



Food stamp work requirements worked for Missourians

OCTOBER 19, 2020

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KEY FINDINGS

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BEFORE 2016, MISSOURI
WAIVED FOOD STAMP WORK
REQUIREMENTS, FOSTERING
WELFARE DEPENDENCY.



2

ABLE-BODIED ADULT FOOD
STAMP ENROLLMENT FELL BY
85 PERCENT AFTER IMPLEMENTING
WORK REQUIREMENTS.



3

MISSOURIANS' WAGES
MORE THAN DOUBLED AFTER
LEAVING WELFARE.



4

TAXPAYERS ARE SAVING
\$89 MILLION PER YEAR,
FREEING UP RESOURCES FOR
THE TRULY NEEDY.



BOTTOM LINE:

MISSOURI'S ECONOMY IS BETTER OFF THANKS
TO WORK REQUIREMENTS.

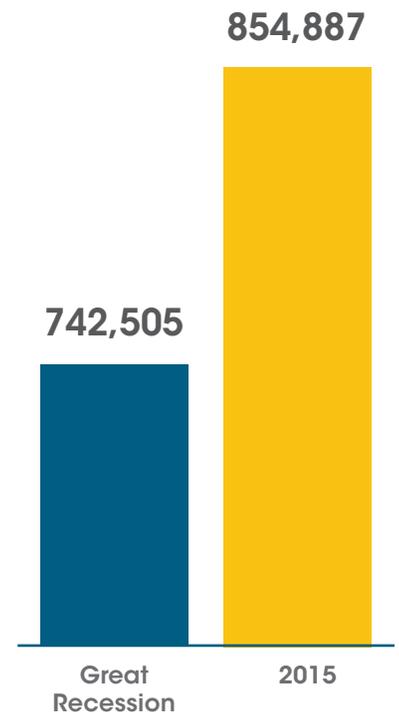
The landscape: Unsustainable levels of dependency even as the economy improved

Coming off the heels of the Great Recession, the outlook in Missouri was admittedly bleak. In 2010, the state's unemployment rate sat at nearly 10 percent.¹ But by 2015, the economy had picked up and regained steam. The unemployment rate had been cut in half to 4.4 percent, the lowest point in nearly 15 years.² More than 2.9 million workers were on the job, a record high.³ And employers were desperately trying to fill more than 100,000 open jobs statewide.⁴ But despite all signs pointing to an economic comeback, welfare dependency in Missouri was still growing.

Food stamp enrollment continued to soar, with nearly 855,000 Missourians receiving food stamp benefits in 2015—with 15 percent more people on the program than even during the Great Recession.⁵ Staggeringly, one in six Missouri households found themselves dependent on food stamps.⁶ One of the biggest drivers of this growth: able-bodied adults.

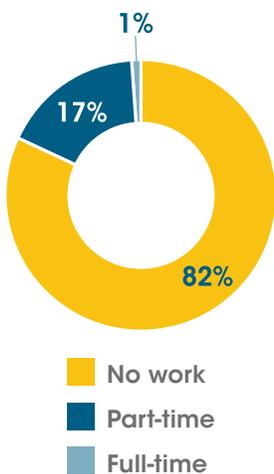
FOOD STAMP ENROLLMENT CONTINUED TO SOAR AFTER THE GREAT RECESSION ENDED

Food stamp enrollment, by period



Source: U.S. Department of Agriculture

82 PERCENT OF ABLE-BODIED, CHILDLESS ADULTS ON FOOD STAMPS WERE NOT WORKING AT ALL



Source: U.S. Department of Agriculture

The opportunity: Welfare reform

Missouri’s dependency crisis, even in the midst of an economic turnaround, was driven by bad welfare policy that allowed able-bodied adults to languish indefinitely.

Federal law generally requires able-bodied adults without dependents to work, train, or volunteer at least part-time in order to maintain food stamp eligibility.⁷ If these adults—who are physically and mentally fit for work—refuse to meet this requirement for three or more months, they are removed from the program until they come back into compliance.⁸

Unfortunately, some states waived this requirement in some or all jurisdictions, even during periods of strong economic growth.⁹⁻¹¹ In some cases, states waived work requirements even in areas with no unemployment at all.¹² Under then-Gov. Jay Nixon, Missouri continued to implement these waivers, trapping thousands of able-bodied adults into long-term dependency.

As a result, the number of able-bodied childless adults on the program ballooned to more than 53,000.¹³ Even as the economy began to bounce back, these adults languished and stagnated. Fewer than one percent worked full-time, while four in five did not work at all.¹⁴ It was a recipe for disaster, and bold change was needed.

The reform: Work requirements

While then-Gov. Nixon was content with the status quo—able-bodied adults siphoning away resources from the truly needy while refusing to work—the Missouri Legislature recognized a big change was desperately needed. In 2015, lawmakers passed a number of significant reforms to the state’s welfare system, including legislation that eliminated the state’s waiver and reinstated work requirements.¹⁵ Missouri Governor Mike Parson—then a state senator—was a major champion for these commonsense reforms, helping override then-Gov. Nixon’s veto and ensuring work requirements would indeed return to Missouri.

It was a momentous victory not only for taxpayers, but for those trapped in dependency. Never-before-seen data from the Missouri Department of Social Services sheds new light on the impact of these commonsense work requirements.

The results: Dependency plummeted, incomes doubled, and taxpayers saved big

It did not take long for Missouri to see the results of this commonsense reform. From a decline in dependency to millions in savings for taxpayers, work requirements quickly produced positive results for Missourians.

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1. ABLE-BODIED ADULT ENROLLMENT DROPPED BY 85 PERCENT

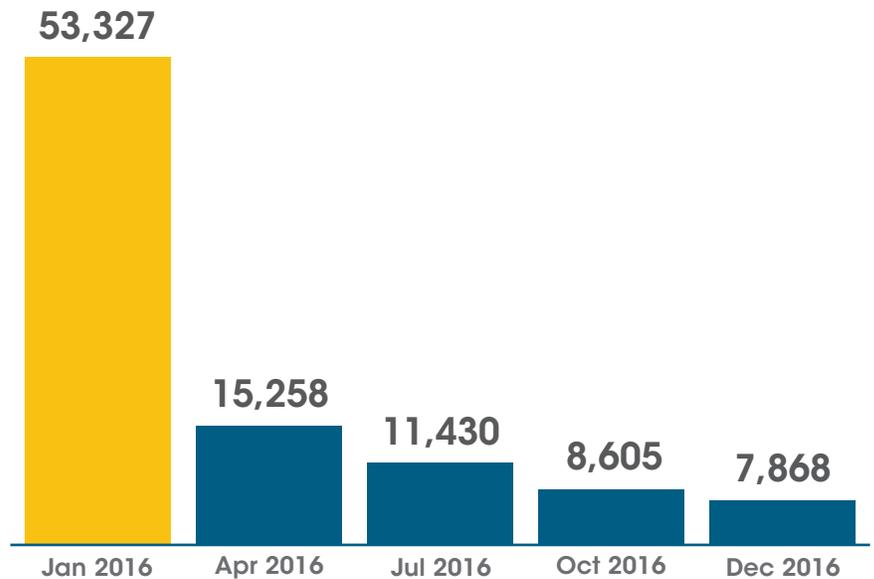
After restoring work requirements, the number of able-bodied, childless adults dependent on food stamps plummeted. Immediately before the work requirement went into effect, more than 53,000 able-bodied adults without dependents were enrolled in Missouri’s food stamp program.¹⁶

But by December, that number had plummeted to fewer than 8,000—a whopping decline of 85 percent.¹⁷

Other states have seen similar impressive results after implementing work requirements. In Arkansas, for example, more than 70 percent of able-bodied adults left the program after work requirements were adopted.¹⁸ In Florida, enrollment dropped by more than 94 percent.¹⁹ Similarly impressive results were seen in Kansas, Maine, and Mississippi.²⁰⁻²² As these able-bodied adults moved from welfare to work, they gained the opportunity to achieve independence and increase their incomes.

ENROLLMENT AMONG ABLE-BODIED ADULTS DROPPED BY 85 PERCENT

Able-bodied adults without dependents enrolled in food stamps, by month



Source: Missouri Department of Social Services

2. MISSOURIANS' WAGES DOUBLED AFTER LEAVING THE PROGRAM

As able-bodied adults transitioned from welfare to work, their wages began to skyrocket. Within three months of leaving the program, able-bodied adults who were subject to Missouri's work requirement saw their wages rise by a whopping 70 percent.²³ Over time, incomes continued to grow, eventually doubling.²⁴ This sharp rise in income more than offset their lost welfare benefits, leaving them better off overall than they were before.²⁵ This mirrors the experiences of enrollees in other states that implemented work requirements, including Arkansas, Maine, and Mississippi.²⁶⁻²⁸

3. TAXPAYERS ARE SAVING \$89 MILLION PER YEAR

Not only have work requirements put able-bodied adults on the path towards independence, but this commonsense reform has also preserved millions of dollars for the truly needy and other key priorities.

Before work requirements were reinstated, taxpayers were spending nearly \$105 million per year to cover the cost of able-bodied adults on languishing Missouri's food stamp program.²⁹ But within a year, spending had fallen to just \$15 million—saving taxpayers \$89 million per year.³⁰

The good news does not end there. As a result of able-bodied adults moving from welfare to work, state income tax revenue climbed by an estimated \$12 million per year, further boosting taxpayers' net savings as a result of the implementation of work requirements.³¹



**ABLE-BODIED ADULTS
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Bottom line: Missouri's economy is better off thanks to work requirements

Commonsense work requirements mobilized the Missouri economy, and before the COVID-19 pandemic spread throughout the nation, the state's economy was doing better than ever.

In 2019, Missouri's unemployment rate dipped to the lowest point ever recorded in state history.³² By the end of the year, nearly three million Missourians were working—a record high—while employers were struggling to fill nearly 200,000 open jobs throughout the state.³³⁻³⁴

All of these signs indicate that the state economy was booming before the pandemic struck. But even during these trying times, the state has made strides to return to a pre-COVID economy—and it is in part thanks to commonsense work requirements' disruption of the cycle of dependency.

Even during the COVID-19 pandemic, Missouri's unemployment rate remained below the national average.³⁵ In just three months, the state's unemployment rate has fallen to the same level that it took nearly three years to reach after the Great Recession ended.³⁶ The number of Missourians collecting unemployment has fallen by nearly 60 percent since July and entrepreneurs have created nearly 30,000 new businesses since June 2020 alone—the fastest pace ever recorded.³⁷⁻³⁸

While these are trying and uncertain times, one thing is certain: Welfare reform has changed Missouri for the better. Thousands of able-bodied adults have moved from welfare to work, preserving resources for the truly needy, saving taxpayers money, and putting the economy on a path to prosperity. Missouri stands as a model for other states on how work requirements for able-bodied adults in welfare can be a game changer.

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