



# States are waiving work requirements in areas with record-high job openings

August 7, 2019

Jonathan Ingram  
*Vice President of Policy and Research*

Sam Adolphsen  
*Policy Director*

Nicholas Horton  
*Research Director*



# KEY FINDINGS

1

WAIVERS WERE INTENDED TO PROVIDE A TEMPORARY PAUSE OF WORK REQUIREMENTS DURING ECONOMIC CRISIS, BUT FEDERAL LOOPHOLES HAVE ALLOWED STATES TO GAME THE SYSTEM.

2

DESPITE A STRONG ECONOMY, 2.6 MILLION ABLE-BODIED, CHILDLESS ADULTS ON FOOD STAMPS ARE EXEMPT FROM WORK REQUIREMENTS.

3

MORE THAN 4.5 MILLION OPEN JOBS ARE WITHIN COMMUTING DISTANCE OF WAIVED AREAS.

4

THE TRUMP ADMINISTRATION HAS PROPOSED A RULE CHANGE THAT WOULD CRACK DOWN ON SOME OF THIS WAIVER ABUSE, BUT THERE ARE STILL GAPS.

5

THE ADMINISTRATION SHOULD PROHIBIT WAIVERS IN JURISDICTIONS WHERE THERE ARE SUFFICIENT JOBS WITHIN COMMUTING DISTANCE.

## **BOTTOM LINE:**

**CRACKING DOWN ON WAIVER ABUSE WOULD MOVE MILLIONS OF ABLE-BODIED ADULTS FROM WELFARE TO WORK.**

## Background

Despite today's booming economy, the number of able-bodied adults who receive food stamps remains near record high levels. States report that 4.1 million able-bodied adults without dependents will receive food stamps during fiscal year 2019.<sup>1</sup>

Federal law generally requires these able-bodied adults without dependents to work, train, or volunteer at least part-time to maintain food stamp eligibility.<sup>2</sup> The rules apply to non-pregnant adults who are between the ages of 18 and 50, who are mentally and physically fit for employment, and who have no dependent children or incapacitated family members living at home.<sup>3</sup>

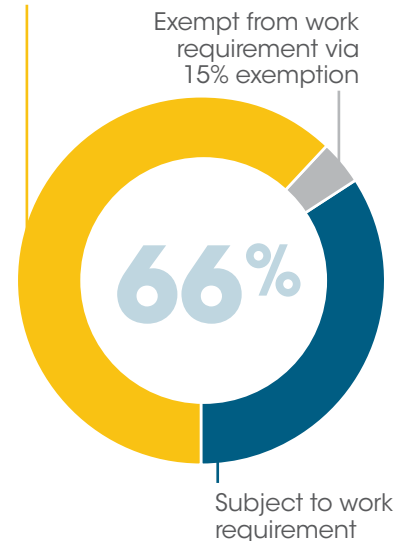
Unfortunately, states have used loopholes and gimmicks to waive these work requirements in as many jurisdictions as possible.<sup>4-6</sup> Congress intended for these waivers to be limited in nature, meant only for areas with unemployment rates above 10 percent or that otherwise lacked job opportunities for able-bodied adults.<sup>7</sup>

But in the final days of the Clinton administration, U.S. Department of Agriculture (USDA) bureaucrats issued new rules creating loopholes and gimmicks that allow states to waive work requirements for millions of able-bodied adults, even during periods of record economic growth.<sup>8</sup>

One of the most significant loopholes has allowed states to waive work requirements in areas with objectively low unemployment so long as it is slightly above the national average.<sup>9</sup> As a result, these commonsense requirements are waived wholly or partially in 33 states and the District of Columbia, exempting nearly 2.6 million able-bodied adults.<sup>10</sup>

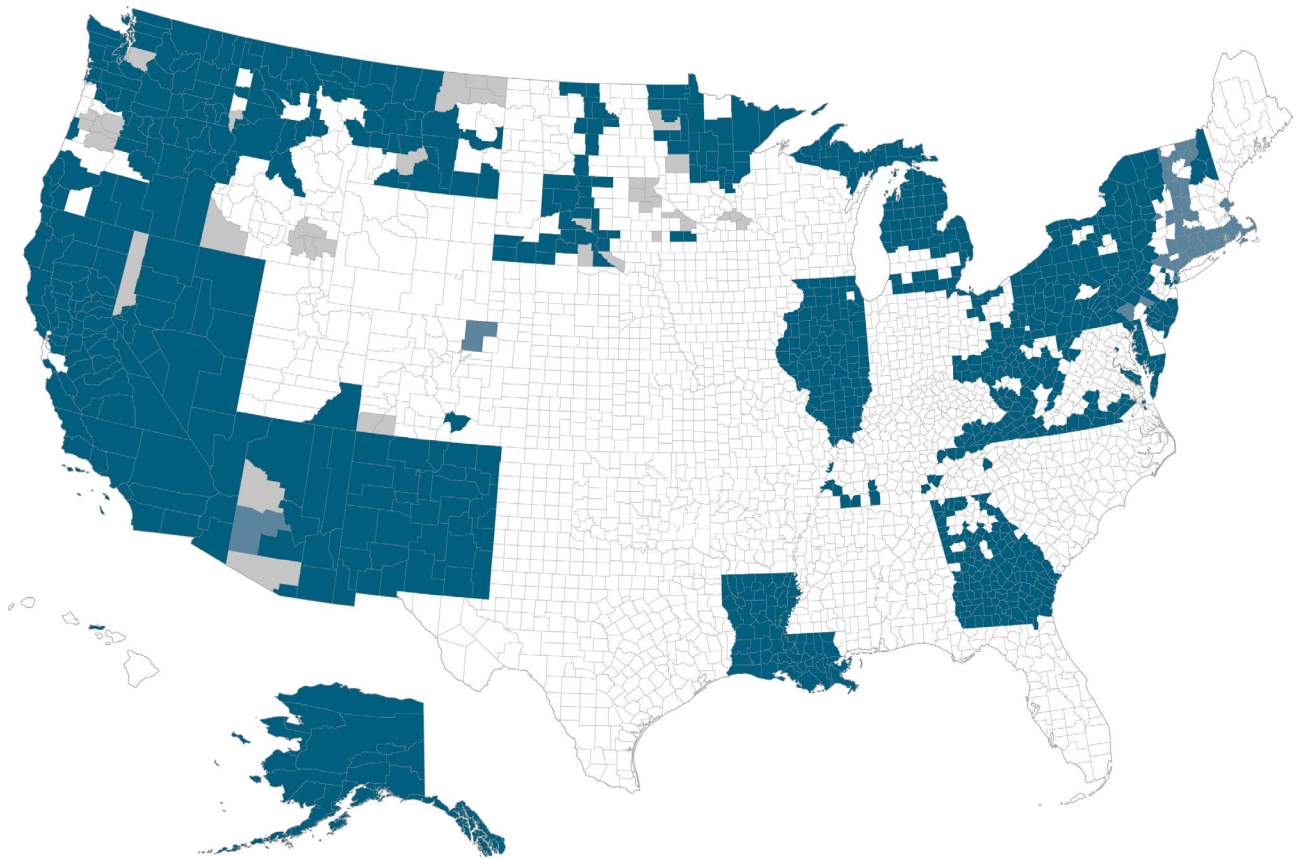
## MORE THAN 66 PERCENT OF ABLE-BODIED, CHILDLESS ADULTS ON FOOD STAMPS ARE EXEMPT FROM WORK REQUIREMENTS





Exempt from work requirement via waiver



Source: Authors' calculations

## 2.6 MILLION ABLE-BODIED ADULTS WITHOUT DEPENDENTS ON FOOD STAMPS LIVE IN WAIVED AREAS



-  work requirements waived in entire county
-  work requirements waived in part of county
-  work requirements waived in Indian reservations
-  work requirements enforced in entire county

Source: U.S. Department of Agriculture

## States are waiving work requirements in areas with objectively low unemployment

The food stamp statute limits waivers to areas that have unemployment rates above 10 percent or otherwise lack sufficient jobs.<sup>11</sup> But rules adopted by the Clinton administration created “alternative procedures” allowing areas to qualify for waivers if their unemployment rates are 20 percent higher than the national average.<sup>12</sup> Under this rule, some portion of the country will virtually always be granted waivers, even during periods of strong and sustained economic growth.

Out of the more than 1,100 waived jurisdictions, just 23 have unemployment rates at or above 10 percent.<sup>13</sup> Nearly 1,000 of those jurisdictions have unemployment rates at or below six percent.<sup>14</sup> Worse yet, nearly half have unemployment rates at or below four percent, including some with unemployment rates as low as zero.<sup>15</sup> The average unemployment rate in currently waived jurisdictions sits at just 4.5 percent.<sup>16</sup>

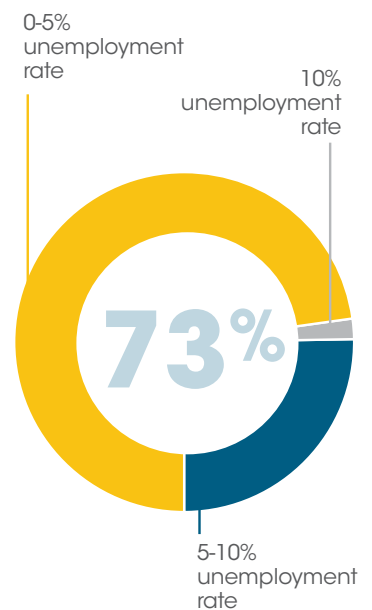
## More than 4.5 million open jobs are within commuting distance of waived areas

Across the country, employers are searching desperately to fill nearly 7.5 million open jobs—near a record high.<sup>17</sup> At least a third of small businesses have unfilled job openings, the highest rate in 50 years.<sup>18</sup> Employers are offering signing bonuses, student loan repayment, company cars, relocation fees, and more to find and retain talent—at all skill levels.<sup>19</sup> Employers are desperate to move millions of these able-bodied adults off the sidelines and into those open jobs.

But states are continuing to waive work requirements even in areas with plenty of available jobs. In fact, employers are attempting to fill nearly 2.8 million open jobs in jurisdictions where the work requirement is currently waived.<sup>20-22</sup>

Able-bodied adults in waived areas have even more opportunities available if they search for work in broader commuting areas. For example, more than 4.1 million open jobs are located in the same BLS-defined labor market areas as the waived jurisdictions, and more than 4.5 million open jobs are within commuting distance of waived jurisdictions.<sup>23-24</sup>

### NEARLY THREE-QUARTERS OF WAIVED JURISDICTIONS HAVE UNEMPLOYMENT RATES BELOW FIVE PERCENT



Source: Authors' calculations

## The Trump administration has proposed cracking down on waiver abuse

In December 2018, the Trump administration released a proposed rule change that would seek to limit states' waiver abuse.<sup>25</sup> In the draft rule, USDA highlighted that states have been maximizing the number of people covered by the waivers by using questionable methods.<sup>26</sup> To minimize this, USDA has proposed a minimum floor of seven percent unemployment on states using "alternative procedures" to obtain waivers.<sup>27</sup>

USDA's proposed changes are a significant step in the right direction and are designed to ensure areas that do not lack sufficient jobs do not continue to receive waivers.<sup>28</sup> However, the rule could still leave the door open for possible abuse, as it allows states to continue receiving waivers in jurisdictions even if there are sufficient jobs within commuting distance.<sup>29</sup>

The Trump administration could strengthen the rule by eliminating waivers in any jurisdiction that does not lack sufficient jobs and any jurisdiction located in a broader economic region that has sufficient jobs.<sup>30</sup> For example, the administration could prohibit waivers in jurisdictions located within labor market areas that do not collectively meet waiver criteria.<sup>31</sup> An alternate approach would be to prohibit waivers in jurisdictions located in commuting zones that do not meet waiver criteria.<sup>32</sup> Either change would ensure waivers are only available to states that can show there are not sufficient jobs within a jurisdiction itself or within commuting distance.<sup>33</sup>

## Ending waiver abuse would move millions of able-bodied adults from welfare to work

These commonsense work requirements have a proven track record of success. When work requirements were implemented at the state level, able-bodied adults left welfare in record numbers.<sup>34-38</sup> Those able-bodied adults went back to work in more than 1,000 diverse industries, touching virtually every corner of the economy.<sup>39</sup> Their incomes more than doubled within a year and tripled within two years.<sup>40-42</sup> Better still, those higher incomes more than offset lost welfare benefits, leaving them financially better off.<sup>43-45</sup>

Cracking down on waiver abuse could make millions of able-bodied adults newly subject to these commonsense work requirements, putting them on the path to work and self-sufficiency.

“

Either change would ensure waivers are only available to states that can show there are not sufficient jobs within a jurisdiction itself or within commuting distance.

”

# APPENDIX 1

## EMPLOYERS HAVE NEARLY 7.4 MILLION OPEN JOBS

Number of job openings in December 2018, by state

STATE	OPEN JOBS	STATE	OPEN JOBS
Alabama	88,774	Montana	22,487
Alaska	13,607	Nebraska	52,572
Arizona	163,321	Nevada	73,823
Arkansas	57,810	New Hampshire	30,368
California	727,576	New Jersey	183,524
Colorado	141,193	New Mexico	45,461
Connecticut	64,611	New York	393,171
Delaware	23,368	North Carolina	257,589
District of Columbia	36,752	North Dakota	22,865
Florida	448,738	Ohio	289,558
Georgia	233,099	Oklahoma	78,682
Hawaii	31,680	Oregon	93,518
Idaho	33,568	Pennsylvania	309,866
Illinois	304,447	Rhode Island	23,218
Indiana	163,714	South Carolina	115,708
Iowa	80,423	South Dakota	23,020
Kansas	82,004	Tennessee	166,360
Kentucky	97,272	Texas	667,270
Louisiana	81,744	Utah	77,006
Maine	29,486	Vermont	14,403
Maryland	145,320	Virginia	198,533
Massachusetts	186,353	Washington	153,723
Michigan	233,232	West Virginia	39,006
Minnesota	165,359	Wisconsin	168,420
Mississippi	57,310	Wyoming	13,040
Missouri	167,051	<b>TOTAL</b>	<b>7,371,000</b>

## APPENDIX 2

### WORK REQUIREMENTS ARE WAIVED IN JURISDICTIONS WITH 2.8 MILLION OPEN JOBS

Number of job openings in December 2018 in waived jurisdictions, by state

STATE	OPEN JOBS	STATE	OPEN JOBS
Alabama	N/A	Montana	6,904
Alaska	13,607	Nebraska	N/A
Arizona	133,995	Nevada	61,035
Arkansas	N/A	New Hampshire	3,675
California	647,456	New Jersey	89,930
Colorado	7,688	New Mexico	45,461
Connecticut	64,611	New York	304,730
Delaware	N/A	North Carolina	N/A
District of Columbia	36,752	North Dakota	1,126
Florida	N/A	Ohio	94,039
Georgia	148,930	Oklahoma	N/A
Hawaii	4,209	Oregon	15,746
Idaho	2,297	Pennsylvania	292,432
Illinois	280,630	Rhode Island	23,218
Indiana	N/A	South Carolina	N/A
Iowa	N/A	South Dakota	2,089
Kansas	N/A	Tennessee	6,557
Kentucky	3,060	Texas	N/A
Louisiana	81,744	Utah	320
Maine	N/A	Vermont	11,127
Maryland	33,027	Virginia	28,145
Massachusetts	73,848	Washington	105,559
Michigan	133,533	West Virginia	17,249
Minnesota	22,830	Wisconsin	N/A
Mississippi	N/A	Wyoming	N/A
Missouri	N/A	<b>TOTAL</b>	<b>2,797,559</b>



## APPENDIX 3

### WORK REQUIREMENTS ARE WAIVED IN JURISDICTIONS LOCATED WITHIN LABOR MARKET AREAS WITH MORE THAN 4.1 MILLION OPEN JOBS

Number of job openings in December 2018 in labor market areas where waived jurisdictions are located, by state

STATE	OPEN JOBS	STATE	OPEN JOBS
Alabama	N/A	Montana	10,210
Alaska	13,607	Nebraska	N/A
Arizona	133,995	Nevada	73,823
Arkansas	N/A	New Hampshire	6,660
California	727,576	New Jersey	264,671
Colorado	7,688	New Mexico	45,461
Connecticut	64,611	New York	629,012
Delaware	N/A	North Carolina	N/A
District of Columbia	169,590	North Dakota	1,126
Florida	N/A	Ohio	232,792
Georgia	239,693	Oklahoma	N/A
Hawaii	4,209	Oregon	61,586
Idaho	2,297	Pennsylvania	494,818
Illinois	394,176	Rhode Island	23,218
Indiana	N/A	South Carolina	N/A
Iowa	N/A	South Dakota	6,007
Kansas	N/A	Tennessee	27,300
Kentucky	4,481	Texas	N/A
Louisiana	82,260	Utah	320
Maine	N/A	Vermont	17,093
Maryland	112,769	Virginia	111,259
Massachusetts	216,617	Washington	199,939
Michigan	211,470	West Virginia	27,039
Minnesota	126,535	Wisconsin	N/A
Mississippi	N/A	Wyoming	N/A
Missouri	N/A	<b>TOTAL</b>	<b>4,140,488</b>

## APPENDIX 4

### WORK REQUIREMENTS ARE WAIVED IN JURISDICTIONS WITH MORE THAN 4.5 MILLION OPEN JOBS WITHIN COMMUTING DISTANCE

Number of job openings in December 2018 in commuting zones where waived jurisdictions are located, by state

STATE	OPEN JOBS	STATE	OPEN JOBS
Alabama	N/A	Montana	16,207
Alaska	13,607	Nebraska	N/A
Arizona	551,972	Nevada	96,582
Arkansas	N/A	New Hampshire	38,048
California	735,989	New Jersey	175,260
Colorado	17,205	New Mexico	68,709
Connecticut	64,611	New York	406,765
Delaware	N/A	North Carolina	N/A
District of Columbia	155,212	North Dakota	4,742
Florida	N/A	Ohio	274,166
Georgia	297,459	Oklahoma	N/A
Hawaii	29,853	Oregon	82,879
Idaho	8,290	Pennsylvania	362,539
Illinois	404,168	Rhode Island	38,166
Indiana	N/A	South Carolina	N/A
Iowa	N/A	South Dakota	10,031
Kansas	N/A	Tennessee	102,352
Kentucky	5,404	Texas	N/A
Louisiana	83,418	Utah	661
Maine	N/A	Vermont	23,247
Maryland	104,486	Virginia	147,146
Massachusetts	209,916	Washington	205,902
Michigan	265,104	West Virginia	44,258
Minnesota	146,606	Wisconsin	N/A
Mississippi	N/A	Wyoming	N/A
Missouri	N/A	<b>TOTAL</b>	<b>4,547,728</b>

## REFERENCES

1. Jonathan Ingram et al., "How the Trump administration can cut down on waivers gone wild," Foundation for Government Accountability (2019), <https://thefga.org/research/community-zones-reform-trump-administration/>.
2. 7 U.S.C. § 2015(o)(2) (2016), <https://www.gpo.gov/fdsys/pkg/USCODE-2016-title7/pdf/USCODE-2016-title7- chap51-sec2015.pdf>.
3. 7 U.S.C. § 2015(o)(4) (2016), <https://www.gpo.gov/fdsys/pkg/USCODE-2016-title7/pdf/USCODE-2016-title7- chap51-sec2015.pdf>.
4. Sam Adolphsen et al., "Waivers gone wild: How states have exploited food stamp loopholes," Foundation for Government Accountability (2018), <https://thefga.org/research/waivers-gone-wild/>.
5. Jonathan Ingram et al., "How the Trump administration can cut down on waivers gone wild," Foundation for Government Accountability (2019), <https://thefga.org/research/community-zones-reform-trump-administration/>.
6. Sam Adolphsen et al., "Waivers gone wild: How states are still fostering dependency," Foundation for Government Accountability (2019), <https://thefga.org/research/work-requirement-waivers-gone-wild/>.
7. 7 U.S.C. § 2015(o)(4)(A) (2016), <https://www.gpo.gov/fdsys/pkg/USCODE-2016-title7/pdf/USCODE-2016-title7- chap51-sec2015.pdf>.
8. Sam Adolphsen et al., "Waivers gone wild: How states have exploited food stamp loopholes," Foundation for Government Accountability (2018), <https://thefga.org/research/waivers-gone-wild/>.
9. Ibid.
10. Jonathan Ingram et al., "How the Trump administration can cut down on waivers gone wild," Foundation for Government Accountability (2019), <https://thefga.org/research/community-zones-reform-trump-administration/>.
11. 7 U.S.C. § 2015(o)(4)(A) (2016), <https://www.gpo.gov/fdsys/pkg/USCODE-2016-title7/pdf/USCODE-2016-title7- chap51-sec2015.pdf>.
12. Sam Adolphsen et al., "Waivers gone wild: How states have exploited food stamp loopholes," Foundation for Government Accountability (2018), <https://thefga.org/research/waivers-gone-wild/>.
13. Sam Adolphsen et al., "Waivers gone wild: How states are still fostering dependency," Foundation for Government Accountability (2019), <https://thefga.org/research/work-requirement-waivers-gone-wild/>.
14. Ibid.
15. Ibid.
16. Authors' calculations based upon data provided by the U.S. Department of Labor on county-level employment levels, labor force levels, unemployment levels, and unemployment rates and data provided by the U.S. Department of Agriculture on waivers in place as of January 1, 2019.
17. Bureau of Labor Statistics, "Job openings and labor turnover survey: Total nonfarm job openings," U.S. Department of Labor (2019), <https://data.bls.gov/timeseries/JTS00000000JOL>.
18. Sam Adolphsen, "There has never been a better time for welfare reform," Foundation for Government Accountability (2018), <https://thefga.org/research/there-has-never-been-a-better-time-for-welfare-reform/>.
19. Ibid.
20. Authors' calculations based upon data provided by the U.S. Department of Labor on state- and county-level employment levels, labor force levels, unemployment levels, and results of its experimental composite synthetic model for state-level job openings, data provided by a proprietary simulation model utilizing best-fit linear, logarithmic, and power trends in the share of open jobs to labor force levels and the share of open jobs to employment levels, and data provided by the U.S. Department of Agriculture on waivers in place as of January 1, 2019.
21. Bureau of Labor Statistics, "JOLTS experimental state estimates: 2001-2018," U.S. Department of Labor (2019), [https://www.bls.gov/jlt/jlt\\_statedata\\_2018.xlsx](https://www.bls.gov/jlt/jlt_statedata_2018.xlsx).
22. Bureau of Labor Statistics, "Labor force data by county, 2018 annual averages," U.S. Department of Labor (2019), <https://www.bls.gov/lau/laucnty18.xlsx>.
23. Authors' calculations based upon data provided by the U.S. Department of Labor on state- and county-level employment levels, labor force levels, unemployment levels, results of its experimental composite synthetic model for state-level job openings, and labor market area components, data provided by a proprietary simulation model utilizing best-fit linear, logarithmic, and power trends in the share of open jobs to labor force levels and the share of open jobs to employment levels, data provided by state welfare agencies on the number of able-bodied adults without dependents enrolled in food stamps during fiscal year 2019, and data provided by the U.S. Department of Agriculture on waivers in place as of January 1, 2019 and commuting zone components.
24. For purposes of this analysis, commuting distance was defined as counties located within the same commuting zones, as defined by the U.S. Department of Agriculture. See, e.g., Economic Research Service, "2000 commuting zones," U.S. Department of Agriculture (2012), [https://www.ers.usda.gov/webdocs/DataFiles/48457/cz00\\_eqv\\_v1.xls?v=0](https://www.ers.usda.gov/webdocs/DataFiles/48457/cz00_eqv_v1.xls?v=0).
25. Jonathan Ingram et al., "How the Trump administration can cut down on waivers gone wild," Foundation for Government Accountability (2019), <https://thefga.org/research/community-zones-reform-trump-administration/>.
26. Ibid.
27. Ibid.
28. Ibid.
29. Ibid.
30. Ibid.
31. Ibid.

32. Ibid.
33. Ibid.
34. Jonathan Ingram and Nicholas Horton, "The power of work: How Kansas' welfare reform is lifting Americans out of poverty," Foundation for Government Accountability (2016), <https://thefga.org/research/report-the-power-of-work-how-kansas-welfare-reform-is-lifting-americans-out-of-poverty/>.
35. Jonathan Ingram and Josh Archambault, "New report proves Maine's welfare reforms are working," *Forbes* (2016), <https://www.forbes.com/sites/theapothecary/2016/05/19/new-report-proves-maines-welfare-reforms-are-working>.
36. Nicholas Horton and Jonathan Ingram, "Work requirements are working in Arkansas: How commonsense welfare reform is improving Arkansans' lives," Foundation for Government Accountability (2019), <https://thefga.org/research/work-requirements-arkansas/>.
37. Nicholas Horton and Jonathan Ingram, "Commonsense welfare reform has transformed Floridians' lives," Foundation for Government Accountability (2019), <https://thefga.org/research/commonsense-welfare-reform-has-transformed-floridians-lives/>.
38. Jonathan Ingram and Nic Horton, "SNAP to it: Restoring work requirements will help solve the food stamp crisis," Foundation for Government Accountability (2015), <https://thefga.org/research/snap-to-it-restoring-work-requirements-will-help-solve-the-food-stamp-crisis/>.
39. Nicholas Horton and Jonathan Ingram, "Commonsense welfare reform has transformed Floridians' lives," Foundation for Government Accountability (2019), <https://thefga.org/research/commonsense-welfare-reform-has-transformed-floridians-lives/>.
40. Jonathan Ingram and Nicholas Horton, "The power of work: How Kansas' welfare reform is lifting Americans out of poverty," Foundation for Government Accountability (2016), <https://thefga.org/research/report-the-power-of-work-how-kansas-welfare-reform-is-lifting-americans-out-of-poverty/>.
41. Jonathan Ingram and Josh Archambault, "New report proves Maine's welfare reforms are working," *Forbes* (2016), <https://www.forbes.com/sites/theapothecary/2016/05/19/new-report-proves-maines-welfare-reforms-are-working>.
42. Nicholas Horton and Jonathan Ingram, "Work requirements are working in Arkansas: How commonsense welfare reform is improving Arkansans' lives," Foundation for Government Accountability (2019), <https://thefga.org/research/work-requirements-arkansas/>.
43. Jonathan Ingram and Nicholas Horton, "The power of work: How Kansas' welfare reform is lifting Americans out of poverty," Foundation for Government Accountability (2016), <https://thefga.org/research/report-the-power-of-work-how-kansas-welfare-reform-is-lifting-americans-out-of-poverty/>.
44. Jonathan Ingram and Josh Archambault, "New report proves Maine's welfare reforms are working," *Forbes* (2016), <https://www.forbes.com/sites/theapothecary/2016/05/19/new-report-proves-maines-welfare-reforms-are-working>.
45. Nicholas Horton and Jonathan Ingram, "Work requirements are working in Arkansas: How commonsense welfare reform is improving Arkansans' lives," Foundation for Government Accountability (2019), <https://thefga.org/research/work-requirements-arkansas/>.





15275 Collier Boulevard | Suite 201-279

Naples, Florida 34119

(239) 244-8808

[TheFGA.org](http://TheFGA.org)

 [@TheFGA](https://twitter.com/TheFGA)