HOUSE-PROPOSED WORK REQUIREMENTS WOULD LIMIT DEPENDENCY, SAVE TAXPAYER RESOURCES, AND GROW THE ECONOMY



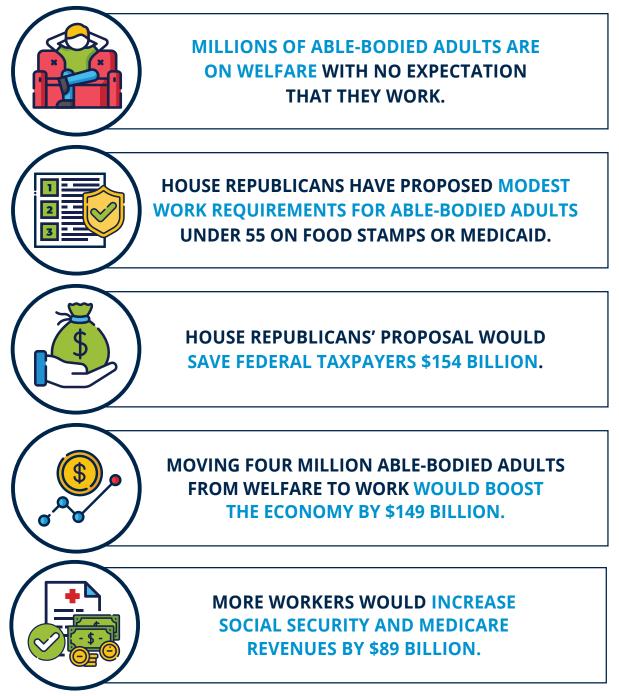


Jonathan Ingram Vice President of Policy and Research



TheFGA.org/research/house-proposed-work-requirements

KEY FINDINGS



THE BOTTOM LINE:

CONGRESS SHOULD REQUIRE ABLE-BODIED ADULTS ON WELFARE TO WORK, TRAIN, OR VOLUNTEER.

Overview

Rather than promoting self-sufficiency and upward mobility, welfare programs too often trap ablebodied individuals in a cycle of dependency. But Congress can break that cycle of dependency by ensuring existing work requirements are enforced and extending work requirements to more programs and more able-bodied adults. This would not only move millions of able-bodied adults from welfare to work, but also help put the nation back on the path to fiscal sanity.

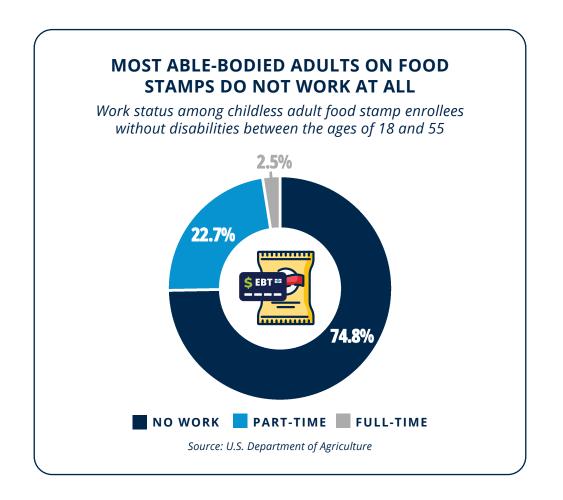


Millions of able-bodied adults are on welfare with no expectation that they work

In March 2023, the Medicaid program hit an unfortunate milestone: More than 100 million people were enrolled in the program.¹ Able-bodied adults account for more than 40 percent of enrollees, making them the largest enrollment group.² Likewise, more than 18 million able-bodied adults collect food stamps each month.³⁻⁵

Despite these staggering numbers, there is no requirement for these individuals to work or even train in skills that could lead to employment. Medicaid has no federal work requirement, and the Biden administration immediately rescinded federal approval for state-level work requirements upon taking office.⁶⁻¹⁶ The food stamp program has a modest work requirement for some ablebodied adults, but the requirement only applies to childless adults under 50.¹⁷ This food stamp work requirement has been suspended nationwide for three years due to the public health emergency.¹⁸ But even before the pandemic, states used loopholes and gimmicks to waive the requirement for the vast majority of able-bodied adults who would be subject to it.¹⁹⁻²² In 2019, for example, nearly two-thirds of able-bodied adults who would otherwise be subject to the work requirement were exempt due to state waivers.²³

In March 2023, the Medicaid program hit an unfortunate milestone: More than 100 million people were enrolled in the program. With no expectation of work in return for taxpayer-funded benefits, the vast majority of these able-bodied adults report no earnings at all.²⁴⁻²⁷ This is most pronounced among able-bodied, childless adults in their prime working years.²⁸ Nearly three-quarters of the able-bodied, childless adults between 18 and 55 who collect food stamps do not work at all.²⁹ Just 2.5 percent of these able-bodied adults work full time.³⁰



There's never been a better time to find work

Employers have close to 10 million jobs open nationwide—a near-record high—but not enough workers to fill them.³¹ Employers remain desperate for workers, with nearly two open jobs for every unemployed person looking for work.³²⁻³⁴ And most jobs being created do not require college degrees, special training, or prior experience. Just 20 percent of job openings being created require a four-year degree or more, while more than two-thirds require a high school diploma or less.³⁵ Nearly 80 percent of job openings require 30 days or less of basic on-the-job training, and more than 85 percent require no previous experience.³⁶

Despite a near-record number of open jobs, millions of able-bodied adults remain on the sidelines. Labor force participation now sits near a 45-year low, with recent data suggesting that nearly two million workers are still missing from the labor force compared to before the pandemic began.³⁷⁻⁴⁰ In short, the nation faces one of the worst worker shortages in modern history. Recent reports from banking institutions reveal that these missing millions are due to more than just an aging population.⁴¹ Gen Z workers, for example, were nearly as likely as Baby Boomers to have exited the labor force over the last few years, with sizeable shares of millennials and Gen X workers also exiting.⁴² Nearly three-quarters of the prime-age workers dropping out of the workforce were in the bottom two quintiles of income before exiting.⁴³ Unfortunately, over the last several years, welfare expansions have made it even easier for able-bodied adults to drop out of the workforce and stay there.

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House Republicans have proposed modest work requirements

In April 2023, House Republicans introduced a bill requiring some able-bodied adults on Medicaid and food stamps to meet modest work requirements.⁴⁴ Under the proposal, able-bodied, childless adults under 55 will be expected to work, train, or volunteer at least part time to continue receiving benefits.⁴⁵ Pregnant women or individuals who are mentally or physically unfit for employment, participating in a drug or alcohol treatment program, or enrolled in an educational program at least part time are exempt from the requirements.⁴⁶ Parents or caretakers of dependent children or incapacitated persons are also exempt.⁴⁷

The requirements themselves are modest and reasonable. At most, able-bodied adults would be expected to work, train, or volunteer 80 hours per month to continue receiving Medicaid benefits.⁴⁸ But individuals could comply with the work requirement with as few as eight hours of minimum-wage work per week in some states, with no state requiring more than 19 hours per week.⁴⁹⁻⁵⁰



AT MOST, ABLE-BODIED ADULTS WOULD BE EXPECTED TO WORK, TRAIN, OR VOLUNTEER 80 HOURS PER MONTH TO CONTINUE RECEIVING MEDICAID BENEFITS.

Likewise, able-bodied adults would be required to work, train, or volunteer 80 hours per month to continue receiving food stamps.⁵¹ But individuals could satisfy the requirement by participating in workfare or training programs, which would require as little as four hours per week in some states and no more than 10.3 hours per week in any state.⁵²⁻⁵⁵

For comparison, most adults receiving cash welfare must work or participate in work-related activities for 20 to 30 hours per week.⁵

Work requirements work

When work requirements were implemented in the 1990s, millions of able-bodied adults moved from welfare to work, rapidly growing the economy.⁵⁷ Analyses of state-level implementation of work requirements in food stamps have reached similar conclusions.⁵⁸⁻⁶³

When food stamp work requirements were implemented at the state level, able-bodied adults left welfare in record numbers.⁶⁴⁻⁶⁹ Those able-bodied adults returned to work in more than 1,000 diverse industries, touching virtually every corner of the economy.⁷⁰⁻⁷¹ Their incomes more than doubled within a year and tripled within two years.⁷²⁻⁷⁶ Better still, those higher incomes more than offset lost welfare benefits, leaving them much better off financially.⁷⁷⁻⁸¹

Implementing work requirements for able-bodied adults receiving Medicaid or food stamps is a modest and reasonable way to help people transition from welfare to work.



IMPLEMENTING WORK REQUIREMENTS FOR ABLE-BODIED ADULTS RECEIVING MEDICAID OR FOOD STAMPS IS A MODEST AND REASONABLE WAY TO HELP PEOPLE TRANSITION FROM WELFARE TO WORK.

House Republicans' proposal would save federal taxpayers \$154 billion

An estimated 16.6 million able-bodied, childless adults under 55 received Medicaid benefits without any work requirement in March 2023.⁸²⁻⁸⁸ The Congressional Budget Office (CBO) estimated that a similar proposal for work requirements in Medicaid could save federal taxpayers \$135 billion over the next decade.⁸⁹ The CBO's estimate applied only to able-bodied, childless adults under 50.⁹⁰ House Republicans' proposal to extend that work requirement to individuals under 55 would save an additional \$10 billion.⁹¹

House Republicans' proposal to extend work requirements in food stamps would produce additional savings. An estimated 5.5 million able-bodied, childless adults under 55 receive food stamps.⁹²⁻⁹³ However, nearly 4.4 million of those able-bodied adults would already be subject to a work requirement absent the nationwide suspension during the public health emergency or state-level waivers of the requirement.⁹⁴⁻⁹⁵

House Republicans' proposal to extend work requirements in food stamps would produce additional savings. An estimated 5.5 million able-bodied, childless adults under 55 receive food stamps.

If all states implemented this work requirement for able-bodied, childless adults between ages 50 and 55, it would produce an estimated \$2.6 billion in savings in its first year alone.⁹⁶⁻¹⁰⁹

Based on the CBO's projected annual increases in maximum food stamp allotments over the next decade and accounting for offsets caused by projected declining program enrollment as the economy improves, the cost savings would total approximately \$25 billion over a decade.¹¹⁰ However, without changes to the current waiver processes, states will likely continue to abuse loopholes and gimmicks to minimize the number of able-bodied adults subject to the work requirement, undermining potential savings.¹¹¹⁻¹¹² In their most recently submitted plans for employment and training programs, states estimated that roughly two-thirds of able-bodied adults without dependents would be exempt from the requirement due to those waivers once the nationwide suspension expires.¹¹³ Assuming similar patterns of waiver abuse, total savings for extending the food stamp work requirement will likely fall to \$9 billion.¹¹⁴



Moving four million able-bodied adults from welfare to work would boost the economy by \$149 billion

Moving millions of able-bodied adults from welfare to work would help fill job vacancies and stimulate economic growth. In the mid-2000s, the United States Department of Agriculture (USDA) built an economic model to measure the impact of welfare reform on the economy.¹¹⁵ That economic model found that moving 2.4 million able-bodied adults from welfare to work in the 1990s increased real gross domestic product (GDP) by 1.6 percentage points.¹¹⁶

An updated model, similar to the one used by USDA economists, finds that House Republicans' proposal for Medicaid and food stamp work requirements will increase the labor force and boost the national economy.¹¹⁷⁻¹³⁴ For example, moving just four million able-bodied adults from welfare to work would increase real GDP by an estimated \$149 billion.¹³⁵⁻¹⁴⁰

More workers would increase Social Security and Medicare revenues by \$89 billion

More workers would also help to put the Social Security and Medicare trust funds on a firmer financial footing. CBO projects that the Social Security trust fund will run out of funding by 2032, while the Medicare trust fund will be depleted by 2033.¹⁴¹ Moving millions of able-bodied adults from welfare to work could improve the solvency of these programs by increasing the number of workers paying into them.

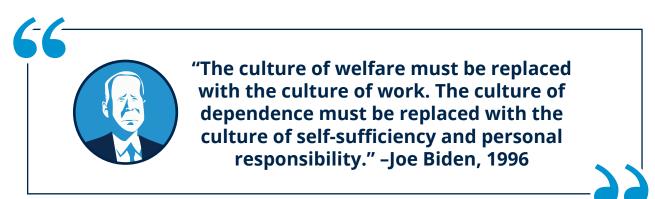
For example, moving just four million able-bodied adults from welfare to work would increase Social Security revenues by nearly \$64 billion over the next 10 years.¹⁴²⁻¹⁴⁵ The Medicare trust fund would also benefit, gaining an additional \$25 billion over a decade.¹⁴⁶⁻¹⁴⁸



MOVING JUST FOUR MILLION ABLE-BODIED ADULTS FROM WELFARE TO WORK WOULD INCREASE SOCIAL SECURITY REVENUES BY NEARLY \$64 BILLION OVER THE NEXT 10 YEARS.

THE BOTTOM LINE: Congress should require able-bodied adults on welfare to work, train, or volunteer.

In 1996, then-Senator Joe Biden declared that "the culture of welfare must be replaced with the culture of work" as he cast his vote for welfare reform and work requirements.¹⁴⁹ More than two decades later, the evidence overwhelmingly supports this assertion. Work requirements have a proven track record of success. Given the country's unprecedented labor shortage and a looming debt crisis, it is time for Congress to implement similar reforms for able-bodied adults on welfare programs like Medicaid and food stamps.



Commonsense work requirements will not only help move millions of able-bodied adults from welfare to work but also strengthen the economy and improve the financial health of vital programs like Social Security and Medicare. **Congress should quickly act to extend these work requirements to as many able-bodied adults on welfare as possible, and President Biden should sign those requirements into law immediately**.

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- 80. Nicholas Horton and Jonathan Ingram, "Welfare reform is moving Mississippians back to work," Foundation for Government Accountability (2019), https://thefga.org/research/mississippi-food-stamps-work-requirement.
- 81. Jonathan Bain et al., "Food stamp work requirements worked for Missourians," Foundation for Government Accountability (2020), https://thefga.org/research/missouri-food-stamp-work-requirements.
- 82. Author's calculations based upon data provided by a proprietary microsimulation model that incorporates data on monthly Medicaid enrollment, the share of Medicaid enrollment in the expansion population, the share of expansion enrollees who are childless, the share of expansion enrollees under the age of 50, and the share of expansion enrollees between the ages of 50 and 64 who are under the age of 55.
- 83. In September 2022, total Medicaid expansion enrollment reached 22.7 million adults, roughly 24.1 percent of total Medicaid enrollment. See, e.g., Centers for Medicare and Medicaid Services, "July-September 2022 Medicaid MBES enrollment," U.S. Department of Health and Human Services (2023), https://www.medicaid.gov/media/national-medicaid-chip-program-information/downloads/jul-sep-2022-medicaid.mbes-enrollment.xlsx.
- 84. By March 2023, total Medicaid enrollment reached an estimated 100 million, based upon data provided by state Medicaid agencies trended from their most recent month available to March 2023. See, e.g., Foundation for Government Accountability, "Medicaid dashboard data," Foundation for Government Accountability (2023), https://thefga.org/medicaid-dashboard-data.
- 85. Assuming similar levels of enrollment distribution in March 2023 as in September 2022, total Medicaid expansion enrollment reached an estimated 24.2 million by March 2023.
- 86. State Medicaid agencies with available data report approximately 75 percent to 80 percent of expansion enrollees are between the ages of 19 and 49.
- 87. State Medicaid agencies with available data report approximately 70 percent to 100 percent of expansion enrollees are childless, depending on the scope of the eligibility prior to expansion.
- 88. The U.S. Department of Agriculture reports that approximately 28 percent of non-disabled, childless adults between the ages of 50 and 64 are under 55. See, e.g., Food and Nutrition Service, "Fiscal year 2020 Supplemental Nutrition Assistance Program quality control database," U.S. Department of Agriculture (2022), https://snapqcdata.net/sites/default/files/2022-12/qcfy2020_st.zip.
- 89. Congressional Budget Office, "Work requirements and work supports for recipients of means-tested benefits," Congressional Budget Office (2022), https://www.cbo.gov/system/files/2022-06/57702-Work-Requirements.pdf.
- 90. Ibid.
- 91. Author's calculations based upon data provided by a proprietary microsimulation model that incorporates data on the share of expansion enrollees under the age of 50 and the share of expansion enrollees between the ages of 50 and 64 who are under the age of 55.
- 92. Author's calculations based upon data provided by the U.S. Department of Agriculture on the number of non-disabled, childless adults between the ages of 18 and 55 receiving food stamps between June 2020 and September 2020. See, e.g., Food and Nutrition Service, "Fiscal year 2020 Supplemental Nutrition Assistance Program quality control database," U.S. Department of Agriculture (2022), https://snapqcdata.net/sites/default/files/2022.12/qcfy2020_st.zip.
- 93. Five states provided the U.S. Department of Agriculture with no data for the months of June 2020 through September 2020. For these states, the national average increase in enrollment among non-disabled, childless adults between the ages of 18 and 55 from the period between October 2019 and February 2020 to the period between June 2020 and September 2020 was applied to those five state states' average enrollment among non-disabled, childless adults between the ages of 18 and 55 during the period between October 2019 and February 2020.
- 94. Author's calculations based upon data provided by the U.S. Department of Agriculture on the number of non-disabled, childless adults between the ages of 18 and 49 receiving food stamps between June 2020 and September 2020. See, e.g., Food and Nutrition Service, "Fiscal year 2020 Supplemental Nutrition Assistance Program quality control database," U.S. Department of Agriculture (2022), https://snapqcdata.net/sites/default/files/2022.12/qcfy2020_st.zip.
- 95. Five states provided the U.S. Department of Agriculture with no data for the months of June 2020 through September 2020. For these states, the national average increase in enrollment among non-disabled, childless adults between the ages of 18 and 49 from the period between October 2019 and February 2020 to the period between June 2020 and September 2020 was applied to those five state states' average enrollment among non-disabled, childless adults between the ages of 18 and 49 during the period between October 2019 and February 2020.
- 96. Author's calculations based upon data provided by a proprietary microsimulation model that incorporates data provided by the U.S. Department of Agriculture on the number of non-disabled, childless adults between the ages of 50 and 55 receiving food stamps between June 2020 and September 2020, average per-person benefits for such adults, the maximum allotments for such adults' households, and changes in the maximum allotment between fiscal year 2020 and fiscal year 2023, disaggregated by state, and data provided by the Congressional Budget Office on projected future changes to the Thrifty Food Plan and average enrollment over the next decade.

- 97. Five states provided the U.S. Department of Agriculture with no data for the months of June 2020 through September 2020. For these states, the national average increase in enrollment among non-disabled, childless adults between the ages of 50 and 55 from the period between October 2019 and February 2020 to the period between June 2020 and September 2020 was applied to those five state states' average enrollment among non-disabled, childless adults between the ages of 50 and 55 during the period between October 2019 and February 2020.
- 98. The proprietary microsimulation model projected each state's enrollment decline as the share of non-disabled, childless adults between the ages of 50 and 55 not working at all between October 2019 and February 2020. This projected decline is consistent with actual experiences in states that have implemented work requirements for able-bodied adults without dependents.
- 99. Approximately 77 percent of non-disabled, childless adults between the ages of 50 and 55 were not working at all between October 2019 and February 2020.
- 100. When Kansas implemented work requirements in 2014, the number of able-bodied adults on the program dropped by 75 percent. See, e.g., 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.
- 101. When Maine implemented work requirements in 2015, the number of able-bodied adults on the program dropped by 91 percent. See, e.g., 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.
- 102. When Arkansas implemented work requirements in 2016, the number of able-bodied adults on the program dropped by 70 percent. See, e.g., 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.
- 103. When Florida implemented work requirements in 2016, the number of able-bodied adults on the program dropped by 94 percent. See, e.g., 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.
- 104. When Mississippi implemented work requirements in 2016, the number of able-bodied adults on the program dropped by 72 percent. See, e.g., Nicholas Horton and Jonathan Ingram, "Welfare reform is moving Mississippians back to work," Foundation for Government Accountability (2019), https://thefga.org/research/mississippi-food.stamps-work-requirement.
- 105. When Missouri implemented work requirements in 2016, the number of able-bodied adults on the program dropped by 85 percent. See, e.g., Jonathan Bain et al., "Food stamp work requirements worked for Missourians," Foundation for Government Accountability (2020), https://thefga.org/research/missouri-food-stamp-work.requirements.
- 106. The maximum food stamp allotment increased by roughly 45 percent between fiscal year 2020 and fiscal year 2023. See, e.g., Food and Nutrition Service, "Cost of living adjustment (COLA) information," U.S. Department of Agriculture (2022), https://www. fns.usda.gov/snap/allotment/COLA.
- 107. Between October 2019 and February 2020, the average non-disabled, childless adult between the ages of 50 and 55 received approximately 85 percent of the maximum food stamp allotment. See, e.g., Food and Nutrition Service, "Fiscal year 2020 Supplemental Nutrition Assistance Program quality control database," U.S. Department of Agriculture (2022), https://snapqcdata.net/sites/default/files/2022-12/qcfy2020_st.zip.
- 108. The Congressional Budget Office projects that the Thrifty Food Plan, on which maximum food stamp allotments are based, will increase by 8.7 percent between 2023 and 2024 and increase by roughly 19.6 percent between 2024 and 2033. See, e.g., Congressional Budget Office, "February 2023 baseline projections: Supplemental Nutrition Assistance Program," Congressional Budget Office (2023), https://www.cbo.gov/system/files?file=2023-02/51312.2023-02-snap.pdf.
- 109. The Congressional Budget Office projects that average food stamp enrollment will increase by 0.2 percent between 2023 and 2024 and decrease by roughly 16.9 percent between 2024 and 2033. See, e.g., Congressional Budget Office, "February 2023 baseline projections: Supplemental Nutrition Assistance Program," Congressional Budget Office (2023), https://www.cbo.gov/system/files?file=2023-02/51312-2023-02-snap.pdf.
- 110. Author's calculations based upon data provided by a proprietary microsimulation model that incorporates data provided by the U.S. Department of Agriculture on the number of non-disabled, childless adults between the ages of 50 and 55 receiving food stamps between June 2020 and September 2020, average per-person benefits for such adults, the maximum allotments for such adults' households, and changes in the maximum allotment between fiscal year 2020 and fiscal year 2023, disaggregated by state, and data provided by the Congressional Budget Office on projected future changes to the Thrifty Food Plan and average enrollment over the next decade.
- 111. 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.
- 112. 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.
- 113. Author's calculations based upon data provided by each state's food stamp agency on the number of able-bodied adults without dependents expected to enroll in fiscal year 2023 and the number of able-bodied adults without dependents expected to reside in waived areas.
- 114. Author's calculations based upon data provided by a proprietary microsimulation model that incorporates data provided by the U.S. Department of Agriculture on the number of non-disabled, childless adults between the ages of 50 and 55 receiving food stamps between June 2020 and September 2020, average per-person benefits for such adults, the maximum allotments for such adults' households, and changes in the maximum allotment between fiscal year 2020 and fiscal year 2023, disaggregated by state, data provided by the Congressional Budget Office on projected future changes to the Thrifty Food Plan and average enrollment over the next decade, and data provided by state food stamp agencies on the share of enrollees who would otherwise be subject to work requirements but reside in expected waived areas.

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- 115. Kenneth Hanson and Karen S. Hamrick, "Moving public assistance recipients into the labor force, 1996-2000," U.S. Department of Agriculture (2004), https://www.ers.usda.gov/webdocs/publications/46832/49356_fanrr40.pdf?v=42075.
- 116. Ibid.
- 117. Author's calculations based upon the results of a proprietary computable general equilibrium model calculating the long-run economic impact of moving able-bodied adults from welfare to work, adjusted for changes to the capital stock and labor supply caused by increasing the labor force.
- 118. The proprietary computable general equilibrium model estimates total Gross Domestic Product (GDP) generated by capital and labor using a nested constant elasticity of substitution model.
- 119. The proprietary computable general equilibrium model disaggregates labor inputs by education, skill level, and gender, based on data provided by the U.S. Department of Commerce, and it assumes labor is paid the value of its marginal product.
- 120. The proprietary computable general equilibrium model assumes an elasticity of substitution of 0.5 and an elasticity of intrafactor substitution of 1.5, consistent with the economic literature which finds intra-labor elasticity of substitution estimates ranging from 1.34 to 1.7.
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- 122. David H. Autor et al., "Trends in U.S. wage inequality: Revising the revisionists," Review of Economics and Statistics (2008), https:// www.mitpressjournals.org/doi/pdf/10.1162/rest.90.2.300.
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- 124. Per Krusell et al., "Capital-skill complementarity and inequality: A macroeconomic analysis," Econometrica (2000), https://www.jstor.org/stable/2999442.
- 125. Antonio Ciccone and Giovanni Peri, "Identifying human-capital externalities: Theory with applications," Review of Economic Studies (2006), https://academic.oup.com/restud/article-abstract/73/2/381/1521393.
- 126. George E. Johnson, "Changes in earnings inequality: The role of demand shifts," Journal of Economic Perspectives (1997), https:// pubs.aeaweb.org/doi/pdfplus/10.1257/jep.11.2.41.
- 127. The proprietary computable general equilibrium model assumes a displacement effect derived from estimates of the disutility of work, pecuniary benefit when not working, wages, size of adult population, real wage elasticity of labor supply, marginal revenue product of labor, ratio of capital to labor, elasticity of intrafactor substitution, and share of unskilled labor in aggregate labor compensation.
- 128. The proprietary computable general equilibrium model assumes a wage elasticity of supply of unskilled labor of approximately 0.4, consistent with the economic literature.
- 129. George E. Johnson, "The impact of immigration on income distribution among minorities," Russell Sage Foundation (1998), https://www.russellsage.org/publications/help-or-hindrance.
- 130. Chinhui Juhn et al., "Why has the natural rate of unemployment increased over time?" Brookings Institution (1991), https:// www. brookings.edu/wp.content/uploads/1991/06/1991b_bpea_juhn_murphy_topel_yellen_baily.pdf.
- 131. Timothy J. Bartik, "Displacement and wage effects of welfare reform," Russell Sage Foundation (2000), https://www.russellsage. org/publications/finding-jobs-1.
- 132. The proprietary computable general equilibrium model projects a displacement effect of approximately 0.1, consistent with the economic literature.
- 133. George E. Johnson, "The impact of immigration on income distribution among minorities," Russel Sage Foundation (1998), https:// www.jstor.org/stable/10.7758/9781610442640.
- 134. The proprietary computable general equilibrium model assumes that over the long-run, increasing labor supply pushes down wages to some degree, inducing employers to hire more workers, experience higher levels of profit, and attracting investment that would not otherwise have been undertaken. As the marginal product of capital rises, the model adds capital until its rate of return goes back to its original level.
- 135. Author's calculations based upon the results of a proprietary computable general equilibrium model calculating the long-run economic impact of moving able-bodied adults from welfare to work, adjusted for changes to the capital stock and labor supply caused by increasing the labor force.
- 136. There are approximately 16.6 million able-bodied, childless adults under 55 on Medicaid and approximately 5.5 million ablebodied, childless adults under 55 on food stamps. Data provided by state Medicaid agencies in Medicaid expansion states reveals that there is a substantial overlap among these two groups. Approximately 90 percent of able-bodied adults without dependents on food stamps also receive Medicaid in Medicaid expansion states. This suggests an unduplicated count of approximately 17.2 million able-bodied, childless adults under 55 on the two programs.
- 137. State Medicaid agencies report at least 55 percent of Medicaid expansion enrollees have no earned income and therefore do not work at all. This suggests at least 9.4 million able-bodied, childless adults under 55 who are not working. See, e.g., Victoria Eardley and Nic Horton, "ObamaCare's not working: How Medicaid expansion is fostering dependency," Foundation for Government Accountability (2018), https://thefga.org/research/obamacares.not-working-how-medicaid-expansion-is-fostering-dependency.
- 138. The U.S. Department of Agriculture assumed approximately half of non-working able-bodied adults without dependents reentered the workforce in measuring the impact of work requirements in the late 1990s. See, e.g., Kenneth Hanson and Karen S. Hamrick, "Moving public assistance recipients into the labor force, 1996-2000," U.S. Department of Agriculture (2004), https:// www.ers.usda.gov/webdocs/publications/46832/49356_fanrr40.pdf.

- 139. More recent evidence from the Foundation for Government Accountability's individual-level tracking of more than one million able-bodied adults without dependents after work requirements were implemented across multiple states suggests an even higher share of non-workers who re-enter the labor force.
- 140. If only half of non-working, able-bodied, childless adults under 55 leaving the program returned to work, that would represent an employment increase of approximately 4.7 million workers. The analysis of 4 million returning workers represents a substantially more conservative estimate. Utilizing an assumption that as many as 4.7 million able-bodied adults would return to work, for example, would produce an estimate of more than \$175 billion in additional real GDP growth.
- 141. Congressional Budget Office, "The budget and economic outlook: 2023 to 2033 10-year trust fund balances," Congressional Budget Office (2023), https://www.cbo.gov/system/files/2023-02/51136-2023-02-Trust-Fund.xlsx.
- 142. Author's calculations based upon the results of a proprietary computable general equilibrium model calculating the impact on Social Security payroll taxes and Medicare noninterest income from increases in real GDP. Revenues are calculated in present value over the 10-year budget window and are not adjusted to nominal revenues in later years to reflect inflation. Nominal revenues would therefore be higher than those presented.
- 143. The Congressional Budget Office estimated Social Security payroll tax revenue totaled \$1.054 trillion in fiscal year 2022. See, e.g., Congressional Budget Office, "May 2022 baseline projections: Social Security trust funds," Congressional Budget Office (2022), https://www.cbo.gov/system/files?file=2022-05/51309-2022-05-trustfund.pdf.
- 144. The Congressional Budget Office estimated nominal GDP totaled \$24.69 trillion in fiscal year 2022. See, e.g., Congressional Budget Office, "The budget and economic outlook: 2022 to 2023 Fiscal year economic projections," Congressional Budget Office (2022), https://www.cbo.gov/system/files/2022-05/51135-2022-05.Economic-Projections.xlsx.
- 145. Social Security payroll tax revenues represented roughly 4.3 percent of GDP in 2022.
- 146. Author's calculations based upon the results of a proprietary computable general equilibrium model calculating the impact on Social Security payroll taxes and Medicare noninterest income from increases in real GDP.
- 147. The Congressional Budget Office estimated Medicare noninterest income totaled \$413 billion in fiscal year 2022. See, e.g., Congressional Budget Office, "May 2022 baseline projections: Medicare," Congressional Budget Office (2022), https://www.cbo. gov/system/files?file=2022-05/51302-2022-05-medicare.pdf.
- 148. Medicare noninterest income represented roughly 1.7 percent of GDP in 2022.
- 149. 142 Congressional Record 116 (1996), https://www.congress.gov/104/crec/1996/08/01/142/116/CREC-1996-08.01-pt1-PgS9387. pdf.



15275 Collier Boulevard | Suite 201-279 Naples, Florida 34119 (239) 244-8808

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