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To: House Committee on Human Services, Vermont General Assembly

From: LaDonna Pavetti
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Re: The Elimination of Work Requirements in Vermont H.672

Date: February 10, 2022

Dear Chair Pugh and Members of the Committee:

I have spent the last 25 years studying the implementation of TANF, with a particular focus on work requirements. Through my own work and the review of many studies that have been done looking at the impact of work requirements, I have concluded (along with many others) that work requirements have not achieved what they were purported to achieve and have inflicted significant harm on families, especially those that face the most significant challenges. If enacted, your proposal to eliminate work requirements in Reach Up would go a long way toward supporting Vermont's efforts to create a TANF work program that treats families with dignity and respect, and supports them in their efforts to set and achieve personal and family goals that will lead them to greater stability and economic mobility over the long-term. It would also put Vermont at the forefront of moving TANF work programs which are rooted in racism and perpetuate racist stereotypes in an antiracist direction.

Eliminating work requirements in Reach Up would allow the Economic Services Division (ESD) to focus on implementing evidence-based practices rather than on monitoring compliance with a rigidly-defined set of work activities and imposing penalties on families that do not comply. Eliminating work requirements does not mean eliminating a focus on work; it means delivering employment services in a manner that focuses on families' strengths and rewards staff for helping families to make progress, even when the steps forward may seem small. It also recognizes the importance of taking a trauma-informed approach to service delivery and provides an opportunity to create accountability systems that measure meaningful outcomes, recognizing that families come to Reach Up with different needs and circumstances.

The evidence is clear that work requirements do not improve long-term economic outcomes for families receiving cash assistance.¹ Key findings that support the elimination of work requirements include the following:

- **Work requirements are predicated on the false notion that cash assistance recipients do not work.** Studies consistently find that the majority of cash assistance recipients work before and after receiving cash assistance. For example, a study of the employment experiences of TANF recipients in Kansas found that 71 percent of recipients work before and after they left TANF.² Some early studies found increases in the share of recipients leaving cash assistance for work, but those increases faded over time, suggesting that while work requirements might have encouraged some parents to go to work sooner, they did not increase the share of parents that ever worked.³ And, it is possible that those initial increases occurred because of better access to child care rather than to work requirements themselves.
- **Stable employment among recipients subject to work requirements is the exception, not the norm.** The majority of parents that turn to TANF work in the low-wage labor market which has high rates of turnover among employees. Barriers to long-term employment arise as a result of the nature of jobs in which many TANF parents work. Characterized by high income instability and job turnover, many parents have little or no control over the number of hours worked, putting parents at risk of another financial crisis. Yet, the “work first” approach that work requirements encourage sends TANF recipients back to the same low-wage, unstable jobs that led them to TANF in the first place. The result is that most parents that leave TANF for work experience significant periods of joblessness and a substantial share return to TANF. For example, a study of Reach Up participants that left TANF in 2017 found that only about half of the leavers had earnings in all four quarters; 19 percent did not have earnings in any quarter; and 32 percent returned to Reach Up within the year.
- **Most recipients with significant barriers to employment never find work even after participating in work programs that are otherwise deemed successful.** Many families that turn to TANF face significant employment barriers which makes finding work that much more difficult. Mental and physical health issues are common among TANF recipients as are logistical barriers such as transportation and child care. A study of a program in New York City that aimed to remove these barriers saw modest increases in employment, but the vast majority of participants never found employment and many lost access to cash assistance because they were unable to meet the program requirements, leaving them with no or less income to meet their basic needs.⁴
- **The large majority of individuals subject to work requirements remained poor, and some became poorer.** Contrary to claims that work requirements help families reach economic independence, large randomized controlled trials, the gold standard of research, in the 1990s offer scientific evidence that AFDC/TANF work requirements caused a *rise* in deep poverty for recipient families. The study examined 11 pilot programs — local forerunners of TANF’s work requirements — and found that while most of them slightly

¹ [Work Requirements Don’t Cut Poverty, Evidence Shows | Center on Budget and Policy Priorities \(cbpp.org\)](#)

² [Most Kansas Families After TANF: Unsteady Work, Extremely Low Earnings | Center on Budget and Policy Priorities \(cbpp.org\)](#)

³ [Evidence Doesn’t Support Claims of Success of TANF Work Requirements | Center on Budget and Policy Priorities \(cbpp.org\)](#)

⁴ [Evaluation of the Personal Roads to Individual Development and Employment \(PRIDE\)](#)

improved short-term employment and overall poverty rates, the deep poverty rates rose by a statistically significant amount in six of the 11 programs and didn't fall significantly as many families had their benefits reduced or taken away.⁵

- **Over the long term, the most successful programs supported efforts to boost the education and skills of those subject to work requirements, rather than simply requiring them to search for work or find a job.** Because work requirements are predicated on the false notion that TANF recipients do not work, they have not invested in programs that will help recipients increase their education and gain the skills that will lead to better jobs. The gains from investing in such programs are significant. For example, Project QUEST, a program in San Antonio that prepares residents for good jobs in growing sectors of the economy (many in health care) realized a 250 percent return on its investment. The program led to large and significant earnings increases that were sustained over time, exceeding \$4,600 in the eleventh year of the study.⁶
- **Voluntary employment programs can significantly increase employment without the negative impacts of ending basic assistance for individuals who can't meet mandatory work requirements.** Research shows that voluntary work programs can produce positive results without undermining individuals' dignity and causing lasting harm to participants and their families. For example, Jobs-Plus, a voluntary employment program for residents of public housing significantly increased earnings for residents in several cities of different sizes and demographics, and increased employment for groups with historically low labor-force participation rates. Although the program was voluntary, about three-quarters of the residents in the four well-implemented sites used its services, rent-based work incentives, or both.⁷

I have had the pleasure of working with staff from the Economic Services Division and the Office of Economic Opportunity in a number of different capacities over the last several years. In my 25 years of working on TANF and related issues, I have never met a staff more committed to making public services work better to help improve the lives of families who are struggling to make ends meet and facing many significant personal and family challenges. Eliminating work requirements as H. 672 would do would open up new possibilities by freeing up staff time that is focused on compliance with rigid work requirements to help Reach Up participants improve their well-being. That would not only benefit Reach Up families, but would also benefit Vermont as a whole.

⁵ [TANF Studies Show Work Requirement Proposals for Other Programs Would Harm Millions, Do Little to Increase Work | Center on Budget and Policy Priorities \(cbpp.org\)](#)

⁶ [Mobility_Eleven-Year-Gains.pdf \(economicmobilitycorp.org\)](#)

⁷ [Sustained Earnings Gains for Residents in a Public Housing Jobs Program | MDRC](#)