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LOW-WAGE WORKERS AND THE ROLE OF ANTI-POVERTY PROGRAMS

A HAMILTON PROJECT AND CENTER ON BUDGET AND POLICY PRIORITIES POLICY FORUM

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Roundtable Discussion: Work and the Safety Net:

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PROCEDINGS

MR. ALTMAN: Good afternoon, everyone.

I’m Roger Altman, and it’s my pleasure to welcome you here this afternoon on behalf of the Hamilton Project and the Center for Budget and Policy Priorities for our discussion this afternoon on Work Requirements and Safety Net programs.

It’s a particular pleasure for all of us involved with the Hamilton Project to be partnering with the Center for Budget and Policy Priorities. I know I speak for everyone at Hamilton, our advisory council, our wonderful staff, to say that we admire the center. We have a lot in common with the center, and I personally have been involved with the center for some time and I’m really happy to see us collaborating with it.

Let me say a word at the outset about the Hamilton project and then I’m going to say a word or two about today’s event.

The Hamilton Project was founded in 2006,
and I think it’s safe to say that it has thrived in the intervening 12 years. Its purpose from the outset has been to develop and to promulgate 21st century economic policies, defining that term quite broadly, which would be consistent with steady growth and inclusive growth. Growth in which every American would participate.

Our strategy toward that end involves three broad elements -- public investment, a strong social safety net, and fiscal discipline. And as the center has demonstrated for many years, these goals are not in conflict with each other.

And you can see that today’s event fits right in because it addresses that central element of that strategy, namely the safety net, and in particular, the growing call, and to some extent, the beginning application, of work requirements on two of the most basic components of the safety net, namely Medicaid and SNAP for our food stamps.

One state already has implemented work

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requirements on Medicaid recipients. Others -- I believe the number is 20 states -- have begun the process of seeking such waivers. And at the moment, there is pending before a House Senate Conference, a House-passed provision to apply work requirements to SNAP recipients.

You will see, or perhaps you’ve already read, a superb paper outlining this really important issue co-authored by Diane Schanzenbach, who I’m proud to say was the Hamilton Project’s director once removed. And Diane is at Northwestern. Jay Shambaugh, our current director. You can see we’ve been blessed with great talent at Hamilton, and that goes back to the first days because whenever he gets here from the airport, Jason Furman will be making remarks on this subject, and Jason was our second director following Peter Orszag, who was our original one. And also by Lauren Bauer of the Hamilton Project.

It’s not only a comprehensive review of this
really important subject, but in keeping with both Hamilton and the Center, it is a scrupulously objective one. And in a world today where that seems to be in relatively short supply, it underscores why our two organizations really have a vital role to play in terms of the public policy debate.

Now, when you read this paper, no matter who you are, you stop and you realize who Medicaid recipients and SNAP beneficiaries actually are. Instead of the rush of everyday and the hurly-burly of the press and thinking of them in legislative terms or think-tank terms, and you’ll see some extraordinarily valuable data on that and the characteristics of those two populations, and why Medicaid and SNAP are so important to them. And to the entire idea of a strong safety net in this country.

And I’m only going to pick on, and then I’ll turn this over to Jay, I’m only going to pick on two items that really struck me from this paper, and they’re not necessarily the central items. One of
them concerns Arkansas, which is the first state to impose work requirements on Medicaid recipients. Last year, about 5,000 residents of Arkansas were kicked off Medicaid coverage because they didn’t meet the work requirements that the state has recently imposed. Except that to meet those requirements you’re required to submit your work data through an online portal that the state operates.

But we know at the same time that a large number of Medicaid-eligible people in the state of Arkansas, which after all is a rural state, don’t have Internet access. Just think about that a minute.

And then one other point. If work requirements are imposed on SNAP beneficiaries, and as I mentioned, that’s before the Congress right now, the paper suggests that most people who lose coverage as a result of those work requirements will be already working. Why would they lose coverage? Because they will have difficulty navigating the system and will fail to report that such work requirements cannot
apply to them. So probably, and this is just my point of view, the number of people who might be brought into the workforce as a result of these requirements would be smaller than the number of people who are already working, already eligible under these work requirements, but would lose it.

Just a couple of examples of why this paper and this subject is so important.

Now I’m going to turn this over to Jay Shambaugh, the director of the Hamilton Project.

(Applause)

MR. SHAMBAUGH: Thanks very much, Roger.

So as Roger mentioned, I’m just going to run through a few basic facts that are in this paper before I turn things over to our panel. And for those of you following along in the program, Jason Furman is a little delayed and he’ll be here to offer some remarks at the end.

So what we tried to do in this paper is actually, at least what we thought of at first, is a
fairly focused and succinct goal, which was to say who would be hit by expanded work requirements to either SNAP or Medicaid? What characteristics do they have in terms of their work experience right now? And if they’re not working, why not?

And so just to focus on SNAP, I think there are actually lots of in some sense philosophical reasons one can have about which program should have work requirements. And we talk a little bit about that in the paper. To keep things more simple, I’m just going to focus on SNAP today in this next kind of five minutes for time purposes.

So SNAP already has some work requirements. And so if you imagine this box as the sum total of people who are currently SNAP participants, the lower box in the green, which is about 11 or 12 percent, are people who currently face work requirements to the extent that they are in the right age range, 18 to 49, they don’t have dependents, they are not disabled, they are not full-time students.
So the large block over there are all the people who are currently exempt and would continue to be exempt if they were able to demonstrate these things, either whether it’s age, dependence, disability, income, or students. The purple group there, which is about 22 percent of current SNAP participants, are people who would suddenly face work requirements who don’t right now. And those are people who are either 50 to 59, or who are 18 to 49 and have dependents, but those dependents are 6 to 17 years old. So people with not quite very young kids would suddenly be facing work requirements.

So this would take you up to about a third of people who are enrolled in SNAP right now and would now have work requirements.

If you took the same type of diagram for Medicaid, it would actually even hit a larger share of the people with Medicaid right now.

One last thing about this that’s important to recognize is, well, it looks like this is about a
third of people. These households also have lots of kids and seniors in them. So if the adult were to lose their stock benefits -- I think as economists we generally feel pretty comfortable saying the household budget is unified and therefore, the children or seniors in those households would face reduced resources as well.

If we look at see what’s happening to these people, how much do they work right now, based on data over a two-year period from the SIP, and it’s showing you what are people doing kind of month by month by month. And so I’ll just focus on the middle bar.

The far left bar is those who are currently exposed to work requirements. The middle is the 18 to 49 year olds, 6 to 17 year old dependents, and the far right are some older people in SNAP, not seniors though.

If you look at that group, the very bottom part of that column are the people who are not in the labor force at any point. So they’re just completely
out of the labor force. That’s only 14 percent though. The other 86 percent are in the labor force during this two-year period. So right away we’re seeing most of these people are engaged in the labor force to some extent. The large green piece are the people who you might think of as safe to the extent that if they were able to navigate the administrative complexities, they are always working 20 hours a week. But what’s really important to recognize are the first two purple bars there which is 28 percent of the people at some points satisfy the work requirements, but then at some points they don’t. And this just speak to the volatility of the low-wage labor market and how many people who are trying to be in the labor market, who are actively involved in the labor market, would at times be failing work requirements. And that’s something that I know Diane will want to talk about later.

The other thing that probably jumps out at you when you look at this is the very different
profile of the 18 to 49 year olds versus the 50 to 59 year olds. The 50 to 59 year olds, a lot of them are out of the labor force entirely. And so what we’ll do next is try to look at why are people not working when they’re not working? So again, this large box is the sum total of people not including the people who are exempt for a variety of reasons. So this doesn’t include people with disability income or students or anything like that.

So you’ve got a chunk of people in the crosshatch there who are always working. So they never answer the question that is posed in the survey which is, why aren’t you working?

If you look at this middle, all these kind of green bars cobbled together, that’s the people who are at some point asked why you’re not working but at other times they are working. And that very large dark green piece there is people who are not working for what’s labeled as work-related reasons. They temporarily lost a job, they couldn’t get hours, their
firm shut down. Something happened. They’re normally working but they just couldn’t work for work-related reasons. That’s what’s going on with these people when they’re not working is something happened in the labor market.

This much smaller set over here, which is in blue, those are the people who are always out of the labor force, that 14 percent. Roughly half of them it’s health and disability. This is the younger group. And again, remember, this doesn’t include anyone who has disability income. So it’s people who aren’t on disability who say I can’t work. That’s why I’m not working.

If you look at the picture for the older participants, so 50 to 59, it’s very, very different. Right? The thing that hopefully jumps out at you, it’s hard to miss, is the very large light blue box there which is people who are not in the labor force at any point during this time, and the reason is they say it’s because of health or disability. I can’t
work is what they’re saying. Again, people who are on disability are not included here.

And so what we see here is of that larger, of that older group, I believe it’s something like 87 percent of the ones who are not in the labor force, it’s because of health and disability. And they’re saying I can’t work no matter what you say to me.

In both groups, in the previous figure it was somewhere less than half a percent. In this all total across here it’s under three percent are people who are either retired or say they don’t want to work and that’s why they’re not working. That’s not the population we’re broadly talking about here.

Just the last thing to show that I think is sometimes informative here is to think about how we often look at these statistics versus how we’re looking at them right here, which is in some sense to think about a snapshot versus a moving picture of people’s work experience.

So the first bar in each of these two column
sets is what you would find if you just looked at a normal monthly employment report and said who’s working, who’s not? And you’d see a certain number in the gray bottom who just aren’t in the labor force. And you think, oh, they’re completely not in. And then you’d see this large chunk who look safe because they are working. When you move one over you get to this moving picture over time and you suddenly realize far fewer people are truly out of the labor force. They’re in the labor force at some point, just when you take a snapshot they may have been out that month. And you also find a smaller group of people are in some sense safe from the work requirements. A lot more will get hit than it looks like when you look in any given month, and that’s because over the course of two years people are in and they drop out and that’s a reality of what happens to people in low-wage occupations.

The first two bars are for kind of the overall population of this age range. The second two
bars are just for SNAP participants. And it is true in both cases that the number of people who would in some sense be truly safe becomes much smaller. The number of people who are truly out of the labor force becomes much smaller as well.

And so what it does is it brings to light we think over these different pictures that the administrative barriers are a real challenge here. The administrative barriers to who is going to document who really has a health reason for being out amongst that 50 to 59? Who is going to document who has a legitimate work-related reason for being out of the labor force versus didn’t want to go to work that month. Those things are really hard to document, and yet, if you don’t document them accurately it means you’re probably going to, as Roger mentioned, kick a lot more people out of these programs because of administrative error than you would because these were people you actually intended to in some sense sanction.
So I’ll stop there and I’ll welcome up Catherine Rampell who is going to moderate this next panel and all of our panelists up here. So, thanks.

(Applause)

MS. RAMPELL: Thank you so much for joining us today, and especially to my esteemed panel.

So as you heard from the earlier speakers, there is a lot of momentum behind adding work requirements as a condition of safety net benefit receipt. Roger mentioned that there is the Farm Bill that would add work requirements for food stamps, at least in the House version. There’s also some activity at the state level, of course, adding work requirements for Medicaid. One of those states, Kentucky, has since had to withdraw its plans, or at least they’re revamping them as far as a court challenge. But I don’t think Roger mentioned this, there was also an executive order that President Trump signed maybe back in April that ordered the review of lots of other safety net programs to see when and
where there might be the option for adding work requirements to those as well. So this is something that could pervade lots and lots of various kinds of programs, and of course, could affect many different kinds of Americans.

So I’m pleased to introduce our panel today from furthest from me to closest.

Michael Tanner, he is a senior fellow at the CATO Institute. Does a lot of work on safety net redesign, looking at fiscal concerns, economic concerns, things like that.

Diane Schanzenbach, who is at Northwestern. You’ve already heard about her. She’s one of the authors of the paper today and a Hamilton alum.

Sharon Parrott, who is at the Center of Budget and Policy Priorities who has done extensive work on the safety net and sort of a portrait of the workers who would be affected, of course, by these kinds of programs.

And Marquita Little Numan, who joins us from
Arkansas. She’s the health policy director -- and I want to make sure I get the name of the organization right -- of the Arkansas Advocates for Children and Families. And she can talk about the one state that has actually implemented a Medicaid work-requirement program.

So Diane, I thought I would start with you since you, of course, are one of the coauthors of this paper. Could you elaborate a little bit about the universe of these workers and what these low-wage workers would be affected and what their working lives are like?

MS. SCHANZENBACH: Absolutely. Thanks. Thanks for joining us today.

So I think a point that I want to make sure is clear is that a lot of people who would be facing work requirements under proposed -- especially under SNAP, under the House’s proposed bill, are already working. So a large share of people who are facing work requirements are already employed and they’re
working. And in fact, they’re doing so rather substantially. They’re working every year. Many of them are working at least 30 hours a week at least half of the year.

Why, then, are they still on SNAP? Well, a couple of things. One is their earnings are low. But second is their employment is very volatile. And so the way that the work requirements are currently set up says any single month that you fall below 20 hours per week you can be sanctioned and lose your benefit.

So what do we know about these workers? Well, we know that they’re in occupations that are things like nursing aides, cashiers, cooks, sales clerks, jobs like that that have low wages. They’ve shown little wage growth over recent years and they just experience more volatility. Their unemployment rates are higher, their tenure rates of continuous working are lower, et cetera, et cetera. There’s just less stability of employment. There’s more displaced workers, just on and on and on.
They often, and so we calculated about one out of every four of these workers will be sanctioned at some point, not due to their own lack of effort but just due to the normal volatility in their jobs. So it’s hard to imagine work requirements incentivizing them to want to work more. They’re already trying to work. It’s just that they’re working in these industries and occupations that have substantial volatility.

MS. RAMPELL: Thanks.

Michael, I was hoping we could talk a little bit about the purpose behind these kinds of work requirements -- fiscal, social, economic. You know, to some extent it’s a question of how we want to design our social safety net, what we can afford. But also kind of a question of values. What do the poor owe us and what do we owe the poor? And I’m wondering if you could walk us through what you see as the motivation behind these kinds of requirements and how likely they would be to achieve the stated objectives.
MR. TANNER: Sure. And I should say at the outset, I’m fairly agnostic when it comes to work requirements. Actually, when I came to Washington I kind of was skeptical of them and then I sort of became more favorably inclined for some of the reasons I’ll get into in a minute. And now I’ve sort of come back around to a general agnosticism on whether they accomplish what they set out to do.

But the question is in terms of what our goals should be for the social safety net, it should be to enable human flourishing. I mean, ultimately the goal of all public policy should be to enable people to thrive. And part of that is enabling people to become masters of their own destiny, to be self-sufficient, to be fully in control of their own lives, rather than some sort of custodial welfare state under which we give people enough so that they don’t starve and then we expect them to just be taken care of. Like, I think the idea is we want people to be able to go out, become workers, become supporting of their
families, and that we did have a problem, and I think the evidence suggests fairly strongly that there is a disincentive effect to existing social welfare programs in terms of work, in terms of family formation, and other things as well because of the way they’re designed. We often talk about high marginal tax rates here in Washington. The highest marginal tax rates there are for somebody who leaves welfare and goes to work. Between the loss of their benefits and the taxes they have to pay and the expenses they incur in going to work, it is often much more financially sensible, at least in the short term, to remain on the program than it is to take that entry-level job.

And I think that work requirements were sort of designed to sort of counteract this, to try to say that, okay, even though you would choose to not work, we are going to sort of force you into the labor force to sort of get over that. And the problem is that it ends up that work requirements are not particularly
effective in terms of targeting and hitting who they’re supposed to target in that regard. They’re not much in terms of saving money for the state. They’re administratively very inefficient, just trying to keep track of all the -- of who qualifies for working and what is work doesn’t seem to be very effective.

Basically, what you’re talking about is probably about the fourth best option, which is sort of, I think, the way government tends to work. We sort of throw out all the good options and kind of get down to the bottom sort of base level that we can get politically behind. So I think that is probably designed with a good intention in mind but it is certainly not the best approach to try to move more people into the labor force.

MS. RAMPEL: I should have mentioned, I think that there are cards to write down questions. Was that already announced before we got out here? No? No? Are we not doing that?
SPEAKER: We are.

MS. RAMPELL: We are. Okay. So there are cards and people are collecting them throughout.

Sharon, I know you are not agnostic about work requirements from our prior conversations about this. Could you enlighten us about what your concerns are based on past experience adding work requirements to programs like TANF, for example, or putting them on and then taking them off of SNAP? There was a suspension of some of those requirements in the aftermath of the financial crisis. Could you talk a little bit about what your concerns are?

MS. PARROTT: Sure. I think what I’ll do is talk a little bit about the harm side of this. Sometimes we talk too little about the potential downside risks and what happens to people who get caught up.

So as Diane said, proposals that take benefits away, whether it’s food assistance or healthcare coverage from people who aren’t working a
specific number of hours each week or aren’t in job training that they typically would have to find on their own, these proposals, particularly the current round of proposals, tend to apply to a pretty broad swath of people. And as Diane and the Hamilton Project’s paper shows, a very large share of the people that they would apply to are, in fact, workers. But as workers, they’re likely to get caught up in the system and lose benefits because they don’t need a work requirement in any particular month because of volatility or because of gaps in their employment because of periods of employment.

The other thing I would say is that the other group of people that I think the Hamilton Project does a good job of showing will get hurt is absolutely borne out in the experience in TANF in a set of evaluation studies in the experience of SNAP are people with very serious challenges. Sometimes we kind of wonkify it and call it barriers to employment, but the reality is that there are a lot of people who
are ill, who have disabilities that don’t qualify for disability benefits, who are caring for family members who are ill or have disabilities. In TANF, we see that many people who are sanctioned have domestic violence issues. People that face very serious challenges. And the implications for them are pretty severe.

But let’s talk about why. Why do they get kicked off of programs? Because in general, you look and you see a set of exemptions and it seems like, well, and most people say, no, no, no, we don’t want to hurt those people. We want to exempt them. We’re going to protect them. But the reality is that public programs do a very poor job of this because it’s really complicated. So for someone, in general, for someone to be able to get out of this work requirement structure means they have to understand that there are exemptions. They have to understand that they qualify for an exemption. They have to gather evidence which is particularly challenging for people who don’t have
healthcare coverage. They have to submit the documentation. They have to follow up if the caseworker doesn’t act on it. And they have to follow up with additional information if they get asked for further information. That process, if you’re already sick or dealing with a family member in crisis, is extraordinarily difficult, and that’s just the real world. That’s the real world that people live in. And so lots of people get hurt, both because their jobs are volatile and because they have these very serious challenges that push them off the program. They might or might quality for exemption, but they don’t actually get an exemption.

So the important thing to know is that we have a lot of evidence on this. We have evidence from TANF and from SNAP. We have evidence from the survey data, and we know that a large share of people who are sanctioned in TANF and SNAP fall into this category of having these serious challenges. They’re often erroneously sanctioned. We also know a couple of
other things. We know that rates of hardship in families that get cash assistance, that lose that assistance because of a work requirement are quite high. They’re more likely to become homeless. Their kids are more likely to miss school. They’re more likely to see utility shutoffs. So it’s not an esoteric potential consequence; these are very real world consequences because these are families that financially are very much on the edge.

The other thing is we have a lot of research that shows that people of color are much more likely to be sanctioned than white recipients. We know that from a variety of studies across multiple states, and even studies that pose case examples to case workers where race is varied and caseworkers come down on different sides of whether that’s a person who should be sanctioned or not. These are policies that have quite a bit of discretion in them, and that discretion can bring forth racial bias.

But the other reality is that if we
predicate receipt of basic assistance on success in the labor market, people who have more difficulty in the labor market are going to lose and that include people of color that face employment discrimination, as well as people who live further from job opportunities and the like.

The last thing I’d say is that these consequences are very real. They can be very difficult for families. When someone loses their healthcare coverage, they’re losing access to chronic care and acute care. But it’s not the only way to help people that are struggling in the labor market to succeed. And so maybe we talk about that further later that there are other alternatives for that broadly shared goal of helping people succeed in the labor market.

MS. RAMPELL: Yes. That’s absolutely something I want to get to.

Marquita, tell us a little bit about what your experience has been like or what Arkansas’s
experience has been like with this new work requirement program for Medicaid.

MS. NUMAN: Sure.

So as you all have heard today, Arkansas is the first state that has moved forward with actually implementing a Medicaid work requirement. It only applies to the Medicaid expansion population in the state of Arkansas. At this point, I think we’re four months into implementation, and I can say that the early results of the Medicaid work requirement in Arkansas are certainly very much in line with evidence regarding how these types of work requirements tend to impact the populations enrolled in these safety net programs and certainly all of the research. We’ve seen that the people that we most predict to be negatively impacted and the reasons why has very much been the case in Arkansas. And so certain populations due to life circumstances, like people who are experiencing homelessness, people who have certain chronic health conditions, like a mental health
diagnosis, and then a great number of people who have just been caught up in some of the administrative barriers of complexity of the work requirement have experience, unfortunately, at this point, actual coverage losses in Arkansas.

I think it might be helpful, too, for context, just to share a little bit about how we arrived here in the state of Arkansas because I think the story of how this policy came to be is probably very similar to trends that we’re seeing in other states.

So Arkansas was an early adopter of the Medicaid expansion, particularly amongst southern states. We’ve had an expansion program since 2014. That policy was passed into law in Arkansas under a democratic governor and a bipartisan group of lawmakers helped to design and sponsor that legislation. Then we saw a political shift in our state and so we now have a republican governor who was elected, as well as a greater shift in -- I guess
we’re near a super majority representation of republican lawmakers in our state.

And so what we saw as a result of that political shift, we were able to maintain the Medicaid expansion program because the economic benefits, benefits to hospitals, healthcare providers, consumers, was great. But in order to maintain it there were some compromises in terms of eligibility requirements in order to continue to get the votes in our state legislature to keep the program in place.

And so the work requirement has really followed what has been a series, I think, of more restrictive eligibility requirements, and so we do have small premiums that have been added. We did see a reduction in things like nonemergency transportation, and prior to this new work requirement we had a work referral policy that was in place. This requirement has also been one of the most impactful in terms of the potential impact on coverage rates in the state of Arkansas.
And so kind of back to the actual work requirement, we do have a pretty long list of exemptions built into that work requirement. The state aligned it very closely with similar requirements in the SNAP program in the state of Arkansas. And so a lot of people who were already meeting those requirements also are considered to be in compliance with the Medicaid work requirement.

One of the unique aspects of Arkansas’s work requirement is that we do have a coverage lockout period. And so beneficiaries have three chances during the year for noncompliance before you are removed from the program. And that noncompliance, of course, could be that you failed to actually report that you’re meeting the work requirement, or the work or work activities that you reported did not meet the 80 hour monthly requirement in the program. After those three strikes, those individuals cannot enroll for the remainder of the calendar year.

So we’ve seen now that the first cohort of
group of people who lost coverage last month, it was about 4,300. A little over 4,300 people. And then earlier today we saw the latest report that showed that about another 4,100 people have lost coverage.

I think another really important number to look at is how many people are actually connecting to meaningful work opportunities? And that number is around two percent of people who are subject to this Medicaid work requirement. And if you look at that a little more closely, the majority of the people in that two percent are meeting the requirement because they already have to report through the SNAP program. And so that number gets even smaller, and at this point we aren’t able to clarify how many of those folk are connecting to new work opportunities. So some of those people were probably already employed.

A significant number of people have failed to meet the work-reporting requirement, and I think hopefully we’ll have an opportunity to get into this in more detail. But some of the trends we’ve seen in
barriers to people actually reporting are things like just not even understanding that this new policy actually exists. And so if you go out throughout the state and ask people who are enrolled in Medicaid expansion are they aware of the work requirement, unfortunately, a good number of folks aren’t even aware. Some would say they haven’t received a notice or information. Some are unclear about what’s contained in that information that they have received.

Also, a clear issue in Arkansas is the push towards online reporting. People are expected to go on line to register for an account and to report that they are meeting that work requirement in addition to the complexity of the policy. So even if you are exempt, some of those exemptions are automatic but a great number are not. So if you somehow know about the policy, then you successfully register for an account. You then have to understand your exemption, how often you would have to update or report that exemption. And then finally, of course, there’s the
issue of, again, how many people are actually connecting to those opportunities versus how many people are losing coverage. And right now the ratio of people who are losing coverage far outweighs the number of people who are gaining employment opportunities.

MS. RAMPELL: And the website stinks, too; right? I mean, like, I tried using it on my phone which is the way that a lot of these people -- the only way that a lot of people have access to the Internet and it did not work.

MS. NUMAN: It did not. And there actually, it probably did not. And there’s actually a limited amount of time that you can actually use the portal. I think it’s 7 a.m. to 9 p.m., and there’s a scheduled down time because the state is pulling information from various databases. The website goes down a certain amount of hours each day to kind of consolidate this information in addition to just known issues with various IT systems related to Medicaid in
our state. In fact, the first month where we hit that August 31st deadline and people had to, in order to keep their coverage, you get a five-day window, September 5th. Well, the night of September 4th, the entire system crashed and the state had to extend the reporting period, which of course, then creates a new information barrier because enrollees had to know that you still have an additional month. So the online reporting piece has proven to be very problematic in our state.

MS. RAMPELL: Well, that website needs to shut down so it can shut down and see its wife and family; right?

Diane, as I understand it, the rational that the Trump administration gave for why these waivers for Medicaid allowing states to add work requirements, why they were in accordance with the law is that they furthered the purpose of the federal law that authorizes Medicaid because people who work are healthier. And the purpose of the law is to promote
health, so people who work are healthier. A lot of people have pointed out that this may get the causality backwards; that in fact, the reason why people are able to work is that they are healthier. Could you talk a little bit about what the potential consequences might be for workforce attachment, if we know, of people losing access to health care and to what extent the consequences might be different for other programs, like SNAP? Like, what do we know about whether imposing work requirements is actually, likely to help people stay attached to the work force given the interaction between access to health care and other kinds of services and the ability to work?

MS. SCHANZENBACH: I think, and Sharon might have a better command of the literature, I think we know very little about the Medicaid side of this. I think we know some things about Medicaid, certainly having access to health care improves health on the margin, especially for children. And so there’s good evidence that having access to health care when you’re
a child allows you to grow up and be more economically self-sufficient. That’s a little bit different from this.

But as we sort of then pivot to SNAP and think about the same types of questions, you know, again, looking at our analysis in this Hamilton project report that we put out today, you know, we can basically break the groups into maybe two or three different groups. The younger people who by and large are working, they’re just working with volatility. The second group is the older, sort of getting close to retirement age where there’s lots of health problems, it’s really hard to imagine that taking away either their health care or their food benefits will suddenly allow them — their back to get better and, you know, for them to run out and get jobs. So I don’t think we know for sure, but I think the evidence that we have and economic intuition should suggest that this is going to sanction many, many more people than it incentivizes to go out and work.
MS. RAMPPELL: Sharon, do you want to weigh in?

MS. PARROTT: Sure. I do think one interesting thing is there’s been some surveying of people who have Medicaid and who gave Medicaid through the expansion. And they report that having access to health care has helped them either find or keep a job or look for work. Now, that’s not obviously dispositive. It’s not a random assignment experiment, but it is, I think, pretty important to know that people who have gained coverage do themselves think that this has really helped them work.

There is some literature about Medicaid and work. It’s a little mixed but in general we don’t see big work disincentives on the Medicaid side, and we do see that access to coverage, not only for kids but for adults as well, does really increase access to care. And that’s important to understand. Sometimes I think people have the sense like, will people get care either way? But actually, the data is quite clear.
that having coverage and having Medicaid does increase access to needed care.

MS. RAMPELL: Michael, you wanted to weigh in?

MR. TANNER: Yeah. I just want to caution between the access to care and whether or not it affects outcomes because the literature is much less clear on that, particularly if you look at Oregon where you sort of had a random assignment experiment. At least the data so far shows that in terms of actual outcomes you can’t tell the difference between the Medicaid population and the uninsured population in terms of outcomes.

The self-reported health among the Medicaid population is higher. They report improved health even if they never saw a doctor. So there seems to be some sort of placebo effect in terms of that. And so there’s an improved financial outcome. But in terms of things like whether or not their blood pressure came down or cancer rates and all these sort of
things, we’re not seeing any improvement simply by being on Medicaid. So we need to be a little bit careful about how much we attribute improved health to simply getting into a program.

MS. RAMPELL: And, of course, I wanted to talk a little bit about -- what did you say, this is the fourth best of the options? What are the three better options? A bunch of people submitted questions about that as well.

MR. TANNER: Sure. Let me throw out a couple.

First of all, I think it’s generalized economic growth. I think nothing goes so far as to reduce poverty as general economic growth in the economy, and I think you can show that over time.

Second is I think we need to make that growth much more inclusive in terms of ways to allow low-income people to participate in that economic growth. And that’s everything from criminal justice reform to better education and training policies to
dealing with occupational licensure to a host of ways in which we can allow low-income people and poor people to become fully participants in that economic growth and take part in all that.

Third, I think we need to use more carrot and less stick. And that means revamping the earned income tax credit. Right now, it is far too -- it basically doesn’t apply to single, childless adults, but it’s a bonus for more kids. I think we need to turn that around and take some of that money and redirect it away from the number of children you have to dealing with more single, childless adults, which is a work incentive and basically a wage supplement for them. I would do all of those sort of things before I got down to the work requirements.

MS. RAMPELL: Is there a disagreement on the panel about this?

MS. SCHANZENBACH: I agree in general strokes, although I would not take away current EITC from children to redirect it to single adults. But I
do think that there’s great evidence that the incentives, the carrots of an expanded earned income tax credit will do much more to help this population than these types of work requirements, especially in the case of Medicaid where you can’t actually fund training or search costs as part of this. So it really is just leaving recipients out on a ledge.

MS. RAMPELL: Marquita?

MS. NUMAN: I certainly would agree with that, and that’s what we’ve seen in Arkansas as well. Our organization, we’ve actually worked for the last several years lobbying for a state level earned income tax credit and exploring some of those opportunities. One of the big issues with the Medicaid work requirement that I point out is that it doesn’t actually address some of the core barriers to people being able to gain meaningful employment. And so we are a rule state. We have lots of issues with just basic work support. Being able to actually have access to transportation, if you happen to live in a
community where there are work opportunities, incentivizing access to additional training opportunities and college opportunities, higher education. And so we still have a lot of core issues. And criminal justice, that’s also a significant issue in our region. We are one of the few states where the trend is going in the opposite direction of what we see in other states. And so we have more people that are continuing to be incarcerated in our state. And so this work requirement in many ways completely ignores and fails to address some of those key problems that continue to be barriers for people who are seeking to move out of poverty.

MS. PARROTT: I’ll just point out that Montana has a very interesting program within Medicaid. Well, targeted on Medicaid recipients. It isn’t about taking away Medicaid from people, but it is about really targeting people that are out of work for a significant period of time that aren’t reporting serious health issues. It’s driven by a lot of
outreach, just person-to-person outreach, not an online portal and hope nothing fails and you lose your Medicaid. But it’s a voluntary program that has gotten actually high take up by being really serious and thoughtful about both the outreach side and about offering help to people who, one, are in a position to take it and actually work; and two, offering real services that help people get jobs. And the government there has pointed out the success here as one way that you can be serious about helping even a target population related to Medicaid get jobs without putting people’s access to health coverage at risk.

MS. RAMPELL: Is it possible -- I guess this is a question for Marquita -- is it possible to design a system that has work requirements? And I think that there is significant political demand for that -- that takes into account the circumstances of low-income people that has appropriate exemptions and that takes into account their access to the Internet and has a functional website and all of that good stuff? Like,
is it actually possible to make this work? And if so, what do you envision the bureaucratic apparatus sustaining that would look like? Because I imagine part of the reason the reporting requirements are online is to minimize the cost of administering such a program.

MS. NUMAN: Sure. So for all of the things that we’ve not done well in the implementation of the policy in Arkansas, and so some things that are very clear, like the online reporting, not having additional funding that goes towards actually supporting and providing work training, there are some things that I’d say the state did do right or did correctly if you want to have more people engaged and connecting to work opportunities. So we do have a pretty significant list of exemptions. And many of those exemptions are automatic. And so you have people, for example, who have dependent children. People who are participating in SNAP. There’s even an exemption that takes into account the number of hours
that you may already be working based on state income data. And so that’s one of the things that went really well.

And there was the addition of a retroactive exemption called a good cause exemption for someone who can demonstrate good cause for having failed to meet that reporting requirement, in addition to a provision that allows registered reports, essentially, anyone who is registered to help enrollees go into that online system and meet their reporting requirement. And so I think there’s been a good balance of attempts to sort of streamline the process, make this work well, in addition to some of the criticisms I’d offer. And so I would say that my take on it is based on the things that we really did have some successes at in terms of from an advocacy perspective and those exemptions, I don’t really think that there is a good way to design these types of work requirements regardless of how streamlined those systems are, regardless of trying to make assistance
available to people in multiple settings. So whether that is healthcare providers who have dedicated staff in their offices to assist, whether that’s contacting someone at your local county office, we still see that the policy is so administratively complex that you will always have people who will fall through the cracks. And that’s certainly one of the early concerns and biggest concerns that we’ve had. People who actually do meet the requirement are working or qualify for some level of exemption are falling through the cracks and losing coverage just because the policy is so administrative complex and difficult to navigate and understand.

MS. RAMPELL: This is an audience question.

Is there evidence that work requirements increase employment over the long term? I’m guessing this question is for either Sharon or Diane, or Michael, if any of you know.

MS. PARROTT: So I’ll start and then these guys should also jump in.
Certainly, if we think about cash assistance and the evaluation research around imposing work requirements on cash assistance recipients, what we see is that they often have fairly modest but some improvement in employment rates early on. And then by year five those effects have almost entirely, or entirely dissipated depending on the site and the study.

And so what you get from that is that most of what they did was help people get jobs a bit faster. And that’s not to say that there’s no benefit in that. But the impact on longer term employment and earnings was either zero or very close to zero. I’ll also say that one of the things from those evaluations that are often overlooked is that we also see that in most of those evaluations in most sites there was an increase in the share of people with very, very low income. They measured deep poverty, but having cash income below half the poverty line means you have very low income even if you have SNAP to supplement that.
And so even in places that saw early improvements in employment, often that came with it, pretty significant increase in deep poverty, and then those employment gains really faded out because they didn’t have a long-term impact.

MS. SCHANZENBACH: I would add to that that, I think some of the thought behind this is if we get you into a job, you’ll have a toehold in the labor market. And so maybe you’re starting in the mailroom. Then you’re going to get a promotion and the next thing you know you’re going to work your way up to a middle-class job. That doesn’t actually seem to bear out in practice. And so getting people into a job which we do absolutely think has benefits, has non-pecuniary benefits that are important but does not seem to be then lead into an escalator of then increased earnings growth down the line.

MR. TANNER: I’m going to throw all three cautions on the other side of this. I’m not going to just agree with the literature but I think that it
underestimates the impact in a couple of ways.

One is, I think, trying to parcel out the impact by a particular program underestimates the impact of the total basket of social welfare benefits people receive. People receiving TANF are often receiving additional benefits in addition to the TANF. And I think you’ve got to look at the total value of the benefits package that people receive, not simply the question of one particular benefit that they get.

Second, I think you have to look at sort of undeclared income. If we look at the consumption data for low-income people, they appear to consume far more than their incomes. And it suggests that there’s other sources of income in the household other than what they’re declaring in terms of income or the benefits. There’s a great deal of work by Meyer and others that suggests there’s a lot of sort of gray economy labor going on out there that’s just simply not being reported. And you have to look at the impact of that.
And third, I think you have to look at subsequent generations and the impact that work has on these subsequent generations. I think there’s a fair amount of literature to suggest that whether or not parents are working or whether or not -- what the parents’ attitude is towards work has a significant impact on their children’s attachment to the labor force as well. And I think you have to look at how that’s going to impact subsequent generations in terms of their movement into the labor force as well.

MS. RAMPELL: Another audience question that I had been wondering about.

Do you think work requirement proposals are primarily intended to reinforce work norms or are they intended to discourage take up among eligible participants?

Anybody want to take that on?

MR. TANNER: They say it’s to encourage work norms, and I think a more likely reason for politicians is that they’re trying to discourage
participation.

MS. PARROTT: So I will say that when Kentucky first submitted its waiver proposal to impose work requirements in its Medicaid program among Medicaid expansion participants, they submitted it with an estimate that 100,000 people would lose coverage. Now, I should say that that waiver request was broader than just work requirements and that impact is the total. There were premiums and lockout periods and a number of other things. But they were quite clear that they thought 100,000 people would lose coverage and there was an associated savings to that that they were projecting. That actually got them into quite a lot of hot water in litigation and they thought maybe that wasn’t so -- maybe they shouldn’t include that when they resubmitted their waiver request. But it is quite striking that 100,000 people is a lot of people to lose coverage. And actually, it wasn’t 100,000 total. It was sort of when fully in effect that would be the sort of monthly
loss in coverage.

So I think that there is often a strain of wanting to reduce take up of benefits, wanting people to save money. I will say that in the TANF experience, we now have a TANF program that serves a very small share of poor families with children that provides basic cash assistance to a very small share of poor families with kids. And even if you look only among the families that are eligible for cash assistance, which means they typically have to have incomes well below the poverty line, we serve fewer than one in three of those children. The program has become almost nonexistent in many places and not really an access of support.

Now, there are lots of reasons for that in TANF that go beyond work requirements but work requirements were a tool for driving people out of the program and making it very difficult for families facing really pretty extreme hardship to access help from that program.
MR. TANNER: One caution though in terms of losing coverage. It’s losing Medicaid coverage, not necessarily losing insurance coverage. One concern about Medicaid expansion was that there is a crowd out effect. We know from several studies that people are simultaneously eligible for both Medicaid and employer-based coverage, especially small businesses who are paying their own premiums often move into the Medicaid program and away from the private coverage. So it may be that these people simply remained on the private coverage again instead of moving into the alternative.

MS. PARROTT: Though presumably, if they were working and the Medicaid waiver was working as proponents intended it to work, then people that were working wouldn’t be the one that were losing coverage, and the people that would be losing coverage would be people who didn’t have access to employer-sponsored coverage.

I would also say that in Kentucky, the
Medicaid expansion population is not one that has high rates of employer-sponsored, access to employer-sponsored coverage.

MS. RAMPPELL: Marquita, do you have any insight based on the experience in your state?

MS. NUMAN: Sure. I just wanted to add that I feel like the scenario in Arkansas played out very similarly to what we see or what we saw happening in Kentucky, while it was not a large part of the public conversation or public dialogue that we wanted to discourage people from taking up this benefit and enrolling in Medicaid expansion. Our initial waiver also included additional policy changes like reducing the income threshold and limiting Medicaid expansion to 100 percent of the federal poverty level which would have immediately made 60,000 people in the program ineligible. We also had a request to completely eliminate retroactive eligibility which again would have translated to some additional cost savings for the state.
And so a lot of the public framing of the conversation is really focused on this notion of personal responsibility, helping people to enter and remain in the workforce. What we’ve seen is a lot of discussion about how much money the state will save once certain people are removed from coverage. And so it would suggest that that has actually been one of the primary reasons that we’ve seen these sorts of policies and restrictive eligibility requirements go into place because it may potentially, or at least from the perspective of proponents, it might produce some savings to the state. Of course, we know a lot of that will definitely be offset by uncompensated care costs and the cost burden that will shift to those healthcare providers. And that’s what we’ve seen, a more vocal group of healthcare providers and our hospital association begin to speak out about some of these issues.

MS. RAMPEL: What, if anything, do we know about the macroeconomic consequences of reduced
enrollment in SNAP, for example, which I believe has a pretty high multiplier effect? Or reduced enrollment in Medicaid, does that have any -- is that likely to have any effect?

MS. SCHANZENBACH: Oh, absolutely. Right. So we absolutely know that SNAP has a strong multiplier effect. And so kicking more people off the program, and especially when we have an economic downturn, failing to expand will have consequences not just for those individuals but for their whole communities because they won’t have money to spend at the grocery store. And so the grocery store won’t be able to hire as many cashiers. And so those people lose their jobs, et cetera, et cetera. This has macroeconomic consequences.

MS. RAMPELL: I see Michael chomping at the bit.

MR. TANNER: Yeah, this is one where I’m going to have to disagree on two parts of this.

One is I’m coming as a skeptic on the whole
multiplier effect. But I also think you have to look at the other side of it. This is sort of the classic Bastiat, the seen and the unseen. You have to look at the unseen portion of this as well. In order to pay for the increased participation and increased benefits means you’re going to have to take money out of the economy to begin with there. The people who pay the higher taxes for that are people who are not going to save and invest in various ways. And that’s going to cost jobs on the other side of it. So you have to look at the offset of that as well.

Second, to the degree that you take people out of the labor force, if you do have a discouragement or a work disincentive effect in terms of welfare benefits, you’re taking people out of the labor force and that is also going to have economic consequences as well. So I think it’s not cost-free to say we’ll simply pour money into social welfare programs and that’s going to generate this huge amount of economic growth. I think you have to look at the
other side of that as well which costs economic growth.

MS. SCHANZENBACH: So I absolutely agree. I would be a bad economist if I didn’t say we need to think about the cost of this as well. But I think we do know quite a lot about the taxation cost as well as the work disincentive costs. And they’re both modest relative to the benefits of this program.

MS. RAMPELL: Another audience question. Would raising the minimum wage be a better incentive for Medicaid and SNAP beneficiaries to work?

MS. PARROTT: So in general I think certainly at minimum wage at the federal level is quite low and has deteriorated quite significantly over time. And raising that wage does create a higher incentive to the degree that people are on the margin of whether to work or not.

In general, I think that it’s pretty clear that we need a higher minimum wage coupled with a robust earning on tax credit. And I absolutely agree
with Michael that the earned income tax credit for workers without children is far too small to have the incentive effect. It’s also far too small to just people who are working hard in low-wage jobs to make ends meet, which has its own benefits to it outside of the sort of question of the incentive on the margin. And a robust safety net has to be there for people. Their jobs are volatile. They have periods of unemployment. They have health crises. We need a strong safety net to help people, including when they have low earnings, but it should be paired with a stronger minimum wage and a stronger work support system like a stronger EITC, childcare for families with children, those kinds of things that can really help support low-wage workers.

MR. TANNER: I think that while the literature on minimum wage has become murkier over time and much more disputed on both sides of this, I still think that the overwhelming weight of the evidence suggests that minimum wage increases help the
minimal skilled at the expense of the even less skilled. That the people at the bottom in jobs that are most likely to be automated, most likely to be eliminated in the event of much higher minimum wages and be left out of employment all together. I think if you want to increase wages, instead of putting the burden on the employer who can simply shift it by laying off workers, not hiring as much, or cutting other benefits or raising prices or whatever it might be, let’s take it up by increasing the earned income tax credit and supplement wages directly and have that be a cost across the whole population rather than putting a burden on what might be a small business that’s barely got a profit margin currently.

MS. RAMPELL: A question that I’m guessing is for Marquita.

Who is tracking what happens to the individual sanctioned as a result of the new requirements?

MS. NUMAN: That’s a wonderful question.
MS. RAMPELL: And isn’t this required as part of the waiver I think is what this person is saying.

MS. NUMAN: So, yes. An evaluation plan is a required part of 1115 waivers. So that’s one of the current issues that is being -- or we’re attempting to address in Arkansas. Unfortunately, our state has not met the deadline for making an evaluation plan available. So we are anxiously awaiting that.

The other issue, because we knew that the evaluation plan would be limited in scope in terms of being able to get more timely data and information, we certainly pushed and a number of our partners pushed for public reporting at regular intervals. And the state did agree to that. And so we do have monthly reports that track the implementation, tell us how many people are reporting, how many people are noncompliant for one, two, or three months. And a number of other issues and reasons that people are rolling off of coverage, in addition to tracking what
those exemptions are. And so I would say that that’s a hugely important piece of state efforts to move forward with these types of policies. You have to track that. You have to be able to demonstrate that it actually is meeting the intended objectives. And I think it’s a really important source of information as lawmakers in our state and other states discuss what the future of this program will be, actually having the data to demonstrate that it was effective or that it did not meet its intended goals.

MS. RAMPELL: Thank you so much to our panel. I am being warned that we are out of time. But thank you again and thank you, everyone, for your wonderful questions.

(Applause)

MS. RAMPELL: And we’re not done yet.

MR. FURMAN: Well, that was a great panel. I’m Jason Furman. I used to run the Hamilton Project. I flew down here today for this, and unfortunately was delayed. So my really brilliant, insightful remarks I
won’t be able to use anymore. And that’s because they were all stolen from Diane and Sharon, and they’ve already said everything I was going to say in those brilliant, insightful, opening remarks.

So I thought I’d just put a little bit of big picture context on the discussion that we just had on the panel and the excellent report the Hamilton Project put out by making four big points.

The first is that public programs do not play a particularly important role in America’s work problem. American has a big work problem. Twenty percent of people between the age of 25 and 54 are not working. Some of those people are taking care of children. Some of them are choosing not to work, but that’s a lot more than was the case before. It’s a lot more than you see in other countries. And the fact that if you look at people with a high school degree of less, it’s 28 percent instead of 20 percent, is indicative of the fact that this is a real problem. It’s a problem that predated the recession. It’s a
problem that could maybe get a little bit better if we could do even more in our cyclical recovery. But the bulk of it is a structural problem.

And if you look at this and try to short through the different causes, one set of causes goes under the heading of supply. That this is because people don’t want to work because they’re choosing not to work. And under the supply heading, the primary explanation is public programs.

Well, the problem with this as an explanation is if you look, for example, at men age 25 to 54, fewer of them are on cash assistance today than were on cash assistance a couple decades ago. Disability insurance has gone up, although only by a little. A lot less than most people think. But everything else, like unemployment insurance, workers’ comp, even TANF, which some of these men used to get on AFDC, has gone down. And so the historical data doesn’t comport with the supply explanation.

The international data doesn’t comport with
it either. The United States is relatively low in the generosity and extent of coverage of all of these public programs -- disability, nutrition assistance, unemployment insurance, and the like. And so it doesn’t explain why the United States’ employment situation is worse than other countries. It doesn’t explain why it’s gotten worse even as we’ve cut back on these types of programs.

Instead, a lot of the problem we have in our labor market is a combination of demand, people not wanting to hire workers with lower skill. And institutions, that we have problems matching people who want jobs to people who want to hire them.

So that’s the first point. Just in terms of the big picture, public programs aren’t part of the problem.

The second point is public programs are actually a really important part of the solution. Diane and Sharon and others on the panel did a great job of talking defensively about the literature on
work requirements and, no, Medicaid doesn’t reduce jobs. You know, SNAP doesn’t reduce people working, or if it does it’s a small amount, or maybe it helps them because of health. What they didn’t talk about, and Diane has done key research on this and did a recent paper also that synthesized a lot of the research, is the tremendous long run benefits of these programs. If you want to help somebody work, make sure that when they’re a child they have adequate nutrition. They have adequate health care. They have adequate housing. They have adequate financing. And there’s a whole set of research, including by Diane, that is increasingly taking advantage of large administrative data sets to follow people over longer periods of time and finding the people that when they were children their families got these programs looking at them 10, 20 plus years later and finds they’re more likely to be in work, more likely to have higher earnings, less likely to have health problems, more likely to have graduated from college, and the
like.

So in a big picture, from a supply side perspective, you can’t just look at what happens the moment you receive the money. What happens 10, 20 years later? What does it do to mobility? The answer is, quite a lot.

My third point is that doesn’t mean that everything we’re doing today is perfect or that we couldn’t make changes to public programs. Of course they’re not perfect. Of course we can make changes. And that’s a really important discussion.

Following directly from my second point, the biggest change I would make is expanding them. Only a small fraction of the people who are eligible for housing vouchers actually get them, who are eligible for TANF actually get it. Michael talked about some of the people who potentially would benefit from the EITC who don’t have children and don’t get it and the like. So the first thing I’d do is expand.

The second thing is, in looking at the
question of work, you want to do a cost benefit. The cost is really clear. It’s not hard to estimate. Sharon talked about the Kentucky waiver which according to their own authorities in advocating for the waiver, they said 95,000 people were going to lose health insurance.

Then the benefit side of the ledger is that some of those people would work. That side is really hard to find evidence for. We’re sure there are large costs of denying people benefits. We really, really can’t find very much meaningful evidence of benefits at all. And part of that is because of things like in Kentucky, where the requirement was 80 hours of work a month, that’s 20 hours of work a week or half time, you would have had people thrown off who were working 1,000 hours a year. So they’re working half time but some months they’re working even more than threshold. Some months they’re working even less. Not because some months they want to take a vacation and take it easy; it’s because this is a population that has a
hard time finding stable, well-paid jobs. And research by the Center on Budget found that a quarter of those people would be at some threat of being thrown off had that gone into effect.

So I think we can think about public programs. We can think about expanding them. The other thing is thinking about how to make them more supportive of work. Integrate into unemployment insurance, more help finding jobs, expand childcare, family leave, other things that have been part of the reason why other countries have done better in the case of those programs, especially for female employment.

My final point is I would not make the solution to the work problem entirely about public programs. We’re going to need to create more jobs. As Michael said, a lot of that is an overall economic strategy, something the Hamilton Project has long talked about in terms of promoting growth, promoting job creation, seeing what you can do to create jobs
for people with less skills.

There’s a debate about federal employment guarantees. I think it’s asking precisely the right question, which is what can you do to get people into jobs? I don’t think that idea is quite ready for Prime Time but as an experiment in a limited number of places to see what we can learn about it, especially in the context of a recession. I think that’s pursuing the right direction. What can you do to support employment, to support the demand for employment, and to complement programs which provide not only a vital safety net but really an upward bounce for the people who get them as they move into adulthood? Thank you.

(Applause)

MR. GREENSTEIN: All right. So these will be the concluding remarks. But before I offer them I do very much want to thank the Hamilton Project for cohosting the event and all of the Hamilton staff who worked so hard to bring the event to fruition, as well
as the Center on Budget staff who were also involved in that.

I want to thank Roger Altman for his warm welcome and opening remarks, and Jay for sharing his and Diane’s important new research and all the ongoing important work that the Hamilton Project is doing on these and related issues. And, of course, Jason for his very insightful remarks.

And I want to thank Catherine for moderating a vibrant panel discussion, as well as her great columns, which I’m such a religious reader of. And each of our panelists, to Diane, Michael, Sharon, and Marquita, both for being on the panel today and for your ongoing work on these issues.

You know, we sometimes hear people say this discussion of work requirements, this is really a discussion of values. But in some ways I think that statement is both true and can obscure more than it illuminates. There really isn’t debate I don’t think about whether work is good or not. The question is
really what policies are effective in improving employment? And what are the countervailing downside risks or unintended side effects? The questions are things like we want more people to work but what do we think about people losing access to health coverage and maybe treatment on a timely basis for certain kinds of conditions, or not having adequate food because they couldn’t find a job or they otherwise couldn’t satisfy the work requirements or they didn’t really understand the work requirements or they don’t have access to an online portal or something of that sort.

The bottom line is this is really a discussion in part about tradeoffs. And talking about the tradeoffs, there was something very implicit that both Jay and Jason talked about. Jay noted that when there are sanctions and people lose assistance, even if the person losing assistance is an adult, it affects the whole family budget. So if there are children, it also affects the economic status of the
children. And Jason then noted the growing body of research indicating that income-like supports and health coverage provided to children, particularly early in childhood, have on average, positive lifelong effects until you ask the question of what are the downside negatives if substantial numbers of families, particularly with children, go without food assistance or health coverage in terms of the parents or something like that when the children are young?

There’s another tough issue, tough in the tradeoff and what are all the effects discussion that Sharon referred to, and that is the issue of race and racial equity. So the people who are most likely to be cut off as a result of a sanction related to a work requirement tend to be the people with the greatest challenges and difficulties in the labor market. We know that people of color continue to face discrimination in employment. And it seems to me unlikely that there wouldn’t be racially disparate impacts from sanctions related to work requirements.
We do have some evidence on this. It comes from work requirements in TANF and the evidence we have does suggest that African-American TANF recipients lost cash assistance benefits due to sanctions at significantly higher rates than other recipients.

Finally, at the bottom, this seems to me to some degree, work requirements that is, to be part of this larger issue we often struggle with of what I oversimplify by saying intentions versus outcomes, by which I mean that when we’re talking about the operation of large social programs often affecting millions of people, and we talk about policies we want to impellent to change those programs, we often face a gap between principles, theories, and tensions that various policymakers or advocates or others believe in and really want to pursue, and the nuts and bolts realities of how the programs work on the ground and what happens when you try to change them in certain ways.

This is not a commentary that applies that I
making here; just a proposal say from the right. It also has applied over the years, various proposals from the left, various proposals from the center. There’s too long a history of good intentions not being realized or sometimes even doing harm due to unintended side effects related to the gap between a theory of how something should work and how a program with complex administrative procedures actually operates on the ground.

I think we have not much evidence of how to operate work requirements at a substantial scale that succeed in targeting the small share of program beneficiaries who can work but just aren’t working without affecting larger numbers of people who shouldn’t be affected. People who are just between jobs or Jason’s example, employers have just cut their work hours even if over the course of the year they may work more than half time, but employers cut their work hours for a month or two or three because business is slow. Or people with disabilities that
inhibit work but are not so severe as to qualify for, say, social security disability insurance. A lot of these people seem to get caught up and get hurt.

So let me give one example to try to capsulize what I’m talking about here. And this relates to Arkansas and exemptions. So as Marquita said, in theory, if you did not work the requisite number of hours in a given month for good reason, you can request a good cause exemption. But when you actually look at the data first, the only way you can report the number of hours of work as we’ve heard is through an online portal. The only way you can request a good cause exemption is by submitting an email to the appropriate email address. But many beneficiaries don’t have a home computer or aren’t really familiar with doing things online, and the online portal on top of this has had its problems.

So consider the following two numbers. The data that Arkansas has released show that for the month of August, there were over 16,000 beneficiaries
who were subject to the work requirements who did not submit through the online portal the data showing they met the requirements and who as a result are now at risk of being cut off of Medicaid in coming months. Okay. More than 16,000. How many good cause exemptions were granted in Arkansas for the month of August? And the answer is 140. That’s less than one percent of the 16,000.

So I asked myself the question, is it credible that in a troubled population like this, the share who legitimately should qualify for a good cause exemption is fewer than one percent of the 16,000. I find it hard to believe that the percentage would be that low. I believe this is at least prima fascia evidence that the good cause exemption process isn’t working adequately. It relates to other research involving interviews with Arkansas beneficiaries where a majority didn’t even seem aware of the work requirement. Some didn’t remember ever getting a letter informing them of it. Others remembered
getting a letter but were confused about how it worked. So again, this is the gap between the principle of the intention. The only person a work requirement will affect are people who can readily work but aren’t doing it. And anybody who really can’t we’re going to take care of with an exemption. And I think this is a sincere principle of those advancing this but the reality is it’s not how it works in the real world. At least it’s not how it’s working in Arkansas.

The conclusion I draw is at least at this point the dangers in this course of adverse side effects are too great. And I think to me what emerges is that we actually need more rigorous demonstration projects with good evaluations, and demonstration projects does not mean sweeping statewide changes, which are harder to evaluate given the massive numbers of people involved often. But we need rigorous demonstration projects to identify ways to promote increased work, including but not limited to among
program beneficiaries without the kids of adverse side effects we’re seeing in Arkansas and hearing about elsewhere.

So this may not be the most satisfying final sentence, but my final sentence is we still have a lot to learn and we should be humble about this. But we do not yet know, work requirements the data suggests are not some panacea, at this point at least, to overall improve the lives and prospects of low-income Americans. My conclusion at least.

I want to thank everybody in the audience for taking the time to come here today for this discussion. Again, all of our panelists and speakers. Have a good afternoon. Thank you.

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

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