

A blue-tinted photograph of a business meeting. In the foreground, a man with glasses and a suit is looking at a laptop. Behind him, a woman with glasses and a man in a suit are also looking at a laptop. The man in the background is holding a coffee cup. The overall scene is professional and collaborative.

# Commonsense welfare reform has transformed Floridians' lives

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# KEY FINDINGS

1

## WORK REQUIREMENTS REDUCE DEPENDENCY.

Since work requirements were reinstated in Florida, the number of able-bodied adults without dependents on food stamps has dropped by more than 94 percent.



2

## THE "FAST FOOD FALLACY" IS NOW EXTINCT.

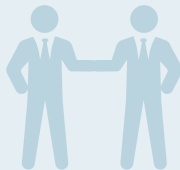
Individuals found jobs in 1,104 different industries, touching virtually every corner of Florida's economy.



3

## THE BEST PATH TO A BETTER JOB IS A FIRST JOB.

Nearly 70 percent of individuals who initially found work in the fast food industry or at temp agencies left these industries within a year.



4

## WORK IN HIGHER-WAGE INDUSTRIES GROWS OVER TIME.

Within a year, many able-bodied adults transitioned from lower-wage sectors to higher-wage sectors.



## BOTTOM LINE:

THE SUNSHINE STATE IS DISPELLING AGE-OLD MYTHS ABOUT WELFARE REFORM AND PROVING THAT WORK REQUIREMENTS WORK.

## The old landscape: Florida's welfare system needed reform

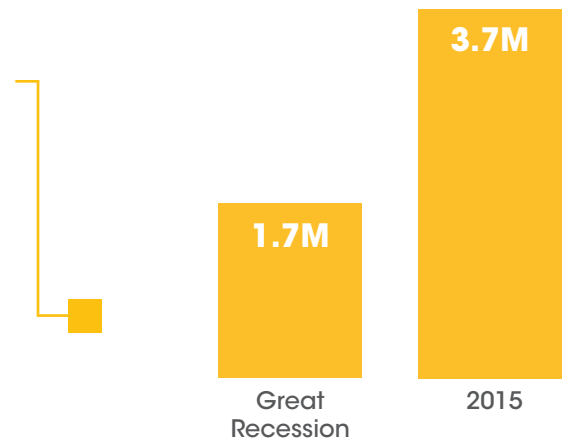
In 2015, Florida's economy was surging, shaking off the lingering effects of the Great Recession. Unemployment had returned to pre-recession levels, reaching 5.1 percent by December.<sup>1</sup> More than 9.2 million workers were contributing to the state's economy, a record high at the time.<sup>2</sup> Employers were starting to struggle to find enough workers to meet demand—Florida businesses had nearly 300,000 open jobs posted online, many requiring no advanced education, training, or experience.<sup>3</sup>

But while the economy was surging to new heights, welfare enrollment continued to grow. The number of people dependent on food stamps in Florida reached a record-high 3.7 million in 2015, more than double the number of people dependent on the program during the worst of the Great Recession.<sup>4</sup>

Nowhere was this growth more evident than among able-bodied adults. Under federal law, able-bodied adults without dependents are generally required to work, train, or volunteer at least part-time as a condition of receiving food stamps.<sup>5</sup> But then-Governor Charlie Crist suspended these critical work requirements in 2009 and the requirements continued to be waived even as the economy improved.<sup>6</sup> With no work requirements in place, the number of able-bodied, childless adults on the program reached nearly 450,000.<sup>7</sup>

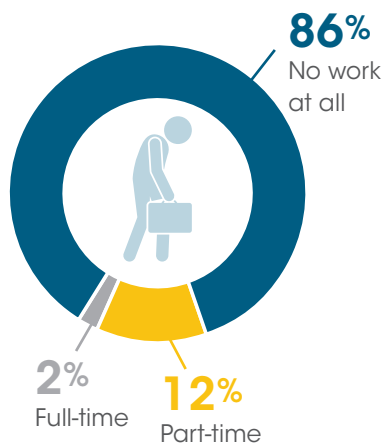
### FOOD STAMP ENROLLMENT CONTINUED TO GROW, EVEN AFTER THE GREAT RECESSION ENDED

Average annual food stamp enrollment in Florida



## JUST 14 PERCENT OF ABLE-BODIED FLORIDIANS ON FOOD STAMPS WERE WORKING AT ALL

Work status of Florida able-bodied adults without dependents on food stamps



Source: U.S. Department of Agriculture

Despite the fact that work is the best path out of dependency, few of these able-bodied adults were participating in the workforce. Just two percent were working full-time jobs, while a whopping 86 percent were not working at all.<sup>8</sup>

In order to catapult Florida's economy to the next level, something had to change to get these able-bodied adults off the sidelines and back to work.

## The reform: Commonsense work requirements

The first step to moving able-bodied adults from welfare to work was ending the waiver implemented by then-Governor Crist and restoring commonsense work requirements. Former Governor Rick Scott and the Florida Legislature eliminated the waiver effective January 1, 2016, and the much-needed work requirements were reinstated.

As part of the work requirement, Florida conducts initial assessments of able-bodied adults—online or in-person—that explores their strengths, barriers, and goals related to finding and maintaining employment. The state offers employment and training services through local workforce development boards that help individuals build skills that make them more employable, including help with time management, soft skills, interpersonal skills, resume development, appropriate workplace attire, career planning, job referrals, and placement assistance. Florida also offers vocational training to able-bodied adults seeking work in specific industries or trades, basic education services, and work experience to help able-bodied adults build job-related skills through on-the-job experience.

Able-bodied adults without dependents who refused to work, volunteer in their local communities, or take advantage of available training opportunities for at least 20 hours per week were sanctioned off the program.

## The myth: Welfare enrollees have limited potential

Critics of Florida's commonsense reform—and work requirements generally—often base their stern opposition on a three-part myth. First, they claim that work requirements are cruel because the only available jobs are low-wage, low-pay, low-skill positions in industries like fast food or big-box retail. Next, they claim that welfare enrollees are incapable of working in even these positions because they do not have basic professional skills. And, finally, they claim that even if welfare recipients were able to stumble into such a job, they would not be able to keep it.

This mindset is built on the condescending premise that individuals on welfare have no skills or value to offer potential employers. It is based on the false assumption that people working low-wage jobs do not deserve the respect and dignity that comes from all work. It is based on the idea that working in a low-wage job is a static, permanent condition, rather than the first step onto the path to a better life. It also happens to be untrue.

**New, never-before-seen data from Florida reveals that former welfare recipients are not just capable of finding work—they are capable of finding work in more than a thousand different industries and using those first jobs to find other jobs in higher-wage industries over time.**

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## **Four key takeaways from Florida's welfare reform**

The Florida Department of Economic Opportunity (DEO) has worked diligently to achieve its overarching mission: making Florida the nation's top-performing economy. DEO oversees the state's workforce development system and partners directly with the Department of Children and Families (DCF) in carrying out employment and training services for able-bodied adults without dependents.

After work requirements were implemented, DEO launched an initiative to track what industries and sectors those leaving food stamps entered and how those industries changed over time. This is the largest tracking study of its kind, tracking nearly 470,000 individuals and the industries they went into in the year after leaving welfare, generating 2.6 million lines of data. This dataset includes tens of thousands of able-bodied adults who had no history of work at all in the year before leaving welfare and many more individuals with long stretches of unemployment.

This new data dispels one of the largest myths ever peddled against welfare reform. It shows that able-bodied adults are leaving welfare in record numbers, going back to work in more than 1,000 different industries that touch every corner of the Florida economy, and using those first jobs to transition into higher-paying jobs over time.

## WORK REQUIREMENTS REDUCE DEPENDENCY

When work requirements were first implemented in Florida in January 2016, nearly 450,000 able-bodied adults without dependents were on the program.<sup>9-10</sup> By December 2017—two years after work requirements were reinstated—enrollment had declined to just 27,000, **a drop of more than 94 percent.**<sup>11</sup>

Those on the program are also cycling off quicker. In the six months leading up to the policy change, just 10 percent of the able-bodied adults on the program were new enrollees—the remainder had been on the program for a month or longer.<sup>12</sup> But by the last quarter of 2017, new enrollees made up nearly 40 percent of the able-bodied adults on the program, showing a much more rapid cycle of leaving welfare.<sup>13</sup>

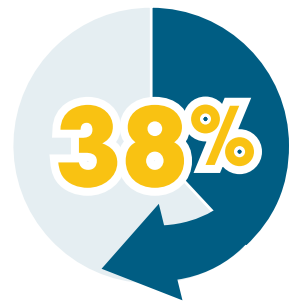
Getting able-bodied adults back into the labor force as quickly as possible is critical to returning them to a path of self-sufficiency. Research shows that re-entering the workforce becomes harder for able-bodied adults the longer they spend on welfare and the longer they spend not working.<sup>14-15</sup>

## ENROLLEES ARE CYCLING OFF WELFARE QUICKER

Share of able-bodied adults without dependents on food stamps for less than one month



Q3-4 2015

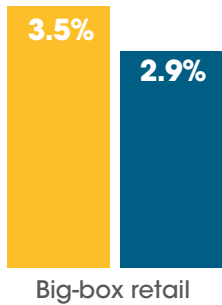
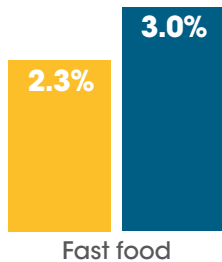


Q4 2017

Source: Florida Department of Children and Families

## MOST FOUND WORK OUTSIDE FAST FOOD OR BIG BOX RETAIL

Share of former food stamp enrollees and all Florida workers working in the fast food and big-box industries



■ Former welfare enrollees  
■ All Florida workers

Source: Florida Department of Economic Opportunity

## THE “FAST FOOD FALLACY” IS NOW EXTINCT

Florida’s experience definitively shows that individuals leaving welfare find work in a vast array of industries well beyond simply fast food and retail. In fact, according to DEO data, **Floridians who went back to work after welfare reform found jobs in 1,104 different industries, touching virtually every corner of Florida’s economy.**<sup>16</sup>

Just two percent went to work in fast food and just 3.5 percent found work in big-box retail.<sup>17-18</sup> This is virtually identical to the makeup of the general population in the workforce.<sup>19</sup>

In fact, the dispersion of former welfare enrollees back into the economy largely matches the makeup of the general workforce in many sectors. For example, the share of those leaving welfare working in construction, professional and technical services, agriculture, trade, transportation, utilities, and manufacturing is practically indistinguishable from the dispersion of the general population in these sectors. This further dispels the low-skill, low-wage “Fast Food Fallacy” peddled by anti-reform critics.



## THE BEST PATH TO A BETTER JOB IS A FIRST JOB

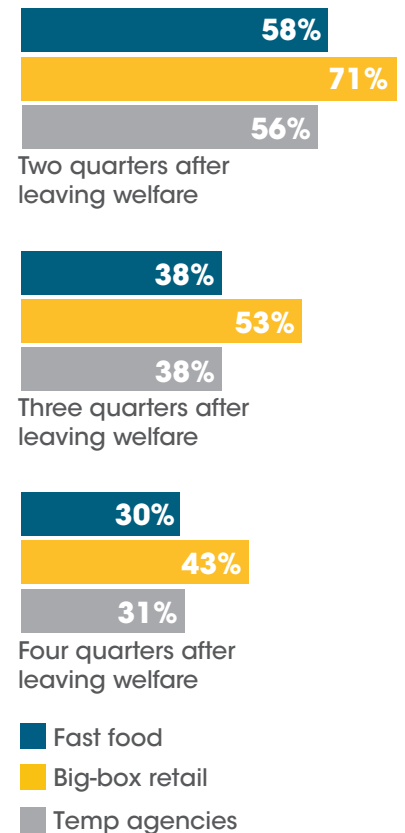
Most individuals who did go back to work in fast food, big-box retail, or at temp agencies did not stay there long. Just 30 percent of those who were working in fast food in the quarter after leaving welfare were still working in that industry a year later.<sup>20</sup> Similar movement was seen from the big-box retail industries and the temporary help services industry, with just 43 percent still working in big-box retail a year later and 31 percent still working at temp agencies a year later.<sup>21-22</sup>

Individuals initially working at temp agencies found employment in more than 800 other industries in the year after leaving welfare.<sup>23</sup> Those industries had significantly higher wages, helping individuals move on and up in their careers.<sup>24</sup>

This highlights a critical point: **having a job is often the best way to find a better paying or more rewarding job.** All work is valuable, offers dignity, and should be respected as such, but this data reinforces what many Americans already know: employment, in any form, is often the first step to your next job.

## MOST ABLE-BODIED ADULTS MOVED OUT OF LOW-WAGE INDUSTRIES QUICKLY

Share of former welfare enrollees initially working in select industries who were still working in those industries, by quarter



Source: Florida Department of Economic Opportunity

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## WORK IN HIGHER-WAGE INDUSTRIES GROWS OVER TIME

Able-bodied adults leaving welfare not only moved out of entry-level industries quickly, but the share of individuals in lower-wage industries declined over time as the number of individuals moving into higher-wage industries continued to climb.

In fact, the sectors experiencing the largest declines—administrative and support services, retail trade, accommodation and food services, agriculture, and transportation and warehousing—were relatively lower-wage sectors.<sup>25</sup> In 2016, these sectors had an average wage of \$13.74 per hour.<sup>26</sup> Overall, the share of able-bodied who were working in these sectors dropped by nearly five percentage points within a year of leaving welfare.<sup>27</sup>

## ABLE-BODIED ADULTS LEAVING WELFARE MOVED OUT OF LOWER-WAGE SECTORS OVER TIME

Change in share of able-bodied adults’ employment and statewide average wages for all workers in the five fastest-shrinking sectors in the year after leaving welfare

	CHANGE IN SHARE OF EMPLOYMENT	AVERAGE HOURLY WAGE IN SECTOR
Administrative and Support Services	-2.5%	\$16.68
Retail Trade	-1.6%	\$12.77
Accommodation and Food Services	-0.5%	\$9.76
Agriculture	-0.2%	\$13.90
Transportation and Warehousing	-0.1%	\$20.81
<b>COMBINED</b>	<b>-4.9%</b>	<b>\$13.74</b>

Over that same period, the number of former welfare enrollees working in higher-wage sectors continued to climb. The five sectors experiencing the largest gains—health care, construction, professional services, manufacturing, and public administration—increased their share of workers by 3.5 percentage points within a year.<sup>28</sup> The average statewide wage for these sectors was \$26.05 in 2016, nearly double the wages for the five fastest-shrinking sectors.<sup>29</sup>

While critics might claim that the limited amount of time individuals spend in these lower-wage industries suggests these jobs are “unstable,” the data suggest the reason individuals are staying in these jobs for such a short amount of time is because they are climbing the ladder to significantly better-paying jobs.

### ABLE-BODIED ADULTS LEAVING WELFARE MOVED INTO HIGHER-WAGE SECTORS OVER TIME

Change in share of able-bodied adults’ employment and statewide average wages for all workers in the five fastest-growing sectors in the year after leaving welfare

	<b>CHANGE IN SHARE OF EMPLOYMENT</b>	<b>AVERAGE HOURLY WAGE IN SECTOR</b>
Health Care and Social Assistance	1.1%	\$20.41
Construction	0.9%	\$22.07
Professional, Scientific, and Technical Services	0.6%	\$35.32
Manufacturing	0.5%	\$24.62
Public Administration	0.4%	\$26.64
<b>COMBINED</b>	<b>3.5%</b>	<b>\$26.05</b>

## THE NUMBER OF FORMER WELFARE ENROLLEES WORKING IN HIGHER-WAGE SECTORS CONTINUED TO CLIMB



Health Care



Construction



Professional Services



Manufacturing



Public Administration

## The people: Welfare reform has changed lives for the better

The success of Florida's welfare reform is far from abstract—the infusion of work requirements into a stagnant welfare system has impacted real Floridians and put them on a new path to success.<sup>30</sup>



**BILL**

### TRANSPORTATION AND WAREHOUSING \$43,422 PER YEAR

In the year before work requirements were reinstated, Bill did not work at all. Shortly after work requirements were reinstated, Bill moved off the food stamp program. He quickly found work in the retail industry at a home center store. It was the start that Bill desperately needed. In less than six months, he transitioned to the transportation and warehousing sector, working for a trucking company—an industry with nearly double the average wages as his previous industry.<sup>31</sup>



**JANE**

### HEALTH CARE \$55,000 PER YEAR

Like Bill, Jane had not worked at all in the year before work requirements were reinstated. But after work requirements were restored, Jane left the program and found work in the temporary help services industry. It was not a glamorous job, and neither was the paycheck. The average wage for that industry was just shy of \$32,000 per year.<sup>32</sup> But within three months, Jane had shifted into the health care sector, finding a job at a surgical hospital, where the average industry wage was just over \$55,000.<sup>33</sup>



**JOHN**

### WIRING INSTALLATION AND CONTRACTOR \$50,000 PER YEAR

After at least a year out of the labor market, John quickly found work at a temp agency a few months after leaving food stamps. But within a quarter, John made the jump to work for a commercial electric wiring installation contractor. His new industry had an average wage of more than \$50,000, more than 50 percent higher than the industry he left.<sup>34</sup>

## The new landscape: Florida has boosted its economy even more while disproving age-old myths about welfare reform

Now, three years after Florida restored work requirements, the state's economy is at unprecedented heights. Unemployment has dropped to **3.3 percent, a near-record low**.<sup>35</sup> More than 9.9 million people are now working in the state, shattering previous record highs.<sup>36</sup> And Florida employers are looking to fill more than one million job openings for each of the next several years.<sup>37</sup>

Florida's commonsense welfare reform is helping boost the state's economy, providing new workers for businesses that desperately need them, freeing up limited resources for truly needy Floridians, and creating new taxpayers.

Florida's new governor appears ready to continue this policy trend. While in Congress, now-Governor Ron DeSantis supported expanding these commonsense work requirements to more able-bodied adults on food stamps, including parents of school-age children.<sup>38</sup> In addition, Gov. DeSantis has signaled that he wants to continue and expand the state's mission of getting more Floridians off the sidelines and back to work. Earlier this year, Gov. DeSantis signed an executive order intended to improve career and technical training.<sup>39</sup>

All the while, the Sunshine State is disproving age-old myths that able-bodied welfare enrollees are incapable of working, incapable of keeping jobs, and incapable of moving up the ladder. In reality, able-bodied adults on welfare have significant potential to excel in the workforce, as Florida has shown. They just need to be given the chance.



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3. Authors' calculations based upon data provided by Haver Analytics on calendar year 2015 job postings gathered from more than 16,000 internet job boards, corporate boards, and other job sites.
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9. Authors' calculations based upon enrollment data for able-bodied adults without dependents provided by the Florida Department of Children and Families.
10. The total number of individuals tracked is higher than the total number of individuals enrolled in January 2016, reflecting the fact that individuals enrolling in the program after January 2016 but exiting prior to June 2016 were included in the analysis.
11. Authors' calculations based upon enrollment data for able-bodied adults without dependents provided by the Florida Department of Children and Families.
12. Authors' calculations based upon enrollment data for able-bodied adults without dependents and "new" able-bodied adults without dependents provided by the Florida Department of Children and Families.
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17. Authors' calculations based upon data provided by the Florida Department of Economic Opportunity on individuals with industry records coded as NAICS 722513.
18. Authors' calculations based upon data provided by the Florida Department of Economic Opportunity on individuals with industry records coded as NAICS 444110, 452111, 452112, or 452910.
19. Authors' calculations based upon data provided by the Bureau of Labor Statistics on individuals employed at employers with NAICS codes 722513, 444110, 452111, 452112, or 452910.
20. Authors' calculations based upon data provided by the Florida Department of Economic Opportunity on individuals with industry records coded as NAICS 722513 in the quarter immediately after disenrollment and in the quarter one year after disenrollment.
21. Authors' calculations based upon data provided by the Florida Department of Economic Opportunity on individuals with industry records coded as NAICS 444110, 452111, 452112, or 452910 in the quarter immediately after disenrollment and in the quarter one year after disenrollment.
22. Authors' calculations based upon data provided by the Florida Department of Economic Opportunity on individuals with industry records coded as NAICS 561320 in the quarter immediately after disenrollment and in the quarter one year after disenrollment.
23. Authors' calculations based upon data provided by the Florida Department of Economic Opportunity on individuals with industry records coded as NAICS 561320 in the quarter immediately after disenrollment.
24. Authors' calculations based upon the statewide average annual wages in 2016, disaggregated by NAICS codes at their most detailed industry-level available and weighted by total employment of able-bodied adults leaving welfare in such industries. For ease of comparison, annual wages were divided by 2,080 hours for all industries and sectors. Some industries and sectors may have higher or lower average wages due to the differences in total hours worked.
25. Authors' calculations based upon data provided by the Florida Department of Economic Opportunity on individuals with industry records disaggregated by sector.
26. Authors' calculations based upon the statewide average annual wages in 2016 for the following sectors: administrative and support and waste management and remediation services; retail trade; accommodation and food services; agriculture, forestry, fishing and hunting; and transportation and warehousing. Average annual wages for each sector were disaggregated by NAICS codes at their most detailed industry-level available and weighted by total employment of able-bodied adults leaving welfare in such industries. For ease of comparison, annual wages were divided by 2,080 hours for all industries and sectors. Some industries and sectors may have higher or lower average wages due to the differences in total hours worked.

27. Authors' calculations based upon data provided by the Florida Department of Economic Opportunity on individuals with industry records disaggregated by sector.
28. Ibid.
29. Authors' calculations based upon the statewide average annual wages in 2016 for the following sectors: health care and social assistance; construction; professional, scientific, and technical services; manufacturing; and public administration. Average annual wages for each sector were disaggregated by NAICS codes at their most detailed industry-level available and weighted by total employment of able-bodied adults leaving welfare in such industries. For ease of comparison, annual wages were divided by 2,080 hours for all industries and sectors. Some industries and sectors may have higher or lower average wages due to the differences in total hours worked.
30. The names, gender, or other identifying information of the following stories has been changed to protect the privacy of former welfare enrollees. The Foundation for Government Accountability did not—by design—receive any personally identifiable information about former welfare enrollees. Each enrollee was given a randomized identification number before data was provided to FGA and all other personally identifiable information was withheld. The industries each individual went into are based on 2.6 million lines of data provided by the Florida Department of Economic Opportunity.
31. In 2016, the average annual wage for the home centers industry was \$26,257, compared to \$43,422 for the general freight trucking, long-distance, truckload industry.
32. In 2016, the average annual wage for the temporary help services industry was \$31,899.
33. In 2016, the average annual wage for the general medical and surgical hospitals industry was \$55,385.
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