

# ISSUE BRIEF

No. 4808 | JANUARY 9, 2018

### SNAP Reform Act Offers Sound Basis for Welfare Policy

Robert Rector and Vijay Menon

#### **Moral Motives and Welfare**

In his book, The Righteous Mind: Why Good People Are Divided by Politics and Religion, psychologist Jonathan Haidt suggests that responses to welfare are rooted in two moral emotions that are "prewired" into the human brain: (1) a sense of caring and compassion, and (2) a desire for fairness and reciprocity.1 The moral feeling of caring and compassion is rooted in the innate human positive response to love and care for children. The human species would not have survived without this inherent motivation. In the simplest sense, the human brain has an instinctive positive response to the facial characteristics of a small child; this response differs considerably from the response to an adult face. The inherent care and compassion for children becomes generalized to a broad response to caring for those who are perceived to be helpless or vulnerable.

The desire for *fairness and reciprocity* is linked to the moral sense of proportional rewards. Most people have a strong sense that the returns people receive should be proportional to their contributions. It follows that those who refuse to contribute should not be rewarded. Haidt explains, "Most people have a deep intuitive concern for the law of karma—they want to see cheaters punished and good citizens

rewarded in proportion to their deeds."<sup>2</sup> The desire for reciprocity or fairness is an inherent characteristic of the human mind.<sup>3</sup>

Merging Compassion and Fairness. The welfare system should merge compassion and fairness. Aid should be given to those who need it, but not to able-bodied adults who refuse to take any steps to support themselves. For example, an individual who works full time through the year should be able to support himself and a family above the poverty level. If wages are insufficient, welfare should supplement them. For the most part, the welfare system, through multiple programs, already accomplishes this goal. Welfare should continue to fulfill this goal, but the current programs should be made more effective by increasing the element of fairness.

Specifically, able-bodied adults should be required to work or prepare for work as a condition of receiving cash, food, or housing aid and should not receive benefits if they fail to fulfill that requirement.

Providing assistance without requiring able-bodied recipients to engage in constructive activity is neither compassionate nor fair. It is not compassionate, because a welfare system that undermines positive functioning and facilitates unnecessary dependence is not conducive to human well-being. It is not fair, because it asks taxpayers to support those who will not support themselves.

Making Self-Support and Welfare Complementary. In designing welfare systems, welfare assistance and self-support behavior should be made complementary rather than antagonistic. Aid should foster the main self-support mechanisms of work and marriage rather than substitute for them. Welfare aid should not displace self-support but should be designed to supplement and encourage it.

This paper, in its entirety, can be found at <a href="http://report.heritage.org/ib4808">http://report.heritage.org/ib4808</a>

#### The Heritage Foundation

214 Massachusetts Avenue, NE Washington, DC 20002 (202) 546-4400 | heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

Unfortunately, the current welfare system, for the most part, fails badly in this regard. All means-tested welfare programs actively penalize marriage. Most welfare programs also undermine work and enable increased idleness by aiding non-working recipients without requiring constructive behavior in return. Clearly, a system in which aid and self-support reinforce each other will achieve more efficient overall outcomes than a system where the two are antagonistic. The welfare system should be reformed to promote complementarity.

Public Support for Fairness in Welfare. Haidt's concept of fairness is embodied in the policy of work requirements for welfare benefits, an idea supported by the overwhelming majority of Americans. A Rasmussen poll taken on July 18, 2012, found that "83% of American Adults favor a work requirement as a condition for receiving welfare assistance. Just seven percent (7%) oppose such a requirement, while 10% are undecided."5 A 2015 Heritage Foundation survey showed similar results.6 Nearly all respondents agreed that "able-bodied adults that receive cash, food, housing, and medical assistance should be required to work or prepare for work as a condition of receiving those government benefits." The outcomes were nearly identical across party lines, with 87 percent of Democrats and 94 percent of Republicans agreeing with this statement.<sup>7</sup>

**Stamp Program.** There is a common misperception that the food stamp program is a program of

temporary, short-term assistance. In reality, at any given moment, the majority of recipients are or will become long-term dependents. Historically, half of food stamp aid to families with children has gone to families that have received aid for 8.5 years or more.<sup>8</sup> Additionally, 5.9 million households with able-bodied, non-elderly adults performed zero work in a given month in 2015.<sup>9</sup> Indeed, these low levels of work are typical of food stamp recipients even in good economic times.

## **Able-Bodied Adults Without Dependents** in the Food Stamp Program

The federal means-tested welfare system consists of 89 programs that provide cash, food, housing, medical care, and social services for poor and lower-income Americans at an annual cost of over \$1 trillion. The food stamp program is one of the largest of these programs. Over the past decade, the food stamp program has grown dramatically: Spending today is around \$73 billion, close to double what it was in fiscal year 2008.

One group that has significantly increased its participation in the food stamp program is able-bodied adults without dependents (ABAWDs). Under the federal definition, an individual is considered an "able-bodied adult without dependents" if he or she is between 18 years and 49 years of age, is not caring for a child under age 18 or residing in a household with a child under age 18, is not physically or mentally disabled, and is not pregnant. The ABAWD caseload has

- 1 Jonathan Haidt, The Righteous Mind: Why Good People Are Divided by Politics and Religion (NY: Random House, 2012), pp. 167-185.
- 2 Ibid.
- 3 Ibid.
- 4 Robert Rector and Rachel Sheffield, "Five Myths about Welfare and Child Poverty," Heritage Foundation *Backgrounder* No. 3176, December 20, 2016, http://www.heritage.org/welfare/report/five-myths-about-welfare-and-child-poverty.
- 5 Rasmussen Reports, "83% Favor Work Requirement for Welfare Recipients," July 18, 2012, http://www.rasmussenreports.com/public\_content/business/jobs\_employment/july\_2012/83\_favor\_work\_requirement\_for\_welfare\_recipients (accessed December 20, 2017).
- 6 Survey by the American Perceptions Initiative, a project of The Heritage Foundation. This survey, conducted November 13, 2015, was based on a nationally representative sample.
- 7 Ibid
- 8 Robert Rector, "Reforming Food Stamps to Promote Work and Reduce Poverty and Dependence," testimony before the Committee on Agriculture, U.S. House of Representatives, June 27, 2001, http://www.heritage.org/research/testimony/reforming-food-stamps-to-promote-work.
- 9 U.S. Department of Agriculture, Food and Nutrition Service, "Characteristics of Supplemental Nutrition Assistance Program Households: FY 2015," November 2016, https://fns-prod.azureedge.net/sites/default/files/ops/Characteristics2015.pdf (accessed October 13, 2017). The figure of 6 million was derived as follows: Approximately 4.3 million families with children had no earnings. Of these, probably 1.5 million did not contain an able-bodied adult, leaving some 2.8 million families with able-bodied adults but no work. In addition, 3.1 million (74 percent) of the roughly 4.3 million ABAWD households had no earnings in the month. See p. 52, Table A-16.

more than doubled over the past decade, rising from 1.9 million in 2008 to 4.2 million today.

Many ABAWDs have discretionary incomes that are often used for counterproductive or non-essential purposes. For example, recent data shows that over 50 percent of ABAWDs on food stamps smoked cigarettes during the past 30 days, at an average cost of around \$111 per month. The available evidence also indicates that many ABAWDs have high levels of unreported income. An unreported or off-the-books job enables a recipient to receive the maximum food stamp benefits without regard to actual earnings. Requirements to engage in work activity interfere with a recipient's "double dipping" (receiving benefits while maintaining an unreported job) and will often push the individual to leave the assistance rolls.

The ABAWD Work Requirement Is Hollow. Under federal policy, ABAWDs are limited to three months of food stamp benefits in a 36-month period. After the three months is completed, the recipient is subject to a work requirement. According to the U.S. Department of Agriculture's Food and Nutrition Service, an ABAWD can fulfill this work requirement by working for at least 20 hours per week, participating in qualifying education and training activities for at least 20 hours per week, or performing community service for an amount of time determined by monthly benefits received. 12

However, under the 1996 welfare reform law, a state could request waivers from the ABAWD work requirement for the entire state or parts of the state if the state or area has higher unemployment rates or a "lack of sufficient jobs." As of late 2017, six states and the District of Columbia have statewide ABAWD work waivers, 27 states have a partial waiver, and

roughly 1,300 counties are "labor surplus areas" as designated by the Department of Labor.<sup>13</sup> Due to the large number of exempted counties, the current ABAWD work requirement is virtually meaningless.

Maine Reduced ABAWD Caseload with Work Requirement. In July 2014, Maine announced that it would no longer grant waivers from the work requirements for ABAWDs. In order to receive benefits, they would thus have to work, participate in a work program for 20 hours per week, or do community service for about six hours per week.

This policy did not arbitrarily cut food stamp recipients from the program rolls. ABAWDs in Maine were removed from the rolls only if they refused to participate in modest activities. In fact, most of these individuals in Maine chose to leave the program rather than participate in training or community service, despite the strong outreach efforts of government caseworkers. As a result, the Maine ABAWD caseload dropped 80 percent in just a few months, falling from 13,332 in December 2014 to 2,678 recipients in March 2015. This indicates that these individuals had other means of supporting themselves, such as unreported income.

**Supplemental Nutrition Assistance Program Reform Act of 2017.** In June, Representative Garret Graves (R–LA) introduced the Supplemental Nutrition Assistance Program Reform Act of 2017. This bill ensures that SNAP has meaningful work requirements for ABAWDs in four ways by:

- **1.** Eliminating statewide or partial waivers from the ABAWD work requirement;
- **2.** Limiting ABAWDs to only one month of food stamp benefits rather than three if they are not

<sup>10</sup> Robert Rector, Rachel Sheffield, and Kevin D. Dayaratna, "Maine Food Stamp Work Requirement Cuts Non-Parent Caseload by 80 Percent," Heritage Foundation Backgrounder No. 3091, February 8, 2016, http://www.heritage.org/welfare/report/maine-food-stamp-work-requirement-cuts-non-parent-caseload-80-percent.

<sup>11</sup> Ibid

<sup>12</sup> U.S. Department of Agriculture, Food and Nutrition Service, "Supplemental Nutrition Assistance Program (SNAP): Able-Bodied Adults Without Dependents (ABAWDs)," https://www.fns.usda.gov/snap/able-bodied-adults-without-dependents-abawds (accessed December 20, 2017).

U.S. Department of Agriculture, Food and Nutrition Service, "Status of State Able-Bodied Adult without Dependents (ABAWD) Time Limit Waivers, Fiscal Year 2017, 4th Quarter," https://fns-prod.azureedge.net/sites/default/files/snap/FY-2017-Quarter-4-ABAWD-Waiver-Status. pdf (accessed December 20, 2017), and U.S. Department of Labor, Employment and Training Administration, "Labor Surplus Area: Fiscal Year (FY) 2018 Labor Surplus Areas," https://www.doleta.gov/programs/lsa.cfm (accessed December 20, 2017).

<sup>14</sup> Rector, Sheffield, and Dayaratna, "Maine Food Stamp Work Requirement Cuts Non-Parent Caseload by 80 Percent."

<sup>15</sup> Ibid.

working or participating in other work activity, as outlined in the current law;

- **3.** Reducing the monthly percentage of ABAWDs in a state that can be exempted from the work requirement from the current 15 percent down to 5 percent; and
- **4.** Adding supervised job search as an activity that satisfies the work requirement (a minimum of eight hours per week).

Administrative Costs. This work requirement could be implemented with fairly low administrative costs. For example, a rigorous, closely supervised 16-week job-search program would cost about \$250 per recipient. In one year, 10 million work-capable food stamp recipients could receive this type of program at an annual cost of around \$2.5 billion. This would cover all current work-eligible recipients who are non-working or underemployed, as well as many new work-eligible enrollees. Also, administrative costs would be lower than expected because most ABAWDs will likely drop off the rolls, as was the case in Maine.

To cover the small administrative costs of the program, states would be free to use SNAP Employment and Training (E&T) funds or Social Service Block

Grant funds. Under current law, states could also use a portion of their Temporary Assistance to Needy Families (TANF) funds; these funds are supposed to be used to promote work and marriage, but most states redirect a substantial portion of the funding to unrelated activities.

**Savings.** Based on the experience of ABAWD work requirements in Maine and other states, the nationwide work requirement provided in this bill could save taxpayers nearly \$10 billion per year.<sup>17</sup>

#### Conclusion

The food stamp program is in need of commonsense reform. With Congress set to reauthorize SNAP next year, the time is ripe to renew efforts toward reform. The Supplemental Nutrition Assistance Program Reform Act of 2017 embodies a reform that is not only popular and proven, but also balances the principles of compassion and fairness. It is an impressive first step toward broader reform and should be viewed by Members of Congress as a guiding star to that end.

-Robert Rector is the Senior Research Fellow, and Vijay Menon is the Graduate Fellow, in Domestic Policy Studies, of the Institute for Family, Community, and Opportunity, at The Heritage Foundation.

<sup>16</sup> Robert Rector and Katherine Bradley, "Reforming the Food Stamp Program," Heritage Foundation *Backgrounder* No. 2708, July 25, 2012, http://www.heritage.org/hunger-and-food-programs/report/reforming-the-food-stamp-program.

<sup>17</sup> Rector, Sheffield, and Dayaratna, "Maine Food Stamp Work Requirement Cuts Non-Parent Caseload by 80 Percent."