

Statement of  
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Moving America's Families Forward:  
Setting Priorities for Reducing Poverty and  
Expanding Opportunity

House Ways and Means Committee

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Mr. Chairman, Ranking Member Levin and members of the Committee, thank you for the opportunity to testify. I am Tarren Bragdon, the founder and CEO of the Foundation for Government Accountability. FGA is a non-partisan, multi-state policy organization that works with state leaders across America to free individuals from poverty through proven welfare reforms.

All of us are here because we want the same thing: to help as many families as possible escape poverty as quickly as possible.

The best way to do this, and to solve many of the other challenges welfare programs currently face, is through a simple but powerful tool that must be core to any welfare reform conversation: work. When I refer to welfare, I am referring not just to temporary cash assistance, but also to food stamps, Medicaid, and nearly 80 other means-tested welfare programs.<sup>1</sup>

But here's the fundamental problem with the welfare reform conversation: it is a debate dominated by rhetoric and anecdote.

Fifty years ago, Congress and President Johnson tried to answer the question: "How do we end poverty?"

Their answer then was an unprecedented expansion of welfare. And now, fifty years later, there are more than 80 means-tested welfare programs, consuming more than \$1 trillion in federal, state, and local tax dollars every single year.<sup>2-3</sup>

While this may have been well-intentioned, the sad truth is this strategy has failed. But the tragedy of the failed welfare state is not how much money is being spent. The real tragedy is how many families are being trapped in poverty for far too long—sometimes generations.

So how do you get someone out of poverty as soon as possible? You get them back to work.

In 1996, Congress started to tackle this problem head on, with Republicans and Democrats working together with President Clinton.<sup>4</sup> You began requiring able-bodied childless adults to work in order to receive food stamps.<sup>5</sup> These adults are between the ages of 18 and 49—their prime working years—have no kids at home, and have no disabilities keeping them from working.<sup>6</sup>

They are asked to work, train, or volunteer for 20 hours per week in order to continue receiving food stamps.<sup>7</sup> If they refuse, they cycle off food stamps after receiving three months of benefits, which are allowed every three years.<sup>8</sup>

But those successes have since been undermined by Republican and Democrat presidential administrations enabling states to waive these requirements during the recession and well after. Last year, more than 40 states waived these requirements in some or all areas.<sup>9</sup>

Thankfully, governors and lawmakers in several states have begun restoring your work requirements for these able-bodied adults. I will focus my remarks on two of these states: Kansas, which restored work requirements in 2013, and Maine, which followed suit in 2014.

We launched an effort in Kansas to track the 41,000 people impacted by this policy change in the largest welfare research study of its kind.<sup>10</sup> Working with the state Department for Children and Families, we matched person-by-person these individuals on food stamps with the state Department of Labor's hiring and earnings databases.<sup>11</sup> Maine took this methodology and replicated the study for nearly 10,000 adults.<sup>12</sup>

The results are inspiring. We no longer have to rely on speculation or anecdotes, we can now see what happened as a result of common-sense work requirements and time limits. And the results prove that the bi-partisan efforts undertaken in Congress 20 years ago were on the right track.

Before Kansas restored work requirements:

- Recipients received an average of nearly \$200 in food stamps each and every month, whether they worked or not.<sup>13</sup>
- The vast majority did not work—just one in five were working at all—and most were in severe poverty.<sup>14</sup>

Those who didn't meet the work requirement were transitioned off welfare after three months.<sup>15</sup> But guess what happened next? They went back to work in record numbers and are now better off.

- Half were working right away and nearly 60 percent had found employment within a year.<sup>16</sup>
- Not only did they go back to work, but incomes skyrocketed, increasing by an average of 127 percent.<sup>17</sup>
- The average income for those working is now above the poverty line.<sup>18</sup>

This is what poverty reduction looks like.

Maine saw similar successes. Thousands of able-bodied adults leaving food stamps found jobs and increased their hours, leading their incomes to rise by 114 percent on average.<sup>19</sup> And in both states, that higher income more than offset the food stamps they lost, leaving them better off than they had been on welfare.<sup>20-21</sup>

These results only capture in-state employment subject to unemployment insurance reporting. That means it doesn't account for self-employment income, out-of-state employment, or other wages not subject to state reporting rules. When these analyses are updated with additional data, the success stories will only improve.

All of this occurred within 12 months of the work requirement being reinstated and people leaving welfare behind.

Even those who stayed and met the work requirements were also better off.

- Enrollees were twice as likely to be working and were working more hours after the reforms.<sup>22</sup>
- Incomes increased and the amount of time spent on welfare was cut in half.<sup>23</sup>

Simply following the work requirement you established 20 years ago caused enrollment for these adults to drop by up to 90 percent. The number of able-bodied childless adults on food stamps is now 75 percent lower in Kansas than it was pre-reform.<sup>24</sup> Similarly, enrollment dropped by nearly 90 percent in Maine.<sup>25</sup>

People literally transformed themselves through work, earning hope, higher incomes and a brighter future. This is a woman earning over \$50,000 a year in a commercial bakery, it's a young man leaving food stamps after 4 years and entering a career in publishing, it's someone's daughter now earning a living in the health care industry. These are real people moving into real jobs.

The outcomes of these largest-ever research surveys paint a clear, inspiring, and simple roadmap to federal welfare reform. It's a road Congress has already traveled.

If Congress could do just one thing, it should be to add these common-sense work requirements and time limits to most 80-plus means-tested welfare programs for all non-disabled, working-age adults.

This reform would also likely deal with much of the fraud and program integrity issues facing these programs today. It would make the outcomes and success measures clear: increasing work, raising incomes, and reducing poverty.

Here's another really important thing to consider: having this universal standard for work throughout almost all welfare programs would move more Americans out of dependency and free up limited resources to help the truly needy, including nearly 600,000 Americans who have intellectual disabilities or are in frail health waiting for Medicaid waiver services.<sup>26</sup>

Fortunately these are incredibly popular, bi-partisan reforms. In fact, 82 percent of Americans support work requirements—including 89 percent of Republicans, 83 percent of Independents, and 75 percent of Democrats.<sup>27</sup> Bipartisan majorities want these requirements expanded all able-bodied adults not just on food stamps, but on other programs as well – including Medicaid.<sup>28</sup> Even those currently on welfare or who have been on welfare in the past support these changes.<sup>29</sup>

This is an American thing.

It turns out work works. You set the standard 20 years ago. I'm here today to ask you to finish what you started.

Thank you. I have only highlighted the key takeaways, but you and your staff have the full reports and background material. I am pleased to answer any questions you have.

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- <sup>2</sup> Ibid.
- <sup>3</sup> Michael Tanner, “The American welfare state: How we spend nearly \$1 trillion a year fighting poverty – and fail,” Cato Institute (2012), <http://object.cato.org/sites/cato.org/files/pubs/pdf/PA694.pdf>.
- <sup>4</sup> Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193 (1996), <http://www.gpo.gov/fdsys/pkg/PLAW-104publ193/pdf/PLAW-104publ193.pdf>.
- <sup>5</sup> 7 U.S.C. § 2015(o)(2) (2014), <https://www.gpo.gov/fdsys/pkg/USCODE-2014-title7/pdf/USCODE-2014-title7-chap51-sec2015.pdf>.
- <sup>6</sup> 7 U.S.C. § 2015(o)(3) (2014), <https://www.gpo.gov/fdsys/pkg/USCODE-2014-title7/pdf/USCODE-2014-title7-chap51-sec2015.pdf>.
- <sup>7</sup> 7 U.S.C. § 2015(o)(2) (2014), <https://www.gpo.gov/fdsys/pkg/USCODE-2014-title7/pdf/USCODE-2014-title7-chap51-sec2015.pdf>.
- <sup>8</sup> Ibid.
- <sup>9</sup> Jonathan Ingram and Nic Horton, “SNAP to it: Restoring work requirements will help solve the food stamp crisis,” Foundation for Government Accountability (2015), <http://thefga.org/wp-content/uploads/2015/08/RestoringWorkRequirements-ResearchPaper-Final.pdf>.
- <sup>10</sup> Jonathan Ingram and Nic Horton, “The power of work: How Kansas’ welfare reform is lifting Americans out of poverty,” Foundation for Government Accountability (2016), <http://thefga.org/wp-content/uploads/2016/02/PowerOfWork-KansasWelfareReform.pdf>.
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- <sup>12</sup> Paul Leparulo and Amanda Rector, “Preliminary analysis of work requirement policy on the wage and employment experiences of ABAWDs in Maine,” Maine Office of Policy and Management (2016), [http://www.maine.gov/economist/econdemo/ABAWD%20analysis\\_final.pdf](http://www.maine.gov/economist/econdemo/ABAWD%20analysis_final.pdf).
- <sup>13</sup> Jonathan Ingram and Nic Horton, “The power of work: How Kansas’ welfare reform is lifting Americans out of poverty,” Foundation for Government Accountability (2016), <http://thefga.org/wp-content/uploads/2016/02/PowerOfWork-KansasWelfareReform.pdf>.
- <sup>14</sup> Ibid.
- <sup>15</sup> Ibid.
- <sup>16</sup> Ibid.
- <sup>17</sup> Ibid.
- <sup>18</sup> Ibid.
- <sup>19</sup> Jonathan Ingram and Josh Archambault, “New report proves Maine’s welfare reforms are working,” Forbes (2016), <http://www.forbes.com/sites/theapothecary/2016/05/19/new-report-proves-maines-welfare-reforms-are-working>.
- <sup>20</sup> Ibid.
- <sup>21</sup> Jonathan Ingram and Nic Horton, “The power of work: How Kansas’ welfare reform is lifting Americans out of poverty,” Foundation for Government Accountability (2016), <http://thefga.org/wp-content/uploads/2016/02/PowerOfWork-KansasWelfareReform.pdf>.
- <sup>22</sup> Ibid.
- <sup>23</sup> Ibid.
- <sup>24</sup> Ibid.
- <sup>25</sup> Jonathan Ingram and Josh Archambault, “New report proves Maine’s welfare reforms are working,” Forbes (2016), <http://www.forbes.com/sites/theapothecary/2016/05/19/new-report-proves-maines-welfare-reforms-are-working>.
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- <sup>28</sup> Foundation for Government Accountability, “States need more options to reduce dependency,” Foundation for Government Accountability (2016), <http://thefga.org/wp-content/uploads/2016/05/Federal-welfare-reform-one-pager.pdf>.
- <sup>29</sup> Unpublished results from a multi-state survey of 3,500 voters conducted in October 2014.