NATIONAL REVIEW

Ryan's Anti-Poverty Plan: Good, but Not Enough

To avoid being swamped by The Donald, House Republicans need to be much bolder.

Michael Tanner

June 7, 2016

Yesterday, Paul Ryan and some of his House colleagues unveiled the long-awaited Republican plan for fighting poverty and reforming our dysfunctional welfare system — or they tried to unveil it, anyway. Their press conference was dominated by questions about Donald Trump's racially based attack on Judge Gonzalo Curiel.

One begins to feel sorry for Ryan, whose grudging endorsement of Trump threatens to overwhelm his policy agenda. Certainly, Ryan was trying to address an important issue in yesterday's press conference. The federal government currently funds more than 100 anti-poverty programs, some 72 of which provide cash or other benefits to individuals. Those programs cost taxpayers roughly $1 trillion each year, in federal, state, and local spending. Yet, that money has bought us surprisingly little in terms of reducing poverty or increasing economic mobility.

Given that level of expensive failure, almost any reform should be welcomed by both taxpayers and the poor themselves. Yet to some extent the House Republicans' blueprint turns out to be surprisingly thin gruel, more tinkering around the edges than fundamental reform.

There are, of course, some good ideas in the blueprint. In particular, Ryan wants to implement a more evidence-based approach to federal programs. He would utilize a tiered funding approach in which new ideas would be tested in small-scale demonstrations, and then after a stage of intensive evaluation, and only if they show evidence of success, would they be scaled up with more substantial funding. That's very different from the way we have historically thrown money at problems without any concern over whether or not a particular program did what it promised.

Along the same lines, the agency managing each program would identify what the social goals of that program were (like reducing poverty or connecting more people to work), and then the government would base funding on whether the program was succeeding according to those metrics.

The federal budget is littered with programs that everyone knows are failures, but that are still funded year after year. The Ryan blueprint would bring that to an end — or at least slow it down. In fact, this idea of judging programs by a concrete standard shouldn't apply just to anti-poverty programs. It should be expanded to everything from health care to the Defense Department.

Ryan would also strengthen and expand work requirements for welfare. Currently, less than half of those receiving Temporary Assistance for Needy Families (TANF) meet the work requirements that were included in the 1996 welfare-reform legislation. Ryan recommends closing a number of loopholes that have allowed states to evade those work requirements. He also proposes extending work requirements to other programs such as food stamps and housing assistance. This is important, since we know that work is a critical step on the road out of poverty.

In addition, Ryan's blueprint would make housing vouchers more portable, helping to break up concentrations of poverty that trap poor people in high-risk communities.

Yet, perhaps in expectation of Republican losses this November (as well as the need to paper over differences within the Republican caucus), big, ambitious ideas have largely been jettisoned, in favor of smaller, incremental reforms. For example, states would have more flexibility to design and run their anti-poverty efforts, but plans to block-grant many federal welfare programs and return the money and control to the states have been dropped. Instead, there would be more waivers for states to experiment with reform ideas, accompanied by rewards and penalties for meeting or failing to meet various metrics of success.

Reform of the Earned-Income Tax Credit (EITC), an idea that once had bipartisan support, receives no more than a cursory mention in the Ryan blueprint. There are the usual proposals for consolidating overlapping programs and reducing duplication, but like most of the larger recommendations in the blueprint, it remains to be seen if these actually translate into anything concrete.

Most of the proposals are a statistician's dream child, not radical reform. They would probably be a marginal improvement. But the system really needs much more.

Ryan obviously hopes that the voters — and the media — will pay more attention to the House Republicans' ideas than to Donald Trump's antics. In the next several weeks, Ryan plans to release five more blueprints, on issues ranging from health care to tax reform. But if he really expects to escape from Trump's ever-lengthening shadow, he will need to be much bolder than he was in this proposal.

Michael Tanner is a senior fellow at the Cato Institute and the author of Going for Broke: Deficits, Debt, and the Entitlement Crisis. *You can follow him on Twitter @mtannercato, or on his blog, TannerOnPolicy.com.*