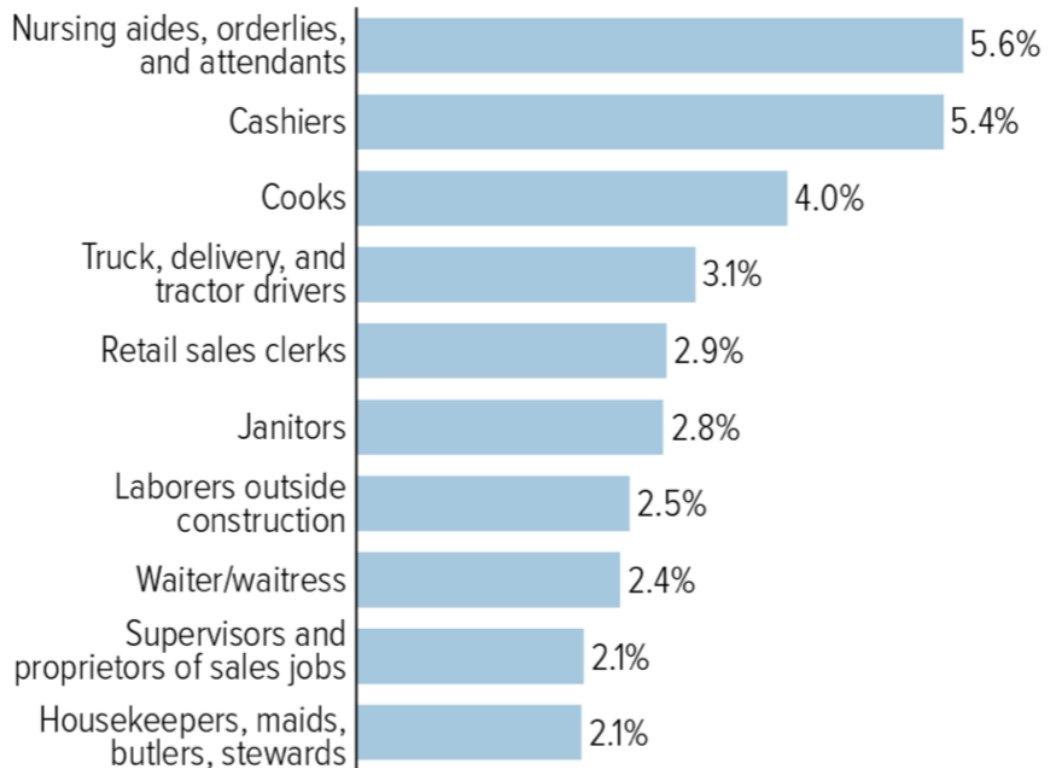
Realities of labor market interact with safety net

- Low & stagnant wages
- Higher unemployment
- Less stability in hours
- More job displacement
- Don't seem to be “elevators to middle class”

<https://www.cbpp.org/research/poverty-and-inequality/most-workers-in-low-wage-labor-market-work-substantial-hours-in>

Most Common Occupations Among SNAP or Medicaid Participants Include Health Care Workers, Cashiers, and Cooks

Top occupations for SNAP or Medicaid participants, 2002-2017

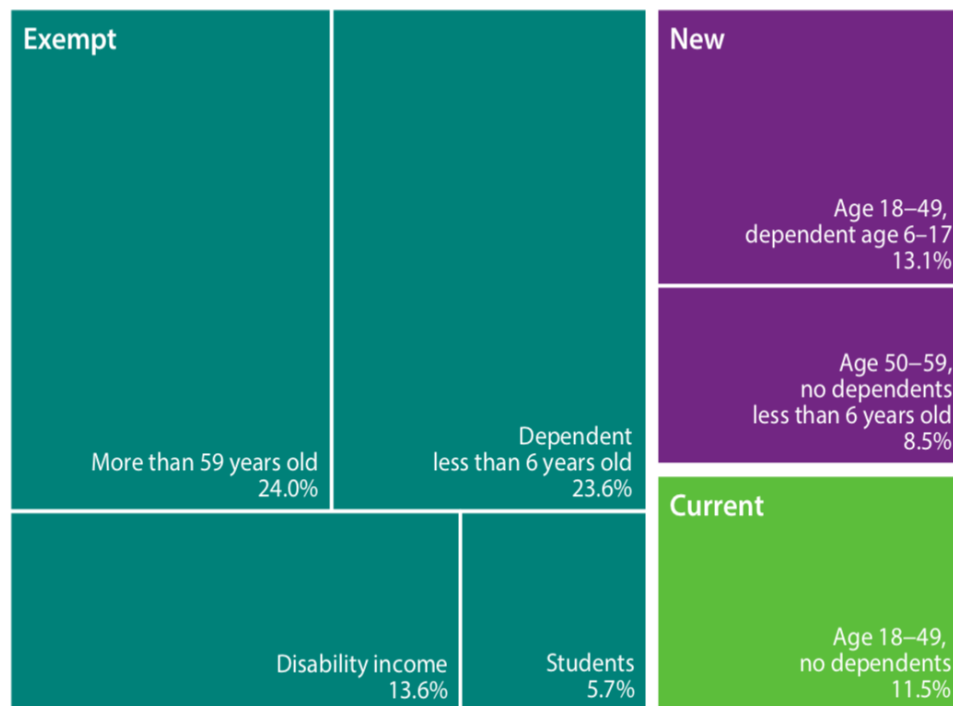


Increased Exposure to Work Requirements (SNAP)

- 22 percent of all participants (4.1 million adults) would be newly exposed under the House bill (purple)
- This also has implications for the children and seniors living in these households
- A much larger share of adult Medicaid participants (47 percent) could be exposed to proposed work requirements (22 million adults)

http://www.hamiltonproject.org/papers/work_requirements_and_safety_net_programs

Exposure to Work Requirements among Adult SNAP Participants, 2017



Labor market volatility (SNAP)

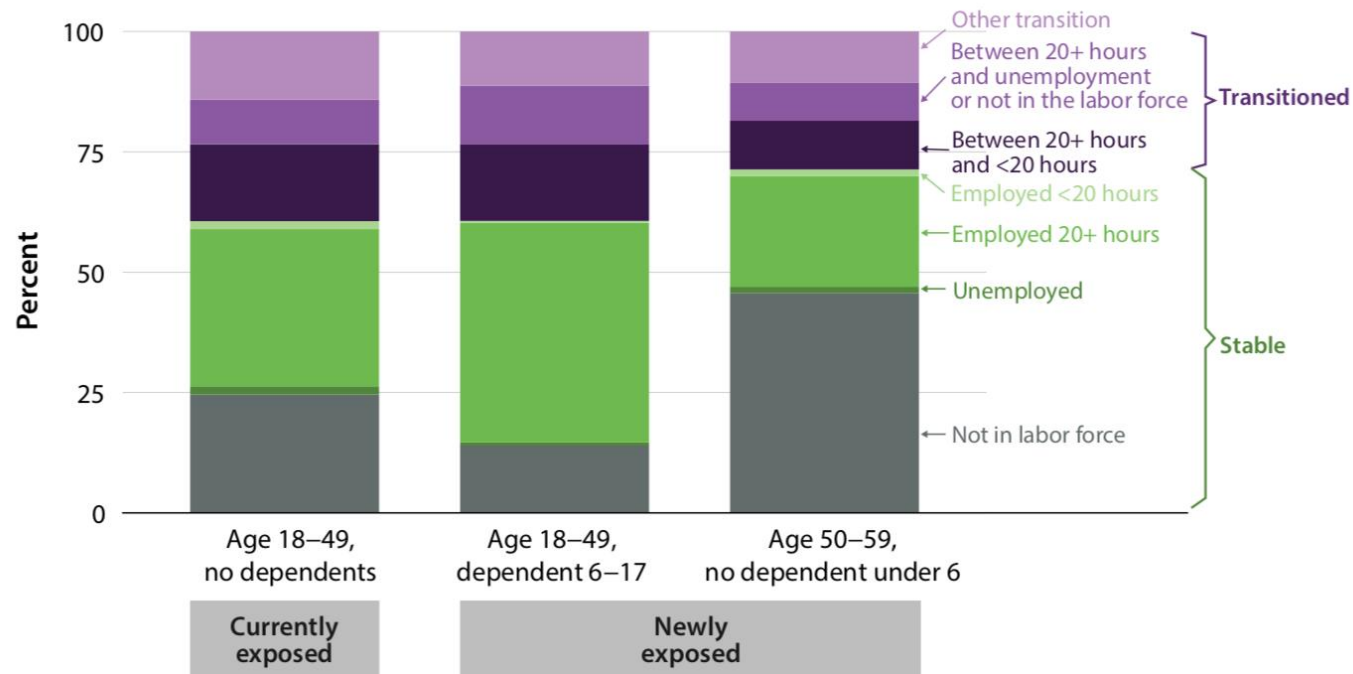
Younger (18–49) newly exposed SNAP participants

- 86 percent were in the labor force
- 46 percent would meet work requirements consistently, but 28 percent would pass in some months and fail in others

Older (50–59) newly exposed SNAP participants

- Less likely to work (54 percent were in the labor force)

Employment Status over Two Years, SNAP Participants



Why are people not working:

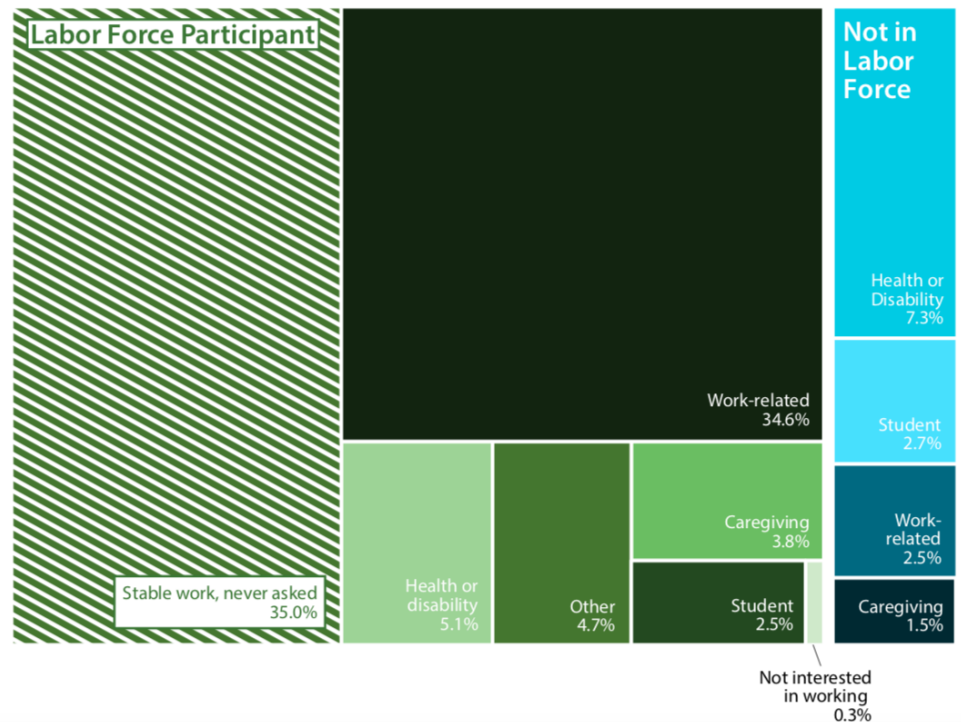
SNAP participants (age 18–49) with dependents (age 6–17)

Work-related reasons (i.e, labor market volatility) are common reasons for missing work among labor force participants

Half of those out of the labor force cite health or disability reasons for not working

None cite early retirement and only 0.3 percent report being uninterested in working

Most-Frequent Reason for Not Working for Pay, SNAP Participants Aged 18–49 with Dependents Age 6–17



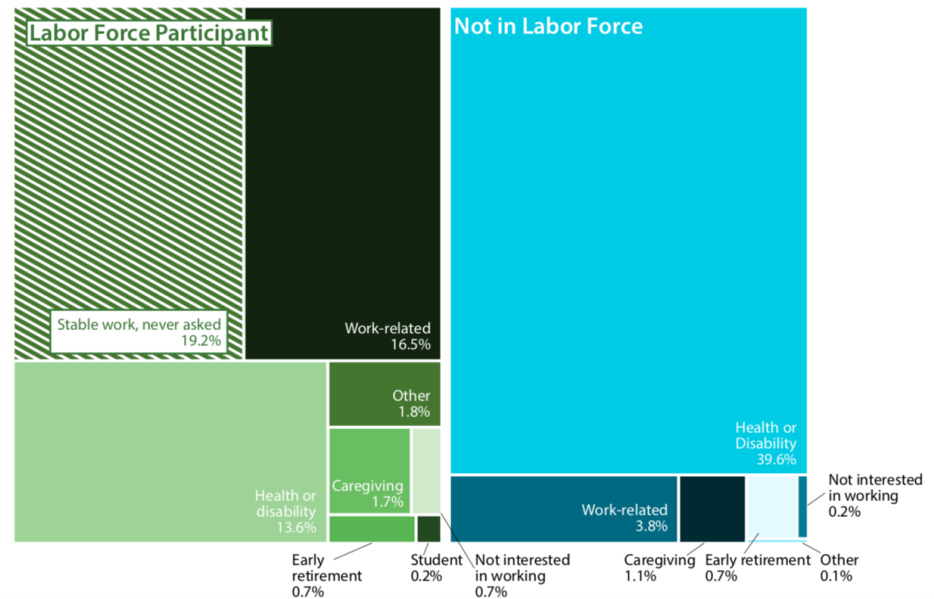
Why are people not working: SNAP participants (age 50–59) with no dependents under age 6

More than half of the older, newly exposed SNAP participants cite health or disability reasons

87 percent of those not in the labor force attribute their lack of work to health or disability

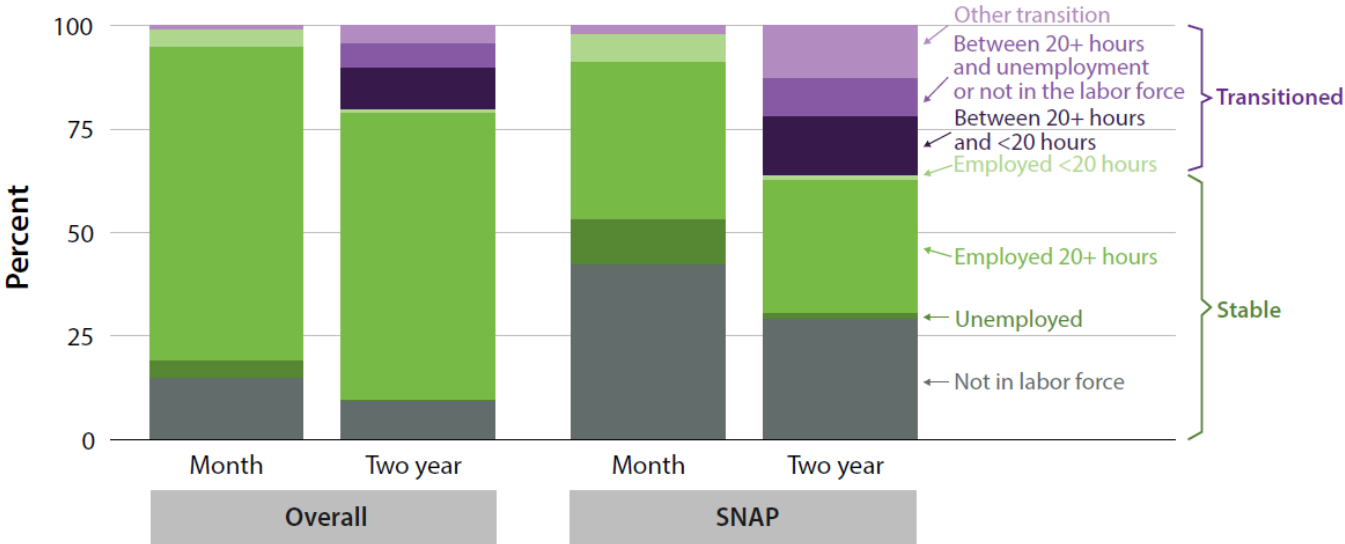
Fewer than 3 percent cite retirement or a lack of interest in working

Most-Frequent Reason for Not Working for Pay, SNAP Participants Aged 50–59 with No Dependent under Age 6



One month snapshots are misleading

Employment Status in One Month vs. Two Years, SNAP



SIPP (U.S. Census Bureau 2013–14); authors' calculations.



- Overstates labor force non-participation rates
- Understates the share who would not pass work requirement threshold (purple, light green)
- Administrative hurdles could penalize even those who are working consistently above the threshold



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Responses?



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Q & A