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The Best Way to Free Americans from the Welfare Poverty Trap

How Kansas Blazed the Trail for Welfare Reform and What it Accomplished for Individuals' Employment and Incomes

AUTHORED BY

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EXECUTIVE SUMMARY

Too many Americans are trapped in failing welfare programs and the problem is getting worse. The number of people dependent on government has exploded in recent years, largely due to state and federal expansions.

This was driven by the misguided conventional wisdom that the best way to reduce poverty is to expand welfare to more people and hope that they would eventually work their way out of dependency. But new research turns that notion upside down.

In 2013, Kansas bucked the welfare-expansion trend and implemented common-sense work requirements and time limits for able-bodied adults without dependents on food stamps. Under the leadership of Governor Sam Brownback, state officials launched the most comprehensive welfare tracking system of its kind to monitor the impact on individuals' employment and earnings.

The results were remarkable.

With no welfare work requirement or time limit, just one in five able-bodied adults on food stamps worked. Nearly 93 percent of them were in poverty, most in severe poverty.

Since implementing work requirements and time limits, the number of able-bodied adults on food stamps has dropped by 75 percent.

These reforms immediately freed nearly 13,000 Kansans from welfare on December 31, 2013. Nearly three-fifths of those leaving food stamps found employment within 12 months and their incomes rose by an average of 127 percent per year. That higher income more than offset the food stamps they lost, increasing economic activity and bringing in new resources for other state priorities. Better still, the average income among working able-bodied adults is now above the poverty line.

Those still receiving food stamps, but now subject to a work requirement, are also better off. The typical enrollee has significantly increased their employment and incomes, although their incomes are not as high as those freed completely from welfare.

Long-term welfare caused severe damage. The data shows that the less time these able-bodied adults spend on welfare, the quicker they can get back into the workforce once they are freed from welfare and the more money they will make. These Kansans are discovering new lives of independence and self-sufficiency that, in some cases, they haven't known for more than two decades.

This new evidence provides policymakers with an opportunity to rethink how they approach welfare. Reformers must refocus their anti-poverty efforts on freeing people from welfare completely, instead of simply reforming the welfare experience itself. Policymakers across the country should take a page from Kansas, restore the working class, and give real hope to millions trapped in a life of dependency and poverty.

Note: Names and other personal information of the below individuals has been changed to protect their identities.

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J A S O N

Previously unemployed

STUCK ON FOOD STAMPS: **4 years**

CURRENT INDUSTRY: **Publishing**

EARNINGS AFTER LEAVING FOOD STAMPS: **\$45,000 per year**

A M Y

Previously unemployed

STUCK ON FOOD STAMPS: **2+ years**

CURRENT INDUSTRY: **Social assistance services**

EARNINGS AFTER LEAVING FOOD STAMPS: **\$27,000 per year**



M A T T

Previously unemployed

STUCK ON FOOD STAMPS: **3+ years**

CURRENT INDUSTRY: **Drywall installation**

EARNINGS AFTER LEAVING FOOD STAMPS: **\$34,000 per year**

S A R A H

Previously unemployed

STUCK ON FOOD STAMPS: **3+ years**

CURRENT INDUSTRY: **Ambulatory health care services**

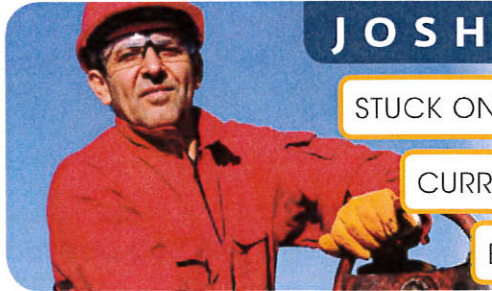
EARNINGS AFTER LEAVING FOOD STAMPS: **\$37,000 per year**





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JOSH

PREVIOUS EMPLOYMENT: **\$552/year in landscaping**

STUCK ON FOOD STAMPS: **3 months**

CURRENT INDUSTRY: **Petroleum and natural gas extraction**

EARNINGS AFTER LEAVING FOOD STAMPS: **\$41,000 per year**

JENNIFER

Previously unemployed

STUCK ON FOOD STAMPS: **1+ years**

CURRENT INDUSTRY: **Commercial bakery**

EARNINGS AFTER LEAVING FOOD STAMPS: **\$53,000 per year**



JEREMY

PREVIOUS EMPLOYMENT: **\$5,000/year at temp agency**

STUCK ON FOOD STAMPS: **1+ years**

CURRENT INDUSTRY: **Oil and gas exploration**

EARNINGS AFTER LEAVING FOOD STAMPS: **\$51,000 per year**

AMANDA

PREVIOUS EMPLOYMENT: **\$7,800 per year in retail**

STUCK ON FOOD STAMPS: **20+ years**

CURRENT INDUSTRY: **General retail merchandise**

EARNINGS AFTER LEAVING FOOD STAMPS: **\$14,500 per year**





THE CURRENT REALITY: AN EXPLOSION OF WELFARE DEPENDENCY ACROSS AMERICA

The number of Americans dependent on food stamps has nearly tripled in the last 15 years, growing from just 17 million enrollees in 2000 to nearly 46 million by 2015.¹ Skyrocketing enrollment has made the food stamps program one of the fastest-growing line-items in the federal budget.² This spending is growing ten times as fast as federal revenues, crowding out critical resources for other spending priorities.³

If that weren't bad enough, food stamps have also become the gateway to long-term government dependency. According to the latest data, the typical enrollee now stays on food stamps for an average of more than eight years.⁴ This is also driving more Americans to other welfare programs. Recipients frequently report that they sign up for food stamps before seeking out other welfare benefits and more than 85 percent of households on food stamps are also receiving other types of welfare.⁵⁻⁶

As a result, the number of people dependent on government has exploded. By 2012, more than 35 percent of Americans lived in households receiving welfare from one or more government programs – and this was before the Affordable Care Act expanded Medicaid to a new class of able-bodied adults, further exploding the nation's rolls.⁷

State efforts to “integrate” eligibility systems – whereby an individual can apply for all welfare benefits at once – have made this welfare gateway even larger. This welfare explosion not only siphons resources away from other critical needs, it traps more Americans in poverty and robs them of the hope of a better life.

A KEY PART OF THE PROBLEM: TOO MANY STATES WAIVED WORK REQUIREMENTS

Able-bodied adults without dependents are contributing heavily to the growing food stamps crisis. These childless adults do not typically qualify for long-term food stamps unless they meet federal work requirements, but the vast majority of states began waiving these work requirements in recent years.⁸

As set forth in federal law, childless adults are required to work or participate in employment or training programs for at least 20 hours per week.⁹ These requirements apply to non-pregnant adults who are mentally and physically fit for employment, who are between the ages of 18 and 49, and who have no dependent children or incapacitated family members.¹⁰ Enrollees who refuse to meet these requirements are limited to just three months of benefits every three years.¹¹

But with encouragement from the Obama administration, states have undermined these work rules, often by waiving the requirement altogether. In 2015, for example, 42 states partially or fully waived this requirement, allowing able-bodied adults to stay on the food stamps rolls indefinitely, regardless of whether they are working or training for work.¹² This policy shift has contributed significantly to the food stamp enrollment explosion.

When most states were enforcing work requirements, childless adult enrollment hovered around one million.¹³ By 2014, most states were waiving these requirements and enrollment had increased fivefold, with more than 4.7 million able-bodied adults receiving food stamps.¹⁴

THE BEST ANTI-POVERTY REFORM: WORK

Waiving work requirements means higher costs for taxpayers and less funding available for other priorities. That impact is both real and troublesome. But the real tragedy is the damage welfare does to individuals' human spirit, stripping them of an incentive to work and leaving them languishing in poverty. Moving them from welfare to work helps them climb out of poverty and into a life of self-sufficiency and prosperity.



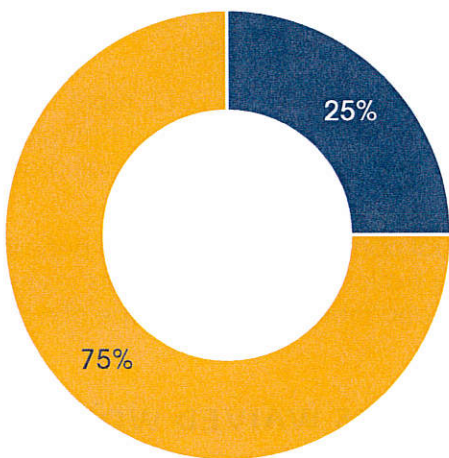
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Currently, few able-bodied childless adults receiving food stamps actually work, despite having no disabilities limiting them from meaningful employment. In 2013, just one-quarter of childless adult households receiving food stamps had any earned income.¹⁵ The remaining three-quarters had no earned income, meaning they were not working at all.¹⁶ An analysis of food stamp recipients, conducted when work requirements first went into effect, found that fewer than five percent of all able-bodied childless adults on the program were meeting those requirements.¹⁷

Most childless adults on food stamps do not work

Childless adult households receiving food stamps, by earned income status



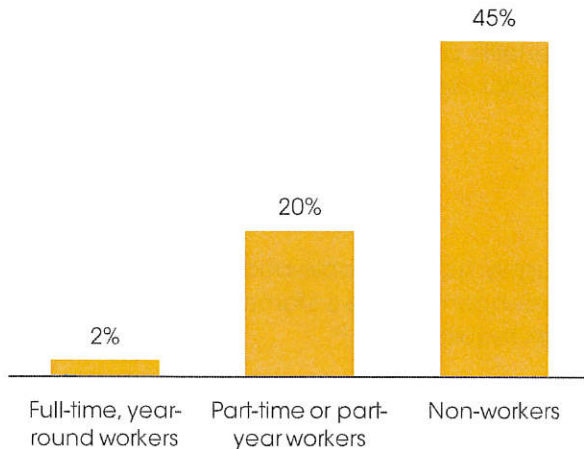
■ Earned income ■ No earned income

Source: U.S. Department of Agriculture

But research shows that simply working a full-time, minimum wage job would lift many able-bodied adults out of poverty entirely.¹⁸ In fact, just two percent of all able-bodied childless adults who work full-time, year-round are in poverty, compared to nearly half of non-workers.¹⁹ This disparity holds regardless of age, sex, education, race, citizenship or immigration status, region, or other demographic characteristics.²⁰

Working full-time raises most able-bodied adults out of poverty

Poverty rates for non-disabled childless adults aged 18-49, by work status



Source: Census Bureau

The value of hard work also extends far beyond higher incomes. In fact, studies have shown that work is important for nurturing the human spirit, better physical and mental health, lower mortality rates, improved self-esteem, greater personal satisfaction, and more financial security.²¹ The dignity that comes employment and earned success creates happier, more fulfilled Americans.²²

State leaders know that work changes lives. The state-led, work-first welfare reforms of the 1990s moved millions of Americans back into the labor force, spurring greater economic growth.²³ Welfare caseloads plummeted, employment rose, and poverty rates dropped, particularly among the most at-risk populations.²⁴

Reform-minded policymakers are now pursuing a second round of welfare reform, with the ultimate goal of moving more Americans into the working class. The tide has already started to turn. Less than three years ago, just five states were enforcing work requirements for all able-bodied, childless adults on food stamps.²⁵ But by January 1, 2016, work requirements were being enforced statewide in 16 states.²⁶

For these states, the value of work is not just a theory – it is a reality that is creating a new and brighter future.

THE KANSAS STORY: WELFARE REFORM IS IMPROVING KANSANS' LIVES

Under the leadership of Governor Sam Brownback, Kansas restored work requirements and time limits for food stamps in October 2013. The Brownback administration also implemented an innovative, first-of-its-kind process to track able-bodied adults as they leave food stamps and re-enter the workforce.

Prior to implementing these reforms, few able-bodied adults on food stamps were working and most were living in severe poverty. But this new data shows just how much leaving welfare can change lives.

Kansas' welfare reforms have moved more people out of welfare and into work, reduced poverty, and provided greater financial security for those previously trapped in dependency. Nearly three-fifths of those leaving food stamps found employment within 12 months and their incomes rose by an average of 127 percent per year. Even those still on food stamps significantly increased their employment and incomes, although their incomes are not as high as those freed completely from welfare.



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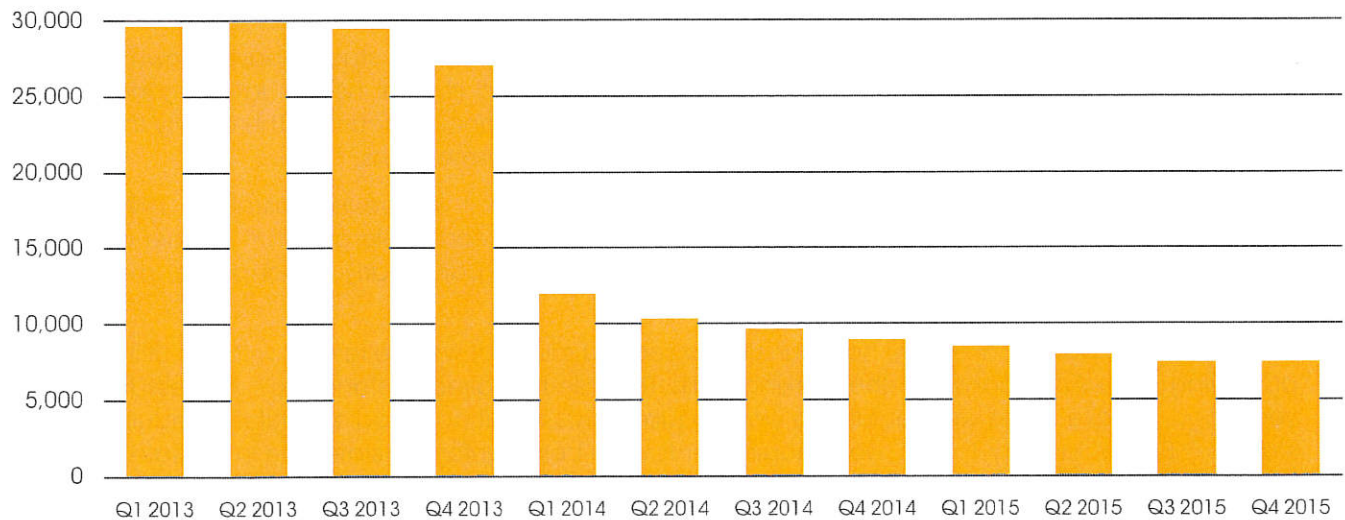
As part of the tracking program, the Kansas Department for Children and Families and the Kansas Department of Labor share data with each other, allowing the agencies to match each able-bodied adult leaving the food stamps program with quarterly employment information, including employment status, wages, and employer industries. The agencies combined this data with existing administrative data on enrollment dates, enrollment duration, average monthly benefits, and other demographic information. This aggregate and de-identified data has allowed the Brownback administration to measure its success in moving able-bodied adults from welfare to work.

WELFARE ROLLS SHRUNK QUICKLY AFTER WELFARE REFORM – DROPPING 75 PERCENT

Within three months of implementing work requirements, roughly half of able-bodied adults on food stamps left the program.²⁷ The number of childless adults dependent on food stamps steadily declined thereafter and is now 75 percent lower than it was before work requirements.²⁸

Work Requirements Moved Kansans Off Welfare

Number of able-bodied adults without dependents receiving food stamps, by quarter



Source: Kansas Department for Children and Families

Thousands of able-bodied Kansans have now moved into the labor force, spurring greater economic growth, significant income gains, higher levels of employment, less poverty, and lower costs for taxpayers.

ABLE-BODIED ADULTS INCREASED THEIR EMPLOYMENT AND INCOMES AFTER WELFARE REFORM

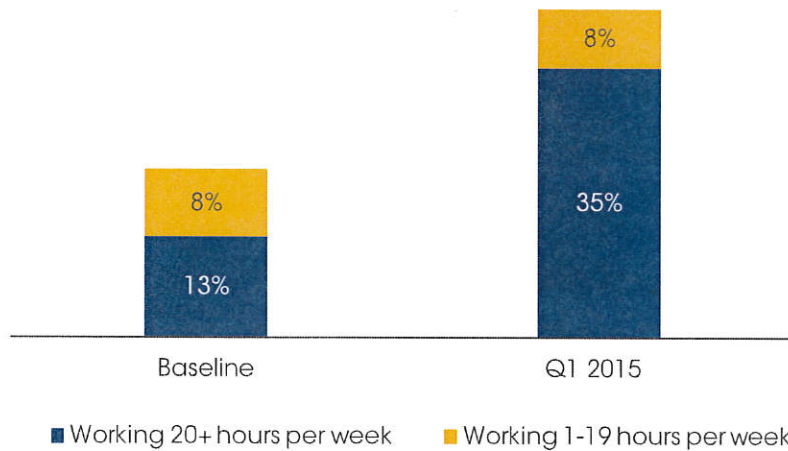
Kansas' welfare reform has led to greater employment rates, higher incomes, and more hours worked for those adults who still depend on food stamps. In fact, since restoring work requirements, the employment rate among able-bodied adults on food stamps has doubled. As a result, their incomes have more than doubled on average, they are spending less time on welfare, and the need for assistance has significantly declined.

ENROLLEES ARE MORE LIKELY TO WORK

Prior to restoring work requirements, just 21 percent of childless adults on food stamps were working at all.²⁹⁻³⁰ Two-fifths of those employed adults were working less than 20 hours per week.³¹ But since work requirements went back into effect, that employment rate has risen to nearly 43 percent.³²

After work requirements, food stamp enrollees are twice as likely to work

Employment status of able-bodied adults without dependents, by number of hours worked



Source: Kansas Department for Children and Families

ENROLLEES ARE WORKING MORE HOURS

Not only are enrollees more likely to work, they are also working more hours. The work participation rate – the share of enrollees working at least 20 hours per week – stood at a measly 13 percent just before work requirements went into effect.³³ But by the first quarter of 2014, the work participation rate climbed to 31 percent, reaching 35 percent by the second quarter.³⁴

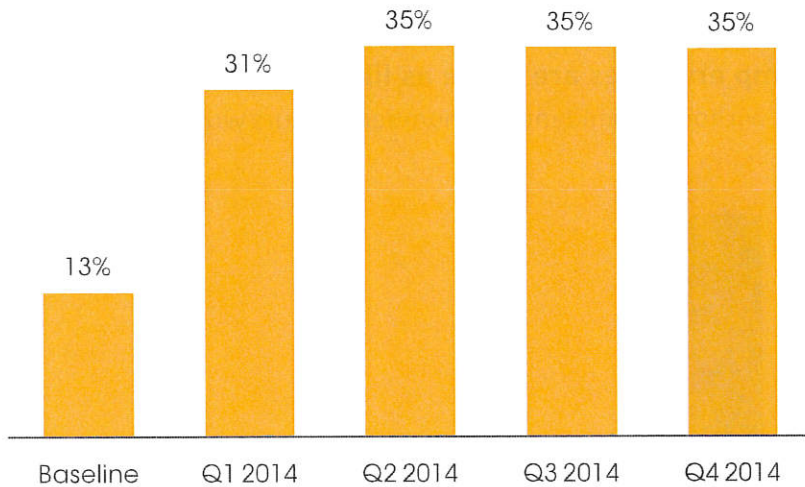


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Kansas' work participation rate has nearly tripled

Share of able-bodied adults without dependents on food stamps working at least 20 hours per week, by quarter



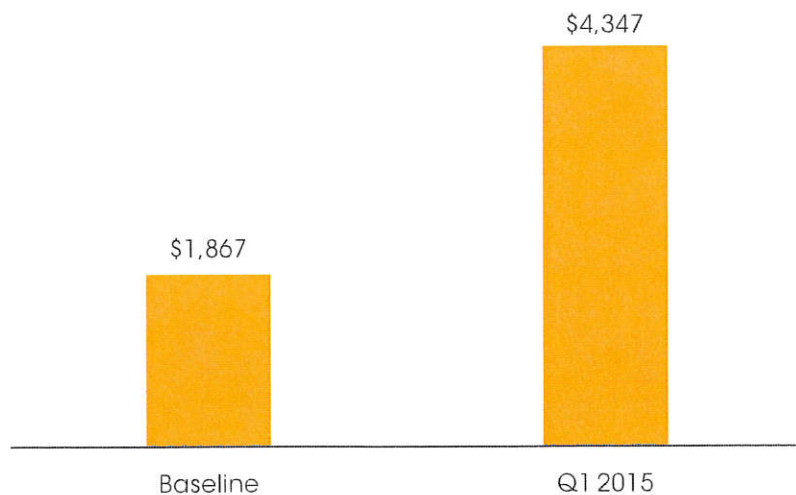
Source: Kansas Department for Children and Families

ENROLLEES ARE EARNING MORE

More work has also translated to higher incomes. Just before work requirements were restored in 2013, the average income among able-bodied adult enrollees was just \$1,867 per year.³⁵ But since work requirements returned, average income among these childless adults has more than doubled, reaching \$4,347 per year by the first quarter of 2015.³⁶

Enrollees' average income more than doubled

Annualized average income of able-bodied adults without dependents on food stamps



Source: Kansas Department for Children and Families

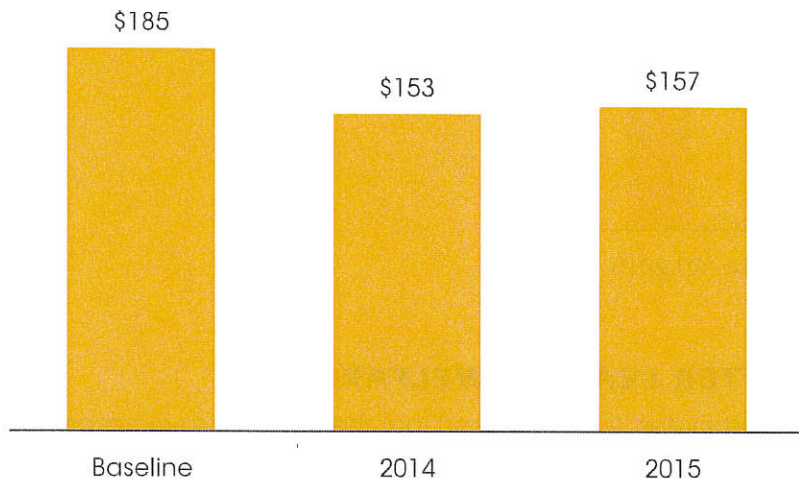


ENROLLEES NEED LESS ASSISTANCE

With more childless adult enrollees working, the need for assistance has dropped significantly. Just before the work requirement was implemented, able-bodied adults received an average of \$185 per month in food stamps benefits.³⁷ The average monthly benefit has dropped by nearly 16 percent since then, with childless adults now receiving an average of \$157 per month in benefits.³⁸

Enrollees' average benefits dropped by 16 percent

Average monthly benefits for able-bodied adults without dependents on food stamps



Source: Kansas Department for Children and Families

TIME ON FOOD STAMPS CUT IN HALF

Work requirements have also shortened the amount of time these able-bodied adults are trapped in government dependency. When Kansas first began enforcing the work requirements, able-bodied adults cycling off the program had been there for an average of 14 months.³⁹ Many had been languishing on welfare for years, with some having spent more than two decades on the program. Despite an improving economy, many others had been there since the start of the Great Recession, with no end in sight. Since implementing the work requirement, the amount of time childless adults remain dependent on government has been cut in half. Today, able-bodied adults are spending an average of just 7 months on food stamps.⁴⁰ This is critically important in getting able-bodied adults back into the workforce as quickly as possible.

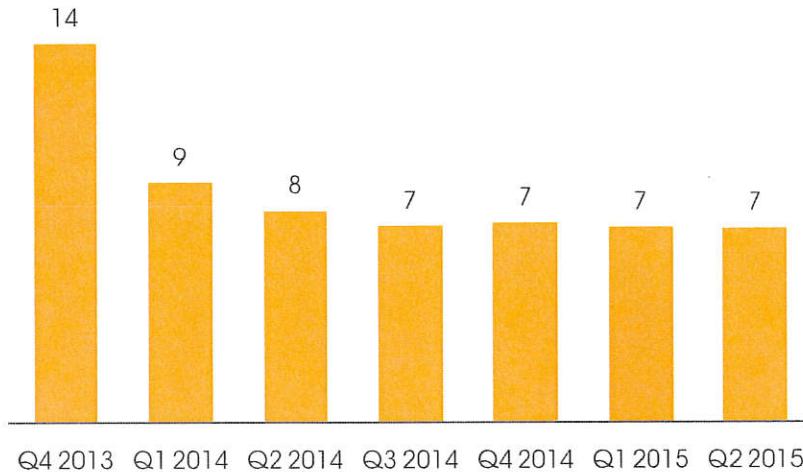


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Amount of time enrollees' spent on food stamps was cut in half

Average enrollment duration of able-bodied adults without dependents, by the quarter they exited



Source: Kansas Department for Children and Families

KANSANS ARE BETTER OFF AFTER LEAVING WELFARE

For too long, the conventional wisdom in Washington, D.C., has been that the best way to move people out of poverty is to let them languish on welfare and maybe, gradually, work their way out of dependency. But Kansas' experience turns that notion upside down.

Kansas' truest sign of success is the fact that those leaving welfare are better off. Thanks to the power of work, they are earning more and are more financially secure than during their time on food stamps. And they are improving their lives faster than those who stayed behind.

These able-bodied adults are discovering new lives of independence and self-sufficiency that, in some cases, they haven't known for more than two decades. This makes clear that reformers should turn their focus to freeing people from welfare completely, instead of simply reforming the welfare experience.

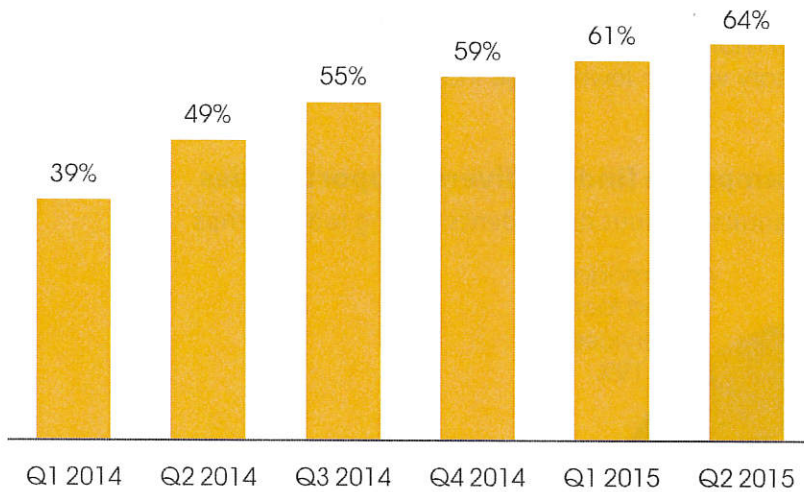
MORE KANSANS ARE SELF-SUFFICIENT AND WORKING

Nearly 13,000 able-bodied adults exited Kansas' food stamps program on December 31, 2013. This was the first group of individuals disenrolled after hitting the three-month time limit for those who fail to comply with work rules. Within three months, nearly 40 percent of those who left the program had found employment.⁴¹ Over the course of the next year, more and more able-bodied adults would find work. By the end of 2014, nearly 59 percent of these adults had found employment of some kind, with that number rising again in 2015.⁴²

Those who left the program in 2014 and 2015 typically found employment even faster. Overall, roughly half of all able-bodied adults who have cycled off the program since work requirements went into effect have found jobs within three months.

Nearly 60 percent found employment within a year of leaving food stamps

Share of able-bodied adults without dependents exiting December 2013 with any employment records, by quarter



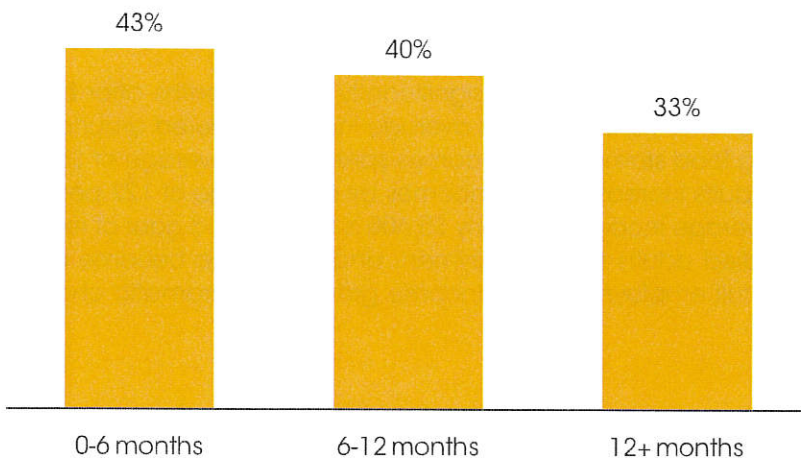
Source: Kansas Department for Children and Families

LESS TIME ON WELFARE MEANS LESS TIME OUT OF WORK

Getting able-bodied adults off welfare quickly is critical to moving them back into the workforce as soon as possible. Adults who spend less than six months on food stamps are significantly more likely to find employment within three months of leaving food stamps than those who languish in the program for more than a year.⁴³ Spending less time on food stamps is also related to higher incomes and larger income growth. In short, the less time spent on welfare, the quicker adults can get back to work and improve their financial situations.

Less time in welfare means less time without work

Share of able-bodied adults without dependents exiting December 2013 working in the first quarter of 2014, by enrollment duration prior to exiting



Source: Kansas Department for Children and Families



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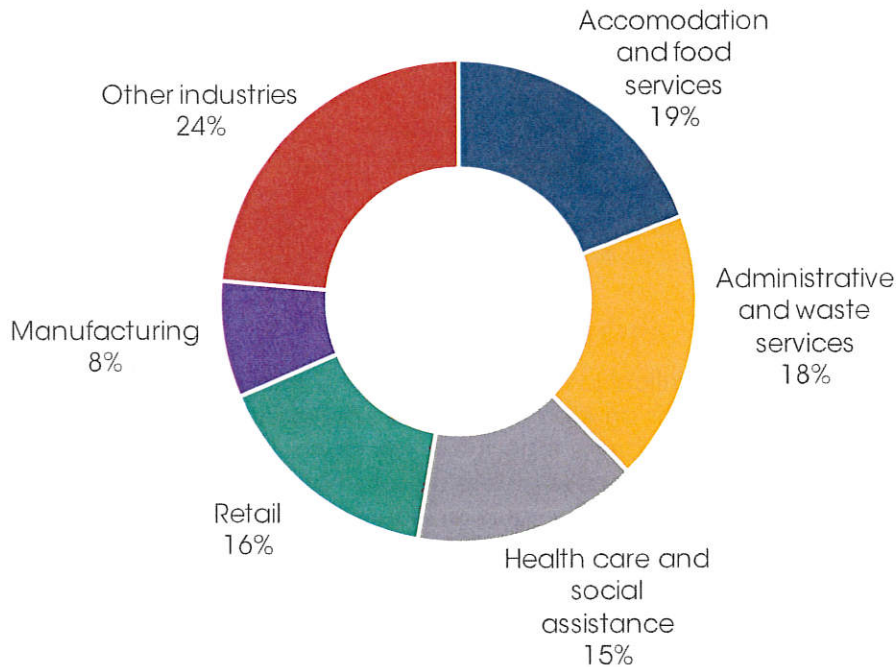
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KANSANS ARE FINDING DIVERSE JOB OPPORTUNITIES

Able-bodied adults leaving food stamps are also finding a diverse field of job opportunities. While many found immediate work in food services or retail, others have found work manufacturing, transportation, and construction. Some have found work in health care and social services, while others have found jobs in publishing, information technology, and finance. Some have even found work protecting our national security. Better still, many who find temporary work in lower-wage industries then move on to better jobs as their skills improve.

Able-bodied adults leaving food stamps are finding diverse opportunities

Industry of employment for able-bodied adults without dependents exiting food stamps



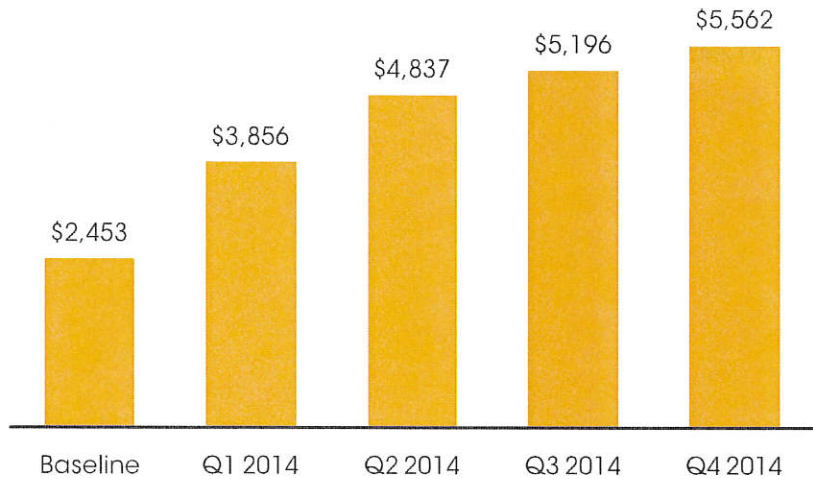
Source: Kansas Department for Children and Families

KANSANS EARN MORE AFTER LEAVING WELFARE

Able-bodied adults leaving food stamps saw their incomes rise significantly in the months after being removed from the program. Before work requirements, this group's average income hovered around just \$2,450 per year.⁴⁴ But within a year of leaving food stamps, their incomes spiked to an average of \$5,562 per year.⁴⁵ That means these able-bodied adults increased their incomes by an average of 127 percent their first year off of the program. While an average income of nearly \$5,600 is not the end goal of reform, incomes continue to rise as more able-bodied adults find employment and they have become more financially secure as a result. Even without full employment, this income growth is a dramatic change from the status quo of just one year before.

After leaving food stamps, incomes increased 127 percent

Average annualized wages of able-bodied adults without dependents exiting December 2013, by quarter



Source: Kansas Department for Children and Families

WORK REDUCED POVERTY

The number of able-bodied adults who are in poverty has dropped significantly as more and more able-bodied adults have found work. Before Kansas' welfare reforms, just 7 percent of the adults who left food stamps in December 2013 were above the poverty line.⁴⁶ They weren't just in marginal poverty, either. Nearly 84 percent were in severe poverty, earning less than half of the poverty line.⁴⁷ And even among those who were working, more than 80 percent were in poverty.⁴⁸

But work changed their futures. Within a year of leaving food stamps, the number of able-bodied adults living in poverty dropped significantly and roughly half of those working climbed out of poverty entirely.⁴⁹ The average income among these working, able-bodied adults was just \$6,730 per year prior to Kansas' reforms.⁵⁰ But within a year of leaving food stamps, average income among workers grew to \$13,304 per year.⁵¹ This means that the average income among those working is now above the poverty line.

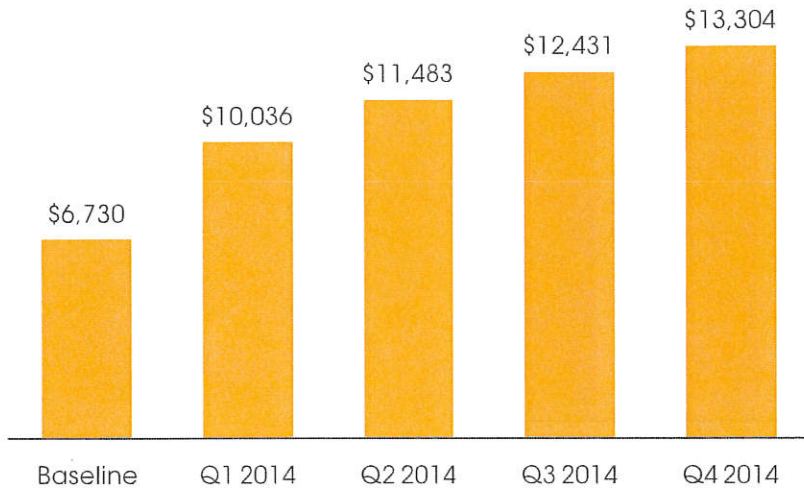


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Kansans who went back to work are now above the poverty line

Average annualized wages of able-bodied adults without dependents exiting food stamps December 2013 who are working, by quarter



Source: Kansas Department for Children and Families

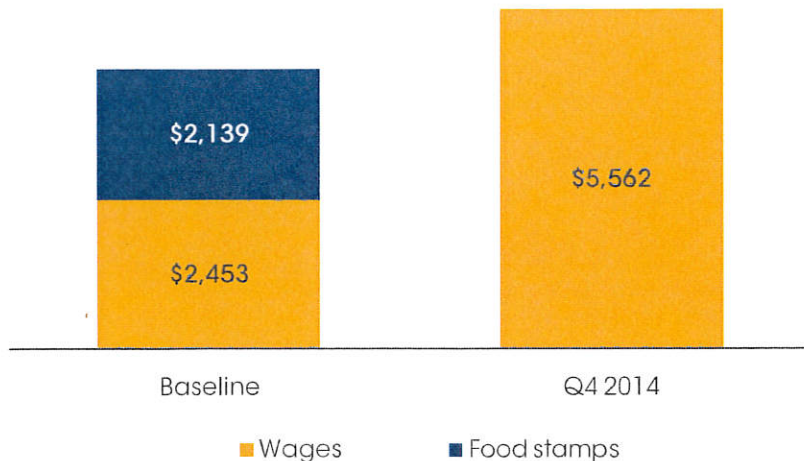
KANSANS WERE BETTER OFF AFTER LEAVING WELFARE

Thanks to work, these Kansans are far better off than they were while languishing on welfare. Before they left the program in December 2013, their incomes had averaged just \$2,453 per year.⁵² Add in their food stamp benefits, and they were living on roughly \$4,600 per year.⁵³ But within a year of leaving the program, their incomes had increased to an average of \$5,562 per year.⁵⁴

This spike in income more than offset lost benefits. In fact, despite losing just over \$2,000 in food stamps, these able-bodied adults have replaced those benefits with more than \$3,000 in new income.⁵⁵

Kansans are better off after leaving welfare

Average annualized wages and food stamps benefits of able-bodied adults without dependents exiting December 2013, by quarter



Source: Kansas Department for Children and Families

WELFARE REFORMS HELP TAXPAYERS, SAVING NEARLY \$100 MILLION OVER TWO YEARS

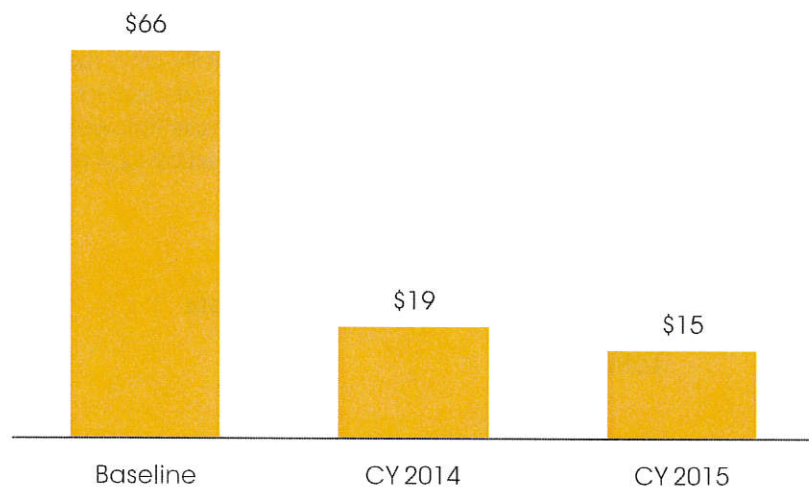
These reforms have saved taxpayers tens of millions of dollars each year, preserving limited resources for truly needy Americans. Instead of draining tens of millions of dollars out of the economy, these able-bodied adults are now adding to the local economy. They are also generating new resources that can be devoted to other state priorities, including education, public safety, and protecting the most vulnerable.

WELFARE REFORM HAS LOWERED COSTS

Kansas' welfare reforms have also improved the outlook for state and federal taxpayers. Prior to implementing work requirements, Kansas was spending approximately \$5.5 million per month to provide food stamps to able-bodied childless adults.⁵⁶ By December 2015, those costs had dropped to less than \$1.2 million per month.⁵⁷ Altogether, taxpayers are saving nearly \$50 million per year as a result of these welfare reforms.⁵⁸ This is nearly \$50 million per year in scarce government resources that can be preserved for the truly needy.

Work requirements are saving taxpayers nearly \$50 million per year

Aggregate annual spending on food stamp benefits for able-bodied adults without dependents, in millions



Source: Kansas Department for Children and Families

WELFARE REFORM HAS INCREASED ECONOMIC ACTIVITY

Able-bodied adults who have left food stamps are now contributing millions of dollars to the economy and generating new tax revenues for the state. Overall, these adults – including those currently on food stamps and those who were disenrolled – are earning \$74 million to \$89 million more per year since Kansas implemented work requirements.⁵⁹



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WELFARE REFORM HAS INCREASED STATE AND LOCAL TAX REVENUE BY UP TO \$11 MILLION OVER TWO YEARS

Because this additional income more than replaces food stamps benefits, state and local governments have seen an increase in revenue flow. In fact, the income gains for this population are estimated to increase state income tax collections by up to \$1.3 million per year.⁶⁰

The state can also expect to see higher sales tax collections as a result of welfare reform. Groceries purchased with food stamps are not subject to sales tax, but Kansas does collect sales tax on other grocery purchases. If these adults continue to spend the same amount of money on groceries and other food items as they did when they were receiving food stamps, Kansas will collect up to an estimated \$3.1 million per year in additional sales tax revenues.⁶¹ Local governments will also collect up to \$1.0 million in new sales tax revenues.⁶²

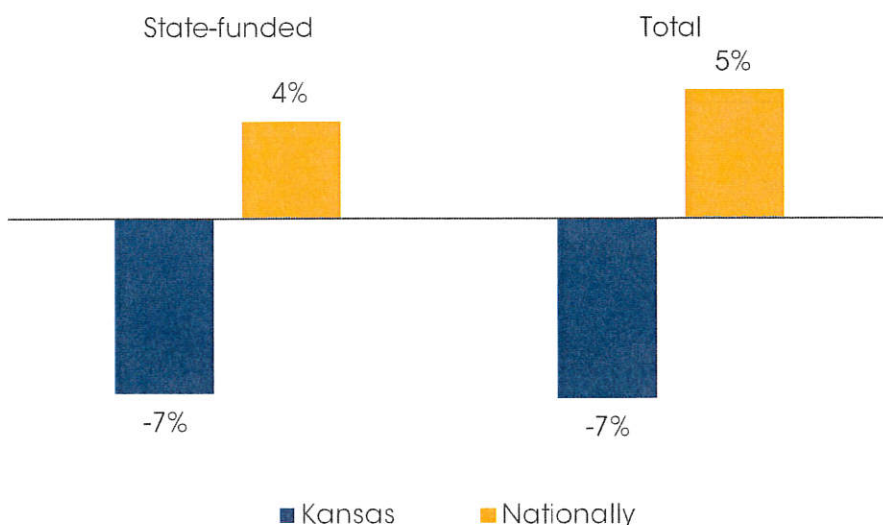
WELFARE REFORM DIDN'T INCREASE ADMINISTRATIVE BURDENS

Although some skeptics worried that implementing work requirements would increase administrative costs and errors, Kansas' experience shows just the opposite. While additional training and reporting may have been necessary at launch, a significantly lower caseload has balanced out those expenses. A lower caseload also allows the state to focus on helping remaining enrollees, instead of being overwhelmed and simply focusing on administering an ever-increasing program.

In 2014, for example, Kansas' food stamp administrative costs dropped by more than 7 percent. During the same time period, administrative costs were rising by more than 5 percent nationally and rose by more than 5 percent in Kansas the year before.⁶³ This massive drop in administrative costs saved state taxpayers saved \$1.7 million and federal taxpayers an additional \$1.6 million. Had Kansas followed the national average or its pre-reform trend, administrative costs would have instead increased by \$2.4 million in 2014.

Total administrative costs dropped in 2014

Change in state-funded and total administrative costs between fiscal years 2013 and 2014



Source: U.S. Department of Agriculture

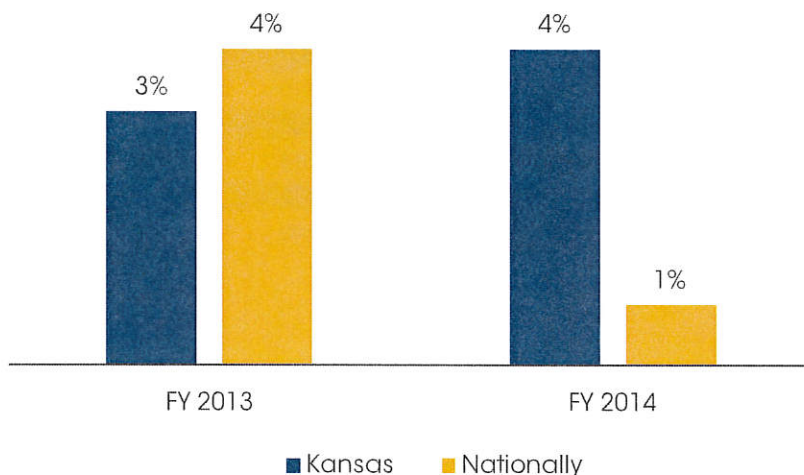
WELFARE REFORM DIDN'T INCREASE ERRORS

Skeptics have also expressed concern that work requirements would create new opportunities for payment errors, leading to possible federal penalties. But Kansas' payment error rate actually declined to less than 1 percent in 2014, down from nearly 4 percent the year prior.⁶⁴⁻⁶⁵ All the while, the national payment error rate rose from 3 percent to nearly 4 percent.⁶⁶⁻⁶⁷

Kansas' error rate was the third lowest in the nation and the single most improved in 2014, earning the state \$628,000 as a payment bonus.⁶⁸

Kansas' payment error rate plummeted in 2014

Payment error rate, by fiscal year



Source: U.S. Department of Agriculture

CONCLUSION: KANSAS SHOWS THE BEST WELFARE REFORM AND ANTI-POVERTY POLICY

The data definitively shows that welfare reform works. Moving people off welfare gets them back to work, increases their income and improves their lives. Nearly three-fifths of those leaving food stamps found employment within 12 months and their incomes rose by an average of 127 percent per year. That higher income more than offset the food stamps they lost, increasing economic activity and bringing in new resources for other state priorities. Better still, the average income among working able-bodied adults is now above the poverty line.

Those still receiving food stamps, but now subject to a work requirement, are also better off. The typical enrollee has significantly increased their employment and incomes, although their incomes are not as high as those freed completely from welfare.

These reforms also provide much-needed relief for taxpayers, preserves resources for the truly needy, boosts the economy, and reduces the administrative burden that America's food stamp crisis has placed on states.

While Washington D.C. remains gridlocked, Kansas is proving that meaningful welfare reform can and should happen at the state level. Other states should follow their lead.



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APPENDIX

Table 1.a: Monthly enrollment – Able-bodied adults without dependents receiving food stamps

	Enrollment
January 2013	29,739
February 2013	29,434
March 2013	29,676
April 2013	29,784
May 2013	29,864
June 2013	30,121
July 2013	29,754
August 2013	29,816
September 2013	28,953
October 2013	28,144
November 2013	27,224
December 2013	25,913
January 2014	13,054
February 2014	11,764
March 2014	11,097
April 2014	10,729
May 2014	10,382
June 2014	9,924
July 2014	9,803
August 2014	9,765
September 2014	9,422
October 2014	9,193
November 2014	8,971
December 2014	8,567
January 2015	8,688
February 2015	8,481
March 2015	8,331
April 2015	8,337
May 2015	7,956
June 2015	7,761
July 2015	7,454
August 2015	7,654
September 2015	7,428
October 2015	7,601
November 2015	7,511
December 2015	7,403

Table 1.b: Average monthly enrollment by quarter – Able-bodied adults without dependents receiving food stamps

	Enrollment
Q1 2013	29,616
Q2 2013	29,923
Q3 2013	29,508
Q4 2013	27,094
Q1 2014	11,972
Q2 2014	10,345
Q3 2014	9,663
Q4 2014	8,910
Q1 2015	8,500
Q2 2015	8,018
Q3 2015	7,512
Q4 2015	7,505



Table 2a. Monthly work participation rate
 – Able-bodied adults without dependents
 receiving food stamps

	Employed 20+ hours per week
July 2013	12.7%
August 2013	13.1%
September 2013	13.1%
October 2013	13.9%
November 2013	14.6%
December 2013	15.7%
January 2014	28.9%
February 2014	31.6%
March 2014	33.1%
April 2014	34.3%
May 2014	34.9%
June 2014	35.8%
July 2014	34.8%
August 2014	34.8%
September 2014	34.9%
October 2014	34.4%
November 2014	34.9%
December 2014	34.8%
January 2015	34.0%
February 2015	34.7%
March 2015	34.9%

Table 2b. Average monthly work participation
 rate by quarter – Able-bodied adults without
 dependents receiving food stamps

	Employed 20+ hours per week
Q3 2013	12.9%
Q4 2013	14.7%
Q1 2014	31.1%
Q2 2014	35.0%
Q3 2014	34.8%
Q4 2014	34.7%
Q1 2015	34.5%



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Table 3. Employment – Able-bodied adults without dependents receiving food stamps

	Total employed	Employed 20+ hours per week	Employed 1-19 hours per week
July 2013	21%	13%	9%
August 2013	22%	13%	8%
September 2013	22%	13%	8%
Q1 2013 Average	21%	13%	8%

	Total employed	Employed 20+ hours per week	Employed 1-19 hours per week
January 2015	42%	34%	8%
February 2015	42%	35%	8%
March 2015	42%	35%	7%
Q1 2015 Average	42%	35%	8%

Table 4. Aggregate and average wages – Able-bodied adults without dependents receiving food stamps

	Enrollment	Aggregate monthly wages	Average monthly wages	Average annual wages
July 2013	29,754	\$4,543,039	\$153	\$1,832
August 2013	29,816	\$4,681,613	\$157	\$1,884
September 2013	28,953	\$4,547,396	\$157	\$1,885
Q1 2013 Average	29,508	\$4,590,683	\$156	\$1,867

	Enrollment	Aggregate monthly wages	Average monthly wages	Average annual wages
January 2015	8,688	\$3,114,655	\$359	\$4,302
February 2015	8,481	\$3,095,636	\$365	\$4,380
March 2015	8,331	\$3,026,327	\$363	\$4,359
Q1 2015 Average	8,500	\$3,078,873	\$362	\$4,347



Table 5a. Monthly benefit values – Able-bodied adults without dependents receiving food stamps

	Enrollment	Aggregate monthly benefits	Average monthly benefits
January 2013	29,739	\$5,452,753	\$183
February 2013	29,434	\$5,494,953	\$187
March 2013	29,676	\$5,474,146	\$184
April 2013	29,784	\$5,504,211	\$185
May 2013	29,864	\$5,531,242	\$185
June 2013	30,121	\$5,563,926	\$185
July 2013	29,754	\$5,493,543	\$185
August 2013	29,816	\$5,513,092	\$185
September 2013	28,953	\$5,392,085	\$186
October 2013	28,144	\$5,231,962	\$186
November 2013	27,224	\$4,739,545	\$174
December 2013	25,913	\$4,497,437	\$174
January 2014	13,054	\$2,003,321	\$153
February 2014	11,764	\$1,811,526	\$154
March 2014	11,097	\$1,684,642	\$152
April 2014	10,729	\$1,625,220	\$151
May 2014	10,382	\$1,568,228	\$151
June 2014	9,924	\$1,484,551	\$150
July 2014	9,803	\$1,479,420	\$151
August 2014	9,765	\$1,486,043	\$152
September 2014	9,422	\$1,433,692	\$152
October 2014	9,193	\$1,457,345	\$159
November 2014	8,971	\$1,420,610	\$158
December 2014	8,567	\$1,372,519	\$160
January 2015	8,688	\$1,344,343	\$155
February 2015	8,481	\$1,344,360	\$159
March 2015	8,331	\$1,324,409	\$159
April 2015	8,337	\$1,320,744	\$158
May 2015	7,956	\$1,256,615	\$158
June 2015	7,761	\$1,210,435	\$156
July 2015	7,454	\$1,166,897	\$157
August 2015	7,654	\$1,200,228	\$157
September 2015	7,428	\$1,160,036	\$156
October 2015	7,601	\$1,181,046	\$155
November 2015	7,511	\$1,182,831	\$157
December 2015	7,403	\$1,160,235	\$157



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Table 5b. Average monthly benefit values by quarter – Able-bodied adults without dependents receiving food stamps

	Enrollment	Aggregate monthly benefits	Average monthly benefits
Q1 2013	29,616	\$5,473,951	\$185
Q2 2013	29,923	\$5,533,126	\$185
Q3 2013	29,508	\$5,466,240	\$185
Q4 2013	27,094	\$4,822,981	\$178
Q1 2014	11,972	\$1,833,163	\$153
Q2 2014	10,345	\$1,559,333	\$151
Q3 2014	9,663	\$1,466,385	\$152
Q4 2014	8,910	\$1,416,825	\$159
Q1 2015	8,500	\$1,337,704	\$157
Q2 2015	8,018	\$1,262,598	\$157
Q3 2015	7,512	\$1,175,720	\$157
Q4 2015	7,505	\$1,174,704	\$157

Table 6a. Average enrollment duration by month of exit – Able-bodied adults without dependents exiting food stamps

	Exits	Average duration
December 2013	12,807	13.8
January 2014	2,687	9.7
February 2014	2,251	8.3
March 2014	1,858	7.8
April 2014	1,806	7.6
May 2014	1,903	7.8
June 2014	1,594	7.7
July 2014	1,495	7.1
August 2014	1,575	7.1
September 2014	1,530	7.2
October 2014	1,538	6.9
November 2014	1,355	7.6
December 2014	1,441	7.3
January 2015	1,360	6.9
February 2015	1,246	7.1
March 2015	1,174	7.3
April 2015	1,384	7.1
May 2015	1,313	7.1
June 2015	1,384	7.0

Table 6b. Average enrollment duration by quarter of exit – Able-bodied adults without dependents exiting food stamps

	Exits	Average duration
Q4 2013	12,807	13.8
Q1 2014	6,796	8.7
Q2 2014	5,303	7.7
Q3 2014	4,600	7.1
Q4 2014	4,334	7.3
Q1 2015	3,780	7.1
Q2 2015	4,081	7.1



Table 7. Employment records by quarter – Able-bodied adults without dependents exiting food stamps in December 2013

	Record of employment since Q4 2013	Employment Rate
Q1 2014	4,920	38.8%
Q2 2014	6,217	48.5%
Q3 2014	7,012	54.8%
Q4 2014	7,537	58.9%
Q1 2015	7,870	61.5%
Q2 2015	8,252	64.4%

Table 8. Wages by quarter – Able-bodied adults without dependents exiting food stamps in December 2013

	Aggregate wages of all disenrollees	Average quarterly wages of all disenrollees	Average quarterly wages among current workers
Q3 2013	\$7,853,677	\$613	\$1,682
Q4 2013	\$11,472,282	\$896	\$2,306
Q1 2014	\$12,344,870	\$964	\$2,509
Q2 2014	\$15,487,265	\$1,209	\$2,871
Q3 2014	\$16,635,625	\$1,299	\$3,108
Q4 2014	\$17,807,404	\$1,390	\$3,326

Table 9. Poverty status by quarter – Able-bodied adults without dependents exiting food stamps in December 2013

	Severe poverty rate	Severe poverty rate among workers	Poverty rate	Poverty rate among workers
Q3 2013	84%	55%	93%	81%
Q4 2013	78%	45%	88%	68%
Q1 2014	77%	40%	86%	64%
Q2 2014	73%	35%	82%	58%
Q3 2014	71%	31%	81%	54%
Q4 2014	71%	30%	79%	51%



Table 10a. Monthly benefit values – Able-bodied adults without dependents exiting food stamps

	Exits	Aggregate monthly benefits	Aggregate annual benefits	Average monthly benefits	Average annual benefits
December 2013	12,807	\$2,282,720	\$27,392,636	\$178	\$2,139
January 2014	2,687	\$463,131	\$5,557,576	\$172	\$2,068
February 2014	2,251	\$377,898	\$4,534,775	\$168	\$2,015
March 2014	1,858	\$300,271	\$3,603,257	\$162	\$1,939
April 2014	1,806	\$288,852	\$3,466,220	\$160	\$1,919
May 2014	1,903	\$300,788	\$3,609,458	\$158	\$1,897
June 2014	1,594	\$259,232	\$3,110,787	\$163	\$1,952
July 2014	1,495	\$236,748	\$2,840,978	\$158	\$1,900
August 2014	1,575	\$245,432	\$2,945,187	\$156	\$1,870
September 2014	1,530	\$241,205	\$2,894,454	\$158	\$1,892
October 2014	1,538	\$253,216	\$3,038,596	\$165	\$1,976
November 2014	1,355	\$220,215	\$2,642,575	\$163	\$1,950
December 2014	1,441	\$234,451	\$2,813,408	\$163	\$1,952
January 2015	1,360	\$225,950	\$2,711,405	\$166	\$1,994
February 2015	1,246	\$202,587	\$2,431,046	\$163	\$1,951
March 2015	1,174	\$191,233	\$2,294,794	\$163	\$1,955
April 2015	1,384	\$230,671	\$2,768,055	\$167	\$2,000
May 2015	1,313	\$212,299	\$2,547,588	\$162	\$1,940
June 2015	1,384	\$219,973	\$2,639,676	\$159	\$1,907

Table 10b. Average monthly benefit values by quarter – Able-bodied adults without dependents exiting food stamps

	Exits	Aggregate monthly benefits	Aggregate annual benefits	Average monthly benefits	Average annual benefits
Q4 2013	12,807	\$2,282,720	\$27,392,636	\$178	\$2,139
Q1 2014	6,796	\$1,141,301	\$13,695,607	\$168	\$2,015
Q2 2014	5,303	\$848,872	\$10,186,464	\$160	\$1,921
Q3 2014	4,600	\$723,385	\$8,680,619	\$157	\$1,887
Q4 2014	4,334	\$707,882	\$8,494,579	\$163	\$1,960
Q1 2015	3,780	\$619,770	\$7,437,245	\$164	\$1,968
Q2 2015	4,081	\$662,943	\$7,955,319	\$162	\$1,949

Table 11. Employment and income in the first quarter of 2014 by enrollment duration – Able-bodied adults without dependents exiting food stamps in December 2013

	Exits	Employment rate	Aggregate quarterly wages	Average quarterly wages	Average annual wages
0-6 Months	3,130	43%	\$3,627,117	\$1,159	\$4,635
6-12 Months	4,778	40%	\$4,926,710	\$1,031	\$4,124
12+ Months	4,899	33%	\$3,791,054	\$774	\$3,095

Table 12. Distribution of employment by employer sector and industry – Able-bodied adults without dependents exiting food stamps

Sector	Industry	Share of workers
Agriculture, Forestry, Fishing and Hunting		0.38%
	Crop Production	0.14%
	Animal Production	0.19%
	Forestry and Logging	0.00%
	Fishing, Hunting and Trapping	0.00%
	Agriculture and Forestry Support Activities	0.05%
Mining, Quarrying and Oil and Gas Extraction		0.56%
	Oil and Gas Extraction	0.06%
	Mining (Except Oil and Gas)	0.07%
	Support Activities for Mining	0.43%
Utilities		0.06%
Construction		3.55%
	Construction of Buildings	0.81%
	Heavy and Civil Engineering Construction	0.58%
	Specialty Trade Contractors	2.16%
Manufacturing		7.87%
	Food Manufacturing	2.40%
	Beverage and Tobacco Product Manufacturing	0.03%
	Textile Mills	0.02%
	Textile Product Mills	0.11%
	Apparel Manufacturing	0.05%
	Leather and Allied Product Manufacturing	0.00%
	Wood Product Manufacturing	0.12%
	Paper Manufacturing	0.05%
	Printing and Related Support Activities	0.28%
	Petroleum and Coal Products Manufacturing	0.02%
	Chemical Manufacturing	0.16%
	Plastics and Rubber Products Manufacturing	0.64%
	Nonmetallic Mineral Product Manufacturing	0.24%
	Primary Metal Manufacturing	0.11%
	Fabricated Metal Product Manufacturing	1.04%
	Machinery Manufacturing	0.60%
	Computer and Electronic Product Manufacturing	0.11%
	Electrical Equipment and Appliance Manufacturing	0.21%
	Transportation Equipment Manufacturing	0.97%
Furniture and Related Product Manufacturing	0.41%	
Miscellaneous Manufacturing	0.30%	



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Table 12. (continued) Distribution of employment by employer sector and industry – Able-bodied adults without dependents exiting food stamps

Sector	Industry	Share of workers
Wholesale Trade	Merchant Wholesalers, Durable Goods	1.82%
	Merchant Wholesalers, Nondurable Goods	0.79%
	Electronic Markets and Agents and Brokers	0.70%
		0.33%
Retail Trade		15.89%
	Motor Vehicle and Parts Dealers	1.10%
	Furniture and Home Furnishings Stores	0.27%
	Electronics and Appliance Stores	0.27%
	Building Material and Garden Supply Stores	0.95%
	Food and Beverage Stores	2.87%
	Health and Personal Care Stores	0.50%
	Gasoline Stations	2.44%
	Clothing and Clothing Accessories Stores	1.02%
	Sporting Goods, Hobby, Book and Music Stores	0.46%
	General Merchandises Stores	5.08%
	Miscellaneous Store Retailers	0.79%
	Nonstore Retailers	0.15%
Transportation and Warehousing		2.52%
	Air Transportation	0.01%
	Rail Transportation	0.01%
	Truck Transportation	0.97%
	Transit and Ground Passenger Transportation	0.65%
	Pipeline Transportation	0.00%
	Scenic and Sightseeing Transportation	0.00%
	Support Activities for Transportation	0.34%
	Postal Service	0.00%
	Couriers and Messengers	0.37%
	Warehousing and Storage	0.17%
Information		0.88%
	Publishing Industries (Except Internet)	0.16%
	Motion Picture and Sound Recording Industries	0.09%
	Broadcasting (Except Internet)	0.04%
	Telecommunications	0.42%
	Data Processing, Hosting and Related Services	0.05%
	Other Information Services	0.12%

Table 12. (continued) Distribution of employment by employer sector and industry – Able-bodied adults without dependents exiting food stamps

Sector	Industry	Share of workers
Finance and Insurance	Monetary Authorities - Central Bank	0.00%
	Credit Intermediation and Related Activities	0.71%
	Securities, Commodity Contracts, Investments	0.04%
	Insurance Carriers and Related Activities	0.35%
	Funds, Trusts and Other Financial Vehicles	0.05%
Real Estate and Rental and Leasing		1.09%
	Real-Estate	0.80%
	Rental and Leasing Services	0.28%
	Lessors of Nonfinancial Intangible Assets	0.01%
Professional and Technical Services		2.43%
Management of Companies and Enterprises		0.27%
Administrative and Waste Services		18.37%
	Administrative and Support Services	18.37%
	Waste Management and Remediation Services	0.18%
Educational Services		3.63%
Health Care and Social Assistance		15.43%
	Ambulatory Health Care Services	2.64%
	Hospitals	1.79%
	Nursing and Residential Care Facilities	7.11%
	Social Assistance	3.90%
Arts, Entertainment and Recreation		1.10%
Accommodation and Food Services	Performing Arts and Spectator Sports	0.20%
	Museums, Historical Sites, Zoos and Parks	0.03%
	Amusements, Gambling and Recreation	0.87%
		19.40%
	Accommodation	1.94%
Other Services	Food Services and Drinking Places	17.46%
		2.82%
	Repair and Maintenance	0.80%
	Personal and Laundry Services	0.86%
	Membership Associations and Organizations	1.01%
Public Administration	Private Households	0.15%
		1.52%
	Executive, Legislative and General Government	1.10%
	Justice, Public Order and Safety Activities	0.20%
	Administration of Human Resource Programs	0.12%
	Administration of Environmental Programs	0.02%
	Community and Housing Program Administration	0.01%
	Administration of Economic Programs	0.06%
National Security and International Affairs	0.00%	



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55. Authors' calculations based upon data provided by the Kansas Department for Children and Families. See, e.g., table 8 in the appendix.
56. Authors' calculations based upon data provided by the Kansas Department for Children and Families. See, e.g., tables 5a and 5b in the appendix.
57. Ibid.
58. If spending had continued at the pre-reform baseline, taxpayers would have spent approximately \$65.6 million per year on food stamps for able-bodied adults without dependents. Taxpayers actually spent just \$18.2 million in 2014 and just \$14.9 million in 2015. Approximately 93% of these savings are attributable to reduced enrollment and the remaining 7 percent are attributable to reduced average monthly benefits.
59. Authors' calculations based upon the average ratio of additional income to lost benefits and the total reduction in benefits. This additional income comes both from those who were disenrolled from the program and those who are meeting the new work requirement. The average ratio of additional income to lost benefits for those who left food stamps was applied to the approximately \$48.1 million in estimated 2015 savings that were attributable to reduced enrollment. The average ratio of additional income to lost benefits for those who are still enrolled in the program was applied to the approximately \$2.6 million in estimated 2015 savings that were attributable to reduced average monthly benefits. These estimates do not include any multiplier effect or any downstream activity induced by able-bodied adults' additional spending decisions.



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60. Authors' calculations based upon a review of de-identified individual-level data of able-bodied adults disenrolled in December 2013. This analysis uses annualized income from before the work requirements were implemented for each individual with a wage record, as well as actual 2014 wages for each individual. Because only 9 percent of able-bodied childless adults on food stamps in Kansas are married, tax brackets for a married couple are exactly twice the value of the brackets for single individuals, and the standard deduction for married couples is only marginally larger than twice the value of deduction for single individuals, this analysis assumes each individual is single and has no additional income not otherwise present in the wage records. Each individual's state tax liability was calculated based on current tax rates and the standard deduction. The effective tax rate on these adults' new income was then applied to all estimated additional income flowing from the work requirements to calculate gross income tax gains. These gross gains were then reduced by the estimated value of Kansas' earned income tax credits, using similar methods for each individual with wage records. No other deductions or credits were included in this analysis.
61. Authors' calculations based upon Kansas' sales tax rate and the aggregate value that food stamps benefits have declined from the baseline. These estimates were adjusted downward by approximately 2.6 percent to reflect the average proportion of issued benefits not redeemed within 30 days of issuance and by an additional 4.4 percent to reflect the average proportion of issued benefits redeemed out-of-state. This analysis assumes these individuals purchase the same pre-tax value of groceries and food items as they did while receiving food stamps. If individuals purchased the same after-tax value of groceries and food items as they did while receiving food stamps, it would reduce this estimate by up to \$245,000 per year.
62. Authors' calculations based upon the average local sales tax rate and the aggregate value that food stamps benefits have declined from the baseline. These estimates were adjusted downward by approximately 2.6 percent to reflect the average proportion of issued benefits not redeemed within 30 days of issuance and by an additional 4.4 percent to reflect the average proportion of issued benefits redeemed out-of-state. This analysis assumes these individuals purchase the same pre-tax value of groceries and food items as they did while receiving food stamps. If individuals purchased the same after-tax value of groceries and food items as they did while receiving food stamps, it would reduce this estimate by up to \$78,000 per year.
63. Authors' calculations based upon state and federal administrative costs in Kansas and nationally in fiscal year 2013 and fiscal year 2014.
64. Food and Nutrition Service, "Supplemental Nutrition Assistance Program: Payment error rates for fiscal year 2013," U.S. Department of Agriculture (2014), <http://www.fns.usda.gov/sites/default/files/snap/2013-rates.pdf>.
65. Food and Nutrition Service, "Supplemental Nutrition Assistance Program: Payment error rates for fiscal year 2014," U.S. Department of Agriculture (2015), <http://www.fns.usda.gov/sites/default/files/snap/2014-rates.pdf>.
66. Food and Nutrition Service, "Supplemental Nutrition Assistance Program: Payment error rates for fiscal year 2013," U.S. Department of Agriculture (2014), <http://www.fns.usda.gov/sites/default/files/snap/2013-rates.pdf>.
67. Food and Nutrition Service, "Supplemental Nutrition Assistance Program: Payment error rates for fiscal year 2014," U.S. Department of Agriculture (2015), <http://www.fns.usda.gov/sites/default/files/snap/2014-rates.pdf>.
68. Food and Nutrition Service, "Fiscal year 2014 SNAP high performance bonuses," U.S. Department of Agriculture (2015), <http://www.fns.usda.gov/sites/default/files/snap/2014-chart-awards.pdf>.

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