

Testimony of
Dr. Jay C. Shambaugh
Director, The Hamilton Project
Senior Fellow in Economic Studies
The Brookings Institution
and
Professor of Economics
The George Washington University
on the subject of
“Examining the Proposed ABAWD Rule and its Impact on Hunger and Hardship”
before the U.S. House Nutrition, Oversight, and Department Operations Subcommittee
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Chairwoman Fudge, Ranking Member Johnson, and Members of the Committee –

Thank you for inviting me to join this important discussion regarding the U.S. Department of Agriculture’s Proposed Rule: SNAP Requirements for Able-Bodied Adults Without Dependents.

My name is Jay Shambaugh, and I serve as the Director of The Hamilton Project and as a Senior Fellow in Economic Studies at the Brookings Institution and a Professor of Economics at George Washington University. I am here to provide evidence regarding SNAP, a program that lifts millions of Americans out of poverty, reduces food insecurity, improves economic security, and acts as a crucial fiscal automatic stabilizer.

Research shows that SNAP is a highly effective program. It also shows that work requirements keep people out of the SNAP program but have little or no impact on work. The proposed rule takes a number of steps to reduce the flexibility of states in using waivers or exemptions from work requirements. The USDA’s Notice of Proposed Rulemaking and its Regulatory Impact Analysis are correct that the changes will reduce SNAP participation, but provide no evidence that the changes would increase employment.

Agencies, such as USDA, may issue regulations when there is a compelling public need and when the benefits outweigh the costs. In my remaining time, I would like to highlight three areas where the proposed rule fails to meet this standard.

1) The proposed rule ignores the reality of the population that receives SNAP and the volatility they face within the labor market.

In theory, work requirements are in place to motivate those who do not want to work to do so. But very few ABAWDs on SNAP, 1.4 percent, are “not interested in working.” The vast majority are in the labor force. However, the labor market experience of SNAP participants—as it is for many low-paid workers—is highly unstable, and participants tend to cycle in and out of full-time employment.

In research that I have conducted with my Brookings colleague Lauren Bauer, which has been provided to the committee, we find that 75 percent of ABAWDs are labor force participants. Over one-third of those in the labor force would satisfy the work requirements at some points but not at others over a two-year window, almost as many as would consistently satisfy them. Of those who generally work but sometimes do not, the majority don't work due to "work related reasons." That is, they lost a job or couldn't get enough hours. We also find that the title "Able-bodied" is a misnomer given that 80 percent of ABAWDs who were not in the labor force said it was due to health and disability; these are people who should be eligible for exemptions but could fail to receive them.

Based on the characteristics of the targeted population, the federal government should not be impeding states' ability to apply for waivers from work requirements in areas where there is evidence of a lack of sufficient jobs or limiting states' ability to use exemptions to address individual cases.

2) *The proposed rule fails to consider the effect of proposed changes in the face of a deteriorating economy.*

USDA's proposed rule and Regulatory Impact Analysis also fail to weigh the detrimental effect of their proposal during economic downturns. Consider that when the economy was shedding 300,000 jobs a month in 2008, states successfully applied for waivers to work requirements statewide or for distressed regions using geographies and indicators that the USDA would deem invalid under the proposed rule. Our analysis shows the rule would have reduced waiver eligibility early in the Great Recession.

For example, in 2008, the State of Ohio was granted a work requirement waiver for the entire state for two years. By the proposed rule, Ohio could not apply for a statewide waiver, the 20 percent rule they used would be compromised by an excessively high unemployment rate floor, and the extended time period granted based on evidence of dire economic conditions would be denied.

Our submitted analysis shows the proposal takes a waiver system that is already too slow to respond to an economic downturn and makes it even worse.

3) *This proposed rule could reduce labor mobility and trap people in areas with less economic opportunity.*

The goal of the proposed rule is to incentivize work, but the consequence of the rule is to incentivize ABAWDs to reside in distressed economies if they want to avoid time limits. Work requirements are applied to the place of residence. Individuals wanting to move to places with a stronger economy would risk their food resources because they would suddenly face work requirements. Reducing statewide or geographic grouping waivers could lower labor mobility.

In conclusion, the evidence recommends against expanding work requirements, whether through restricting states' ability to apply for waivers or extending exposure to sanction to parents or older Americans. There are better ways to encourage work within the SNAP program, such as

adjusting the earnings disregard, expanding wrap-around services, and improving training and placement. There are also better ways to improve waiver eligibility, such as automatically granting waivers in the event that Congress authorizes Emergency Unemployment Compensation. These reforms would support and strengthen SNAP as well as the economy.