



PENNSYLVANIA

Budget and Policy Center

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It's Not Really About Work: Why Pennsylvania Should Reject Work Requirements

Summary

- The appeal of work requirements for Medicaid and SNAP recipients is based on false stereotypes about poor people being unwilling to work and false theories about the impact of the social safety net on work effort.
- The majority of SNAP and Medicaid recipients work in any year. And three-quarters of SNAP and Medicaid recipients work over the course of a year.
- The majority of SNAP and Medicaid recipients receive benefits for less than two years in a four-year period.
- SNAP and Medicaid recipients who do not work are generally ill or disabled; taking care of young children or an elderly parent; or are seeking employment.
- SNAP and Medicaid work requirements will have almost no effect on encouraging work.
- What would encourage work and reduce SNAP and Medicaid enrollments is investment in work training and child care; creation of public sector jobs where unemployment is high and increasing the minimum wage.
- The burden of work requirements will deny health care and SNAP benefits to many people who are working.
- Medicaid work requirements would reduce the insured population by about 300,000 people and cost doctors and hospitals between \$450 and \$900 million in reimbursements in Pennsylvania.
- Medicaid work requirements will increase health care and health insurance costs for all Pennsylvanians.
- Medicaid and SNAP work requirements are a cruel policy that appeals to the worst instincts of human beings — to forget that any of us can suffer from the misfortunes that lead people to need help in relieving illness and hunger and to try to overcome our fear that it could happen to us by blaming the victim.

Work requirements and stereotypes about the poor

The Republicans who have again introduced legislation to create “work requirements” for recipients of Medicaid and SNAP (also known as Food Stamps) may well be motivated in part by their desire to encourage more Pennsylvanians to hold jobs. But their punitive and bureaucratic proposal will not do enough to help people work and may well actually make it harder for them to do so. At the same time, it will make it harder for people who deserve health care and food assistance to secure it while not saving our state much money. And it will also damage the health care industry and raise insurance premiums for all of us.

Work requirements and stereotypes about the poor

The argument for work requirements for recipients of Medicaid and SNAP (food stamps) rely on old, stereotypical, and false distinctions between the “deserving” and “undeserving” poor. They presume that too many of those who rely on the social safety are unwilling to work whether because they are lazy or because the very existence of the safety net creates a “culture of poverty” that discourages work. And that, in their view, is why so many people make “welfare a way of life.” Creating a work requirement, they argue, not only make it impossible for people to “abuse the system” and get benefits without work but it will build the “good character,” that will reduce poverty in the long run.

This whole story presumes that people whose incomes are low are in some fundamental way different, and less deserving, than the rest of us. And, of course, this notion that the poor are different is, far too often, tied implicitly or even explicitly to the assumption that many — and to some people, like President Trump, most — poor people who take advantage of the social safety net are people of color, which is the exact opposite of the truth. For the record, the majority of beneficiaries of Medicaid and SNAP are white. And the rates at which people receive these benefits are almost the same in rural and urban counties in Pennsylvania, 13.7% in rural counties and 15% in urban ones for SNAP and 21% for rural counties to 21.9% for urban ones for Medicaid.

I share with conservatives the belief that it is a good thing for able-bodied adults to hold a job. Work is how we provide for our families. While growing automation may change how we look at work in the future, right now work is also how many of us exercise and develop our minds and bodies and find a sense of self-worth and purpose in life.

Medicaid and SNAP recipients work

Work is so important in so many ways. It is so highly valued in our country, that the vast majority of Americans seek to work. And that goes for Medicaid and SNAP recipients as well. In Pennsylvania, [64% of Medicaid recipients work at any one time](#). While we don’t have Pennsylvania data for individuals who receive SNAP, 52% of SNAP recipients nationwide work at any one time, and 76.9% of families nationwide. Seventy-four percent of Pennsylvanians that receive SNAP have at least one worker in their family. Moreover, there is a worker in 79% of the families of Medicaid recipients and 59% of the families of SNAP recipients in Pennsylvania.

Given their relative lack of skills, people who benefit from safety net programs typically work in fields with unstable employment and thus may not work as much as they would like. But far more work over the course of the year than do at any one time. We don’t have data on this for Medicaid recipients but a recent [study of SNAP recipients](#) by the Center for Budget and Policy Priorities showed that while 52% of SNAP recipients work at one time, 74% work within a year. And 81% of families that receive SNAP have at least one member who has worked in a year.

Medicaid and SNAP are not a way of life except for the ill and disabled

The majority of working age SNAP and Medicaid recipients do not stay on these programs indefinitely but secure benefits when they lose jobs or have their hours cut and then leave them when they return to full employment. [A long-term study of safety net recipients by the Census Bureau in 2015](#) showed that 35.6% of Medicaid recipients and 30.4% of SNAP recipients received benefits for one year or less in a four-year period. About 51.1% of Medicaid recipients and 47.5% of SNAP recipients received benefits for two years or less in that period. Only 35.3% of Medicaid and 38.6% of SNAP recipients received benefits for more than 36 months in a three-year period and most of them were people who were disabled or seriously ill.

Some Medicaid and SNAP recipients do not work. But that is true for people who do not receive these benefits as well— recall that labor force participation rate in the United States is only 63%.

Why some Medicaid and SNAP recipients don't work

Why don't all Medicaid and SNAP recipients hold jobs? The reasons vary but they are essentially the same as the reasons other Pennsylvanians don't work. The Kaiser Foundation recently found that among adult Medicaid recipients who do not work, 36% were ill or disabled, 30% were taking care of family members, 15% were going to school and 6% could not find work. The Center for Budget and Policy Priorities found similar results in a study of SNAP recipients. Among the only 26% of SNAP recipients who did not work in a year, 38% were caring for other family members, 23% were ill or disabled, 15% were going to school, and 15% could not find work

Most of us would accept those as reasonable grounds for not working among those who do not receive Medicaid or SNAP. Why do we expect something different from those who do benefit from these programs?

And don't say that people who benefit from SNAP or Medicaid rely on government benefits while others do not. Everyone, rich and poor benefits from government support for food and health care. If you have employer sponsored health insurance, you receive a substantial tax break which cost the federal government three times what the Affordable Care Act costs. And aid to farmers which cost far more than the SNAP program, help keep food prices stable, benefitting everyone.

Again, it is the false assumption that poor people somehow deserve their plight that leads us to have higher expectations for those with low-income than everyone else.

Work requirements won't lead to more work

Conservative critics of SNAP and Medicaid forget that Medicaid and SNAP serve four very different populations — none of whom benefit from work requirements.

- The majority of long-term beneficiaries of these programs are people who are ill or disabled. Not even the conservative proponents of “welfare reform” insist that they work.
- A second group served by SNAP and Medicaid are people who work every day but who do not receive high enough wages to provide health insurance or feed their families. They need no requirement to work.
- A third group are people who are taking care of young children or elderly relatives. They might work if they had help with child or elder care. But a work requirement by itself won't matter to them.

- And a fourth group are those who are temporarily going through a bad time because of unemployment, divorce or other problems, and who need a temporary hand until they get their lives straightened out. Again, a work requirement won't benefit them.

So work requirements won't actually lead more people to work, [which is what social scientists who studied the institution of work requirements for TANF found](#). **But work requirements of the kind being considered in Harrisburg will have a devastating effect on those who very much need Medicaid and SNAP — and on the rest of us as well.**

Work requirements will lead to more illness and hunger

The irony of work requirements is that the legislators who constantly complain about government red-tape and bureaucracy are eager to institute rules that will be both costly — estimates of the cost of administering the program run into the tens of millions — and so onerous that people who are entitled to SNAP and Medicaid benefits will find it hard to meet them. Legislators are demanding that people apply not once but twice a year to secure these benefits. (Imagine if you had to fill out your insurance paper work twice a year.) Even the most organized recipients of Medicaid and SNAP will find it hard to meet the paper work requirements. But too many will not be able to do so.

The burden will be especially difficult for [people suffering from mental illness and opioid addiction, who so badly need Medicaid](#). And that is not an insubstantial part of the Medicaid population. In Michigan, for example, 32% of Medicaid recipients who do not work suffer from functional impairment due to mental disability. But the experience of states that have instituted work requirements is that only 10% or less of the population are exempt from work requirements due to “medical frailty.”

We can't be sure how many will lose Medicaid as a result of work requirements, but the number will surely be substantial. Kentucky's application for a waiver that would allow it to institute work requirements predicted that 15% of their Medicaid population would lose coverage. **If work requirements have that kind of impact in Pennsylvania, over 300,000 people will lose health care coverage.**

We have less firm estimates of the impact of work requirements on SNAP recipients. But it no doubt will be substantial. Hunger will increase. And combined with the loss of Medicaid — and the sickness that results — work effort may well decline. Sick and hungry people don't make the best workers.

Work requirements will lead to higher health care and health insurance costs

The impact of a reduction in the Medicaid population of this amount will have broad consequences for everyone. Depending on whether the decline in the insured population comes from those receiving traditional Medicaid, which is reimbursed by the federal government at a 50% rate, or expanded Medicaid, which is reimbursed at a 90% rate, work requirements will reduce payments to doctors and hospitals in the state by somewhere between \$450 and \$835 million. That will cost thousands of jobs and not just in the medical field. Those who are uninsured will again be forced to go to expensive hospital emergency rooms for care. That, combined with the loss of federal funds, will drive health care and health insurance costs up for the rest of us.

We will suffer, but especially if more of those who lose insurance come from the Medicaid expansion population, the state won't save very much money. Work requirements might even cost

the state money, for federal law will require that the state make new investments in training and child care and work search help. And that, combined with the administrative costs of the program, might cost \$300 million or more.

How to really encourage work and reduce Medicaid and SNAP populations

If legislators really want to encourage work and reduce the Medicaid and SNAP population, they would invest more in child care, education and work force training. They would invest in public works and create jobs for the unemployed. They would also raise the minimum wage, which would enable hundreds of thousands of Pennsylvanians to earn enough to make them ineligible for SNAP and Medicaid. But it makes no sense to institute work requirements that will have little effect on work but will instead cause deep suffering to hundreds of thousands of Pennsylvanians.

While proponents of work requirements claim to want to support work and also say that they have the best interest of those with low-income at heart, it is very difficult to take them seriously. After all, almost all of them opposed the expansion of Medicaid which, by making it possible for people with higher incomes to keep Medicaid, reduced a major disincentive to work.

The political appeal of cruelty

It's also hard not to think that, at some level, the cruelty of work requirements is part of their appeal.

We have seen that stereotypes that justify harsh measures on those who are struggling with low incomes are based on falsehoods. The American social safety net almost entirely benefits people who cannot work — the elderly, ill, and disabled — or working Americans. [It offers very little to able-bodied men and women who do not work.](#) Yet the stereotypes about “welfare” are astonishingly difficult to extirpate from our public lives. I want to consider why that is so. There are two fundamental reasons, one having to do with those who keep repeating these stereotypes and the other with those who believe them.

The first group are the political representatives of the rich and powerful and the right-wing ideologues, whose main goal in political life is to reduce taxes. Even in a state like Pennsylvania, where the very rich pay a far smaller share of their income in state and local taxes than working people, their political representatives still want to cut taxes even more. And to do that, they have to cut public spending. A great deal of public spending is difficult to cut. People really do believe in most public spending, on education, higher education, and taking care of the elderly. But if the poor can be blamed for their own situation, then one can justify taking what they receive from government from them. And if these politicians can associate government spending on the whole with those who they claim are undeserving, they can bring government as a whole into disrepute.

The second group are those working and middle-class people who, in the economy of today, are struggling with stagnant incomes, uncertain pensions, and growing unemployment. They are resentful and angry at the government leaving them behind in a changing economy. And, because the benefits they receive, such as tax deductions on their mortgages and health insurance or favorable tax treatment of retirement income in Pennsylvania, are not so obvious, they don't recognize how much they actually get from government. They are ripe for an argument that claims that some people who may not deserve it are benefiting from government help.

And, finally, we should recognize that the arguments of both groups are reinforced by an unfortunate tendency in human nature to deal with our own fears by pushing them away onto others. Every single one of us is vulnerable to disruptive events in our lives. Middle-class people,

and especially middle-class women, find themselves impoverished every day as a result of job loss, illness, the sudden death of a spouse, or divorce. So many of the people who benefit from food stamps and Medicaid are members of the middle class who have fallen and use the safety net to keep body and soul together until they can turn their lives back around. Serious misfortune could happen to any of us. In Pennsylvania, 22% of Medicaid recipients are college graduates. But we are so loathe to recognize the possibility of misfortune that we desperately want to believe that impoverishment only happen to those who, in one way or another, deserve it. We want, more than anything, to think that people are impoverished because of something they did wrong, not some misfortune. So, we cling to the myth that those with low-incomes are different from us and mostly undeserving.

And then, because we do think they are different and undeserving, we feel free to let loose the worst aspect of human nature, our capacity for cruelty, upon them.

And, that is exactly what the work requirement legislation is — an act of cruelty against those who are most vulnerable in our community on the part of not only cynical but mean politicians who are encouraging that meanness on the part of their constituents in the search for a few votes.

Reject cruelty and work requirements; embrace humanity and justice

We need to stand up to that cruel, mean, and dishonest policy. We need to stand together for humanity and justice and say, again, that we are all brothers and sisters under God. And our morality and our God demand that we not distinguish between the deserving and the undeserving poor; that we not indulge our fears and cruelty, and that we instead ensure that no one who lives among us should ever go hungry or without health care.