Work Requirements in the Safety Net and the Challenges of Implementation

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October 31, 2018

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

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“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

Spending, Increases Overwhelmingly Going to Earners

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

Billions of 2015 dollars

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<th>Program</th>
<th>1990 No Earnings</th>
<th>2015 No Earnings</th>
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</table>

No earnings vs. Earnings
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”

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
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)
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.
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.
One month snapshots are misleading

- 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
Responses?
Q & A