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First-Of-Its-Kind Study Shows The Power Of Work

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For too long, thousands of Kansans have languished in welfare, without hope of a better life. But thanks to one simple policy change, many Kansans are now on the path to a better life.

Under federal law, all able-bodied, childless adults in the food stamp program are required to work or train for work at least 20 hours per week. But with help from the Obama administration, most states have been waiving those requirements in recent years.¹ Last year, for example, more than 40 states waived these critical requirements, fostering a culture of long-term dependency.

But in 2013, Kansas Governor Sam Brownback bucked the trend and instructed state officials to reinstate work requirements and time limits for able-bodied adults. Within three months, half of all able-bodied adults on food stamps had cycled off the program. Enrollment is now 75% lower for this group of adults than it was before work requirements took effect.

The Brownback administration also set in motion a first-of-its-kind tracking system to monitor the state's success in moving Kansans from welfare to work. Over the course of two years, the state's Department of Labor and its Department for Children and Families tracked earnings and employment for nearly 41,000 able-bodied adults leaving food stamps after the work requirements went into effect.

New research from the Foundation for Government Accountability examines the results of Kansas' welfare reforms and the findings are simply staggering.² Work requirements have led to more employment, higher incomes, and less poverty. And instead of drawing millions of dollars in taxpayer-funded welfare benefits, these able-bodied adults are now contributing tens of millions of dollars to the local economy.

Welfare Enrollees Do Better Under Work Requirements

As a result of Kansas' reforms, able-bodied adults on food stamps are more likely to be working, are



working more hours, and earning more money. Before implementing work requirements, just 21% of able-bodied adults on food stamps were working in Kansas and just 13% were working at least 20 hours per week. But now, these adults are more than twice as likely to be working and nearly three times as likely to be working at least 20 hours per week.

Unsurprisingly, more work has translated into higher incomes. The average able-bodied adult on food stamps now earns roughly \$4,350 per year, compared to just \$1,870 before the reforms. That means the average income for able-bodied adults on food stamps has more than doubled since the state implemented work requirements.

Thanks to that higher income, these adults now need less assistance overall. Their average benefits have dropped by 16% since the work requirements went into effect and the time they spend dependent on food stamps has been cut in half. This is encouraging progress.

Kansans Who Leave Welfare Are Thriving

Kansas' truest sign of success is the fact that those leaving welfare are better off. Thanks to the power of work, they are earning more and are more financially secure than during their time on food stamps. And they are improving their lives faster than those who stayed behind.

When work requirements were implemented, nearly 13,000 able-bodied adults left the program after their three-month grace period expired. Within three months, nearly 40% of those who left the program had found employment. Over the course of the next year, more and more able-bodied adults would find work. By the end of 2014, nearly 59% of these adults had found employment of some kind, with that number rising again in 2015. And the less time they spent on welfare, the quicker they got back on their feet and re-entered the workforce.

Better still, those who left the program in 2014 and 2015 typically found employment even faster. Overall, roughly half of all able-bodied adults who have cycled off the program since work requirements went into effect have found jobs within three months.

More employment has also translated into higher incomes and less poverty. These able-bodied adults have witnessed their incomes increase by an average of 127%. The average gain of more than \$3,000 per person more than offsets the roughly \$2,000 in food stamp benefits they lost. Thanks to this higher income, poverty rates have declined and now, working able-bodied adults are earning more than enough on average to bring them above the poverty line. This is very encouraging process and a fact



that has never been documented before.

Taxpayers Are Also Benefiting From Kansas' Reforms

Kansas' simple welfare reform has also had a tremendous impact on taxpayers by reducing caseloads and lessening the demand for assistance. In fact, taxpayers have saved nearly \$50 million per year as a result of the work requirements, a 75% reduction in spending on able-bodied childless adults.

More Kansans going back to work has also translated into greater economic activity. Kansans impacted by the work requirements are earning up to \$89 million more per year, which is money that is now going back into the local economy – even without a multiplier effect. This economic activity is also adding millions of dollars in new revenues for the state and local governments, providing them with new resources that can be devoted to other state priorities, including education and public safety.

Work Requirements Are Working

Kansas' welfare reform is a powerful example of how good policy can change lives for the better. As a result of work requirements, more Kansans are working, they're working more hours, and they're less dependent on government. Kansans who have left the program are thriving and are far better off than they were while still trapped in welfare. They're finding new lives of independence that some had not known for two decades. And the icing on the cake – taxpayers are finding much needed relief.

Congress should provide states additional tools to allow work requirements and time limits for non-disabled adults on all welfare programs – including Medicaid. But Kansas is showing the nation that states still have a critical role to play in the movement to preserve welfare for the truly needy and help able-bodied Americans get back to work.

SOURCES:

1. Nic Horton et al., "Restoring work requirements: An important fix to America's food stamp crisis," Forbes (2015), <http://www.forbes.com/sites/theapothecary/2015/08/11/restoring-work-requirements-an-important-fix-to-americas-food-stamp-crisis>.
2. Jonathan Ingram and Nic Horton, "The power of work: How Kansas' welfare reform is lifting Americans out of poverty," (2016), <https://thefga.org/research/report-the-power-of-work-how-kansas-welfare-reform-is-lifting-americans-out-of-poverty>.



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