

Work requirement waivers increased FoodShare caseloads and costs in Wisconsin



By Angela Rachidi



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Executive summary

Employment plays a crucial role in helping families escape poverty and move up the income ladder. The Temporary Assistance for Needy Families, or TANF, program, created through welfare reform in 1996, showed that linking government assistance to work could increase employment and decrease poverty among single-mother families.¹

The Supplemental Nutrition Assistance Program, commonly known as food stamps, also contains a work requirement. Able-bodied adults without dependent children – abbreviated as ABAWDs – can receive SNAP benefits for only three months in a three-year period unless they worked or participated in a work-like activity for 80 hours on average per month.

This requirement, however, has been far from absolute. Federal lawmakers allowed states to waive it under certain circumstances, as Wisconsin officials have done much of the time. The result has been higher FoodShare caseloads and expenditures (SNAP is called FoodShare in Wisconsin), likely leading to less employment and more government dependency among ABAWDs.

This report explores FoodShare caseload data and waiver data from 2012 to 2023 to assess the relationship between the ABAWD work requirement and FoodShare participation. The

results suggest that waiving the work requirement led to an increase of 780 adults receiving FoodShare on average per county per month during this time, holding the unemployment rate and other factors constant. This translates into approximately 56,160 more FoodShare adults across the state (780 times 72 counties) in months when the work requirement was waived compared to months when it was not waived.

Assuming the average FoodShare benefit per person is \$152 per month (in 2023 dollars), I estimated that in the average month with a statewide waiver, Wisconsin's policy added \$8.5 million in FoodShare expenditures.*

These findings prompt the following policy recommendations:

- 1: Fully implement the federal ABAWD work requirement in Wisconsin without exception by passing a law barring the Wisconsin Department of Health Services (DHS) from applying for ABAWD waivers. Federal law allows states to waive the requirement under certain circumstances, but state officials have discretion. Passing a law would return that discretion to the Legislature and remove it from the DHS.
- 2: Fully fund and enforce 2017 Act 264. That law, passed by

* USDA FNS reports total SNAP benefits by state by month. In June 2023, Wisconsin FoodShare recipients received \$107 million in SNAP, for an average of \$152 per person. I applied the average benefit per person to the additional 56,160 adults added to FoodShare because of the waiver policy. See USDA FNS reports for monthly expenditure and participation data, <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-persons-9.pdf>.

the Wisconsin Legislature in 2018, requires all non-elderly, able-bodied FoodShare adult recipients (with an exception for caretakers of children under 6 or disabled children), to work or participate in the Wisconsin's FoodShare Employment and Training (FSET) program as a condition of receiving FoodShare.² The state law is in addition to the federal ABAWD work requirement.

While SNAP is a federally funded program, increasing the number of work-capable adults receiving FoodShare

likely affects the state and the state's budget indirectly in a variety of ways. Research shows that SNAP receipt reduces labor supply and by extension removes prime-age workers from Wisconsin's labor force.³ This has many potential long-term implications for the state and low-income families, including increased government dependence among residents, reduced labor force participation, and lower tax receipts.

Introduction

The Supplemental Nutrition Assistance Program, or SNAP, called FoodShare in Wisconsin, is one of the largest government assistance programs for low-income households in the country and in the state. In fiscal year 2023, the federal government provided \$107 billion to low-income households in the United States, of which Wisconsin received \$1.7 billion.⁴ In the average month in FY 2023, more than 707,000 Wisconsin residents, or 12 percent of the population, received FoodShare benefits to help them afford food. On average, FoodShare households in Wisconsin received \$383 per month.⁵

In Wisconsin, only one-third of FoodShare households had employment in FY 2022, the most recent data.⁶ Around the same time, Wisconsin experienced one of the lowest unemployment rates in the state's history, averaging 3.1 percent in 2023,⁷ and a top concern among employers was workforce shortages.⁸

This raises the question: Is the state effectively implementing safety net policies to support employment among low-income Wisconsinites?

The answer is important because employment plays a crucial role in society. For individuals, it provides a sense of identity and a source of satisfaction, as well as financial

means. Income that comes from employment provides resources to help families thrive, but it also offers social connectedness and a sense of purpose to individual workers and their families. On a broad scale, high levels of employment contribute to a strong and growing economy, benefiting all of society. This makes employment vital for both individual fulfillment and the overall well-being of communities.

A lack of employment often results in poverty and broader community-level challenges. Research by Raj Chetty and his colleagues at Harvard University recently highlighted the importance of parental employment in shaping child outcomes, especially for children from poor neighborhoods.⁹ For this reason, safety net programs for low-income families in the United States must focus on addressing immediate financial hardships — but also on supporting and encouraging employment as a path toward upward mobility.

Past research demonstrates that requiring work as a condition of receiving public benefits can result in better outcomes for families. We lack rigorous evidence either way on the effectiveness of work requirements in

many of our public programs, such as housing and food assistance,¹⁰ but research leading up to welfare reform in 1996 showed that work requirements in cash assistance programs can substantially improve employment outcomes and contrib-



The law has given states some discretion in how they administer the work requirement. Decisions by state leaders concerning ABAWD work requirements can have implications for caseloads and outcomes for low-income households.

ute to lower poverty rates.¹¹ This suggests that work requirements can play an important role in helping families escape poverty and achieve upward mobility in other programs as well.

Beyond the Temporary Assistance for Needy Families, or TANF, program created by welfare reform in 1996, most federal safety net programs do not require work as a condition for receiving benefits. One exception is SNAP, which includes a general work requirement and a federal time limit on benefit receipt for able-bodied adults without dependent children — a group abbreviated as ABAWDs — unless they work or participate in a work activity at least 20 hours per week on average.¹² State and county officials must follow the federal ABAWD work rules, but the law has given states some discretion in how they administer the work requirement. Decisions by state leaders concerning ABAWD work requirements can have implications for caseloads and outcomes for low-income households.

In this report, I examine Wisconsin’s application of SNAP’s work requirement for ABAWDs, including the state’s use of waivers to the ABAWD policy. In the first section, I offer background on the ABAWD policy and how Wisconsin has implemented it since the early 2000s. Next, I describe the available data and explore trends in FoodShare caseloads, expenditures, and local economic conditions within the context of policy decisions by state officials to implement or waive the ABAWD work requirement. In the third section, I estimate the relationship between county-level unemployment rates and waiver status on the overall FoodShare caseload. Specifically, I estimate the impact of waiving the work requirement on FoodShare caseloads, controlling for local economic conditions. Finally, I offer specific recommendations for state policymakers to make FoodShare work-related policies more effective.

A History of ABAWD Policy in Wisconsin

Able-bodied adults without dependent children, or ABAWDs, are SNAP recipients (called FoodShare in Wisconsin) age 18 to 54 (prior to 2023 the age range was 18 to 49) who do not have a dependent child in the household and who are not disabled. The 1996 Personal Responsibility and Work Opportunity Act (PRWORA), often called welfare reform, established the definition of an ABAWD and set a time limit for them receiving SNAP, then called food stamps.¹³

ABAWDs could receive SNAP only for three months in a three-year period unless they worked or participated in a work-like activity for 80 hours per month (an average of 20 hours per week). The criteria for satisfying this work requirement were broad and included unpaid service or volunteer opportunities, as long as these activities were documented.¹⁴

Concerned about requiring work when jobs were unavailable, lawmakers added exceptions to the work requirement in PRWORA. States could waive the work requirement if the secretary of the U.S. Department of Agriculture “determines that the area in which the individuals reside has an unemployment rate of over 10 percent, or does not have a sufficient number of jobs to provide employment for the individuals.”¹⁵ Additionally, the federal government has waived the requirement nationwide during economic crises, including the Great Recession and the COVID-19 pandemic.¹⁶

The statute detailed that any area with an unemployment rate greater than 10 percent was eligible for a waiver, but the concept of “sufficient jobs” was unclear in the legislation. For this reason, the USDA’s Food and Nutrition Service, FNS, had to establish the criteria by which states could request a waiver of the ABAWD work requirement under the “lack of sufficient job” criteria. Federal regulations set the waiver criteria to include that an area have one of the following conditions:

- 1: Is designated a Labor Surplus Area (LSA) by the Department of Labor’s Employment and Training Administration (ETA);
- 2: Qualifies for extended unemployment benefits;
- 3: Has a low and declining employment-to-population ratio;
- 4: Has a lack of jobs in declining occupations or industries;
- 5: Is described in an academic study or other publications as an area where there is a lack of jobs;
- 6: Or has a 24-month average unemployment rate 20 percent above the national average for the same 24-month period.¹⁷

States must cite one these criteria—and provide supporting documentation—in order to receive a waiver.¹⁸

Additionally, as established by in the Balanced Budget Act of 1997, Congress permitted states to exempt 15 percent of their ABAWD caseload from the work requirement (since FY

2020 this exemption was reduced to 8 percent), carrying over any unused exemptions from prior years.¹⁹ These provisions gave states discretion in applying the ABAWD work requirement, but only under certain circumstances.

States began implementing the ABAWD work requirement in November 1996,²⁰ and the FNS has made available publicly all ABAWD waiver requests from states since 1997. The first waiver request from Wisconsin was dated April 2002, and the state continued submitting waiver requests through 2009, requesting waivers for between 20 and 30 percent of the state’s population using the “lack of sufficient jobs” criterion.²¹ However, the state used the 15 percent exemption for the remaining ABAWDs in the state, effectively meaning that

there was no ABAWD work requirement in Wisconsin from 2002 to 2009.²² (It is unclear whether Wisconsin implemented the ABAWD work requirement prior to 2002, but it likely did not). Although the FNS tightened its oversight of the 15 percent exemption in 2007,²³ disallowing states from utilizing future exemption for current years, documentation shows that Wisconsin still utilized this exemption to effectively eliminate the work requirement for ABAWDs statewide from 2002 through 2009.²⁴

The Great Recession hit in late 2007, and unemployment rates in Wisconsin and across the country spiked. In response, Congress passed the 2009 American Rescue and Reinvestment Act (ARRA), and as part of that legislation, Congress

Table 1: Summary of ABAWD Waiver Coverage for Wisconsin since 1996/2002

Years	ABAWD work requirement status	Description	Administration
1996/2002 - 2009	Statewide waiver	No records exist from 1996-2002 showing waiver requests for Wisconsin, making the state’s policy unclear. From 2002-2009, Wisconsin received waivers under 20% unemployment rate criterion; with the rest of the state exempt using 15% exemptions rule.	Scott McCallum, R (2001-2003) Jim Doyle, D (2003-2011)
2009-Sept. 2010	Statewide waiver	Federal ARRA waived the ABAWD work requirement in all states	Jim Doyle, D (2003-2011)
2010 – 2014	Statewide waiver	Qualified for a statewide waiver under extended unemployment insurance criteria	Scott Walker, R (2011-2019)
2015-Oct. 2019	Statewide ABAWD work requirement	No waivers	Scott Walker, R (2011-2019)
Oct. 2019 - March 2020	Partial waiver	Waiver of six counties and 10 reservations under 20% unemployment rate rule	Tony Evers, D (2019-current)
March 2020 - June 2023	Statewide waiver	Federal waiver to all states in COVID-19 relief package	Tony Evers, D (2019-current)
July 2023-Sept. 2023	Statewide ABAWD work requirement	Expiration of the federal waiver created ABAWD work requirement in all counties until the Evers administration submitted a waiver request	Tony Evers, D (2019-current)
Oct. 2023 – current	Partial waiver	Waiver of four counties, two cities, 10 reservations under 20% unemployment rate rule	Tony Evers, D (2019-current)

Source: USDA Food and Nutrition Service, ABAWD Waiver requests and approval, FY 2002-2023.

waived the ABAWD work requirement for all states from September 2009 to October 2010. Even as the unemployment rate declined after 2010, however, Wisconsin continued to qualify for a statewide waiver because of the state’s eligibility for extended unemployment benefits. Wisconsin submitted and received approval for statewide waivers from 2011 to 2014 under the expanded unemployment insurance criteria.²⁵

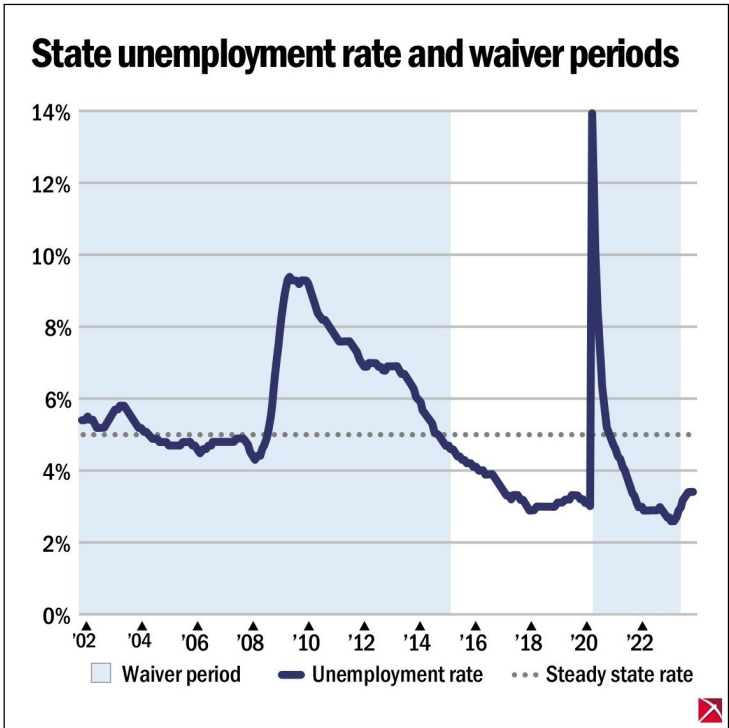
In 2015, under then-Governor Scott Walker, Wisconsin reinstated the ABAWD work requirement statewide, phasing in the reinstatement county by county beginning in late 2014. The reinstatement of the work requirement happened even though some Wisconsin areas likely qualified for a waiver due to local economic conditions. However, the DHS’s FY 2013 letter to the FNS indicated its policy shift, stating:

“Wisconsin currently adopts the suspension of time limited benefits for ABAWDs as a continuation of programmatic practice commenced in 2008. It is Wisconsin’s intent to lift the suspension of time limited benefits for nonexempt ABAWDs at the soonest possible opportunity. More Wisconsin residents are finding jobs and the DHS believes fundamentally that able bodied adults are best served through active engagement in the workforce.”²⁶

The statewide application of the ABAWD work requirement continued until FY 2020, effectively ending on Oct. 1, 2019, when Governor Tony Evers’ administration requested a waiver for six counties and 10 reservations under the criteria that these areas had average unemployment rates 20 percent above the national average.²⁷ The COVID-19 pandemic began a few months later in March 2020, and Congress suspended the ABAWD work requirements in all states continuing through June 2023, unless states offered a work program.²⁸ Beginning in October 2023, the DHS requested and received a waiver for four counties, two cities and 10 reservations based on economic conditions.²⁹ Table 1 summarizes the ABAWD work requirement policy in Wisconsin from 1996 to current day.

This history presents two very different policy approaches in the state since the creation of the federal ABAWD work requirement in 1996. While certain administrations have chosen to waive the work requirement throughout the state, others have waived the requirement in no parts of the state. The ABAWD work requirement was originally established as fed-

Figure 1

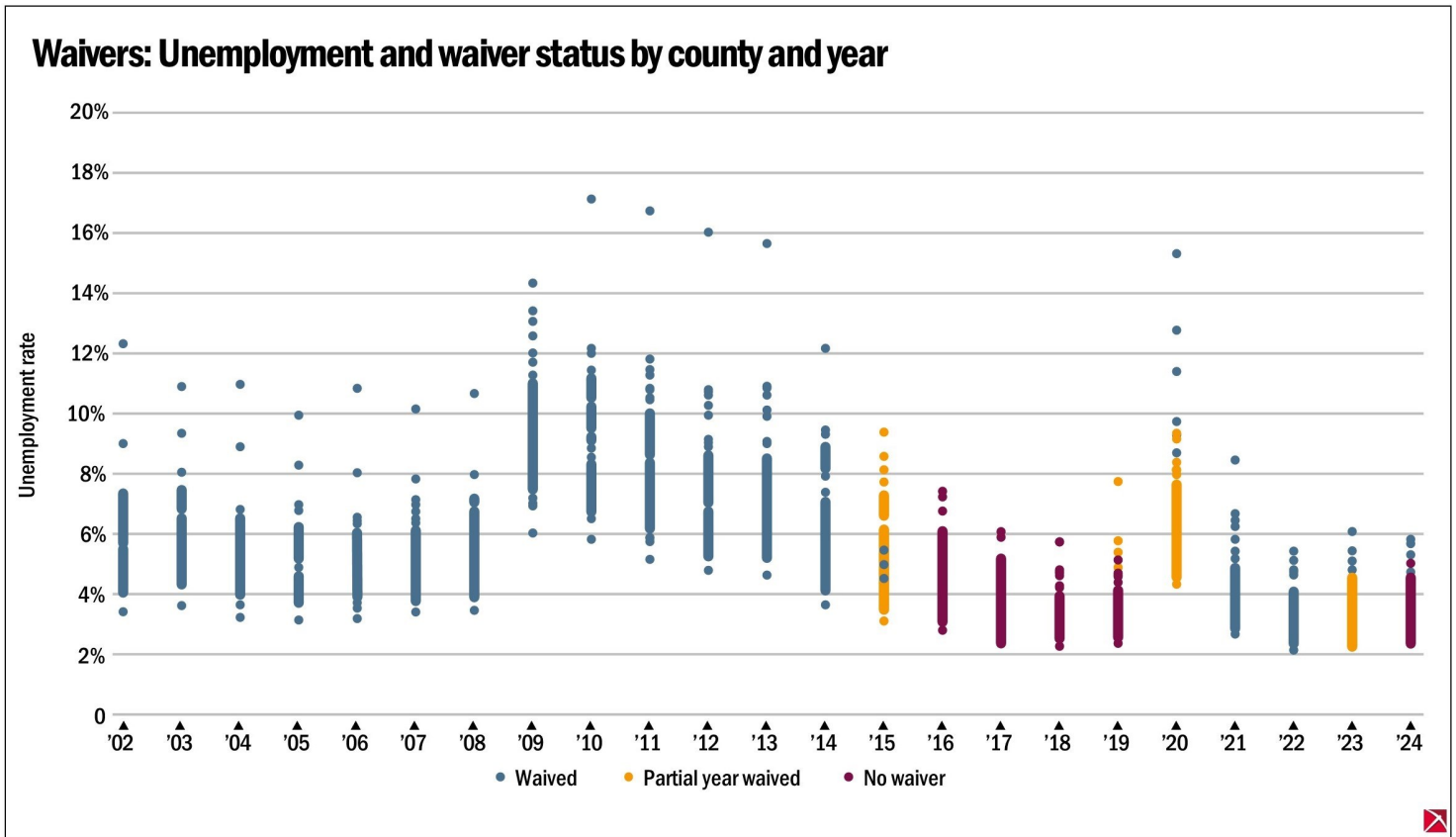


USDA Food and Nutrition Service, ABAWD Waiver requests and approval, FY 2002-2023. Note: Steady state or “full employment” is an economic concept that reflects an unemployment rate at which workers can obtain the jobs and hours they desire (CEA, 2024).³¹ It is never 0%, however, because of friction in the labor market. Economists do not identify one unemployment rate to reflect full employment because it can change, but the Federal Reserve reports a “non-cyclical rate of unemployment”. The average of this rate was 5 percent from 2002-2023 (Federal Reserve Economic Data, 2024).

eral policy to promote work over government assistance. The conference report accompanying PRWORA stated that the law, including its food stamp program work requirements, “promotes work over welfare and self-reliance over dependency, thereby showing true compassion for those in America who need a helping hand, not a handout.”³⁰ Giving states the ability to waive the work requirement during times of high unemployment acknowledged exceptions when jobs were challenging to find, but a review of Wisconsin’s history demonstrates that this was not how the policy evolved in this state.

For much of the time since the law was established, Wisconsin’s FoodShare program has had no work requirement for ABAWDs throughout the state, despite periods of rela-

Figure 2



Source: USDA Food and Nutrition Service, ABAWD Waiver requests and approval, FY 2010-2023. Unemployment data from the Bureau of Labor Statistics, LAUS. Each dot represents one of Wisconsin's 72 counties.

tively low unemployment. As shown in Figure 1, Wisconsin has inconsistently applied the ABAWD waiver policy since its inception, waiving the requirement during times of both high and low unemployment.

During much of the time Wisconsin waived the ABAWD work requirement since 2002, the unemployment rate was relatively low — below 5 percent and well below the 10 percent criteria established in PRWORA. However, individual counties could have experienced high relative unemployment rates during this time, while other counties experienced low unemployment. Figure 2 shows average county-level unemployment rates by year, color-coded to match periods when the ABAWD work requirement was waived for the entire year, for part of the year, or for none of the year.

The statewide waiver in the early years, before 2009, meant that some counties with low unemployment rates (below 4 percent) received a waiver, but that other high-unemployment areas also received a waiver. The 2009-2014 period experienced higher overall unemployment rates than

the pre-2009 period, but the variation in unemployment rates by county remained and some counties with relatively low unemployment rates still received a waiver, especially in 2013 and 2014 (Figure 2).

It is notable to compare the inconsistencies in policy between the 2016-2018 period and 2021-2023. The distribution of unemployment rates across counties appear very similar in these two time periods, yet in the earlier period ABAWDs were subject to a work requirement while they were mostly not in the latter period due to the state taking advantage of the federal nationwide waiver (Figure 2).

Figure 3 further illustrates this point for the two most populous counties in Wisconsin: Dane County, which contains the city of Madison, and Milwaukee County, which contains the city of Milwaukee. Prior to 2015, the DHS waived the ABAWD work requirement statewide, including both counties, even though Dane County had a relatively low unemployment rate (below 5 percent for much of that time) and Milwaukee had a relatively high unemployment rate (above 5

percent for much of that time). After the pandemic in 2022 and 2023, the DHS waived the ABAWD work requirement statewide even though both counties had unemployment rates below 5 percent.

Next, I explore the implications of these two very different policy approaches on the number of ABAWDs in the state, FoodShare caseloads and expenditures.

Data and Methods

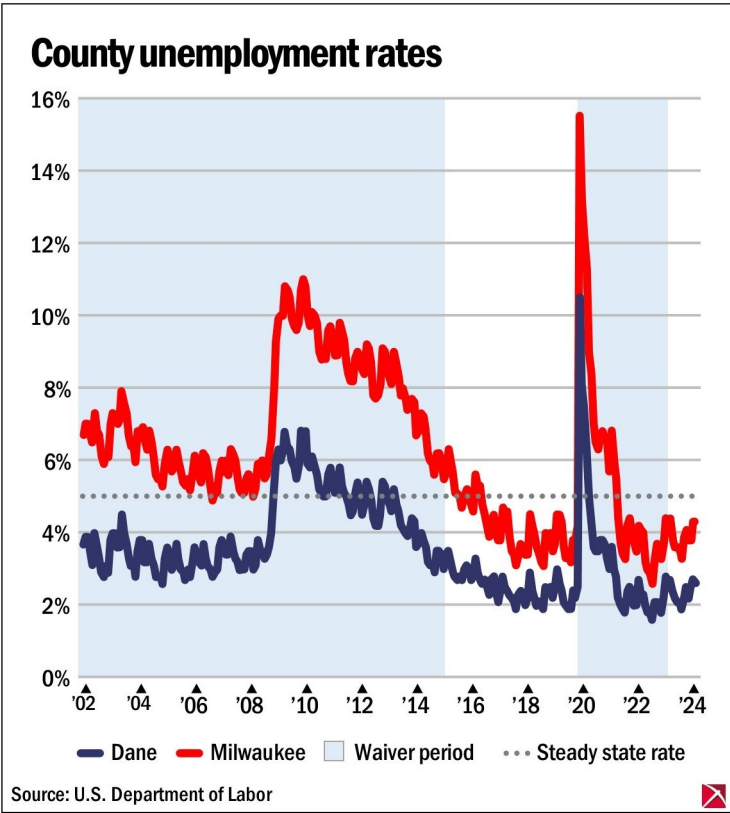
I used several available data sources to explore trends in total FoodShare caseload, FoodShare adult caseload, and the number of ABAWDs in Wisconsin based on whether the state had an ABAWD waiver in place. I constructed a dataset to include data by month and county:

Data	Source (months/years)
Total FoodShare recipients	DHS (2011-2023)
Adult FoodShare recipients	DHS (October 2012-2023)
Child FoodShare recipients	DHS (October 2012-2023)
Local unemployment rate	Bureau of Labor Statistics, LAUS
ABAWD waiver status	USDA Food and Nutrition Service
Population	U.S. Census Bureau

Through an open records request, I obtained the total number of FoodShare individuals by county and month from 2011 through 2023, and FoodShare adults and children by county and month from October 2012 through 2023 from Wisconsin’s DHS.* I used data from the Bureau of Labor Statistics’ Local Area Unemployment Statistics (LAUS) program for county-level unemployment statistics. I utilized publicly available ABAWD waiver requests and approvals to obtain waiver status for each county. (For these analyses, I excluded tribal reservations that received waivers). Lastly, I obtained population estimates for each county from the U.S. Census Bureau’s intercensal population estimates.

Wisconsin’s DHS did not track the number of ABAWDs in the state in waived counties during the years I requested; therefore, I had to rely on other data sources. The FNS has a quality control process in which states must submit data to the FNS for quality control purposes. Using data submitted through this process, the FNS produces a report on character-

Figure 3



Source: U.S. Department of Labor

istics of SNAP households. Included in the FNS report is a count of “Adults age 18-49 without disabilities in childless households,” with an indication that, with exceptions, these individuals are subject to work requirements and time limits.³² I used these reports starting in 2010 to document the average number of ABAWDs in Wisconsin per year. (I was unable to add ABAWD data to the full dataset because the data were not available at the county level or by month).

For the descriptive analyses, I created a series of figures to explore trends in the number of FoodShare adults, FoodShare children and the state unemployment rate by month from 2012 through 2023, highlighting the months when the state had a statewide ABAWD waiver. I also plotted the number of ABAWDs and the state unemployment rate by year from 2010 to 2022, using available data from the FNS, noting the years the state had a statewide ABAWD waiver.

The descriptive figures show trends in FoodShare caseloads corresponding to periods when the state implemented the ABAWD work requirement or had a statewide waiver.

* DHS indicated that their current data system did not allow for tracking adults and children by county prior to October 2012, and they followed the 7 year record retention policy.

The descriptive analyses identified trends in FoodShare caseloads during times the ABAWD work requirement was waived, but other factors also could have affected caseloads. To understand better the relationship between Wisconsin's ABAWD work requirement policy and FoodShare caseloads (and ultimately costs), I estimated four fixed effects regression models that controlled for other factors, such as the local unemployment rate.

In the first model, I estimated the change in the FoodShare adult caseload at the county level dependent on whether an ABAWD waiver was in place, controlling for local unemployment rate and labor force participation. In the second model, I used FoodShare adults as a percentage of the population as my dependent variable. The results of the first two models should be similar, but the second model factors in changes in population over time and produces an estimate of the expected change in the FoodShare to population ratio dependent on changes to the ABAWD waiver policy.

The third and fourth models are the same, but I used FoodShare children and FoodShare children as a percentage of the population as my dependent variables. We should not expect to see as strong a relationship between waiver policy and the number of children receiving FoodShare, because ABAWD policies should primarily affect households without children, offering a robustness check on the results from the first two models. However, a relationship may still exist, given that imposing a work requirement might influence employment-seeking behavior even among those not subject to the requirement.

Across models, I controlled for county unemployment rates because there is a relationship between FoodShare caseloads and the unemployment rate independent of whether a waiver is in place. FoodShare caseloads should increase when the unemployment rate increases as more households are in need of assistance when their earnings decline. I also controlled for the labor force to population ratio because it controls for different population composition across counties. Finally, I included county fixed effects across models to control for things that were unique at the county level (such as how a county administered FoodShare), but which do not vary over time.

I used the results of the first model (estimating the effect of waivers on FoodShare adults), to estimate the number of

adults added to the FoodShare program when a waiver was in place, holding local unemployment rates and labor force to population ratios constant. I estimated changes to the FoodShare adult to population ratio based on waiver status as well. Finally, although I did not have access to FoodShare expenditure data at the county level by month, preventing me from estimating the relationship between waiver policy and expenditures directly, I roughly estimated total FoodShare costs associated with changes to the caseload using the results from the regression models estimating caseload changes.

Results

FoodShare Caseload Trends

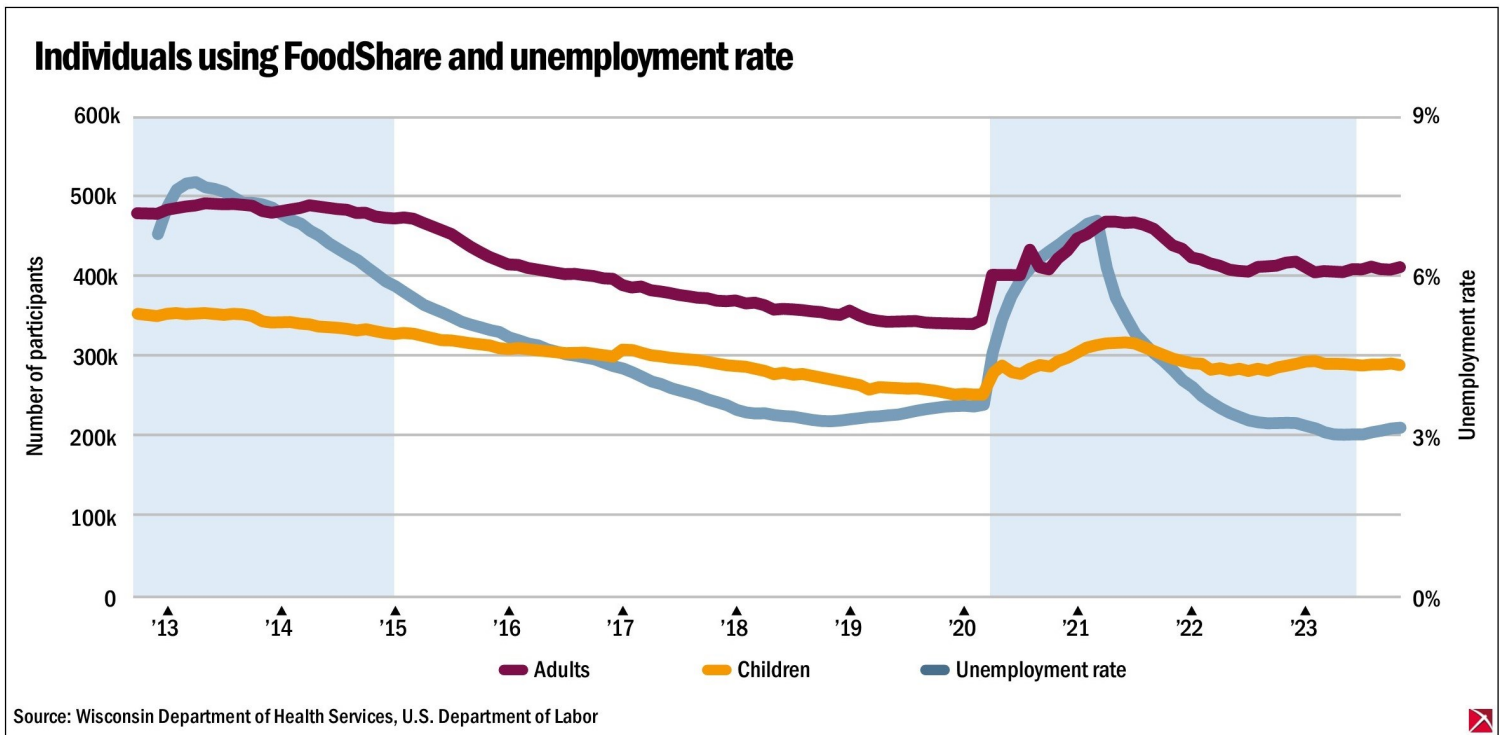
Figure 4 shows trends in the monthly number of adults and children receiving FoodShare in Wisconsin, along with the unemployment rate averaged across counties, from October 2012 through December 2023. The shaded areas reflect months in which the state did not have an ABAWD work requirement (i.e., waived across all counties).

The decline in FoodShare adults after the implementation of the ABAWD work requirement in 2015 was steeper than the decline in children receiving FoodShare. Similarly, the increase in FoodShare adults after the 2020 statewide waiver was put into place was steeper than the increase in FoodShare children (Figure 4). However, these caseload trends are also generally consistent with changes to the unemployment rate during this time. For the most part, FoodShare caseloads decreased when the unemployment rate declined, and grew when the unemployment rate increased.

Figure 5 shows a similar trend but reflects FoodShare adults and children as a percentage of the population. Both FoodShare adults and children as a percentage of the population followed a similar pattern as the unemployment rate, decreasing when the unemployment rate went down and increasing when it went up. Notably, however, FoodShare adults as a percentage of the population remained one percentage point higher in 2023 compared to 2019, while FoodShare children as a percentage of the population was only 0.5 percentage points above 2019 levels (Figure 5).

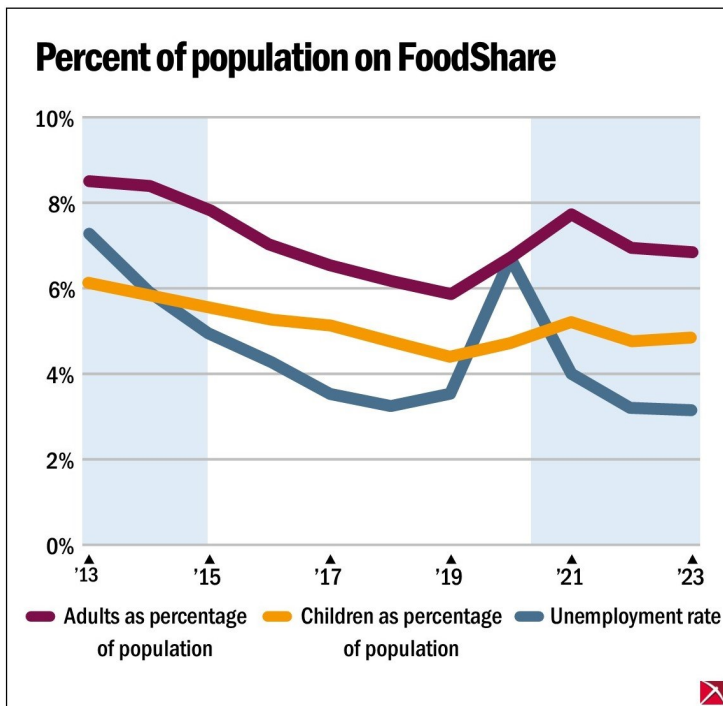
Figure 6 shows trends in the number of ABAWDs (not all FoodShare adults as shown above) receiving FoodShare under the different ABAWD policies. While the number of ABAWDs in Wisconsin was trending downward after peak-

Figure 4



Note: Shaded areas reflect periods with a statewide ABAWD waiver.

Figure 5



Shaded areas reflect periods with a statewide ABAWD waiver.

Source: Wisconsin Department of Health Services for FoodShare data and U.S. Department of Labor Bureau of Labor Statistics for unemployment data. Population data came from the U.S. Census Bureau.

ing in 2013, the total number decreased sharply following the reinstatement of the work requirement in 2015 and increased sharply at the start of the pandemic, when the unemployment rate spiked and Wisconsin waived the ABAWD work requirement statewide. Notably, the state unemployment rate returned to pre-pandemic levels by 2022, while the number of ABAWDs remained elevated.

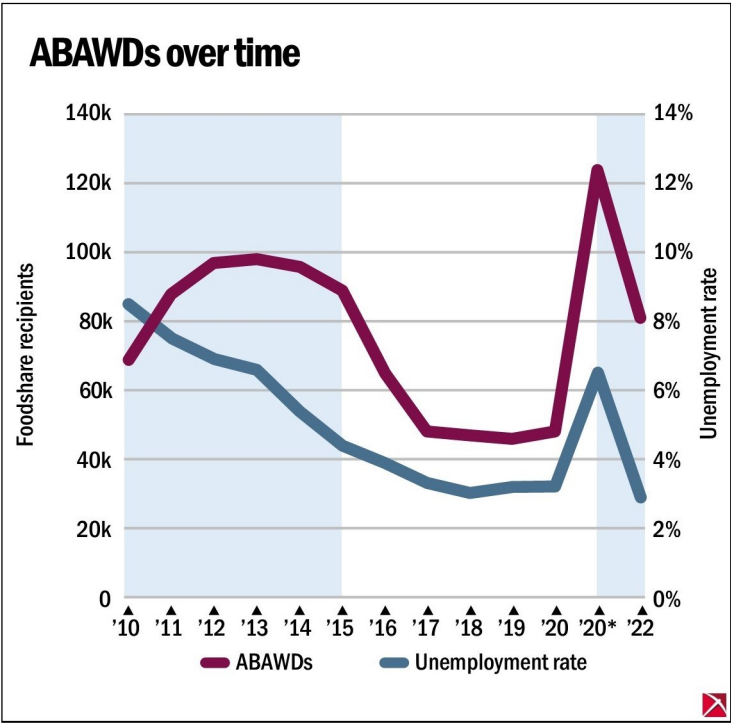
Overall, these figures suggest a positive relationship between ABAWD waivers and FoodShare caseloads — that is, when the state waived the work requirement the adult and ABAWD caseload increased — although other factors could explain this relationship, such as the unemployment rate. ABAWD waivers are allowed when areas have high relative unemployment rates, creating a correlation between ABAWD policy and unemployment conditions. Furthermore, FoodShare caseloads are strongly correlated to the unemployment rate independent of waiver policy. This requires unraveling the relationship between these factors and assessing the relative contribution of waiver policy and the unemployment rate on FoodShare caseloads.

ABAWD waiver policy and FoodShare Caseloads

I estimated four fixed effects regression models to assess

the relationship between FoodShare caseloads and ABAWD waiver policy independent of the unemployment rate and other county-level characteristics. The results are summarized in

Figure 6



Shaded areas reflect periods with a statewide ABAWD waiver. Source: U.S. Labor Dept and FNS Characteristics of SNAP Households report using Quality Control (QC) data. There was no report for 2021 due to the pandemic. Additionally, 2020 data reported as two data points, pre-COVID and post-COVID.

Table 2.

Waiving the ABAWD work requirement led to an increase of 780 adults receiving FoodShare per month per county on average, holding the unemployment rate and other factors constant (column 1). This translates into approximately 56,160 more FoodShare adults across the state (780 times 72 counties) in months when the work requirement was waived compared to months when it was not waived, holding other factors in the model constant. For children, the effect of the ABAWD waiver was smaller (column 3), with 249 more FoodShare children or approximately 17,906 children (249 times 72 counties) across counties when waivers were in use.

Similar results emerged when exploring the relationship between waivers and FoodShare adults and children as a percentage of the population. Waiving the work requirement led to an increase in FoodShare adults as a percentage of the population by 0.30 percentage points (column 2) and a smaller 0.10 percentage points for FoodShare children as a percentage of the population (column 4).

Without access to FoodShare benefit amounts at the county level by month, I was not able to model the added costs associated with the ABAWD waiver policy directly. However, I used the estimated impact on caseloads to extrapolate the potential FoodShare benefit costs associated with a statewide ABAWD waiver policy in the average year.

Table 2: Effect of Waiver Status on FoodShare (FS) Recipients and Percent of Population Receiving FS, Oct. 2012 to Dec. 2023

	(1)	(2)	(3)	(4)
Dependent variable	FS adults	FS adults as % of population	FS children	FS children as % of population
Waiver (waiver=1)	780.36 (43.64)	0.0090 (0.00019)	248.73 (20.21)	0.0032 (0.0001)
Unemployment Rate	102.146 (10.78)	0.0013 (0.00005)	75.38 (4.99)	0.0011 (0.00004)
Labor Force to Population Ratio	588.24 (348.72)	0.0677 (0.0016)	380.3 (161.54)	0.04705 (0.0006)
County Fixed Effects	X	X	X	X

Note: All coefficients were statistically different from zero with a 95 percent confidence level, except for labor force to population ratio in model (1), which was statistically different from zero with a 90 percent confidence level.

Sources: USDA for waiver data for each county, year, and month from October 2012 through December 2023. Unemployment rate and labor force participation (number in labor force / population) from Bureau of Labor Statistics Local Area Unemployment Statistics.

Assuming the average FoodShare benefit per person is \$152 per month, I estimate that in the average month with a statewide waiver, Wisconsin's policy added \$8.5 million (in 2023 dollars) in FoodShare expenditures. * FoodShare benefits are funded 100 percent by the federal government through SNAP.

Conclusion and Policy Recommendations

The descriptive results imply that waiving the ABAWD work requirement in Wisconsin elevated FoodShare caseloads, and that implementing the ABAWD work requirement reduced caseloads. The statistical models confirm these results. These findings are consistent with the literature, which demonstrates that the ABAWD work requirement reduces SNAP caseloads.³³

Wisconsin benefits from a strong labor market with relatively low unemployment rates. In recent years, there have been more job openings than unemployed people, making workforce issues more of a challenge than a lack of jobs in the state. At the same time, thousands of low-income Wisconsin families receive safety net benefits designed to assist them, but many remain poor due to limited employment in the household.

One opportunity for state officials to promote employment among low-income households is to apply the work requirement for non-disabled FoodShare recipients without dependent children, or ABAWDs. However, since the policy was first established in 1996, Wisconsin officials have waived the work requirement for almost all ABAWDs in the state, with one exception from 2015-2019 when the work requirement applied statewide.

Federal lawmakers designed the ABAWD waiver policy to allow states to waive the requirement when areas lacked

“sufficient jobs.” However, as shown in this analysis, Wisconsin waived the ABAWD work requirement during times of high and low unemployment. In fact, at one point in 2018, the statewide unemployment rate was 2.9 percent and the ABAWD work requirement was in place statewide, while a few years later in 2022 the unemployment rate was also 2.9 percent and the ABAWD work requirement was waived across the state. Based on my analysis, the application of the ABAWD work requirement in Wisconsin has had very little

relation to county-level economic conditions since 2002, contrary to the original intent of the federal law.

We see the implications of the state's ABAWD policy on FoodShare caseloads and expenditures. The results of this analysis suggest that waiving the ABAWD work requirement resulted in 56,160 more adults receiving FoodShare in the average month when a statewide waiver was in place and increased FoodShare adults as a share of the population by 0.9 percentage points. This translated into \$8.5 million dollars in added federal expenditures per month in the months Wisconsin waived the ABAWD work requirement statewide.

The federal government funds 100 percent of FoodShare benefits, meaning that waiving the ABAWD work requirement does not affect the state's budget directly. Some may even argue the virtues of waiving the work

requirement, because it leads to higher caseloads that bring additional federal dollars into the state. However, increasing the number of work-capable adults receiving FoodShare likely affects the state and the state's budget indirectly in a variety of ways. SNAP receipt reduces labor supply³⁴ and by extension removes prime-age workers from Wisconsin's labor force. This has many potential long-term implications for the state and low-income families, including increased government dependence among residents, reduced labor force participation, and lower tax receipts.



While it is true that Wisconsin officials have followed the rules around ABAWD policy set by the federal government, officials have missed opportunities to apply the work requirement and help low-income people gain employment.

* USDA FNS reports total SNAP benefits by state by month. In June 2023, Wisconsin FoodShare recipients received \$107 million in SNAP, for an average of \$152 per person. I applied the average benefit per person to the additional 56,160 adults added to FoodShare because of the waiver policy. See USDA FNS reports for monthly expenditure and participation data, <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-persons-9.pdf>.

While it is true that Wisconsin officials have followed the rules around ABAWD policy set by the federal government, officials have missed opportunities to apply the work requirement and help low-income people gain employment. Federal policy allows states to waive the work requirement even when local labor markets are strong, such as in 2022 and 2023, and when work programs and volunteer opportunities exist. However, state officials have discretion and can apply the work requirement even when conditions qualify them for a waiver. Applying the ABAWD work requirement uniformly can support employment by offering volunteer service and participation in work programs to satisfy the requirement. This occurred from 2015-2019 when Governor Scott Walker implemented a statewide ABAWD work requirement, not applying for any waivers even in areas that likely qualified.

Governor Tony Evers' administration ended that policy in October 2019 when it applied for ABAWD waivers and accepted the statewide waiver that began in March 2020, using it through June 2023, even though labor market conditions in Wisconsin were favorable for much of that time and employment and training opportunities existed. The federal government has accommodated Wisconsin's lenient approach to the ABAWD work requirement, authorizing waivers during times of relatively low unemployment, including for all counties well after the employment shock of the pandemic ended.

These results lend to two crucial policy recommendations:

- 1: Fully implement the ABAWD work requirement in Wisconsin without exception, and
- 2: Fully fund and enforce 2017 Act 264.

That law was passed by the Wisconsin Legislature in 2018, and it requires all able-bodied FoodShare recipients (with an exception for caretakers of children under 6 or of disabled children) to work or participate in the Wisconsin's FoodShare Employment and Training (FSET) program as a condition for receiving FoodShare.³⁵ The law covers ABAWDs who are also subject to the federal time limit. To ensure that ABAWDs are subject to both the federal and state work requirement, the Wisconsin Legislature should pass a law that bars the DHS from applying for ABAWD waivers to the federal time limit. ABAWDs in Wisconsin can satisfy their work requirement through employment, volunteer service, or participation in an FSET program.

Both of these recommendations require funding for the state's FSET program, and the state's biennial budgets should fully fund FSET so that FoodShare recipients can access training opportunities and volunteer service. Current or future governors or legislatures may choose not to fund FSET to avoid implementing work requirements, as Evers did in the 2019-2021 biennial budget (and in subsequent budgets),³⁶ essentially nullifying 2017 Act 264. To prevent this from happening in the future, legislation must prioritize able-bodied adults subject to work requirements for existing FSET services. Federal rules require states to screen all FoodShare adults for general work requirements and to establish a SNAP Employment and Training Program (such as FSET in Wisconsin), which is funded by both the federal and state government.³⁷ The availability of sufficient FSET services in Wisconsin also makes federal ABAWD waivers unnecessary. When unemployment rates are high or jobs are scarce, able-bodied FoodShare recipients can benefit from employment training through FSET.

In the end, employment creates the best opportunity for low-income, prime-age Wisconsinites to escape poverty and move up the income ladder. Requiring that work-capable FoodShare recipients work or participate in employment and training opportunities at least part-time will help achieve that goal.



About the author

Angela Rachidi is a Senior Fellow at the American Enterprise Institute (AEI), visiting fellow at the Badger Institute and founder and principal of Rachidi Research and Consulting. In her work, Rachidi studies the impact of safety net programs on low-income families and individuals.

Endnotes

- 1: Han, Jeehoon, Bruce D. Meyer, and James X. Sullivan. “The consumption, income, and well-being of single mother-headed families 25 years after welfare reform.” *National Tax Journal* 74, no. 3 (2021): 791-824.
- 2: On April 2018, the Wisconsin Legislature passed and Governor Walker signed Act 264, effective Oct. 1, 2019, which required that able-bodied FoodShare recipients, with certain exceptions, to participate in a FoodShare Employment and Training program or work as a condition for receiving benefits. See <https://docs.legis.wisconsin.gov/2017/related/acts/264> and https://docs.legis.wisconsin.gov/misc/lfb/budget/2019_21_biennial_budget/204_budget_papers/417_health_services_fset_required_participation_by_able_bodied_adults.pdf. Governor Evers vetoed FoodShare Employment and Training funding in the Biennial 2019-21 budget to avoid implementing the law, https://captimes.com/news/local/govt-and-politics/gov-tony-evers-signs-first-state-budget-into-law-after-issuing-78-partial-vetoes/article_eed605f4-11e0-5b62-bd5a-3757f2c22bb9.html. Funding to implement Act 264 was also not included in the 2021-2023 biennial budget, nor the 2023-25 budget.
- 3: Hoynes, Hilary Williamson, and Diane Whitmore Schanzenbach. “Work incentives and the food stamp program.” *Journal of Public Economics* 96, no. 1-2 (2012): 151-162.
- 4: USDA, Food and Nutrition Service, SNAP Data Tables, National and/or State Level Monthly and/or Annual Data, <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>.
- 5: Ibid.
- 6: Mathematica, June 2024. Characteristics of SNAP Households FY 22, Table B.6 Distribution of participating households by household composition and by state, <https://www.fns.usda.gov/research/snap/characteristics-fy22>. Nationally, employment rates among nondisabled SNAP-receiving parents are slightly almost 50 percent, while approximately 25 percent of nondisabled adults under age 50 without dependent children receiving SNAP are employed, see Rachidi and O’Rourke, May 2023, “Promoting Mobility Through SNAP: Toward Better Health and Employment Outcomes,” AEI Perspectives on Opportunity.
- 7: Bureau of Labor Statistics, as reported by the Federal Reserve Bank of St. Louis FRED, <https://fred.stlouisfed.org/series/WIUR>.
- 8: See the Wisconsin Employer Survey conducted by the Wisconsin Manufacturers and Commerce trade group, <https://www.wmc.org/wisconsin-employer-survey/>.
- 9: Chetty, Raj, Will S. Dobbie, Benjamin Goldman, Sonya Porter, and Crystal Yang. *Changing opportunity: Sociological mechanisms underlying growing class gaps and shrinking race gaps in economic mobility*. No. w32697. National Bureau of Economic Research, 2024.
- 10: See Rachidi, Angela “Do Work Requirements in Safety Net Programs Work?” <https://www.aei.org/opportunity-social-mobility/do-work-requirements-in-safety-net-programs-work/> accessed Oct. 9, 2024.
- 11: See Han, Jeehoon, Bruce D. Meyer, and James X. Sullivan. “The consumption, income, and well-being of single mother-headed families 25 years after welfare reform.” *National Tax Journal* 74, no. 3 (2021): 791-824 and Greenberg, David H., Victoria Deitch, and Gayle Hamilton. “Welfare-to-work program benefits and costs: A synthesis of research.” *Available at SSRN 1353354* (2009).
- 12: See the USDA FNS description of general work requirements and ABAWD time limits. General work requirements cover a larger share of the SNAP population, but only involve a requirement that recipients register for work and accept a job when offered. The ABAWD time limit requires 20 hours of work or participation in a work activity per week as a condition of receiving benefits for more than 3 months in a 3 year period. <https://www.fns.usda.gov/snap/work-requirements>, accessed October 9, 2024.
- 13: Federal Register Notice, Vol. 66, No. 11, Final Rule “Food Stamp Program: Personal Responsibility Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996,” <https://www.federalregister.gov/documents/2001/01/17/01-1025/food-stamp-program-personal-responsibility-provisions-of-the-personal-responsibility-and-work>
- 14: See this November 2015 policy memorandum from the USDA Food and Nutrition Service (FNS), <https://fns-prod.azureedge.us/sites/default/files/snap/ABAWD-Time-Limit-Policy-and-Program-Access-Memo-Nov2015.pdf>.
- 15: Federal Register Notice, Vol. 66, No. 11, Final Rule, page 4462.
- 16: <https://www.fns.usda.gov/snap/abawd-statewide-waivers>
- 17: Federal Regulations, Section 7 CFR § 273.24, <https://www.govinfo.gov/content/pkg/CFR-2024-title7-vol4/pdf/CFR-2024-title7-vol4-sec273-24.pdf>.
- 18: See an example from Wisconsin, <https://fns-prod.azureedge.us/sites/default/files/resource-files/wi-abawd-response-fy2015.pdf>
- 19: Federal Register Notice, Vol. Vol. 64, No. 171, Sept. 3, 1999, Final Rule, <https://www.govinfo.gov/content/pkg/FR-1999-09-03/pdf/99-23017.pdf>.
- 20: FNS, Letter to Commissioners on Implementing Welfare Reform in the Food Stamp Program, Aug. 26, 1996, <https://www.fns.usda.gov/snap/letter-state-commissioners-implementing-welfare-reform-food-stamp-program>
- 21: <https://fns-prod.azureedge.us/sites/default/files/resource-files/wi-abawd-response-fy2002.pdf>

- 22: See FY 2004 request from Wisconsin, which is consistent with other fiscal years, <https://www.fns.usda.gov/snap/abawd/waivers/2000-2004>.
- 23: See FNS policy memo, <https://fns-prod.azureedge.us/sites/default/files/resource-files/overuse-15-percent-abawd-exemptions.pdf>.
- 25: After submitting an open records request for ABAWD data in Wisconsin from 2011-2023, personal communication from Claudine McCarthy (Aug. 7, 2024), Director of Communications for the DHS, indicated that Wisconsin had not implemented the ABAWD work requirement due to a statewide waiver since 2002, and had not tracked ABAWDs during that time. She stated, “Regarding your question related to the time period from January to April 2015, we did not have policies in place statewide that supported us tracking ABAWD status.”
- 25: See Wisconsin waivers, <https://www.fns.usda.gov/snap/abawd/waivers/2010-2014>.
- 26: <https://fns-prod.azureedge.us/sites/default/files/resource-files/wi-abawd-response-fy2013-b.pdf>
- 27: <https://fns-prod.azureedge.us/sites/default/files/resource-files/wi-abawd-response-fy2020.pdf>
- 28: The specific language in the Families First Coronavirus Response Act stated that states were prohibited from applying the ABAWD time limit, unless the individual was not complying with a state work program or workfare assignment, such as through SNAP Employment and Training. Essentially, this allowed states to maintain the work requirement provided they offered employment and training opportunities for ABAWDs.
- 29: See FNS guidance on the expiration of the nationwide ABAWD work rule waiver, <https://www.fns.usda.gov/snap/expiration-program-flexibilities-covid-19> and Wisconsin DHS’s request and approval for a waiver beginning in October 2023. <https://fns-prod.azureedge.us/sites/default/files/resource-files/wi-abawd-response-fy2024.pdf>
- 30: See PRWORA Conference Report, 104th Congress, <https://www.congress.gov/congressional-report/104th-congress/house-report/725/1?outputFormat=pdf>.
- 31: Council of Economic Advisors, 2024 Economic Report to the President Chapter 1, “Benefits of Full Employment,” March 2024, <https://www.whitehouse.gov/wp-content/uploads/2024/03/ERP-2024-CHAPTER-1.pdf>, accessed Oct. 9, 2024.
- 32: Characteristics of SNAP Households, FY 2002, Table B.5, <https://fns-prod.azureedge.us/sites/default/files/resource-files/ops-snap-fy22-characteristics.pdf>
- 33: Gray, Colin, Adam Leive, Elena Prager, Kelsey Pukelis, and Mary Zaki. 2023. “Employed in a SNAP? The Impact of Work Requirements on Program Participation and Labor Supply.” *American Economic Journal: Economic Policy*, 15 (1): 306–41.
- 34: Hoynes, Hilary Williamson, and Diane Whitmore Schanzenbach. “Work incentives and the food stamp program.” *Journal of Public Economics* 96, no. 1-2 (2012): 151-162.
- 35: In April 2018, the Wisconsin Legislature passed and Governor Walker signed Act 264, effective Oct. 1, 2019, which required that able-bodied FoodShare recipients, with certain exceptions, to participate in a FoodShare Employment and Training program or work as a condition for receiving benefits. See <https://docs.legis.wisconsin.gov/2017/related/acts/264> and https://docs.legis.wisconsin.gov/misc/lfb/budget/2019_21_biennial_budget/204_budget_papers/417_health_services_fset_required_participation_by_able_bodied_adults.pdf. Governor Evers vetoed FoodShare Employment and Training funding in the biennial 2019-21 budget to avoid implementing the law, https://captimes.com/news/local/govt-and-politics/gov-tony-evers-signs-first-state-budget-into-law-after-issuing-78-partial-vetoes/article_eed605f4-11e0-5b62-bd5a-3757f2c22bb9.html. Funding to implement Act 264 was also not included in the 2021-2023 biennial budget, nor the 2023-25 budget.
- 36: https://captimes.com/news/local/govt-and-politics/gov-tony-evers-signs-first-state-budget-into-law-after-issuing-78-partial-vetoes/article_eed605f4-11e0-5b62-bd5a-3757f2c22bb9.html
- 37: See federal guidelines concerning the general work requirement and SNAP Employment and Training (E&T) programs. SNAP E&T in Wisconsin is called FoodShare Employment and Training (FSET). Wisconsin operates FSET as a voluntary program. <https://www.ecfr.gov/current/title-7/subtitle-B/chapter-II/subchapter-C/part-273/subpart-C/section-273.7>, accessed Oct. 9, 2024.

