

Factsheet: Eliminating work requirements can support single mothers and foster equitable U.S. economic growth

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This factsheet is the first in a series of pieces examining the systemic inequities in the U.S. economy that hinder the economic well-being and economic mobility of single mothers. The series highlights three policy mechanisms that can improve these economic outcomes—eliminating work requirements for income supports, streamlining income supports, and improving child care infrastructure—to foster equitable economic growth that is strong and stable.

Work requirements to participate in income support programs, including the Temporary Assistance for Needy Families program, the Supplemental Nutrition Assistance Program, and Medicaid, are currently based on the misplaced theory that receiving income supports discourages work. Evidence-based research shows that work requirements discourage participation in these programs, not a desire not to work, and that the trade-off between receiving income supports and participating in the labor market is grossly misleading.

On the contrary, work requirements as a condition for U.S. workers and their families to access income supports do not support increased labor force participation. Rather, this introduces increased complexity, bureaucracy, and volatility to the provision of income supports that help foster stronger and more stable U.S. economic growth.

Despite the evidence from Arkansas' and Georgia's <u>foray into implementing work requirements</u> on Medicaid, the second Trump administration and Republican majorities in the new 119th U.S. Congress have already suggested that they will lean on <u>increased implementation of work requirements</u> to <u>reduce federal spending on income support and Medicaid.</u>

Single-mother households across the country are especially harmed by the increased administrative burdens of accessing income supports and the reduced access to these supports associated with work requirements. These households have a comparatively greater risk of being

<u>in poverty</u> and have <u>lower wealth than any other group of households</u>. Income supports can enable families to meet their basic needs, but the reach of these social infrastructure programs is severely hampered by work requirements that are rooted in the false assumption that people who receive these benefits can work but choose not to.

This factsheet discusses evidence demonstrating the ways in which work requirements for income supports are counterproductive to meeting the needs of single mothers, the policy changes to work requirements being proposed at the state and federal level, and how removing work requirements can better support single mothers' financial security and promote stronger, more stable, and more equitable economic growth.

While more research is needed on the precise impact of work requirements in the current income support system on single mothers, the systemic barriers and inequities they face are well-documented. Targeting these inequities will improve their economic well-being and mobility over the long term, and that of their children—and thus bolster the overall economy.

Work requirements don't work for single mothers

- Work requirements do not increase earnings or employment and <u>can push families</u> <u>deeper into poverty</u>. For example:
 - The Congressional Budget Office finds that work requirements for the Supplemental Nutrition Assistance Program and for Medicaid <u>reduced enrollment</u> <u>in the programs and did not raise earnings.</u>
 - Further the <u>Congressional Budget Office</u> finds that reductions in access to Medicaid cause individuals to increase their own spending on health care, leaving little left for life's other necessities and could cause "significant" increases in medical debt and bankruptcies.
 - Researchers find that Medicaid work requirements in Arkansas <u>failed to increase</u> gainful employment while also harming the health and well-being of Arkansans when they were implemented in June 2018.
 - A 2001 <u>National Evaluation of Welfare-to-Work Strategies analysis</u> finds that of the 11 programs analyzed, only three increased the number of people who worked by more than 3 percentage points over 5 years, compared to a control group not subject to work requirements. This research also finds that 3 in 4 single parents were employed during this same 5-year period.

- In a comprehensive review of recent empirical studies of the 80-hour-a-month work test requirement to be eligible for the Supplemental Nutrition Assistance Program, researchers at the Center for Economic and Policy Research note only three studies found a positive impact on employment. Seven other studies found no impact, and every study they review found a significant negative impact on participation in the program. The takeaway is that work requirements severely undermine the health and nutrition goals of the Supplemental Nutrition Assistance Program without evidence of actually increasing employment or household earnings.
- Work requirements rest on the false assumption that recipients choose not to work.
 Many of those who receive income supports also work and need to supplement their income because of low wages and income volatility. For example:
 - o In 2023, the U.S. Census Bureau reported that roughly 1 in 7 part-time, year-round workers were below the poverty line (14.7 percent) and roughly 1 in 20 full-time, year-round workers were (4.1 percent).
 - A 2023 Kaiser Family Foundation analysis finds more than 60 percent of Medicaid recipients who are not elderly or disabled are employed either part time or full time. In instances where work requirements have increased employment, it has been only modestly and not sustainably, as the effects erode over time.
 - Those who receive income supports and do not work often cannot meet the work eligibility requirements in the first place due to disabilities. Roughly a quarter of those who received supplemental nutrition assistance and Medicaid in 2017 and were not engaged in at least 30 hours of work a week reported not doing so because of a work-limiting disability (even though they were not receiving disability assistance).
- Work requirements reduce access to income supports and <u>are burdensome for</u> <u>mothers and especially single mothers</u>. For example:
 - Research finds that work requirements to be eligible for supplemental nutrition assistance <u>cause precipitous drops in enrollment overall and disproportionate</u> <u>drops for those who are unhoused.</u>
 - According to the <u>Congressional Budget Office</u>, by 2019, the Temporary
 Assistance for Needy Families program's implementation of work requirements
 had contributed to roughly one-seventh of less-educated single mothers reporting
 no earnings and no cash assistance. The removal of families from the Temporary

Assistance for Needy Families program before they found work <u>likely played a role in increasing the number of families in deep poverty.</u>

- Federal regulations allow states to reduce the number of families receiving temporary income support to meet federal work requirements. In 2020, 26 states did so. This demonstrates that some states are choosing to push families off the program rather than help them find meaningful employment or other supports to improve their financial situation.
- Work requirements produce administrative burdens and <u>time taxes</u> that make it more likely for families to lose access to income supports. These burdens <u>often</u> entail registering for work with the local administrators implementing the income support program, participation in job-training programs, logging hours and applications sent to prospective employers, and a requirement of accepting "<u>a suitable job if offered</u>"—even if that job doesn't pay enough or can derail career prospects.
 - Work requirements also produce "<u>burdensome paperwork and</u> <u>documentation requirements</u>" that are costly for the government to <u>administer</u> without producing additional economic gains in the future.
 - A 2021 evaluation by the <u>Urban Institute</u> of the Supplemental Nutrition Assistance Program in nine states finds work requirements reduce participation in the program among individuals who otherwise need the benefits of the program but are unable to <u>navigate the increased</u> <u>administration burdens</u>.
 - Participants in the Supplemental Nutrition Assistance Program and the Temporary Assistance for Needy Families program have reported denial of access to these programs due noncompliance with work requirement reporting for reasons out of their control, including clerical errors and difficulty obtaining signatures from absent supervisors.
- All of these additional burdens make it not only less likely for those who qualify
 for income supports during times of economic stress to get that support, but also
 for them to find gainful employment because administrative burdens take time
 away from looking for work, working, and caregiving.
- The consequences of losing coverage due to work requirements are severe. Specifically:
 - There are <u>public health implications</u> to consider when policymakers take steps that will reduce the number of families accessing supplemental nutrition assistance, as that immediately reduces their access to food.

- In 2018, when Arkansas implemented Medicaid work requirements, those who lost coverage during this period (roughly 1 in 4 covered in the state by Medicaid at the onset) experienced adverse consequences: 50 percent of respondents reported serious problems paying off medical debt, 56 percent reported delaying care because of cost, and 64 percent reported delaying taking medications because of cost.
- Work requirements are especially relevant to single mothers and their children, who already face an increased likelihood of poverty, as well as increased burdens in accessing income supports. For example:
 - Losing access to income supports, which is more likely with work requirements, can be especially devastating for single mothers. Researchers document a "single-motherhood penalty," with single mothers having a 26 percent greater risk of experiencing poverty, compared to single fathers, as well as dual-earner households, in the United States.
 - To assist single mothers, these programs should be responsive to the needs and unique situations of single parents. Twenty-three percent of children in the United States live with a single parent; among them, approximately 24 percent of single-female-headed households lived in poverty, according to the most recent U.S. Census Bureau's Official Poverty Measure.
 - Households headed by single mothers are <u>disproportionately food insecure</u>, at 33 percent, and therefore especially benefit from supplemental nutrition assistance.
 Research <u>demonstrates</u> this nutrition assistance reduces the likelihood of being food insecure by 30 percent.
 - A <u>review of the academic literature</u> on Supplemental Nutrition Assistance Program's work requirements by The Hamilton Project finds them not to stimulate work but instead to reduce access by roughly 50 percent through deterring new qualified enrollees and removing current enrollees.
 - A lack of <u>child care is a significant barrier to work for parents</u>. Single mothers are more likely to have their <u>employment impacted</u> by <u>their caregiving</u> <u>responsibilities</u> than women without children. Specifically:
 - Evidence of <u>employer discrimination</u> against parents in their hiring decisions due to concerns over lack of stable child care is <u>well-documented</u>. This discrimination makes securing employment <u>even</u> more difficult for people with children.
 - Moreover, researchers have identified a persistent "<u>motherhood penalty</u>" in employers' hiring decisions, in which mothers, but not fathers, are

perceived to be less competent and committed to their work, resulting in fewer opportunities for women.

- In an <u>audit study of employers</u>, researchers at Cornell University find that childless women were 2.1 times more likely to be called back by an employer after applying for a job than women with a child, while the authors did not find any statistically significant discrimination across parental status among men.
- The motherhood penalty also extends to wages: Women with children earn less than women without children, even when they have similar experience and education.
- Work requirements without adequate child care can <u>put parents into</u> <u>potentially unsafe situations</u>, forcing parents to weigh their families' financial security against the ability to find safe child care. The compounding barriers imposed by work requirements, in addition to child care responsibilities and the discrimination single mothers face, create an untenable situation.

Despite the evidence against the efficacy of work requirements, policymakers continue to pursue them

- The <u>41.6 million individuals</u> who accessed supplemental nutrition assistance in Fiscal Year 2024 are already subject to <u>demanding work requirements</u>. A single parent is only exempt if they are caring for a child under the age of 6, despite the burden of care for a 7-year-old being similar to that of a 6-year-old.
- Recently, some states have implemented work requirements to their income support programs, including:
 - o In 2023, Iowa approved new asset tests for SNAP participants that Iowa's Legislative Services Agency, a nonpartisan staff agency that serves the Iowa legislature, estimated will cost \$17 million over the first 3 years to implement, mostly to hire new workers to file the new necessary paperwork. Prior to the changes, the state spent only \$2.2 million in FY2022 to administer its Supplemental Nutrition Assistance Program, meaning implementing the work requirements will double the yearly operating costs without reaching more Iowans or providing more generous benefits to Iowans.

- Between 2017 and 2021, the first Trump administration encouraged state leaders to test work requirements on Medicaid recipients, and the Centers for Medicare and Medicaid Services approved 11 state proposals that were later rescinded by the Biden administration. Of those states:
 - Arkansas and Georgia were the only two states to implement Medicaid work requirements. Although a court order paused Arkansas' implementation in March 2019, 18,000 enrollees still lost coverage.
 - In 2023, Georgia's Pathways to Coverage program was launched in lieu of to offer individuals with low-incomes a route to Medicaid coverage if they are working or participating in another qualifying activity 80 hours a month.
 - The program was approved by the first Trump administration and later rescinded by the Biden administration. <u>A federal judge later</u> <u>sided with Georgia</u>, leading to the implementation of the work requirements.
 - During the first year of the program, only 4,323 individuals were enrolled, less than one-fifth of their projected enrollment. In contrast, adopting a <u>full Medicaid expansion</u> under the Affordable Care Act would have resulted in more than 430,000 Georgians becoming newly eligible for Medicaid.
 - The Georgia Pathways to Coverage program features a <u>high-level</u> of administrative burden, resulting in a high rate of individuals <u>abandoning their applications</u>. Unsurprisingly, the program has resulted in <u>higher administrative spending</u> than <u>actual health care spending</u>.

Options to improve income support programs based on evidence

Removing poorly designed and ill-conceived work requirements on income support programs is integral for providing needed support for families in general and single mothers in particular, so that economic growth is strong, stable, and equitable. As this factsheet documents, work requirements do not work for single mothers and their needs. They are burdensome on both applicants and administrators and often lead to worse outcomes, including increases in incidences of deep poverty.

The research presented in this factsheet suggests there are additional ways income supports can be improved to benefit single mothers and the economy as a whole. These include:

- Investing in proven factors that support successful employment outcomes, such as supporting access to a broad social network, evidence-based workforce training programs, and making <u>Unemployment Insurance more easily accessible</u> rather than implementing additional paperwork that costs extra to administer
- Eliminating policies that perpetuate racial and gender inequities, including but not limited to <u>disparities in eligibility rules across states</u>, <u>work requirements</u>, <u>drug testing</u> and other behavioral exclusions, and <u>time limits</u>
- Making the Child Tax Credit fully refundable to reach more single mothers with children
- Easing the <u>psychological burdens</u> of receiving income supports, including targeting application and work requirement reporting assistance to communities most impacted by stress during the application and reporting processes, as well as integrating applications and work requirement reporting
- <u>Pausing work requirements</u> when policymakers have evidence that there are not enough jobs or full-time jobs available to support reasonable attempts to fulfill work requirement reporting rules
- Investing in subsidized child care, job-search assistance, and subsidized employment to increase the employment of those workers who need these types of assistance, and less focus on job-training programs, which have had mixed results, according to a review of work requirement research by the Congressional Budget Office

Conclusion

Ending work requirements for income support programs would support single mothers and their children as the navigate the systemic barriers and inequalities they face in the labor market. Yet the second Trump administration and Republican majorities in the new 119th U.S. Congress have already suggested that they will lean on increased implementation of work requirements to reduce federal spending on programs upon which low-income families rely so they can pay for tax cuts for the wealthiest Americans.