EXECUTIVE SUMMARY

Unworkable & Unwise
Conditioning Access to Programs that Ensure a Basic Foundation for Families on Work Requirements

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In recent years, the Trump Administration, members of Congress, governors, and state legislatures have put forward, and in some cases implemented, new and harsher proposals to take away health care, food, and housing assistance from people who do not meet a work requirement. The programs being targeted for new work requirements—Medicaid, Supplemental Nutrition Assistance Program (SNAP), and housing assistance—are lifelines for individuals and families during times without sufficient work or earnings. Because these proposals reflect misunderstandings of these programs and participants, they are or will be harmful to the well-being of people with low incomes. These policies differ substantially from program to program and state to state, and variations are likely to continue to appear. Regardless, the policies all suffer from the same flaws inherent in conditioning foundational support on documenting and participating in approved activities. As a result, this report focuses on these policies generally rather than on any particular one (though some key policies are described in the Appendix). In addition, alongside proposed restrictions for immigrants’ access to, budget cuts for, and the ending of other participant protections in economic security programs, these new work rules are part of a broader strategy of gatekeeping, shrinking, and undermining the system of supports for struggling individuals and families. The connection to other proposals, often proposed with similar rationales and based on similar misunderstandings of programs and participants, suggests a need to detail the sizeable body of evidence of the effectiveness of Medicaid, SNAP, and housing assistance in supporting people with low incomes as they overcome challenges they face.

MEDICAID, SNAP, & HOUSING ASSISTANCE ENSURE A FOUNDATION FOR FAMILIES

Research on the effects of economic security programs strongly suggests that every individual and every family require a stable and strong foundation to be healthy and succeed in the labor market and beyond. That foundation, especially for people struggling in the labor market, is often ensured through public benefits and services, including Medicaid, SNAP, and housing assistance. These programs have demonstrated beneficial long-term, intergenerational effects on employment and earnings for the children in families who participate. By providing economic security for disadvantaged individuals and families, Medicaid, SNAP, and housing assistance also advance economic opportunity.

Medicaid, SNAP, and housing assistance programs provide essential services and support to tens of millions of individuals and families in the United States. In 2010, Medicaid kept at least 2.6 to 3.4 million people out of poverty. In 2017, SNAP and housing subsidies kept 3.4 million and 2.9 million people out of poverty, respectively (all by the Supplemental Poverty Measure, or SPM). Medicaid is a federal-state partnership that provides health coverage to many who would otherwise lack it. SNAP is state-administered and largely federally-funded. Medicaid provides vital health care coverage to many who would otherwise lack it. SNAP is state-administered and largely federally-funded.

funded, helping approximately 1 in 8 people in the U.S.\textsuperscript{xvii} purchase food—including many who are at greatest risk of experiencing hunger or poor nutrition.\textsuperscript{xviii} Federally-funded housing assistance provides rental aid for some households with the lowest incomes and is generally administered through local housing authorities, who in turn provide vouchers, directly subsidize units in private housing developments, or build and maintain public housing\textsuperscript{xx} for fewer than 1 in 30 people in the U.S.\textsuperscript{xx} Particularly in light of the decline of Temporary Assistance for Needy Families (TANF)\textsuperscript{xxi} and General Assistance (GA),\textsuperscript{xxii} which provide cash assistance to families and individuals respectively, and the challenges of today’s low-wage labor market, these programs are essential for ensuring that people do not fall below a floor for material deprivation or economic resources.\textsuperscript{xxiii}

**REMOVING ACCESS TO HEALTH CARE, FOOD, & HOUSING ASSISTANCE IS COUNTERPRODUCTIVE**

Work requirements in programs ensuring a basic foundation for people have a long history of poor outcomes, though recent proposals are unprecedented. New work requirements are inspired in part by similar policies imposed on TANF recipients since 1996 that likely have contributed to increases in deep poverty, as detailed later in this report.

SNAP and housing assistance programs have had some requirements related to work activities for some participants in the past, but the proposals discussed in this paper would make them harsher and include a far larger share of participants. At the federal level, longstanding SNAP time limits have substantially limited access for many unemployed and underemployed adults, though states have routinely applied for and received waivers from these draconian provisions.\textsuperscript{xxiv} In 2016, about half a million participants lost food assistance because they failed to meet a SNAP work time limit.\textsuperscript{xxv} Recent proposals would make these SNAP rules harsher still.\textsuperscript{xxvi} Federally-funded housing assistance programs have experimented with requirements related to work activities through demonstrations, but never as a part of widely-applicable policy.\textsuperscript{xxvii} (For the purposes of this paper, “housing assistance programs” refer to Section 8 Housing Choice Vouchers, Public Housing, and Project-Based Rental Assistance programs.) Until now, Medicaid had never been tied to formal employment; its central purpose is to provide health coverage to people with very low incomes. Removing participants and leaving them uninsured due to not meeting or documenting work or community engagement activities is thus new to Medicaid. As of January 2019, 16 states have applied for, and one has implemented, work requirements in Medicaid; this number is expected to grow.\textsuperscript{xxviii} (The legal question of whether applying such requirements through Medicaid state waivers is consistent with the program’s purpose of providing medical care and treatment is the subject of ongoing litigation, as discussed in the Appendix.\textsuperscript{xxix})

Efforts to take benefits away from many more participants in Medicaid, SNAP, or housing assistance programs misunderstand the populations such programs aim to serve and grossly underestimate the harm to families and individuals as a result of these policies. The new policies also ignore the structural barriers people with very low incomes face, including the unavailability of full-time work and the instability of low-wage jobs today.\textsuperscript{xxx} Alongside a 3.9 percent December 2018 unemployment rate, 7.6 percent\textsuperscript{xxx} (12.8 million people)\textsuperscript{xxx} of the civilian labor force plus marginally-attached\textsuperscript{xxxii} workers was unemployed or underemployed.\textsuperscript{xxxiii} At the same time, many communities of color continue to face recession-like circumstances despite a lengthy period of economic growth for the U.S. For example, the December 2018 unemployment rate for African Americans was 6.6 percent\textsuperscript{xxxiv}—a figure that, as a statewide unemployment rate, could be high enough to trigger permanent law Extended Benefits under the Unemployment Insurance (UI) program.\textsuperscript{xxxv} This high African American unemployment rate comes more than 114 months into an economic expansion, the second longest in U.S. recorded economic history.\textsuperscript{xxxvi} These indicators reveal a strong desire for greater employment than offered or available in what otherwise may seem to some to be a full-employment labor market.
As a result, low-paid workers, people of color, people with disabilities or chronic health conditions (including mental health conditions and substance use disorders), people with criminal records, and children will be harmed, rather than helped, by proposals that take food, health care, and housing assistance away if recipients do not satisfy work requirements. These programs support and promote work, not just for adult participants but for their children when they become adults.

**KEY FINDINGS**

Taking away health coverage, food, and housing support from people who are unable to either document work-related activities, work, or find work will cause more harm than good. Many people who are or will be affected by such requirements are already participating in the labor force, meeting family and caregiving responsibilities, or have other serious or multiple barriers to employment. Establishing or expanding harsh penalties (or sanctions) in programs that help ensure a basic foundation for families promises few benefits and poses substantial costs to already-struggling people. In this report, we examine how the newly-proposed “work requirements” in Medicaid, SNAP, and housing assistance are ill-informed, ineffective, inefficient, and inequitable, and how alternative policies would produce outcomes that reduce poverty and increase opportunity:

- **Ill-Informed.** Weakening foundational programs by taking benefits away from people who do not meet harsh work requirements ignores the realities of today’s low-wage labor market and the systemic barriers—such as caregiving responsibilities and discrimination—standing between people and quality, stable, and secure employment. At the same time, the majority of working-age program participants without a work-limiting disability generally work.

- **Ineffective.** Though they should be strengthened, the affected economic security programs are designed to and already do support and enable work. Mandatory work requirements, on the other hand, are generally ineffective at achieving their goal of reducing poverty through greater employment and earnings. In fact, they likely will result in the deepening or increasing of poverty and compound existing challenges with an already overburdened, underfunded workforce system. Because states fail to communicate effectively about how to fulfill the burdensome documentation and reporting processes, many working participants are in danger of losing needed benefits and services.

- **Inefficient.** Work requirements are costly to administer and time-intensive for all involved. Program administrators will spend more time implementing these requirements than focusing on supporting the health, housing, and income support needs of participants. Furthermore, the burden of proof for exemptions and compliance falls on already-struggling people. In particular, people with disabilities who lack Social Security Disability Insurance (SSDI) and SSI benefits and people with substantial economic disadvantages are likely to unfairly face work requirements and struggle to document compliance with them. These sanctions also undermine the effectiveness of economic security programs in countering recessions.

- **Inequitable.** Taking away access to foundational programs from people who do not meet work requirements puts populations that are already facing systemic discrimination or other barriers, including children, people with disabilities, caregivers, older workers, and workers of color, further at risk. Work requirements will deepen existing inequities, including in negative physical and behavioral health outcomes, poverty and deep poverty, and for community-wide outcomes.
POLICY RECOMMENDATIONS

In addition to halting and reversing counterproductive work mandates, policymakers should advance an agenda that actually would increase employment and incomes. We propose illustrative recommendations in three categories:

1. **Ensure a foundation for individuals and families**, including by ensuring access to and strengthening programs such as SNAP, Medicaid, housing assistance, and TANF, and raising the minimum wage;

2. **Strengthen family stability**, including by modernizing UI and establishing a Jobseeker’s Allowance (JSA), establishing fair and predictable schedules as well as paid leave, and reforming the criminal justice system; and

3. **Support workers**, including by investing in job preparation and creation through proven training and education, and subsidized and public employment programs; expanding child care assistance; and boosting the Earned Income Tax Credit (EITC).
ENDNOTES


"In recent decades, a number of states have eliminated their General Assistance programs, while many others have cut funding, restricted eligibility, imposed time limits, and/or cut benefits." See: Schott, Liz, and Misha Hill. "State General Assistance Programs Are Weakening Despite Increasing Need." Center for Budget and Policy Priorities, 9 July 2015. Available at https://www.cbpp.org/research/family-income-support/state-general-assistance-programs-are-weakening-despite-increased.


Executive Summary

This report explores the impact of work requirements on Medicaid enrollees and highlights the potential negative effects on vulnerable populations. The analysis draws from various sources, including research briefs and reports from reputable organizations.

1. **Executive Summary**


   These workers were either unemployed; employed part-time for economic reasons; or were available for work, had looked for a job sometime in the prior 12 months (or since the end of their last job if they held one within the past 12 months), but were not counted as unemployed because they had not searched for work in the prior 4 weeks.


