

**WELFARE REFORM: A NEW CONVERSATION
ON WOMEN AND POVERTY**

HEARING
BEFORE THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION

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SEPTEMBER 21, 2010
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CONTENTS

OPENING STATEMENTS

	Page
Baucus, Hon. Max, a U.S. Senator from Montana, chairman, Committee on Finance	1
Grassley, Hon. Chuck, a U.S. Senator from Iowa	3

WITNESSES

Adair, Vivyan, Elihu Root Peace Fund associate professor of women's studies, Hamilton College, Clinton, NY	6
Brown, Kay, Director of Education, Workforce, and Income Security, Government Accountability Office, Washington, DC	9
Berlin, Gordon, president, MDRC, New York, NY	11
Moore, Wes, author of "The Other Wes Moore," Jersey City, NJ	13

ALPHABETICAL LISTING AND APPENDIX MATERIAL

Adair, Vivyan:	
Testimony	6
Prepared statement	27
Baucus, Hon. Max:	
Opening statement	1
Prepared statement	31
Berlin, Gordon:	
Testimony	11
Prepared statement	34
Brown, Kay:	
Testimony	9
Prepared statement	53
Grassley, Hon. Chuck:	
Opening statement	3
Prepared statement	74
Moore, Wes:	
Testimony	13
Prepared statement	77

COMMUNICATIONS

Alternatives to Marriage Project	81
Annie E. Casey Foundation	96
Carsey Institute at the University of New Hampshire	102
Center for Law and Social Policy (CLASP)	108
Coalition of California Welfare Rights Organizations, Inc.	116
Every Mother is a Working Mother Network	124
Goodwill Industries International®	131
Legal Momentum	137
LIFETIME (Low-Income Families' Empowerment through Education)	140
NETWORK	148
9 to 5, National Association of Working Women	158
Romero, Diana, PhD, MA, et al.	168
Sargent Shriver National Center on Poverty Law	173
Women of Color Policy Network of New York University's Robert F. Wagner Graduate School of Public Service	178

WELFARE REFORM: A NEW CONVERSATION ON WOMEN AND POVERTY

TUESDAY, SEPTEMBER 21, 2010

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to notice, at 10:15 a.m., in room SD-215, Dirksen Senate Office Building, Hon. Max Baucus (chairman of the committee) presiding.

Present: Senators Stabenow, Menendez, and Grassley.

Also present: Democratic Staff: Bill Dauster, Deputy Staff Director and General Counsel; Diedra Henry-Spires, Professional Staff; Randy Aussenberg, Intern; and Amber Roberts, Intern. Republican Staff: Becky Shipp, Health Policy Advisor; and Mark Hayes, Health Policy Director and Chief Health Counsel.

OPENING STATEMENT OF HON. MAX BAUCUS, A U.S. SENATOR FROM MONTANA, CHAIRMAN, COMMITTEE ON FINANCE

The CHAIRMAN. The hearing will come to order.

The Prophet Isaiah exhorts us: "Share your food with the hungry and give shelter to the homeless. Give clothes to those who need them, and do not turn away."

Today, we look at fighting poverty in America. On the eve of its expiration, we examine the Temporary Assistance for Needy Families program, otherwise known as TANF. TANF is a key part of America's social safety net, and it is all the more important in hard economic times like these.

Last week, the Census Bureau told us that poverty last year was the highest since 1994. Last year, nearly 4 million more Americans fell into poverty; more than a million of them were children.

Poverty went up among all types of families: 2-parent households and single-parent households alike. But nearly one in every three households headed by a single woman is living in poverty.

Today, we will discuss preventing poverty across the spectrum and will focus on the strong, but vulnerable women with dependent children who make up such a significant part of the TANF caseload.

More than four out of every five TANF families with an adult are headed by a single woman, and seven in 10 of those mothers are caring for a child under the age of 6. In this great recession, TANF has not responded as other safety net programs have. TANF has not automatically expanded as food stamps and Medicaid did. It is time to take another long, hard look at TANF.

In the early 1990s, welfare was an open-ended system. It did not promote self-sufficiency, and it did not effectively serve most of the people in need. The 1996 welfare reform was a reaction to a broken system. The 1996 law moved us from the cash assistance welfare system to one that emphasized work and jobs.

We created the TANF program as a flexible block grant for States. We maintained a safety net, but we also created a program that would provide child care, transportation, and job search support.

The Deficit Reduction Act of 2005 reinforced the new system. But the system was not built for a recession like the one that started in 2008. At the end of last year, fewer than 2 million families received cash assistance through TANF. That is 3 million fewer than received Aid to Families with Dependent Children in 1994.

Quite simply, a welfare reform system focused on jobs can work when there are plenty of jobs. But that kind of system poses harsh realities when the recession sets in.

The time-loaded cash assistance and flexible TANF program has enabled many to transition into jobs and self-sufficiency. But there is also evidence that efforts to encourage State welfare-to-work innovations have not succeeded across the board.

A safety net to fight poverty is only as good as it is in hard times. We have an opportunity to learn from these hard times. We can see what works and what does not, and we can build on that experience as we extend and improve TANF.

One example of what works is the TANF emergency contingency fund. We created that fund in the Recovery Act. It helps States to meet increased demand for help. It also funded more than 250,000 transitional jobs. These jobs are building good work histories, and these jobs are allowing many to learn and build skills.

As of last week, 48 States, the District of Columbia, Puerto Rico, and the Virgin Islands have been using this fund. In 36 States, DC, and the Virgin Islands, they have created jobs with the fund.

States from Massachusetts to Alabama are clamoring for continuation of the fund. They want to create even more jobs. I have read dozens of testimonials from newly hired employees. They tell how these opportunities allowed them to meet their families' needs. Many spoke to the value of the on-the-job training and the permanent job that followed for them.

Last week, I hosted an economic development summit in Butte, MT. On that panel on job creation, Ray Kuntz, a small business employer, spoke about what the transitional jobs program has meant for his business. With wage assistance, he was able to bring on two additional employees; at first temporarily, and then permanently. He has provided work experience and training for many more.

The TANF emergency contingency fund has been getting Americans back to work. The great recession and TANF's upcoming expiration present us with an opportunity to build a system for all seasons.

The policy details of encouraging work and economic mobility are important, but let us not lose sight of the basic principle, namely, America has to have a social safety net.

Needy families with children will fall on tough times, and we need to respond. Today's hearing will be the first in a series on TANF and related programs. Congress must act quickly and cooperatively to extend the program, which expires in 9 days, on September 30. And then, as this committee prepares for a full reauthorization next year, we will explore this program's strengths, its needs, and challenges for women, men, and children.

So let us start to prepare for extending and improving TANF. Let us begin with a new conversation on women and poverty, and let us talk about how we can help those who need help and not turn away.

[The prepared statement of Chairman Baucus appears in the appendix.]

The CHAIRMAN. Senator Grassley?

**OPENING STATEMENT OF HON. CHUCK GRASSLEY,
A U.S. SENATOR FROM IOWA**

Senator GRASSLEY. Thank you, Mr. Chairman, for holding this hearing, for inviting these witnesses, and to the witnesses for appearing as well.

TANF needs to be reauthorized in the coming weeks to prevent the program from sunseting entirely. The TANF program is in need of review. Like any program of this magnitude, this review requires making necessary improvements and course corrections in cases where a program is not meeting its intended goals. It might also require changes if the program is wasteful, inefficient, and where spending is exceeding what is appropriate.

Given the importance of the TANF program, I had hoped this committee would have made more progress this year to review, reform, and reauthorize the TANF programs. But since that has not happened, I hope that we can pass a simple extension of the program with no changes, so that a more complete reauthorization process can take place in the next Congress.

In the years leading up to the 2005 Deficit Reduction Act, there were 13 short-term extensions of TANF which created confusion in States and undermined the program's effectiveness. I am hopeful, however, that Congress will address the reauthorization of the program next year.

Welfare reform is sometimes characterized as one of the greatest domestic social policy accomplishments in our generation. Certainly, very few believe that going back to welfare as an entitlement and a lifestyle that often persisted generation after generation is a viable option.

However, in the 15 years since welfare reform was at the top of the national agenda, the results of welfare reform are decidedly mixed. While the welfare caseload has been cut in half, the jury is out on whether the program has succeeded in lifting people out of poverty, now at the 14-percent level.

Disturbingly, in light of those numbers, many of the best anti-poverty programs, the so-called innovative welfare-to-work programs that were robust and widespread in the 1990s, are virtually nonexistent today. These were programs where employers worked in partnership with State welfare agencies to provide good entry-

level jobs for TANF recipients to help them get their start in the workforce.

Even more disturbing, 56 percent of the work-eligible adults receiving welfare are reported as engaged in zero hours of work, education, job search, domestic violence counseling, substance abuse treatment, or work-related activities. So that is an appalling statistic—over half of the adults getting a welfare check reportedly are doing nothing.

This means that more than half of the TANF recipients today who are otherwise able to work are just collecting a check. They are not reported as engaged in any activities designed to help transition from welfare to work.

Now, in the current economic climate, you might be tempted to think that that is okay. But the current economic climate makes it even more important that TANF recipients have access to and are taking advantage of education and work readiness activities available to them. And the landmark welfare reform bill was intended to end this very type of welfare-dependent situation.

If we were to ask the average American how many adults on welfare should be doing something to qualify for welfare, I think the answer from the American people would be, “all of them.” If we asked the American people how many people on welfare should the States be engaging in productive work-related activities, I think the answer from the American people would be “all of them.”

During today’s hearing, we will learn from the GAO about the States’ reaction to the modest refinement of the work requirements included in the Deficit Reduction Act. Their report, done at my request, reveals the States have done practically everything they could think of to meet the DRA requirements, except actually engaging work-eligible adults in meaningful activities to help them enter the workforce.

So it seems to me that we have two threshold questions going into next year’s debate on TANF. Do we want to continue to try to motivate States either through vigorous accountability or increased flexibility?

Or do we want to acknowledge the TANF program, as conceived over a decade ago, is no longer relevant and modify the program accordingly?

The makeup of TANF caseloads has changed dramatically. Take, for example, the increase of TANF child-only cases. Child-only cases are those where the adult is not receiving cash welfare and the assistance is aimed solely for the assistance of the child. These types of cases are increasingly becoming a larger and larger percentage of the welfare caseload.

The reason that this is important is that it is not clear whether these children are best served under the current system. For example, we worked on a bipartisan bill 2 years ago that allowed States to establish kinship care options for youth in foster care. It might be that some of these children in child-only welfare cases could be better served in a permanent kinship care arrangement.

Another issue is the fact that a significant amount of TANF spending is unaccounted for. In 2009, States spent \$6 billion on uncharacterized activities. As a result, it is not known what these

funds were spent on. So that is an unacceptable situation. We need to have better accounting on how States are spending this money.

We hear from States that much of the TANF block grant goes to support child protection and child welfare programs. If that is the case, Congress should exercise due diligence and provide appropriate oversight on the use of those funds.

Due to the fact that the demographics of the TANF caseload have changed and the fact that a major use of the TANF block grant is going toward services not directly associated with basic cash assistance, it might make sense to recalibrate TANF to meeting the changing population served by the program.

So we are facing big challenges with this program, and Congress needs to take a hard look at the program and determine what needs to get done. That is a big undertaking for next year, and this committee hearing is contributing to that effort.

Thank you, Mr. Chairman.

[The prepared statement of Senator Grassley appears in the appendix.]

The CHAIRMAN. Thank you, Senator.

Now, I will turn to our witnesses. First, we are pleased to have here with us this morning Vivyan Adair, who is the Elihu Root Peace Fund associate professor for women's studies at Hamilton College. Ms. Adair will be followed by our second witness, Kay Brown, the Director of Education, Workforce, and Income Security at the Government Accountability Office; followed by Mr. Gordon Berlin, president of MDRC; and, fourth, we will turn to Wes Moore.

I am also pleased to say I think that Senator Menendez will be introducing Mr. Moore.

Why don't you do that now, Senator? Do you want to do that now? We will get to him a little later, but you can introduce him now.

Senator MENENDEZ. Thank you, Mr. Chairman, first, for holding this important hearing and, secondly, for this opportunity.

I am pleased to introduce a fellow New Jerseyan to the committee, who is from Jersey City, NJ. He has an extraordinary story to tell that I think will be very insightful for the committee, a unique perspective on the issue at hand.

His name is Wes Moore. He is the author of the book called "The Other Wes Moore." It has received national attention for what it says about hope and despair, and poverty in the inner city. And it is a riveting story of an exploration of poverty in America. It tells two tales of the inner city.

One is the tale of the Wes Moore that I have the pleasure to introduce today, a respected investment banker, a Rhodes scholar, a former aide to Condoleezza Rice, a man who reached for every opportunity to lift himself out of the quagmire of drugs and violence around him. The other is the tale of another Wes Moore, who chose to reach for a gun and ended up wanted for killing a cop. And there are fundamentally two different paths, how they chose their paths, what opportunities were presented, and the difference they made. And I think it is a great opportunity to have a real insight into the challenges that the committee is considering, again, and we welcome him for his insights.

The CHAIRMAN. That is great. Thank you, Senator. Thank you, Mr. Moore. We very much look forward to hearing from you.

Let us start with Ms. Adair. I remind all of you that your statements will automatically be included in the record. I would ask you to limit your remarks to about 5 minutes, and say what you want to say. Let 'er rip; do not pull any punches.

Ms. Adair?

**STATEMENT OF VIVYAN ADAIR, ELIHU ROOT PEACE FUND
ASSOCIATE PROFESSOR OF WOMEN'S STUDIES, HAMILTON
COLLEGE, CLINTON, NY**

Ms. ADAIR. Good morning, and thank you very much for inviting me. I am really honored to be here. I have a personal, academic, and a civic commitment to welfare reform, which I hope will be clear in my few words.

First of all, I was raised on welfare in Seattle, WA many, many years ago. I was raised by a single mother of four, and we were dependent upon welfare for the entirety of my period growing up.

I became a single mother at age 15 in Seattle, as well; and so I was on welfare for about 10 years during that period.

As a doctoral student at the University of Washington and as a professor at Hamilton College, I have done a lot of research and writing on poverty. I have three books and several essays looking at specifically poverty and public policy and law. And I had the great fortune of developing and supporting and running a program at Hamilton, called the Access program, for 11 years.

In that program, we recruited low-income welfare-eligible parents and supported them as they earned degrees. It was a very successful program. We have students who have gone on to become doctors and lawyers and teachers and nurses in our community.

I think that these experiences clearly have framed and shaped my sense of TANF and what we really want you to look for in reauthorizing TANF.

As children, my young siblings and I were marked by poverty. Our lives were punctuated by bouts of homelessness, hunger, fear, lack of medical and dental care, and despair. My young mother, a single mother of four, was a hard worker and an intelligent and honest woman who did her best to bring order, grace, and dignity to our lives.

Yet, she was cyclically dependent upon insufficient welfare support and trapped in a series of dead-end and demeaning jobs, with which she could simply not nurture and provide security for the children she loved.

Perhaps not too surprisingly, I followed suit at age 15, dropping out of school and becoming a single mother, dependent upon welfare myself.

I know very clearly the desperation and hopelessness that shape the lives of poor women in the United States today. Yet, I was also fortunate to have been poor and broken and verging on irredeemable hopelessness in an era when education could provide a lifeline for poor single mothers, as it has historically done for so many in our country, but often fails to do today.

Because of my interactions with a pre-reform welfare system, the superb educational institutions like the University of Washington

in Seattle, and with the instructors who supported and guided me, I was able to transfer my life and that of my children to the life-altering pathway of higher education.

In the summer of 1987, I walked out of a shelter for battered women and enrolled in a GED course, and then in a college program, again, in Washington State. My passage was guided by supportive welfare case workers, volunteers in the shelter, and patient and able teachers whose classrooms became places where I was able to build bridges between my own knowledge of the world and crucial new knowledge, skills, and methodologies.

Dedicated faculty revealed exciting knowledge of the world through engaging exercises and orchestrated challenging discussions that enabled me to use my newfound skills to re-envision my own gifts, strengths, and responsibilities to the world around me.

Little by little, the larger social, creative, political, and material world exposed itself to me in ways that were resonant and urgent, inviting me to analyze, negotiate, articulate, and reframe systems, histories, and pathways that had previously been simply inaccessible. The process, as you can all imagine, was invigorating, restorative, and absolutely life-altering.

As a result, today I have a Ph.D. and am employed as a tenured faculty member at Hamilton College in Upstate New York. But my life and experiences are certainly not anomalous.

In "Together We Are Getting Freedom," Noemy Vides recalls that her life as a poor immigrant welfare mother began anew when she was encouraged to seek an education. She confides that it was through higher education that she was "born as a new woman with visions, dreams, hopes, opportunities, and fulfillment," adding that a college education is "a key ingredient in poor women's struggles to survive often."

One of my own former students, a young Latina, single mother of three, now a chemical engineer in California, recently wrote of a similar transformation experience through higher education.

Valuing both the products and the processes of higher education, she reflected, "School gave me the credentials to pull my three daughters and me permanently out of poverty. After being raised in dire and painful poverty and in watching my own children suffer as I worked for minimum wage at a fast food restaurant, this is so important to me. Today, we own a home, a car, and pay taxes. I have a great paying job, my children excel in school, and I can afford and care for them properly. But what is really revolutionary is what education did to our heads, all of our heads. We think differently now. I act differently, and my girls relate to our world differently. My mother died broke, an alcoholic, living in public housing. My younger sister is in jail and her children are in foster care. We have broken that cycle through higher education once and for all. We are so grateful for this journey."

Indeed, in 1987, the year that I entered college, around the Nation it was estimated that almost half a million welfare recipients were similarly enrolled in institutions of higher education as a route out of poverty.

Prior to welfare reform in 1996, tens of thousands of single, poor mothers quietly accessed post-secondary education to become teach-

ers, lawyers, social service providers, business and civic leaders, and medical professionals.

While education, of course, is important to all citizens, my experience and extensive research clearly convinced me that it is essential for those who will face continued obstacles, to those who have been distanced and disenfranchised from U.S. mainstream culture, and to those who have suffered generations of oppression and oftentimes marginalization.

Despite a large number of reputable studies confirming the relationship between higher education and increased earnings, and, thus, financial security, in 1996, as you all know, Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act, PRWORA, as part of welfare reform, and this act, in addition to promoting the development of programs and requirements, had the effect of encouraging work first; also, it had the impact of lowering enrollments in colleges.

Specifically, TANF work requirements drastically limited poor women's opportunities to participate in post-secondary higher education programs while receiving State support.

Unlike previous provisions in AFDC and JOBS, education and training programs that were in existence when I went to college, TANF restrictions often did not allow higher education to be counted as work and required, as you know, a larger portion of welfare recipients to engage in full-time, immediate work, and this had the effect of lowering enrollments among welfare recipients in colleges.

Welfare recipient students left college for low wage jobs in record numbers immediately. Even as the Nation embraced the conviction that access to higher education is one of several pathways towards social and economic mobility, poor women were often denied access to education that could have positively altered the course of their lives and those of their children, as it had for me and for my students in the Access program.

According to the Center on Budget and Policy Priorities, in the first year of welfare reform tens of thousands of poor women were forced to drop out of school. Across the Nation, the decrease in enrollments among welfare recipients ranged from 29 percent to 82 percent, and I have extensive research that shows a continuing trend towards women leaving school.

Many years later, now, of course, the prospects for these students remain dismal. One former computer science major with a 10-year-old son at the University of California that I talk to now earns \$7.90 an hour. Recently, she described changes in her family's quality of life as a result of dropping out of school to engage in immediate work first.

She said, "I call it welfare deform. Things are so much harder now. We can barely pay our rent. My son is alone all the time while I work. I just don't see a future anymore. With school, there was a hope. There was a pathway. We were going someplace. I was on my way to make a decent living for us. Now it's just impossible to survive day to day. Usually, I can't pay my rent. I don't have a cent saved for emergency. I don't know what I'm going to do."

A second student—this is for a book I have forthcoming from University of Chicago Press in the spring—and this is a student who was a gifted and dedicated education major, returned to wel-

fare after being forced to leave the University of Washington and losing several minimum wage jobs because she could not afford reliable child care and was denied child care assistance from the State for failing to name her child's father.

She described the nightmare of losing job after minimum wage job in order to care for her child, emphasizing that this was, "a choice no mother should be forced to make." She added, "It came down to this. If I want to keep this job at the fast food restaurant, I have to leave my 3-year-old daughter alone or maybe with a senile neighbor, and I couldn't even really afford that, or we could go back to her dad, who is a drunk. If I don't do that, we could both end up hungry or homeless, or both."

The CHAIRMAN. I am going to have to ask you to summarize your statement, please.

Ms. ADAIR. My point is that, as you reauthorize higher education, TANF—as you reauthorize TANF, I would urge you to consider higher education and training programs as an option for those women who are willing and able to go to school.

Certainly, not all single, low-income mothers and fathers are able or willing to do so, but my sense is that to prevent those who can from completing post-secondary higher education degrees is a mark of shortsighted and fiscally irresponsible policy.

Thank you.

[The prepared statement of Ms. Adair appears in the appendix.]

The CHAIRMAN. Thank you very much, Ms. Adair. We appreciate you sharing your experiences.

Ms. Brown?

**STATEMENT OF KAY BROWN, DIRECTOR OF EDUCATION,
WORKFORCE, AND INCOME SECURITY, GOVERNMENT AC-
COUNTABILITY OFFICE, WASHINGTON, DC**

Ms. BROWN. Chairman Baucus, Senator Grassley, and members of the committee, I am pleased to be here today to discuss our work on TANF, since it is one of the key programs intended to assist women and children.

Today, I will touch on three points: changes in the TANF cash assistance caseload, how low-income families are faring, and our ability to monitor the State programs.

First, on caseload changes: in the decade following welfare reform, as States implemented more work-focused programs to move parents quickly into jobs, the number of households receiving cash assistance dropped from 4.8 million each month to 1.7 million.

So what happened? Two things. Some families were no longer eligible. Stronger incentives to work, combined with other factors, such as the availability of jobs in the late 1990s and increases in the minimum wage, contributed to higher incomes for some families, so that fewer were eligible.

During this period, labor force participation among single mothers increased significantly. At the same time, though, many other families that were still eligible for TANF did not participate. The reasons for this include mandatory work requirements, the lifetime limits on assistance, and State sanction policies.

Also, some families may have found it difficult to apply for or continue participating due to poor mental or physical health.

More recently, during the recession, cash assistance caseloads have risen nationally. However, caseload changes in States varied. In some States, caseloads rose; in other States, they fell.

My second point is about how low-income families are faring. In the years following welfare reform, many of the parents who left cash assistance found employment, and some were better off than before. But many have unstable jobs, low incomes, and continue to rely on other government supports.

Of particular concern, a small subset of families who neither receive TANF nor earn income may have been left behind.

Moving on to my third point, on our ability to monitor State programs. Work participation rates, a key performance measure for TANF, had not proven to be a useful indicator of the States' efforts to engage participants in the type and hours of work-related activities specified in the law. States had been expected to ensure that at least half of all families receiving TANF cash assistance participated in these work activities.

However, through the years, States have used program flexibilities to engage fewer participants in the stated goal without incurring penalties. In fact, in 2006, 18 States effectively reduced their required participation rate to zero by taking a credit equal to the size of their caseload decline.

When the program was reauthorized, Congress made changes intended to strengthen work requirements. However, States continued to lower their work participation requirements by using these caseload decline credits and other allowable means.

As a result, the proportion of families that has actually met its work participation requirements is less than one-third and has changed little over time.

Finally, we will identify two other factors that hinder oversight of State programs. As caseloads decreased, States redirected block grant funds to other allowable activities, such as child care, child welfare, and pre-kindergarten. The proportion of TANF funds used for these other activities grew from 23 percent in 1997 to 70 percent in 2009.

Yet, States are not held accountable for how these funds are used or how they help meet TANF goals. In addition, the proportion of cash assistance cases that is for a child only, with no adult receiving assistance, has increased from one-fourth to nearly half the caseload. And again, efforts to promote self-sufficiency have not focused on these families.

In conclusion, although a central feature of the TANF block grant is the flexibility it provides to the States to design and implement their own programs, the limited usefulness of the key performance measures and the lack of information on how States use their non-cash assistance funds hinder our ability to fully understand how the program has been implemented and whether it is reaching its goals.

This concludes my prepared statement. I would be happy to answer any questions.

[The prepared statement of Ms. Brown appears in the appendix.]

The CHAIRMAN. Thank you, Ms. Brown.

Next, Mr. Berlin?

**STATEMENT OF GORDON BERLIN, PRESIDENT,
MDRC, NEW YORK, NY**

Mr. BERLIN. Thank you very much. I appreciate the opportunity to testify today.

In concert with the 1990s' strong economy and an expanded Earned Income Tax Credit, TANF did deliver on its early promise. Employment rates among low-income women and mothers rose to new highs, welfare caseloads fell to modern-day lows, and child poverty rates declined. But TANF fell short in several areas.

The number of disconnected low-income single mothers with children who were neither on welfare nor working and, thus, who had no reliable source of cash income was rising; the fraction of families living in severe poverty was also up; and a growing share of families who met eligibility requirements were not enrolled.

The recession that began in 2008 greatly exacerbated the law's shortcomings. And it revealed a much more serious problem—a lackluster, countercyclical response to the downturn. Despite the depths of the recession and in stark contrast to other safety net programs, welfare rolls rose only modestly. The poverty numbers released by the Census Bureau last week underscore the consequences of this failure. Roughly 15 million children are living in poor families, but only 3.4 million children are receiving TANF-funded benefits.

Further complicating the picture is GAO's recent finding that 57 percent of adults on welfare had zero hours of participation in work preparation activities. States have offered a number of legitimate explanations for these low participation rates; for example, people between activities and States not reporting activities that do not meet the hours requirements that are specified in the law.

But without hard numbers describing what adults in the caseload are engaged in, it is hard to know what to make of these explanations.

So why did TANF not respond to the economic downturn? In retrospect, as the caseload declined in the 1990s and pressure mounted on States to spend TANF funds, the Act's broad purposes, the flexibility it granted to States in what could be counted as State maintenance of effort match, and the limited reporting required on what was done with the funding worked together to turn TANF into a form of revenue-sharing for States.

The bulk of the funds were likely used to meet important needs, including child welfare and child care. But when the economy turned and applications rose, States were hard-pressed to return the dollars to TANF's original income support purposes.

Recognizing these constraints on States, Congress moved decisively to address the economic downturn by creating the TANF emergency fund. The fund helped States to increase enrollment in welfare and other programs, and, importantly, it catalyzed a new round of State creativity, leading to the development of more than 250,000 subsidized jobs in the public, nonprofit, and private sectors.

So why are States having so much difficulty meeting the participation standards? Here, too, hindsight is 20/20. It now seems clear that TANF established hours, activities, and participation thresholds that were unachievable for many States.

For a time, this reality was masked by the caseload reduction credit. Once the Deficit Reduction Act reset the base year to 2005, States were forced to attain rates they had not previously reached.

So it would be easy to be discouraged by these developments. Indeed, the history of welfare policy is one of pendulum swings between its competing goals: reducing poverty versus reducing dependency, being responsive to economic downturns versus dealing with structural problems, privileging work-first versus education-first, and promoting fatherhood programming versus marriage programming.

Instead of viewing these as either/or choices, the challenge is to change the conversation and use the opportunity of reauthorization to end the historic tendency to swing between these philosophical extremes, committing instead to build on past successes, while remedying current problems.

Research evidence from a variety of interventions, which I describe in detail in my prepared remarks, offers guidance about moving forward in several key areas—maintaining a strong work focus, while also encouraging advancement through education and training; using job creation and earning supplement strategies to reduce poverty without increasing dependency; developing a next generation of services for those with persistent barriers to employment; and taking the best from both fatherhood and relationship programs to strengthen families.

So how might Congress proceed? At this critical crossroads, a 2-part, short-run/long-run strategy seems best. In the short run, it seems imperative to extend the current TANF law and continue the emergency fund. The economic recovery has slowed, if not stalled, and the emergency fund appears to be providing vital bridge funding for clients, employers, communities, and States during this difficult period. And it stimulated the kind of creative response from States that the Nation needs.

Second, we need better information to make good decisions. An extension should require better State reporting about TANF spending in the “other” and “non-assistance” categories, about participation activities that States do not currently report, and about the nature of State maintenance of effort programming.

Third, modest expansions of what counts as participation to include longer spells of job search, as well as education and training, without the strict hours and activity limits, would help focus States on what really matters here—engaging all adults in the caseload in productive activities that would prepare them for work when the economy turns.

In the long run, and hopefully with better data, Congress could consider more fundamental issues. These might include rethinking TANF’s goals and purposes. Do we want TANF to continue as revenue-sharing or do we want a program that promotes work and self-sufficiency in good times, while providing support for the Nation’s poorest citizens in difficult times?

Second, we need to create a permanent emergency fund triggered by poverty and unemployment indicators and designed to solve the shortcomings evident in the existing contingency fund. This would enable TANF to contract in good times, while expanding in bad times, and thus to play an effective countercyclical role.

Third, we could reexamine the block grant structure so that States maintain sufficient flexibility to innovate, while being transparent about how resources are actually being spent. This means better reporting, narrower purposes, and tighter maintenance of effort requirements.

Finally, we could think about revamping the participation requirements and combining them with a universal engagement measure as part of these changes; expanding the role of education and training, while creating standards that require participants to make adequate progress; expanding efforts to address the needs of participants with barriers to employment; and providing incentives to States to do more of what the research says works.

I look forward to taking your questions.

[The prepared statement of Mr. Berlin appears in the appendix.]

The CHAIRMAN. Thank you, Mr. Berlin.

Next, Mr. Moore?

**STATEMENT OF WES MOORE, AUTHOR OF
"THE OTHER WES MOORE," JERSEY CITY, NJ**

Mr. MOORE. Thank you, Chairman Baucus, Ranking Member Grassley, and other esteemed members of the committee, for this invitation to testify today.

The proper reauthorization of TANF is both an investment in the well-being of our Nation's most vulnerable families and also a key component to our short- and long-term national standing and security, and it means a great deal to me to add my voice to this urgent national dialogue. Thank you.

In my recent book, "The Other Wes Moore," I wrote about the ramifications of paying attention or not to the needs of the underserved and disconnected. While I focused on two specific families, it is really the story of millions of hardworking families around the country who desperately seek to raise happy, healthy, and productive children.

I, like far too many young people, grew up without my father in the home. I, like far too many young people, grew up in a neighborhood that was undervalued and that forced me to understand adult realities far too early.

Fortunately, I was blessed to have an extraordinarily creative and persevering mother, who used the leverage of familial and community supports around her to help my journey into manhood.

But there is another Wes Moore, who used to live in the same neighborhood in Baltimore, who was around the same age, who is spending the rest of his life in prison for the tragic murder of a police officer.

Wes also grew up with a single mother who loves her children deeply, but was overwhelmed and overpowered by community influences and the lack of connections to meaningful supports.

This true story helps to highlight the importance of access to opportunities and productive pathways to self-sufficiency. It also highlights the consequences of allowing poverty to go unchallenged and unabated.

To be sure, TANF has helped many low-income families move one step closer to taking care of themselves. It helps provide pathways out of poverty through job training and access to health serv-

ices. But there are still too many families who are forced to fend for themselves. The TANF reauthorization is an opportunity to revisit the program's mission and to help it achieve the original promise to help move our Nation's families out of extreme poverty.

Moving forward, in order for TANF to properly support the families that are most in need, we need to have better insight into the actual conditions of families in need and not disincentivize people from claiming the benefits to which they are legally entitled.

From 1996, when TANF was enacted, to 2008, the share of poor children receiving cash assistance fell by more than half, from 62 percent to 27 percent. That sounds great if it also mirrored a downward shift in need or corresponding decrease in the disparity gap between the rich and the poor in this country.

The problem is that it does not. The disparity gap is the highest that it has been in this country since the Great Depression.

Acknowledging and developing holistic strategies to counter the core causes of poverty are essential when thinking about policies going forward. Again, I draw upon my experiences and those of the other Wes Moore to recommend the TANF reauthorization include reducing fatherless households as a key element in developing more holistic, accountable, and sustainable approaches to poverty reduction.

My father died before my 4th birthday. The other Wes never knew his father, and he said to me once, "Your father wasn't there because he couldn't be. My father wasn't there because he chose not to be. Therefore, we're going to mourn their absence differently."

There are too many young people from all races and ethnic groups who are mourning the losses of their fathers. According to the National Fatherhood Initiative, children who live in father-absent homes are 5 times more likely to be poor, and more than a quarter of America's children now live with one parent or with a grandparent.

Much to the credit of Federal and State focus over the past decade, we have seen demonstrable improvements in this area. However, when we think about the ongoing correlation between poverty and single-parent households, it is obvious that sustainable progress cannot be made without designing strategies that factor in both in concert.

Along those lines, for too many families trapped in poverty, an incarcerated spouse is at the center of the dilemma. Annually, there are more than 650,000 formerly incarcerated men and women who return to their communities every year. How we prepare them to come back into society and how we prepare society to welcome them back is also part of the poverty reduction equation.

How coordinated are the objectives of TANF and the Second Chance Act? This reauthorization presents an opportunity to examine possible links that could lead to a broader and more effective poverty reduction strategy. That would also help cut the recidivism rate and cut costs at the same time.

Imagine if Wes's first contact with the judicial system had been his last. He now would be paying taxes instead of using taxpayer dollars.

This year alone we will spend well over \$61,000 to clothe, house, feed, and provide health care and health insurance to Wes. Assuming he lives to the national average of 78, that will be a total cost of close to \$4 million, and that is a conservative number not including any type of inflationary gains. And that is for him alone.

This figure does not include the brain capital loss that could have been utilized to create not just better futures for his family, but for our entire country.

I say this not to create sympathizers or cast revisionist history or to absolve personal responsibility from the equation. Wes's fate is sealed, and he will spend the rest of his life in prison for choices that he made.

However, we, the American people, rely on you, the lawmakers, to make sure that every child has the opportunity to succeed. All environments are not equal nor will they ever be, but you have within your power in the reauthorization of TANF—and the proper reauthorization of TANF—to install a holistic pathway to poverty reduction that is supported by data and linked to achievable outcomes.

In the richest country in the world, it is the least we can do.

Thank you.

[The prepared statement of Mr. Moore appears in the appendix.]

The CHAIRMAN. Thank you very much, Mr. Moore. I understand your mother is with us.

Mr. MOORE. She is.

The CHAIRMAN. Would you introduce her, please?

Mr. MOORE. I would love to. My mother, my champion, is sitting behind me right here. So thank you. [Applause.]

The CHAIRMAN. Mrs. Moore, if you want to say something, you are more than welcome.

Let me start with you, Ms. Adair. I was just struck with your concern about education. Could you talk about whether or not there is a tradeoff between education and work? Why were opportunities for TANF participants to receive education cut back, and what is the counterargument that a college education be more of a participating activity?

Ms. ADAIR. I think, primarily, it was the work-first activities that mandated that women who were in college had to work full-time and were not given any kind of child care support for going to school, so they could not afford to go to school and work. And that really was responsible for this plummeting rate of people who were both enrolled in TANF programs and school.

So I think that including options for supported access to higher education is one of several pathways we should explore. Certainly, training is important in other fields, and I think work is important.

The students in our Access program work while going to school, but they are able to count a lot of their school hours as work participation hours. They are able to find work that coincides with their area of study. So we have students who are pre-law students who are able to work in law firms, for example. And it really aids them in terms of finding careers. In moving from low-wage work really to career-sustainable employment, I think it is really, really crucial.

The CHAIRMAN. Education was important to you, I presume probably not just because you had good programs in the University of Washington, but there was a spark in you. You wanted to get educated.

Is that true for everybody?

Ms. ADAIR. Well, no. Certainly, it is not true for everybody. Every low-income single mother or father in this country does not want to go to school and cannot go to school.

But for those who can and are willing and able to care for their children, to work part- to full-time and to go to school, I think we should have supports for them to do so. It is one of many pathways I would like to encourage.

The CHAIRMAN. Should there be any restriction as to the type of education, or should that be open-ended?

Ms. ADAIR. There are many who would argue that what we need is access to education in community college, which is more sort of training-oriented versus skills-oriented. But part of my argument is that we need both, and we also need to include education options in higher education, liberal arts institutions, where students learn not just new skills, but new methodologies, how to think differently, how to act differently, how to imagine themselves as contributors differently.

So I would see a range of programs, beginning with training, vocational programs, community colleges, and liberal arts colleges.

The CHAIRMAN. Is there a teacher in your family, parents or grandparents?

Ms. ADAIR. My mother left high school when she was 14, as well, and I did not have a father. So, no, there are no teachers in my family.

The CHAIRMAN. Ms. Brown, as I listened to you, I got the sense of some frustration about incomplete data, incomplete reporting. What would you change? What data would you like to get when we reauthorize TANF?

Ms. BROWN. Certainly, one of the most important things is to get a better handle on the large amount of funds that are spent for activities that are not related to the cash assistance work activities.

The other factor would be, if you were to reauthorize and not make significant changes, then it might be important to rethink the participation rate as we have it set now. The way it is measured and implemented just is not that useful.

So I guess it boils down to, do we stay the course and, if so, there would have to be corrections to the measures at hand. And, if there are some of the more significant changes that people are talking about, then we would have to step back and think about what would be the most important things for us to measure, because what we measure is what we get often.

The CHAIRMAN. Mr. Moore?

Mr. MOORE. If I can just add on. I think Ms. Brown makes a great point, also, just in terms of the access to the information. And I just want to also just emphasize how important that State collection of data becomes in terms of TANF reauthorization.

When you look at the way that the system is set up now, it is extraordinarily difficult to help decipher what exactly are going to be the needs for families in one part of the country to another part

of the country. And the fact is that the information is there. The information is fully accessible and transparent.

The question I have is, are we asking the right questions? When you look at entities like, for example, the Annie Casey Foundation has a 50-State data book that is released every single year that gives the answers to all these individual questions on a State-by-State basis. That kind of information is extraordinarily helpful to determine what specific families in specific areas are going to need.

So I think that is something that needs to be factored in as we think about reauthorization, as well.

The CHAIRMAN. Now, you said, "if you ask the right questions." What are some of the right questions that should be asked?

Mr. MOORE. I think Ms. Brown actually touched on some of the right questions in terms of trying to understand what exactly are some of the core causes and core factors that are leading families into poverty and, also, that are creating those barriers, that are not being helpful as families are trying to transcend out of that state of poverty.

I think some of the other questions that you think about are things like education level. I think some of the other questions that have to be factored in are, how many families are not receiving the benefits. The fact that we do have one-third of families that are eligible for benefits, but are not receiving the benefits, has to be considered, as well.

So those are some of the questions that have to be asked, but they just have to be asked at a more targeted and State-wide level.

The CHAIRMAN. All right. But given your experience, what, if anything, would you change in the TANF program?

Mr. MOORE. As I touched on in the testimony, I think this whole concept of both looking at single-parent households and how that is factored into poverty has to be evaluated.

I think, also, looking at things like the Second Chance Act and how TANF is coordinating with other entities, such as the Second Chance Act. But, also, this larger conversation that is happening within school reform—now, I think that is something that TANF has to be involved in, as well.

I remember there was a quote that the chancellor from New York City schools said, which I think is spot-on. He said people say that you cannot address education until you address poverty. And he said, actually, I think it is the other way around, that you cannot address poverty without also addressing education.

So that is something I think TANF also has to factor in, that, if TANF is going to be in the business of really helping to elevate people from a state of poverty to a graduate it sends out, all those factors, whether it be single-parent households, incarceration and recidivism rates, and also education reform have to be involved in the conversation, as well.

The CHAIRMAN. Thank you.

Senator Grassley?

Senator GRASSLEY. Mr. Moore, what are your interactions, if any, with the so-called social safety net? Did your family or the other Wes Moore's family experience it, and was it helpful?

Mr. MOORE. For my family, after my father passed away, my mother received Social Security benefits, and they were very help-

ful because, up until that time, my father by far was the main breadwinner inside of the family. And so my mother then not only had to transition skills in terms of, now, here she was, she was the only person in the family who was a wage earner and also had now three children.

So she not only had to transition skills, but had to basically transition her entire occupation. So that was helpful in terms of helping her to make that transition and allowing her the time that she needed to get on her feet. We also then moved from Maryland up to New York.

Wes's family never received any type of benefits, whether it be from any type of State-wide benefits. His mother never received any type of spousal support or any type of child care support from Wes's father or his older brother's father, who was not in their lives, either.

Senator GRASSLEY. Mr. Berlin, as you know, 56 percent of the work-eligible adults on welfare are reported as not working or not doing anything. A significant amount of TANF expenditures are unaccounted for.

Congress and welfare stakeholders have no idea what these TANF dollars are being used to fund.

So number one, do I have those facts correct? And number two, how would you rate the strengths and weaknesses of the current TANF program as either an anti-poverty or as a welfare-to-work program?

Mr. BERLIN. Well, I think the first and most important thing is we really do need better data. It is really hard to know what to make of some of these numbers.

The States, with regard to the 57 percent number—and Ms. Brown should certainly comment on this—claim that, in fact, people are engaged in a lot of activities, but they do not meet a requirement or they are between activities, or for some other reason they are not really reporting them.

So, as I said in my testimony, it is really hard to know what to make of those numbers. And I think the first step is really to require that we get much better information about how the system is really operating.

I am struck that, in the early days, in the early 1990s, the TANF system was quite successful on a number of measures. Later, over time, it appears that funds began to be used for other purposes that are undefined and not very clearly specified. So we also need to get better information about how the funds are being used there.

But the information that we have been able to get from the States suggests that they are mostly using these funds for reasonable purposes, like child welfare and child care, but it has created this dilemma in that, in an economic downturn, it is very hard to pull those resources back to other purposes.

So I would say that we really ought to step back and ask what we think that the program's purposes should be—it has become a form of revenue-sharing for the States. Is that what we want, or do we really want to make sure that it is focused on preparing people for work and, also, providing a safety net when work is not readily available, as in the current period? And we want to do more of those things that we know make a difference.

The participation data really, I think, have misled us and misled the States. There is tremendous pressure to meet the hours and strict activities requirements. Congress has defined those items very narrowly.

I think we need to get back to driving States towards what the evidence says really works, like the mixed program strategies that I cite in my testimony and the other efforts to make work pay that have really made a difference.

Senator GRASSLEY. I will go to Ms. Brown. The GAO report documents the activities that States have undertaken to enhance their participation rate to comply with the updated base year for the caseload reduction credit included in the Deficit Reduction Act.

For the record, would you please summarize those activities?

Ms. BROWN. The States employed four different activities after the Deficit Reduction Act. The first one is the caseload reduction measure, which was used before, as well, and that just allowed them to reduce the participation rate expectation by how much their caseload went down. There was a lower number of States that were able to do that after the Deficit Reduction Act because of the change in the baseline.

The other thing that is directly related to that is the spending of the maintenance of effort funds. There is a provision that allows, when States spend in excess of the maintenance of effort funds that they are required to put forth for TANF, they can use that to reduce the expected rate, as well.

The last two measures are related to the size of the caseload itself, and States were able to take steps to keep people who were meeting the work requirements on the caseload a little longer to give them some more support, and to have people whom they thought were not going to be able to meet the work requirements taken off the caseload either through sanctions or paying for services through State funds only.

Senator GRASSLEY. My time is up. I am going to have to submit questions for answers in writing, because I have another appointment I have to go to.

The CHAIRMAN. I am sure the Senator from Michigan would not mind if you asked maybe one more question, unless she has to go right away.

Senator GRASSLEY. Back to you, Ms. Brown. My understanding is that you and your colleagues interviewed State officials in preparation for this report. Did those interviewed indicate whether or not they believe States attempted to improve the quality and the degree of engagement for work-eligible adults in response to the stronger work requirements established by the Deficit Reduction Act?

Ms. BROWN. We did interview States, and I think they were—what we heard from them is they were acutely aware of the new requirements in the Deficit Reduction Act and were thinking hard about some of the challenges they faced with counting the work activities—there were stricter measures for that—and making sure that people were participating in the number of hours.

So they were focusing a lot on what they had to do to change their program to meet the new requirements. We did see States that were trying to figure out how they could focus on work more,

but I think the characterization that they found themselves in a tough spot because they had so many of their other funds dedicated to other programs, that made it more difficult for them to be creative.

Senator GRASSLEY. Is it your impression that States believe that, in crafting the enhanced work participation requirements in the DRA, that members of Congress intended for States to move families around and claim expenditures that they may have previously been spending in order to meet the higher work participation standards? And I will end with that question.

Ms. BROWN. I believe that they understood the purpose of the law, and that they understood that the intent was not that they move people around into other categories, but that they focus more on work.

Senator GRASSLEY. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

Senator Stabenow?

Senator STABENOW. Thank you, Mr. Chairman. This is a very important hearing, and I appreciate all of the witnesses. And, Mr. Moore, your story certainly is extremely inspiring, as well as Ms. Adair's. Thank you, to both of you.

When we look at the numbers, I guess I am trying to figure out how we kind of bring this all together, the poverty numbers: one out of seven Americans now in poverty; one out of three single moms living in poverty; certainly, a wakeup call to us in terms of what is happening and how we create a pathway to jobs.

Also, realizing—and certainly, coming from Michigan, where we have been extremely hard hit—that we still have one job for every five people who are out of work looking for a job; so how do you bring that all together?

Then, when we look at TANF, if we have 15 million children basically in poverty and 3.4 million children getting help, that is a pretty big difference at a time when challenges for families have gone up and up.

So I have a lot of questions about that, and I appreciate all of you providing information. I agree that we need to do better State reporting. I have a real concern that if States, in fact, are only reporting when someone has completed their work assignment and not just done half of it or three-quarters of it, so it gets reported as zero, I do not think that is very accurate or helpful to us.

I know, Mr. Chairman, you are looking at ways in the reauthorization to provide different reporting from States so we have a better picture of what really is happening.

My question goes to one piece of all of this that relates to how we get people on a path to a job and to job training, and it goes to another piece of the puzzle here.

We know that lack of education is the most prevalent barrier to employment, particularly for women, who are the majority of those on TANF, women and children. Forty percent of women receiving TANF do not have a high school diploma, 40 percent. We have a serious literacy issue that is going on.

Michigan has had a pilot project called JET, Jobs, Education, and Training, JET Plus, that brings together job training and adult

basic training efforts, and I would like to have anyone who would like to speak to that piece of it do so.

It is great to say college education or even community college, but what happens when we are talking about 40 percent of the women on TANF who do not have a basic education or where there are serious literacy issues? And to add to that, I am hearing from community colleges that, in fact, remedial courses cannot receive financial aid.

So if, in fact, we are trying to create the bridge we all want for people to be able to get a job and be able to go get job training, what other kinds of barriers should we be including—should TANF be helping to pay for remedial education? How do we get past this adult literacy barrier so that people can, in fact, be getting the education that they need?

Ms. Adair, would you like to start with that?

Ms. ADAIR. Yes, I would be happy to. I actually should say that I am—I left high school when I was 14½ years old and became a single mother, and reentered through a GED program in Washington State. It was called the Family Self-Sufficiency Program, and they saw education and training as sort of part of a larger—part of the puzzle.

So it was a program that helped with inside child care, transportation, and mentorships, which enabled the recipients to finish their GED programs but then go on for specialized training in community colleges, colleges, et cetera.

So I was actually on that program from my GED through my bachelor's degree, and then, of course, when I went on to get my master's and Ph.D., I was no longer on it. But I think that understanding that the missing part of this work-first mandate is providing the training necessary to get the kind of jobs that can sustain families is crucial.

So, again, I see a range of educational options, beginning with things like GED and basic literacy but moving beyond that, as a way of both providing people with the ability and incentive to get jobs with which they will be no longer mired in poverty, but also will take away some of the stigma of the fact that you—the assumption is that when you are going through a jobs program, that you do not have sufficient education.

I think putting together a broader range of educational options would serve that goal.

Senator STABENOW. Mr. Moore, did you want to comment?

Mr. MOORE. Thank you. I just want to add, briefly, I think this is not only why TANF is important, but also where TANF can really almost serve as a real facilitator, as well, and also help to facilitate larger partnership models, because on every single aspect that you just spoke about, there actually are organizations that are doing that kind of work.

So the question is, how can we help bring them to scale? So when we are talking about increasing job skills, you look at organizations such as the Center for Working Families and how exactly they have worked to not only build skills, but then also help with placements for families in the exact situations that you just named, or the Single Parent Scholarship Fund, which is in Arkansas, that helps to provide these kinds of educational opportunities to parents

who find themselves in a situation where they are single parents and they cannot afford that follow-on educational support, follow-on educational training.

So where TANF could also play a very interesting role is really to help facilitate and to bring light to a lot of the organizations that already have, whether it be private funding or other types of governmental funding, as well, that can help facilitate these types of processes and bring them to scale.

Senator STABENOW. Mr. Chairman, if Mr. Berlin wanted to respond to that, as well.

Mr. BERLIN. I just would add that there is very strong evidence that education can, in fact, play an important role here. But there has also been a history or an experience in which people enroll in education and they do not really make any progress, and it becomes a holding area for them.

So the challenge really is not to let this pendulum swing all the way back, which is what we have done historically, but instead to find a way to create a balanced program in which people can participate in education and training. It should be supported and encouraged, but only when they are making adequate progress.

In our work, we have found that mixed strategy programs that target employment-first activities for people who are ready to go to work and education-first activities for those who need education are among the most effective and cost-effective programs that we have seen.

Senator STABENOW. It is really about accountability, but not creating barriers, and it sounds like, at the moment, we have some barriers that we need to remove, while keeping the accountability in place.

Mr. MOORE. Right. Striking the right balance is key.

Senator STABENOW. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Moore, I would be interested if you could tell us a little bit about the other Wes, the different steps in his life and kind of where there was a little signal that he was not heading down the right path, and what perhaps might have changed if another set of conditions were to have occurred.

If you can just kind of talk about Wes. What happened? What could have prevented this ultimate tragedy?

Mr. MOORE. I think one thing that I—it is really one of the main questions I tried to understand, even as I started going through this process.

I had known Wes for a while before I even had the idea of turning this into a book. But the more I got to learn—

The CHAIRMAN. At what age did you get to know Wes?

Mr. MOORE. I first got to know Wes when I guess I was probably 24.

The CHAIRMAN. And he was about the same age.

Mr. MOORE. He is about the same age. He is about 2 years older than I. And Wes was incarcerated for the final time when he was 22 years old, and that is when he received his life sentence.

One of the things I tried to understand, by being able to both dissect his life and also my own, is to understand what exactly did

happen. How do you have people who are in similar circumstances who end up in two completely different places?

I think there were a couple factors that I think played into what happened with Wes. First was, Wes never finished school past 10th grade. But I say that, but also add this caveat, as well. Wes, in no way, shape, or form, is a dumb guy. In fact, Wes completed the job corps program when he was 19 years old, and after he completed the job corps—during the job corps, he received his GED.

He also realized he was reading at a sophomore in college reading level. But when Wes came out of the job corps—Wes actually came out of the job corps very inspired and hopeful and motivated that this was the last time he would ever have to see—he would not have to see any facilities anymore. He really was hoping to do something different.

I think so many of the problems that we have talked about earlier today, he realized when he came out of the job corps, they did not go away. They were just waiting for him when he came back, and, in many ways, they compounded.

So by the time Wes was at that age, he already had four children. Wes became a grandfather at 33 years old. But he had four children by the time he came out of job corps. And so he started working these different odd jobs as he came out of job corps, making barely over minimum wage. And when you have four children and you are making a little over \$6 an hour, it becomes very difficult to sustain, particularly when you have two mothers with two different children, and his mother who needed support.

So Wes eventually decided and made the terrible and fateful decision that the best option for him was to go back to the streets and go back to selling drugs, where he was making upwards of \$5,000 and \$6,000 a day.

So you see this process and how, even as Wes tried to make these steps to move in one direction, that there are so many barriers, as we talked about, that are already built up. It became very difficult for him to transition out.

I think a larger challenge that Wes had, and I think it is something that really interrelates with this entire conversation, is the challenge of expectations. And I think, unfortunately, for so many kids who grow up in communities like the ones that Wes and I called home and so many communities all over the country, the expectations are not very high and, therefore, the results generally are not very high.

It is funny. There is a part in the book when Wes and I are talking and he says to me—and I asked him, I said, “Do you think that we are products of our environment?” and he looked back, and he said, “Actually, I think we are products of our expectations.”

When I was speaking to someone else—which I thought was a really important distinction—I remember speaking to someone else later on about it, and they said, “Well, isn’t it really sad that you met your expectations and Wes didn’t?” And I said, “Actually, I think one of the saddest things is that I think we both met our expectations.”

So how we look at poverty in this country, how we look at the poor in this country and the communities that the poor happen to live in and happen to be concentrated in, in many cases, I think,

is as much about this idea of a psychological shift and an expectation shift as it is about a structural shift, and a tangible shift, as well.

The CHAIRMAN. So how do we raise these expectations?

Mr. MOORE. Well, first, I think we need to raise the expectations not only that we have about so many of these communities, but also the way we think about the supports that these types of communities will need.

I think the larger challenge and the way we think about policies, not just on a Federal, but even on a State and local level, and also just about our citizenry, is that it is almost a patronizing way of looking at it; that you want to help out these people because these people need support, without an understanding that we have a real connectedness between all of us and the way we should view all of our society and all of our community.

I think another thing that we need to do is, also, as we think about education, within a lot of communities and within a lot of pockets and areas around our country, we do not have an equal education system in this country, and an unequal education system will always, 100 percent of the time, create unequal results.

As long as you have that disparity between a kid who is living in one part of town and then a kid 5 miles away goes to a completely different school system, it is very difficult to expect those two children to compete, particularly at a long-term level, and then compounding that, particularly, how we think about early education, as well.

I think it is fantastic that we can have adult education processes. I think it is fantastic we can do work for community colleges and adult colleges. But if you have a child who is entering 1st grade, 2nd grade, 3rd grade, who is already years behind their peers on reading levels, it is going to be very difficult for that child to be able to maintain in school and be able to compete later on.

So I think a way we can actually fundamentally address not just the cost structure, but the overall results structure, is actually doing more when we have children—when we have parents who are really just children; doing more to help parents become better parents, things like reading to their children, preparing their children for school, because, if we can address that issue, a lot of the other long-term issues become less significant.

The CHAIRMAN. That is true. A lot of single moms are just so stressed. Many single mothers have jobs and so many other responsibilities, and it is just really tough to deal with these challenges while being effective parents.

Mr. MOORE. It is extraordinarily tough, and not just from the anecdotal perspective, from a statistical perspective. When you have a single-parent household or a grandfamily-led household, you have an extraordinary amount of people, young people who are growing up with grandparents, because the parents are out of the picture for whatever reason, you not only have stressed resources, because now you have one person having to sustain household development for what should be two people, but you have the time requirements, as you correctly pointed out.

So, all that has to be factored in in terms of what types of supports are we creating, whether it be school reform, looking at

longer school days or longer school years, providing more community supports, being able to support the nonprofits who are on the ground doing the work.

But all those factors have to be placed in, because, you are right, I am a firm believer that the toughest job that we have in this country is to be a single mother or a single father.

But when you are on your own raising a child or children, it becomes a herculean task that, for many people, is just too much for them to take on.

The CHAIRMAN. Does anybody else want to chime into this conversation? Ms. Brown?

Ms. BROWN. I would just like to talk about a couple of different population groups that we have not touched on, because what I am hearing here is about opportunities for higher education and some training that are for people who are prepared and motivated.

I did want to also point out that what we know now through TANF is that there is a group of people who have much more complex problems that they have not been able to work through in order to be able to move into the work activities.

We also know that there is a group of very, very poor people who are not on TANF and are not receiving SSI and have no income. So we do not really know how they are surviving, and thinking about how we could reach out to them is important.

The CHAIRMAN. So how are they surviving? How do we reach out to them?

Ms. BROWN. Well, I do not know yet, because we know that this population exists, and we know that there are many reasons that people do not apply for TANF, and some of those are related to their concepts of whether they want to be held to the standards and the work activities and that kind of thing.

So whether that is part of what motivates them, it is possible.

The CHAIRMAN. Mr. Berlin, do you have any thoughts on how to help the two groups that Ms. Brown mentioned, particularly those in need and not receiving TANF funds and what to do to reach out to them?

Mr. BERLIN. Well, one obvious thing is that a lot of the disconnected low-income women whom she is talking about were on the earlier welfare system, but, as this system has evolved, many of them seem to have been discouraged from applying.

The long-term question is, how do we strike a better balance there, where TANF was very successful in moving people off the rolls, but it was not very good at playing its other key goal, which is providing a safety net that dealt with the poverty issues faced by a large percentage of people?

One of the things I cited was the fact that the number of the people in those situations grew over time. So, while TANF was successful in one aspect, that is, helping people who could take jobs do so, it was not successful—in fact, it fell short on the back end by leaving out many eligible poor people. So that was a key problem.

In terms of the larger discussion, I think the single-most important thing that we could do to really make more progress in this area is to step back and think about what has happened in the labor market in the United States.

We will have an extraordinarily large number of low-wage jobs going forward. We have a lot of people working in those jobs, including single men and women, and we have created this odd structure in which we are helping to deal with low-wage work via the Earned Income Tax Credit, but it only targets families with children.

So, if I am a single man and I am working in the same job as you, I am not getting that same level of benefits. And, if I marry a family that is on the EITC, they actually would see their benefits come down.

Just stepping back and thinking about what we need to do to make work pay for everybody could be, I think, a very powerful force in dealing with this complex set of issues that involve poverty, single parenthood, and work and earnings.

The CHAIRMAN. Anybody else have anything they want to say, something that should have been said?

[No response.]

The CHAIRMAN. Well, this is very helpful. We clearly have to reauthorize TANF, and we will soon and get a deep reauthorization next year. That is my hope.

But this has been a very helpful and instructive hearing, and I thank all of you very much. You have unique experiences and unique backgrounds. We thank you for your service in trying to help us address these challenging issues.

Thank you very much. The hearing is adjourned.

[Whereupon, at 11:23 a.m., the hearing was concluded.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

TESTIMONY SUBMITTED TO THE U.S. SENATE COMMITTEE ON FINANCE

Hearing on Welfare Reform: A New Conversation on Women and Poverty

Submitted by Vivyan Adair
The Elihu Root Peace Fund Chair, Associate Professor of Women's Studies at Hamilton
College

September 21, 2010

RECLAIMING THE PROMISE OF HIGHER EDUCATION: POOR SINGLE MOTHERS IN ACADEME

As children, my siblings and I were marked by poverty, our lives punctuated by bouts of homelessness, hunger, lack of medical and dental care, fear and despair. My young mother, a single parent of four, was a hard worker and an intelligent and honest woman who did her best to bring order, grace, and dignity to our lives. Yet, she was trapped in dead end and demeaning jobs with which she could not support, nurture, and provide security for the children she loved. Perhaps not too surprisingly, I followed suit as a young woman, dropping out of school and becoming a single mother involved with a string of men who neglected and abused me, leaving me hurt, frustrated, despondent, and profoundly impoverished.

I know the desperation and hopelessness that shape the lives of poor women in the United States today. Yet, I was fortunate to have been poor and broken and verging on irredeemable hopelessness in an era when education could provide a lifeline for poor single mothers, as it has historically done for so many in our country, but fails to do today. Because of my interaction with a pre-reform welfare system, with superb educational institutions, and with instructors who supported and guided me, I was able to transform my life and that of my child through the life-altering pathway of higher education.

Access to Higher Education Prior to Welfare Reform

I entered college in the summer of 1987, as a single mother and welfare recipient without the skills, self-esteem, or vision necessary to succeed in school. My passage was guided by patient and able teachers whose classrooms became places where I built bridges between my own knowledge of the world and crucial new knowledge, skills, and methodologies. Dedicated faculty created exciting and engaging exercises and orchestrated challenging discussions that enabled me to use my newfound skills to re-envision my gifts, strengths, and responsibilities to the world around me. Little by little the larger social, creative, political, and material world exposed itself to me in ways that were resonant and urgent, inviting me to analyze, negotiate, articulate, and reframe systems, histories, and pathways that had previously seemed inaccessible. The process was invigorating, restorative, and life altering.

As a result, today I have a PhD and am employed as a tenured faculty member at a wonderful college in central New York State. My life and experience are certainly not anomalous. In "Together We Are Getting Freedom," Noemy Vides recalls that her life as a poor immigrant welfare mother began anew when she was encouraged to seek an education. She confides that it

was through higher education that she was "born as a new woman with visions, dreams, hopes, opportunities, and fulfillment," adding that a college education is "the key ingredient in poor women's struggles to survive."

One of my own former students--a young, Latina, single mother of three--now a chemical engineer in California, recently wrote of a similar transformation through higher education. Valuing both the products and the processes of higher education, she reflected:

"School gave me the credentials to pull my three daughters and me permanently out of poverty. After being raised in dire and painful poverty and then watching my own children suffer as I worked for minimum wage [at a fast food restaurant], this is so important to me. Today we own a home, a car, and pay taxes. I have a great paying job, my children excel in school and I can afford to care for them properly. But what is really revolutionary is what education did to our heads. I think differently now, I act differently and my girls relate to our world differently. My mother died broke, an alcoholic living in public housing. My younger sister is in jail and her children in foster care. We have broken that cycle through education once and for all. We are so grateful for this journey."

Indeed, in 1987, the year that I entered college, around the nation almost half a million welfare recipients were similarly enrolled in institutions of higher education as a route out of poverty. Prior to welfare reform in 1996, tens of thousands of poor single mothers quietly accessed postsecondary education to become teachers, lawyers, social service providers, business and civic leaders, and medical professionals. While education is important to all citizens, my experience and my research convinces me that it is essential for those who will face the continued obstacles of racism, classism, sexism, and homophobia; to those who have been distanced and disenfranchised from U.S. mainstream culture; and to those who have suffered generations of oppression and marginalization.

Closing Education's Doors to Women on Welfare

Despite a large number of reputable studies confirming the relationship between higher education and increased earnings (and thus financial stability), in 1996, Congress enacted the Personal Responsibility and Work Opportunity and Reconciliation Act (PRWORA) as a part of welfare reform. This act was composed of a broad tangle of legislation that "devolved" responsibility for assistance to the poor from the federal to the state level, and through a range of block grants, sanctions, and rewards, encouraged states to reduce their welfare rolls by developing stringent work requirements, imposing strict time limits, discouraging "illegitimacy," and reducing the numbers of applicants eligible for services. The act also promoted the development of programs and requirements that had the effect of discouraging--and in many cases prohibiting--welfare recipients from entering into or completing educational programs, mandating instead that they engage in "work first."

Specifically, the Temporary Assistance for Needy Families (TANF) work requirements, part of the 1996 PRWORA, drastically limited poor women's opportunities to participate in post secondary education programs while receiving state support. Unlike previous provisions in Aid to Families with Dependent Children (AFDC) and JOBS, education training programs in existence when I first went to college, TANF restrictions from 1996 did not allow higher

education to be counted as "work" and required a larger proportion of welfare recipients to engage in full-time recognized work activities. This work-first philosophy emphasized rapid entry into the labor force and penalized states for allowing long-term access to either education or training.

As a result of the dramatic overhaul of welfare policy in 1996, welfare recipient students left college for low-wage jobs in record numbers. Even as the nation began to embrace the conviction that access to education is the pathway to social and economic mobility, poor women were denied access to education that could have positively altered the course of their lives and those of their children. According to the Center on Budget and Policy Priorities, in the first year of welfare reform, tens of thousands of poor women were forced to drop out of school. Across the nation, the decrease in enrollments among welfare recipients ranged from 29 percent to 82 percent.

In 1998, the Center for Law and Social Policy (CLASP) conducted a preliminary survey of key policy advocates in the fifty states and Washington, D.C., regarding welfare recipients' abilities to enter into and complete educational degrees. The study found that in 1995, almost 649,000 students across the nation were receiving AFDC benefits while enrolled in full-time educational programs; by the 1998-1999 school year, that figure had dropped by 47.6 percent, to fewer than 340,000 students. Today the number is estimated to have been reduced again by over 93 percent, with a national enrollment of less than 35,000 students.

The Personal Cost of Work First Policies

A few years later, the prospects for these students remain dismal. One former computer science major with a ten-year-old son now earns \$7.90 per hour. Recently she described changes in her family's quality of life as a result of the 1996 reform:

"I call it welfare deform. Things are so much harder now. We can barely pay our rent. My son is alone all the time when I work. I just don't see a future anymore. With school there was hope. I was on my way to making a decent living for us. Now it is just impossible to survive day to day. Usually I can't pay my rent. I don't have a cent saved for emergencies. I don't know what I'm [going to] do."

A second student, who was a gifted and dedicated education major, returned to welfare after being forced to leave the university and then losing several minimum-wage jobs because she could not afford reliable childcare and was denied child-care assistance from the state for failing to name her child's father. She described the nightmare of losing job after minimum-wage job in order to care for her child, emphasizing that this was a "choice no mother should be forced to make." She added:

It came down to, if I want to keep this job at [the fast-food restaurant] I have to leave my three-year-old daughter alone or maybe with a senile neighbor. And I couldn't even really afford that! Or we could go back to her dad who is a drunk. If I don't do that, we could both end up hungry or homeless. The choice they are making me make is to either abandon or hurt my daughter, and for what?

Similarly, Tonya Mitchell, the single mother of twins and a very successful pre-nursing major committed to providing health care for low-income and minority populations, was forced to drop out of a nursing program and assigned a "work first position" in a nursing home. She reminds us, "All I wanted was to be a nurse and help care for people. I had a very high grade point average and was on my way to a nursing degree with jobs that pay over \$25 an hour in addition to benefits." Today, after over six years as a nursing aid, Mitchell makes \$8 per hour. In an interview she told me:

"I still need help from the state with childcare and food stamps and life is so much harder for us now than it was before. Clearly welfare reform and the Personal Responsibility Act changed our lives. I do not have the money I need to pay my rent and bills, my twins are in an awful daycare for about ten hours a day while I work in a job I hate, and we have little hope. If we survive it will be despite welfare reform!"

The experiences of students who had worked diligently to become responsible workers, taxpayers, and parents capable of providing their families with financial security, and who were forced to drop out of school to live in perpetual poverty, illustrates one startling failure of 1996 "welfare reform." Certainly not all low-income single mothers are able or willing to go to college. However, to prevent women who can do so from completing post secondary degrees is the mark of shortsighted and fiscally-irresponsible policy.

**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Welfare Reform: A New Conversation on Women and Poverty**

The prophet Isaiah exhorts us: "Share your food with the hungry, and give shelter to the homeless. Give clothes to those who need them, and do not turn away."

Today we look at fighting poverty in America. On the eve of its expiration, we examine the Temporary Assistance for Needy Families program — or TANF.

TANF is a key part America's social safety net. And it's all the more important in hard economic times like these.

Last week, the Census Bureau told us that poverty last year was the highest since 1994. Last year, nearly four million more Americans fell into poverty. More than a million of them were children.

Poverty went up among all types of families — two-parent households and single-parent households alike. But nearly one in every three households headed by a single woman is living in poverty.

Today we'll discuss preventing poverty, across the spectrum. And we'll focus on the strong but vulnerable women with dependent children who make up such a significant part of the TANF caseload.

More than four out of every five TANF families with an adult are headed by a single woman. And seven in ten of those mothers are caring for a child under the age of six.

In this Great Recession, TANF has not responded as other safety net programs have. TANF has not automatically expanded, as Food Stamps and Medicaid did. It's time to take another long, hard look at TANF.

In the early 1990's, welfare was an open-ended system. It did not promote self-sufficiency. And it did not effectively serve most of the people in need.

The 1996 welfare reform was a reaction to a broken system.

The 1996 law moved us from a cash assistance welfare system to one that emphasized work and jobs. We created the TANF program as a flexible block grant for states.

We maintained a safety net. But we also created a program that would provide child care, transportation, and job search support.

The Deficit Reduction Act of 2005 reinforced the new system. But the system was not built for a recession like the one that started in 2008.

At the end of last year, fewer than two million families received cash assistance through TANF. That's three million fewer than received Aid to Families with Dependent Children in 1994.

Quite simply, a welfare reform system focused on jobs can work when there are plenty of jobs. But that kind of system poses harsh realities when a recession sets in.

The time-limited cash assistance and flexible TANF program has enabled many to transition into jobs and self-sufficiency. But there's also evidence that efforts to encourage state welfare-to-work innovations have not succeeded across the board.

A safety net to prevent poverty is only as good as it is in hard times.

We have an opportunity to learn from these hard times. We can see what works and what doesn't. And we can build on that experience as we extend and improve TANF.

One example of what works is the TANF Emergency Contingency Fund.

We created the fund in the Recovery Act. It helps states to meet increased demand for help. And it also funded more than 250,000 transitional jobs.

These jobs are building good work histories. And these jobs are allowing many to learn and build skills.

As of last week, 48 states, the District of Columbia, Puerto Rico, and the Virgin Islands have been using this fund. And 36 states, D.C., and the Virgin Islands have created jobs with the fund.

States from Massachusetts to Alabama are clamoring for continuation of the fund. They want to create even more jobs.

I've read dozens of testimonials from newly-hired employees. They tell how these opportunities allowed them to meet their families' needs. Many spoke to the value of the on-the-job training and the permanent job that followed for them.

Last week, I hosted an Economic Development Summit in Butte, Montana. On a panel on job creation, Ray Kuntz, a small business employer, spoke about what the transitional jobs program has meant for his business.

With wage assistance, he was able to bring on two additional employees — at first temporarily, and then permanently. He has provided work experience and training for many more.

The TANF Emergency Contingency Fund has been getting Americans back to work.

The Great Recession and TANF's upcoming expiration present us with the opportunity to build a system for all seasons.

The policy details of encouraging work and economic mobility are important. But let's not lose sight of a basic principle — America has to have a social safety net.

Needy families with children will fall on tough times. And we need to respond.

Today's hearing will be the first in a series on TANF and related programs.

Congress must act quickly and cooperatively to extend this program, which expires in nine days on September 30.

And then, as this Committee prepares for a full reauthorization next year, we will explore the program's strengths, needs, and challenges for women, men, and children.

And so, let us start to prepare for extending and improving TANF. Let us begin with a new conversation on women and poverty. And let us talk about how we can help those who need help, and not turn away.

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**Rethinking Welfare in the Great Recession:
Issues in the Reauthorization of Temporary Assistance for Needy Families**

Testimony of Gordon L. Berlin, President, MDRC, Before the Senate Finance Committee

September 21, 2010

Good morning. My name is Gordon Berlin, and I am President of MDRC, a nonprofit, nonpartisan education and social policy research organization that is dedicated to learning what works to improve policies and programs that affect the poor. Founded in 1974, MDRC evaluates existing programs and tries out new solutions to some of the nation's most pressing social problems, using rigorous random assignment research designs or near equivalents to assess their impact.

I am pleased to be here today to discuss what research and experience have to tell us about moving forward with the reauthorization of the federal welfare program, Temporary Assistance for Needy Families (TANF). Let me start by summarizing my main points:

- The historic reforms embodied in the TANF program transformed welfare: rewarding and supporting employment and maintaining an ethos of reciprocity and responsibility that is valued by American society. In the context of a booming economy and other supportive policies, the nation made substantial progress on a number of key indicators — for example, reducing the welfare caseload, increasing women's employment rates, and reducing child poverty.
- As last week's new poverty numbers so starkly illustrated, the Great Recession has been an unprecedented test of antipoverty programs like TANF, demonstrating the limits of a social safety net built predominantly around work when unemployment is high. While the rolls of other safety net programs, like the Supplemental Nutrition Assistance Program (food stamps) and unemployment insurance, have risen to meet growing needs, the national TANF caseload has increased only modestly.
- The current economic downturn has also highlighted some less successful aspects of the TANF block grant structure that have existed for some time, including its loss of value to inflation; its limited reporting and accountability requirements; its excessive flexibility in what counts as state maintenance of effort (MOE) match, which has essentially created a system of federal-state revenue-sharing; and its comparatively restrictive definitions of activities that meet work participation requirements. Together, these factors have worked in unintended ways to undermine the program's effectiveness: the fraction of families living in severe poverty has remained stubbornly high; the number of former welfare families reporting neither work nor welfare income has been rising; and the program was slow to play an essential countercyclical role during periods of high unemployment.

- In response to growing needs and a lackluster response from states, Congress moved decisively to address the economic downturn by creating the TANF Emergency Fund. The fund reignited state creativity, leading to the development of more than 250,000 subsidized jobs in the public, nonprofit, and private sectors and enabling the payment of additional assistance benefits. Emergency Fund authority expires in nine days, likely leaving employed individuals without work, employers without employees, and communities without the economic multiplier effects that spur broader economic activity.
- The history of welfare policy is one of pendulum swings between various competing goals: reducing poverty vs. reducing dependency; being responsive to economic downturns vs. dealing with structural problems; privileging work-first vs. education-first; and promoting fatherhood programming vs. marriage programming. Yet these are *not* either/or choices. Indeed, the challenge is to use the opportunity of reauthorization to reduce the tendency to swing between philosophical extremes — while carefully developing evidence-based policies that anticipate changing economic contexts.
- Research evidence from a variety of interventions, which I describe in detail below, offers guidance about moving forward —maintaining a strong work focus, while also encouraging advancement through education and training; reducing poverty without increasing dependency; providing services for those with persistent barriers to employment; taking the best from both fatherhood and relationship programs to make families stronger.
- In the short run, it seems imperative to extend the current TANF law, as well as to extend and fund continuation of the Emergency Fund. The economic recovery has stalled, and the Emergency Fund appears to be providing vital bridge funding for clients, employers, communities, and states during this difficult period. However, an extension should be conditioned on improved state reporting about TANF spending, about participation in activities that states do not currently report, as well as about the nature of state maintenance of effort programming. We need better information in order to make good decisions about how to improve TANF.
- In the long run (and perhaps with better data), we should step back and consider some more fundamental changes, including rethinking TANF's goals and structure, so that the program promotes work and self-sufficiency in good times while expanding to provide support for the nation's poorest citizens in difficult economic times; creating a permanent emergency fund triggered by poverty and unemployment indicators and designed to solve the shortcomings evident in the existing contingency fund; reexamining the block grant structure, so that states maintain sufficient flexibility to innovate while being transparent about how resources are being spent; expanding the role of education and training while creating standards that require participants to make adequate progress; revamping the participation requirements and combining them with a universal engagement measure; doing more to deal with participants with barriers to employment; and providing incentives to states to do more of what research says works.

Where We Are Now

Nearly 15 years after the creation of the Temporary Assistance for Needy Families program and in the midst of the Great Recession, welfare policy has reached a crossroads for taking stock of both its successes and its failures. The history of welfare policy in the United States is one of pendulum swings between various extremes: reducing poverty vs. reducing dependency; being responsive to economic downturns vs. dealing with structural barriers to self-sufficiency; privileging work-first vs. education-first; promoting responsible fatherhood vs. promoting marriage. The challenge is to use the opportunity of reauthorization to reduce the tendency to “over correct” — and to develop policies that both anticipate changing contexts and reflect the lessons that we have learned from research and experience.

The passage of TANF in 1996 transformed the American welfare system; among its most important provisions were: time limits on benefit receipt, strict work standards, a caseload reduction credit that rewarded states’ efforts to trim their welfare caseloads, and a block grant structure that afforded states tremendous flexibility in the design and operation of welfare programs. Welfare’s push was assisted by the pull into the labor market of the Earned Income Tax Credit (EITC), which helps to make low-wage work pay: adding as much as \$5,000 annually to the earnings of a family with two children.¹ It is important to remember that these reforms had the good fortune to be implemented in a booming economy. In the late 1990s and early 2000s, the unemployment rate was low, fluctuating between 4 percent and 6 percent.² As a result, many people who would have been on welfare found entry-level jobs, and low-income women’s employment rates hit all time highs, while welfare caseloads overall declined by nearly half.³

Today, however, the TANF program has turned out to be among the least responsive parts of the nation’s safety net during recession. Food stamp caseloads are at a record high level: reaching 33.8 million individuals in more than 15 million households in April.⁴ But as food stamp rolls shot up 37 percent nationwide between December 2007 and September 2009, welfare caseloads increased only 10 percent nationwide (although there is quite a bit of variation from state to state).⁵ The share of eligible families served has actually declined.⁶ Moreover, nearly half of the national caseload is now made up of child-only cases, meaning that adults in the family are not receiving assistance because they are absent, ineligible, or have been sanctioned off the rolls.⁷

Of equal concern is the growing problem of disconnected low-income single mothers who report that they are neither working nor receiving public assistance, and thus have no reliable source of cash income to support them and their children. The proportion of such families has been growing from roughly a tenth of low-income single mothers in 1990 to as many as a fifth or even a fourth by 2005.⁸ These numbers have likely grown over the last five years. Available evidence suggests that these women face a range of barriers to work — limited work history, low education levels, domestic violence, depression, or the responsibility of caring for a sick child or adult. Many will experience severe poverty — that is, income below 50 percent of the federal poverty level for their family size. The consequences for children of spending some part of their childhood under conditions of severe economic deprivation are worrisome.

In many states, access to TANF remains a challenge: states have made the eligibility determination process more demanding (for instance, requiring more documentation, multiple

visits, and participation in a job search program); welfare time limits have sent a strong, application-d discouraging, message that welfare is a temporary program; enforcement of full family sanctions for failure to comply with work participation requirements⁹ have ended benefits to some of these very poor women; and the work participation requirements that states must meet or face the loss of federal funding may have discouraged states from enrolling family heads with significant barriers to employment.

The poverty figures released last week underscore this problem. The poverty rate has reached 14.3 percent, the highest level since 1994, with a record 43.6 million people living in poverty. There are 14.8 million related children living in families with below-poverty income, and only 3.4 million of those children are receiving TANF-funded benefits.¹⁰

The Downside of the Block Grant Structure

The block grant structure, which spurred state creativity when the law was first passed, may have contributed to TANF's lack of responsiveness in the current economic environment. For one thing, the block grant has lost more than 25 percent of its value to inflation, and state-determined benefit levels, which are generally below 50 percent of the poverty level, have not kept pace with inflation in most states.¹¹ In addition, as caseloads marched steadily down towards the end of welfare as we knew it, states moved decisively to reallocate not just federal resources but also state resources to meet other priorities — many of them important, like child welfare, child care, and teen pregnancy prevention, but not all of them directly linked to welfare and many of them not very well documented. The undefined categories “other” and “nonassistance” now count for more than half of all TANF spending, yet we know little about the characteristics of those served, the categories of services provided, or whether participants are engaged in worthwhile activities that do not count toward the participation rate.

In short, TANF appears to have become a form of revenue-sharing for the states. For instance, because of rules that limit federal entitlement funding under Title IV-E of the child welfare law to foster care for children from families whose income falls below the state's original AFDC eligibility level (an amount that has *not* been adjusted for inflation), states have relied on flexible TANF funding to support a growing number of foster care children and for the cost of preventive services. Now, with states strapped financially, they can ill afford to have welfare caseloads rise, and many states have not been able to return those TANF resources to meet welfare needs. The TANF Contingency Fund, which was meant to provide states with an infusion of resources when unemployment levels rose, appears to have mostly worked as fiscal relief to the states, rather than increasing assistance and services to the poor.

Too Restrictive Participation Requirements

In the last reauthorization of TANF, the Deficit Reduction Act (DRA) of 2005, Congress tightened the work rules considerably: raising the effective work participation rate, increasing the share of participants subject to work requirements, limiting the activities that could be counted as work, and prescribing hours that could be spent doing certain work activities.¹²

According to the Urban Institute, states have responded by spending more effort monitoring work activities of participating families and by moving some families (particularly, two-parent families, which must meet a higher work participation rate) into solely state-funded programs that do not have strict work requirements. A recent U.S. Government Accountability Office (GAO) report noted that 29 states have funded cash assistance for certain families that may be less likely to meet the work requirements with state dollars unconnected to the TANF program.¹³ Some states have also increased their use of diversion programs, including one-time emergency assistance, to keep families off the rolls.

In retrospect, it now seems clear that the participation standards TANF established for one- and two-parent families, coupled with the narrow definition of countable activities, meant that most states would not be able to meet the standards established in either the 1996 law or in the 2005 DRA reauthorization. For a time, this reality was masked by the caseload reduction credit; its effective elimination led states to employ the penalty-avoidance strategies described above, including creating state-only programs for two-parent families and long-term dependent families. Yet, even with these strategies, the GAO reports that 57 percent of adults on welfare had zero hours of participation,¹⁴ a disappointing response to DRA's goals, which were established in the hope that they would unleash a new round of state innovation. A variety of explanations have been proffered to explain these surprisingly low numbers: states may not be reporting activities that would not count as participation under current rules either because the service doesn't count or the client has not accumulated enough hours before the month-end reporting period; some recipients are in the process of being sanctioned or are between activities; and, with caseloads down so much and with child-only cases up, some state welfare-to-work programs may no longer be attempting to work with everyone.

But even granting the three explanations, participation appears low, which goes to the fundamental question of how best to accomplish TANF's work goals. Well-meaning legislative and regulatory efforts to define what counts as fulfilling work requirements may have made sense in a period of strong economic growth and low unemployment, but it has effectively tied the hands of state administrators in a period without enough work. The key is constructing participation requirements that focus states on engaging every adult on the caseload in achieving employment-related goals.

Over the years, MDRC has evaluated more than two dozen welfare-to-work programs of various kinds. Many of these programs were remarkably effective — increasing employment and earnings and reducing welfare receipt and payment. Indeed, in many instances, it would have cost more *not* to run these programs, as several of them returned more to government budgets than they cost to operate, a previously unheard of finding. Yet, *none* of the welfare-to-work programs we evaluated, including the most effective programs, would have achieved the participation rates currently in place or even those established in 1996, primarily because few of them could have met the weekly hours and countable activity requirements.

If state welfare programs are to meet higher participation rates, the weekly hours requirement would have to be relaxed, and the rules would need to take specific account of several practical realities involving the changing status of people, the slots and services required, and the administrative difficulty of monitoring participation. Even in a tightly managed program, for

example, a substantial number of recipients will be between activities at any time — they will have recently finished one activity and will be waiting for another to begin. Some recipients will be in the midst of a noncompliance review process that may lead to sanctions. Others may not be able to participate fully because they are temporarily ill or disabled, or caring for a disabled family member, or awaiting the outcome of an application to the Supplemental Security Income program. In addition, most program services are not designed to last for 30 hours a week; thus, participants would have to be enrolled in multiple activities.

Too Much Flexibility on State Maintenance of Effort

Broad flexibility in what counts as state maintenance of effort (MOE) match funding is a third factor that helped to make TANF more like a revenue-sharing program than a targeted cash aid program for the poor. The 1996 law allowed states to claim as match funding for programs that met the four purposes of the Act so long as they served financially needy families with children. States that were using state-only dollars for other programs could reduce their total expenditures on the poor. The DRA further broadened what counted by allowing states to count expenditures for the prevention and reduction of teen parenting and in support of two-parent families without regard to income levels. This flexibility may have made TANF a target for state budget offices desperate for revenue. On balance, we don't know how extensive this diversion of funds might have been, but it seems clear that some overall reduction in state funding on programs for the poor may have occurred.

Taken together, four factors — an inflation-adjusted decline in funding, lack of reporting and thus accountability, strict and unmeetable participation standards, and MOE flexibility — may have combined to undermine the block grant's ability to play a countercyclical role when the recession hit.

The Reenergizing Role of the TANF Emergency Fund

Congress was quick to react to help states during the Great Recession with the passage of the TANF Emergency Fund (part of the American Recovery and Reinvestment Act), which provides 80 percent reimbursement for *increases* in TANF-related expenditures in three defined areas: basic assistance, nonrecurrent short-term benefits, and subsidized employment. The U.S. Department of Health and Human Services has awarded \$4.28 billion of the appropriated \$5 billion to states, with pending applications likely to spend the remainder.¹⁵ As much as \$1.35 billion will have been spent on subsidized employment, which will create more than 250,000 jobs by the end of September, according to some estimates.¹⁶ However, as you know, the Emergency Fund expires September 30, 2010.

Importantly, the TANF Emergency Fund authority seems to have reenergized state creativity: some 37 states have taken advantage of the funds to create subsidized jobs, some tied to promises that employers will retain the workers on their payrolls once the subsidy period ends, and others helping to create an alternative to welfare receipt. This use of the Emergency Fund stands in stark contrast to the use of the Contingency Fund, which had no restrictions and which states appear to have used to meet larger budget needs, not necessarily to support programs for the poor. It also stands in contrast to the lackluster response under the regular TANF program in

the economic downturn. The difference appears to be that Congress limited the use of Emergency Funds to specific activities and for increases in services, a set of distinctions that may provide lessons for rethinking TANF's structure.

What Does the Research Tell Us?

As a result of investments supported by both Democrats and Republicans, the nation has continued to build an important body of evidence about what does and does not work in most of the key areas of contention that this Committee can rely on as it considers reauthorization. If we are to avoid the policy pendulum swings of the past, lessons from evaluation research can provide guidance for a way forward.

Work-First vs. Education and Training

The debate need not pit work against education. A strong body of research demonstrates that the most effective welfare-to-work programs employ a "mixed strategy" that encourages some people to find work immediately and others to enter education and training. The challenge is targeting the right intervention for the right participant. Here's what we know:

- Work-first programs get people into jobs quicker and at less cost to the government. But participants generally remain poor, essentially trading a welfare check for a paycheck.
- Mandatory education-first programs catch up eventually, producing comparable gains in employment and earnings and welfare savings, but they do not exceed the gains of work-first, possibly because completion rates are low and links to advanced training are limited.
- A "mixed strategy" that tailors services to the needs of individual recipients — some participants to begin by looking for work and others to start with education and training — has proven more effective than more rigid approaches that simply assigned all participants to either a job-search-only program or a required education and training-only program with little regard to their individual needs.¹⁷

The focus on work-first that has characterized TANF was a reaction to the shortcomings in the Family Support Act of 1988, namely a concern that some people were using an education assignment to avoid work participation, not attending regularly, not making progress, or not completing the program they were assigned to. Now the pendulum has swung the other way — work-first has become work-only — and state administrators have begun to realize that not everyone can get a job, especially in such a depressed labor market, and many of the recipients who remain on the rolls have barriers to employment that argue for investments in education and services. The challenge is not to let the pendulum swing back but to open the door to additional education and training while maintaining a strong employment orientation. The most successful mixed-strategy programs MDRC has studied did just that; the average length of stay in those programs was roughly 6 to 9 months or so (although there was variation around that average).

The labor market is demanding more education for higher-paying jobs that might lead to greater job stability and improved self-sufficiency. If *voluntary* education and training helps the general population advance, is there a way to obtain similar payoff for welfare recipients by supporting

employment-focused education and training while requiring evidence of “adequate progress” to ensure that participants stick with education and training programs until completion?

Helping Low-Wage Workers Advance in the Labor Market

If low-wage work does not lift families out of poverty, how do we help workers move up the wage ladder into jobs that can support them? Research from MDRC and others offers lessons about employment retention and advancement programs for welfare recipients and other low-wage workers.¹⁸ Some of them are sobering:

- Most programs found it difficult to engage busy low-wage workers, most of them single parents, in services or to increase already high rates of education and training.
- Even before the current recession, participants had high rates of job loss, putting a premium on reemployment services (rather than retention and advancement).
- Case management alone seems ineffective, even though guidance can be an important component of programs.

However, research to date has identified several promising models:

- Financial incentives can increase job retention and earnings, as well as participation in and completion of training, a finding that reinforces other information on the role of incentives in social policy.¹⁹
- Private placement intermediaries and agencies with strong connections to employers have been successful in helping welfare recipients find and hold better jobs.²⁰
- High-quality sectoral training programs with strong ties to employers can substantially increase employment and earnings for carefully screened populations, but these models have not been tested at scale.²¹

While it’s possible to help low-wage workers advance, it is challenging — even in strong economies — and most of our successes have involved small-scale efforts that produced only modest gains for participants. Would more intensive investments in education and training work?

Promoting Success in Community Colleges

More education is correlated with higher earnings. For example, in 2005, a two-year associate’s degree brought an average annual earnings premium of \$8,500 over a high school diploma.²² Thus, an apparent long-term solution to the inadequacies of low-wage work is to make sure that more people are earning college credits and education credentials, which will qualify them for better jobs. But this won’t happen if welfare recipients do not enroll in education and training, advance from course to course and semester to semester, and *complete* the programs.

But while *access* to higher education, particularly at community colleges, is growing, retention and completion rates remain distressingly low, and too many students get caught in developmental (or remedial) education and never earn a credential. Both policymakers and the philanthropic sector have focused new efforts on increasing student persistence and achievement in postsecondary education. The Obama Administration has set a goal for the nation of once

again having the highest proportion of college graduates in the world by 2020, and Lumina Foundation for Education is seeking to increase the proportion of Americans with “high-quality” degrees and credentials to 60 percent by the year 2025. The Bill & Melinda Gates Foundation has set similar goals.

In order for that to happen, we have to make progress on increasing semester-to-semester persistence and completion rates. Recent research suggests that some interventions in community colleges can make at least a modest difference:

- **Performance-based scholarships:** These scholarships, which are paid on top of current financial aid, condition payment on academic performance (staying enrolled, maintaining a “C” average at midterms, and passing courses) and are often paid in increments over a semester. Early research with a population of welfare-eligible single mothers shows impacts on full-time enrollment, semester-to-semester retention, and credit accumulation. A national demonstration of performance-based scholarships is currently underway.²³
- **Integrating basic skills with occupational certificates:** A model program in Washington, I-BEST, combines basic skills education with a one-year vocational education training program that results in a certificate. Program data and third-party evaluations suggest that I-BEST increases the proportion of individuals with certificates as well as improves retention in postsecondary education.²⁴ More rigorous research is just getting underway.
- **Learning communities:** In learning communities, groups of students enroll together in two or more courses, which are thematically linked and may offer an integrated curriculum. Results from one site suggest that learning communities can help students move through developmental English requirements and increase the average number of credits earned; however, there was no immediate effect on persistence. A demonstration of this intervention — focused mostly on developmental education — is operating in six community colleges around the country.²⁵
- **Enhanced student services:** Many community college students are the first in their families to attend higher education, yet the student services that can help them find their way are often lacking, with student/advisor ratios averaging 1,000 to 1. Lowering advisor caseloads makes a modest difference in boosting academic success, at least during the semesters the advising is offered. Tutoring combined with a “student success course” — which essentially teaches students how to be students — has helped students on academic probation get back in good standing.²⁶

The bottom line: A variety of interventions — performance-based incentives, curricular innovations, and enhanced student services — can improve postsecondary performance among low-income students. The challenge is targeting the programs to the right students, monitoring progress, and enforcing performance, particularly in the context of TANF.

Reducing Poverty vs. Reducing Dependency

Welfare reform successfully helped move many people into low-wage work. Yet, for many, work alone does not ensure escape from poverty, necessitating additional strategies: earnings

supplements and other work supports in addition to the retention and advancement services and higher education strategies discussed above.

Making Work Pay: Perhaps the most successful antipoverty programs have been those that tie cash payments to work effort: earnings supplements, earned income disregards, and, especially, the Earned Income Tax Credit.²⁷

Experiments conducted during the 1990s in Minnesota, Milwaukee, and two Canadian provinces were designed to increase the payoff from low-wage work. All three provided work incentives in the form of monthly cash payments to supplement the earnings of low-wage workers. The payments were made only when people worked, and the amount of each month's cash payment depended on the amount of each month's earnings. The results were consistent and encouraging. The mostly single mothers who were offered earnings supplements in these three large-scale, rigorous studies were more likely to work, earned more, had more income, and were less likely to be in poverty than control group members who were not offered supplements. The earnings supplements also had a secondary benefit for children. Preschool-age children of participating parents did better academically than like children in the control group, in part because their parents had higher incomes and they were more likely to attend high-quality, center-based child care programs. While these effects faded overall once the earnings supplements ended, the largest and most persistent effects on adults were found for African-Americans and for the most disadvantaged participants, particularly high school dropouts without recent work history and with long welfare spells. While these programs were relatively costly, they were very efficient — yielding more than a dollar in income for participants for every dollar invested by the government.

At a much larger scale, the EITC and state earned income credits (and to a lesser extent, work supports like food stamps) perform a similar function: providing supports for those who engage in low-wage work.

If “making work pay” strategies are successful, what is the right role for TANF dollars given the existence of the EITC — to help secure the initial transition from welfare to work, as a funding source for state supplements to the federal EITC? How might TANF be structured to encourage these forms of support in good economic times, while ensuring that TANF remains a reliable source of support for those who can't find work, especially in tough economic times?

Services for Those with Barriers to Employment

As the caseload declined, its composition initially did not appear to change very much.²⁸ More recently, however, states report that they find themselves working with people who have a range of persistent, multiple, and, sometimes severe employment barriers, such as substance abuse and depression, that make it difficult to get and keep a job. Treatment programs play a small but important part in states' efforts to ameliorate these problems and promote employment among the hard-to-employ. If engagement in these activities does not count towards meeting state participation requirements, state officials have less incentive to work with these populations. It also places a funding obstacle in the way of the newly emerging focus states are now compelled to place on rehabilitation as a way to address the problems of the hard-to-employ.

But do these services improve employability? Several rigorously evaluated efforts provide some guidance:

- A random assignment study of a welfare-to-work program, called PRIDE, for recipients with work-limiting medical and mental health conditions shows that participants had increased employment and decreased welfare payments. However, only 34 percent of the program recipients worked in a job covered by unemployment insurance within two years after entering the study, and much of the savings in welfare was driven by high rates of sanctioning for noncompliance.²⁹
- Participants in an intensive care management program for public assistance recipients with substance abuse problems were slightly more likely to enroll in treatment than participants in less intensive services. However, the intensive program had no effects on employment or public benefit receipt among the full sample (although it did lead to a reduction in benefit receipt for the subgroup who received TANF).³⁰
- Results from a random assignment study of a telephonic care management program for depressed parents who were receiving Medicaid modestly increased the use of mental health services but had little effect overall on the severity of their depression. It did reduce the number of people who would have experienced severe depression, however, which is a group that has been found to benefit the most from treatment for depression.³¹

Clearly, these are difficult areas in which to make a difference. But states really have no choice. Most of the recipients they have worked with in these programs would not qualify for Supplemental Security Income. All have children. While the modest, short-lived gains in PRIDE and in the program for Medicaid recipients suffering from depression provide some foundation on which to build a next generation of services, it remains likely that at least some of these people cannot be expected to work steadily, full time.

Transitional Jobs. Transitional jobs programs provide temporary paid jobs, support services, and job placement help to hard-to-employ individuals, including long-term welfare recipients. More recently, they have also been used to employ former workers affected by the economic downturn. For the hard-to-employ, the model is based on the assumption that some people have difficulty finding and holding jobs because they do not understand how to function in a work environment, and that people are best able to learn to work by working. The model also assumes that program staff are best able to identify and address workplace problems — tardiness, difficulty taking direction, and so on — by observing participants on the job, and that employers will be more likely to hire someone who has a track record of successful employment. Although these very short-term employment programs (typically lasting less than 12 weeks) have proven effective in getting people employed quickly, they have been disappointing as a strategy for helping the long-term unemployed secure *unsubsidized* work — even though some programs have had important ancillary effects, like reducing recidivism for ex-prisoners and welfare receipt by long-term welfare recipients.³² By contrast, the original Supported Work model of transitional jobs — a structured 18-month work program for the hardest-to-employ that was tested by MDRC in the 1980s — did produce large and sustained effects for long-term welfare recipients.³³

More work is needed to test alternatives that provide longer term employment; do a better job identifying those who cannot find work on their own; reengineer the “transition” from subsidized to unsubsidized employment, a particularly crucial function that has historically been unattended to in subsidized employment programs; and make investments in education and training that might help participants find better jobs.

Fatherhood and Marriage

For the past two decades at least, there have been efforts inside and outside the welfare system focused on addressing the role that family structure plays in fomenting intergenerational poverty and dependency. In large part, interventions have divided into two categories: programs that have attempted to increase noncustodial fathers’ involvement in the support and care of their children and programs focused on improving the relationships of married and unmarried co-parenting couples. Two of TANF’s four purposes involve reducing out-of-wedlock pregnancies and encouraging the formation of two-parent families.

States and the federal government continue to experiment with promising approaches in these areas, some of it supported by TANF, but so far with limited success. Evidence from the Parents’ Fair Share program in the 1990s for noncustodial fathers demonstrated small, modest effects on involvement, employment, and child support payments for those fathers who were least likely to engage in these activities.³⁴ More recently, early results from Building Strong Families, a program to strengthen the relationships of unmarried couples who have or are having a child together, were mixed. Overall, BSF did not have any effect on improving relationship quality or on marriage rates; in one site, the intervention actually had negative effects, including an increased incidence of domestic violence, while in another it had several positive effects, including improvements in relationship quality.³⁵ A third program, Supporting Healthy Marriages, which is focused on improving relationship quality among married couples, appears to have had success in engaging participants as measured by their ongoing participation in the program’s marital education classes, but outcome information won’t become available until early 2012.

Evidence emerging from these and other studies suggest that responsible fatherhood and couples’ relationship quality are closely linked, not at odds with each other. A man’s capacity to fulfill his role(s) as father is determined by his relationship with the child’s mother. For couples who live together, the quality of their relationship is associated with their ability to parent cooperatively.³⁶ In turn, programs that are effective at strengthening the relationship between parents who live together have been found to increase fathers’ involvement in parenting. For parents who are no longer together, there is an even stronger link between the parents’ ability to cooperate and the father’s level of involvement with the child, because custodial parents (usually mothers) have considerable control over noncustodial parents’ access to their young children, and ongoing conflict between parents about visitation is likely to lead to fathers’ withdrawal. Reducing the influence of the swinging pendulum between fatherhood programs and marriage programs that has characterized federal policy and funding would provide an important foundation for building evidence-based services for families. Indeed, the two strategies share a common goal: to increase the number of low-income children who grow up with financial and emotional support and involvement from both parents.

Looking Beyond a Work-Based Safety Net

If the immediate economic outlook suggests years of high unemployment, a safety net built around work will prove inadequate.³⁷ Are there other models for relieving poverty, while still maintaining the philosophy of reciprocal responsibility embodied in TANF and other work-based programs? An ongoing demonstration of conditional cash transfers (CCTs) that MDRC is conducting offers some interesting early lessons.

Targeted toward low-income families in six high-poverty New York City communities, Opportunity NYC-Family Rewards offers cash payments tied to efforts and achievements in children's education, family preventive health care practices, and parents' employment. In its first two years, the program substantially reduced poverty and material hardship and had positive results in improving some education, health-related, and work-related outcomes.

The initial results from the New York City project show that CCTs can make an immediate difference in the lives of poor families in a developed country by increasing family income (up 23 percent on average). Nearly all families were able to qualify for at least some rewards, mostly in the education and health domains — meaning that, even in a depressed labor market, poor families could make non-work efforts that would bring needed income. This income reduced measures of economic hardship as well, which are notoriously hard to move. It is important to emphasize that these effects on poverty did *not* lead to major unintended consequences, such as substantial reductions in work effort.³⁸

While many families were rewarded for efforts they would likely have undertaken without the program, Family Rewards did have modest effects on behavioral outcomes in each domain, suggesting that an income-transfer program with achievable conditions attached can provide a modest boost in positive behaviors. It's too early to say whether these effects will be sustained or grow — or whether they are worth the cost — questions that will be answered as MDRC follows these families for another two years following the August 31, 2010, end of the three-year intervention.

Going Forward

It is hard to design public policies that are durable in good times and in bad. Since the social safety net was first conceived as a response to the Great Depression, policymakers have attempted to balance two competing goals: reducing poverty while limiting dependence on public handouts. Just as it would have been difficult to foresee the booming 1960s from the depths of the 1930s, few predicted today's severe downturn during the roaring 1990s. Then, with economic cycles seemingly in check and unemployment at historic lows, the nation moved to tie the social safety net more closely to work — by greatly expanding the Earned Income Tax Credit and placing time limits and strict work requirements on the cash welfare system. In the grip of the Great Recession, the wisdom of building a safety around work alone is in question.

But what might work better? Can we strike a better balance between protecting vulnerable families in the short run without exacerbating the intergenerational transfer of poverty? Can we maintain a focus on work without impoverishing families in periods when work is scarce? Can

we use this time of crisis as an opportunity to better balance our focus on work and education and training?

TANF has a critical role to play in the nation's safety net. We witnessed its role in promoting self-sufficiency and reducing dependency in the 1990s economic upturn. But to be successful, it must also work to help the poor in economic downturns — reducing poverty and investing in human capital, even more so when work is not plentiful. The key question for the Committee — and for the nation — is how to balance among TANF's competing goals? Is it best to make changes on the margins or is a more fundamental rethinking of its goals and its structure required? Certainly, in this economic environment, reauthorization cannot simply wait. Thus a two-part strategy seems wise — extending the existing provisions and making changes on the margins to help meet immediate need, while working diligently to craft a bipartisan plan for making TANF a program that is durable and effective in both good and bad times.

The research I've just described, the history of welfare policy in the U.S., and the current situation we find ourselves in suggests the following short- and long-run strategies for the Committee to consider as it moves forward in the reauthorization of the Temporary Assistance for Needy Families program.

In an extension of current law, Congress should consider:

Extending the TANF Emergency Fund. The economic recovery has slowed, poverty is rising, and unemployment rates remain dangerously high. In short, the justification for establishing the Emergency Fund as part of the Recovery Act remains intact. A decision not to extend the authority and not to provide additional funding would add new pressure on the states at a time when their fiscal situation remains bleak, perhaps exacerbating the downturn. Low-income people would feel the brunt of this decision; many would lose income support and the subsidized jobs that are tiding them over in this difficult period. Employers and communities would also be affected. I know this is a difficult decision to make in the current federal budget environment, but, with unemployment insurance benefits extended for 105 weeks or more in some places, a program that states are using extensively to provide jobs as an alternative to welfare strikes me as preferred response to a temporary crisis. Moreover, it is the one place where we have seen states respond with the kind of creativity that we once routinely expected — developing job-creating programs in collaboration with private, nonprofit, and public sector employers. Indeed, the Emergency Fund's very structure — resources tied to specific categories of intervention but with the flexibility to implement them as needed — suggests lessons for reauthorizing TANF next year.

Getting better data. We don't know enough to make wise decisions. Congress should ask the states to report fully on the "other" and "nonassistance" categories — who is participating, how many are participating, what services and benefits are they receiving? In addition, states might be asked to report detailed information on what role TANF funding is playing in child care, in child welfare, in state EITC programs, and in other key parts of the safety net. But we also need to understand what has happened to total state funding of programs for the poor since the passage of TANF. It will be important to know enough about these other programs to understand the choices states have made with regard to what counts as match for maintenance of effort

spending. Last, we need better data on participation, even when it doesn't count under current rules — partial hours, education, training, and treatment and assessment services rendered for those receiving assistance and non-assistance funding.

Expanding the role of job search and education and training while requiring evidence that participants are making adequate progress. There is no good justification for the limits TANF now places on job search or education and training. Job search-first and education-first program are both effective, and we have strong evidence that “mixed” welfare-to-work strategies that combine the two strategies provide the optimal return on investment. In addition, we know that education and skills are critical to moving up the career ladder and avoiding poverty. Moreover, we have identified interventions that can increase the share of low-income students who progress in education and training toward completing credentials, as well as sectoral training strategies that lead to better jobs. The challenge is to target interventions appropriately, connect training to actual labor market need, provide effective support, and create a monitoring system that rewards retention, progress, and completion. Narrowly defining participation as work in an economy without enough work leaves states with few options, tolerates idleness, undermines the quid pro quo that was at the heart of the new welfare bargain, and wastes an opportunity to make investments that might pay off later. Without abandoning the gains of the past 15 years in requiring and rewarding work, states can expand participation in education and training without it becoming a dead end that does not lead to jobs. If these changes must wait until Congress can reconsider participation standards more broadly, perhaps the U.S. Department of Health and Human Services, through its regulatory authority, could modestly expand the role of education and training, while requiring evidence of “adequate progress” by participants.

In the long-run effort to reauthorize TANF, we should step back and consider some more fundamental changes, including:

Revisiting TANF's goals. Is TANF a means of revenue-sharing to support state's social welfare program priorities or is it a core part of the nation's safety net for those with few or no other means of support — playing a key role as a temporary aid program focused on helping the poor make the transition to work and self-sufficiency in good times, while expanding to provide support of last resort for the nation's poorest citizens in difficult economic times? In short, should TANF play a countercyclical role in bad economic times? The current recession exposed a substantial hole in the safety net as the only cash welfare program failed to respond adequately, with consequences for poor families and children, for communities, for states, and for the national economy.

Restructuring the block grant. Can a block grant structure provide countercyclical relief, especially one that requires only minimal reporting, provides wide flexibility on what dollars can be spent on, and allows broad authority to states in identifying matching maintenance of effort spending? If Congress affirms that TANF funding is key to the social safety net, then changes are likely necessary in its structure, reporting, allowable uses of funds, and maintenance of effort requirements. To play an effective countercyclical role, TANF must contract in good times and expand in bad times. The near moribund response of TANF and its contingency fund (states claimed the money but there is little information to suggest it was used to expand services) stand in stark contrast to the use of the Emergency Fund — possibly providing lessons for Congress to

consider in restructuring the block grant. This suggests some modest tightening of what TANF dollars can be spent on, and in what counts as meeting maintenance of effort requirements. In addition, some thought might be given to the creation and protection of rainy day funds during good economic times. A larger contingency fund could be created, one that would be triggered by state poverty or employment thresholds and would have the characteristics of the Emergency Fund: resources could only be used to provide “more” benefits as caseloads grow and for named targeted activities. The rainy day fund and this emergency fund would provide a mechanism for expanding and contracting TANF as the economy changes. Finally, more complete reporting on the use of funds as described above is key to accountability and transparency, while better information and more restrictive requirements in what can count as state maintenance of effort may be necessary to create a more responsive block grant.

Revamping participation requirements. Few states are meeting current participation standards, and large numbers of enrollees appear to be engaged only minimally if at all. To achieve high participation rates, TANF will need to accept a broader range of countable activities, provide flexibility in the number of hours required, and contain a measurement system that accounts for inevitable periods of down time and partial attendance. Moreover, the evidence on effective programs doesn’t support the need for either rigid definitions of what counts or fixed hours of participation. For example, why limit job search to six weeks or the fraction of the caseload that can be enrolled in vocational education? With a goal of actively engaging every adult on the caseload in activities designed to increase self-sufficiency, participation standards should be combined with universal engagement measures. Universal engagement measures might include items like percent assessed, percent assigned, percent with up-to-date employment plans, and evidence of efforts on the part of staff to contact nonparticipants. Most important is a requirement that participants show clear progress whatever the assignment. In short, a revamped participation requirement would set more realistic hours requirements, confer greater flexibility on states in what activities count as meeting participation standards, and create a complementary universal engagement standard to signal Congressional intent that states work with everyone.

Giving states the incentives to implement and improve interventions with evidence of success, including “mixed strategies” that promote both work and education and training (along with some provision for longer term education and training, if people are making demonstrated progress), subsidized and transitional jobs for both countercyclical purposes and (with adjustments) for those with structural barriers, and programs that promote advancement, make work pay, and, particularly in difficult times, condition some cash assistance on productive non-work activities.

Doing more to deal with barriers to employment. As Senator Grassley noted in his response to the GAO report, the program has also fallen short in remedying the structural barriers to self-sufficiency faced by many low-income welfare recipients. As noted above, interventions designed to treat problems of mental health, low education, and absence of work experience are not being provided, in part because the work participation standards have been interpreted by states to limit what counts and in part by the limited evidence on what works. Evidence-building remains a necessity in this area, but states should also be encouraged to build on the limited evidence we have.

One more point: Today's hearing is focused particularly on poor women and children. Ultimately, however, we can't solve the problems they face without addressing the low rates of employment and earnings among poor men, who have been particularly hard hit by the current recession. The unfinished agenda of America's antipoverty effort is to find mechanisms to encourage and reward the work of individuals, including single low-income men, so that they can support themselves and their families. Bureau of Labor Statistics projections through 2018 describe a future characterized by substantial numbers of low-wage jobs.³⁹ Recognizing this dilemma, in the last decade or two, policymakers have increased the generosity of the EITC. But by providing earnings supplements primarily to the heads of families that have children and ignoring the consequences for single individuals who hold these same low-wage jobs, we have unwittingly created inequities that undermine the incentive to work, marry, and bear and support children. As the nation emerges from economic recession, labor market policies (as opposed to income maintenance policies) that "make work pay" for all Americans could hold the key to progress on some of the nation's most perplexing and persistent poverty problems. Careful research, demonstrations, and experimentation on a large scale with an expanded payroll tax credit or EITC for individuals as a means of accomplishing these goals should be a priority as we consider a next generation of policies to address the intertwined problems of single-parent families, low rates of employment and earnings, and persistent poverty.

As I said at the beginning, the history of welfare reform has often been one of pendulum swings between competing philosophical goals. Perhaps the greatest legacy of TANF is that it reconciled — through a focus on promoting work and earnings — two seemingly competing goals: reducing poverty and reducing dependency. The challenge ahead is to build on that consensus to enhance the program's ability to get participants into good jobs in a strong economy, to encourage participants to make progress through appropriate skill-building education and training, and to provide support when times are tough.

Thank you for the opportunity to testify today.

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TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Implications of Caseload and Program Changes for Families and Program Monitoring

Statement of Kay E. Brown, Director
Education, Workforce, and Income Security



GAO-10-815T

September 21, 2010



Highlights of GAO-10-815T, a testimony before the Committee on Finance, U.S. Senate.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Implications of Caseload and Program Changes for Families and Program Monitoring

Why GAO Did This Study

The Temporary Assistance for Needy Families (TANF) program, created in 1996, is one of the key federal funding streams provided to states to assist women and children in poverty. A critical aspect of TANF has been its focus on employment and self-sufficiency, and the primary means to measure state efforts in this area has been TANF's work participation rate requirements. Legislative changes in 2005 were generally expected to strengthen these work requirements. Given changes in the number of families participating in TANF over time and questions about whether the program is achieving its goals, this testimony draws on previous GAO work to focus on 1) key changes to state welfare programs made in response to TANF and other legislation and their effect on caseload trends; 2) how low-income single-parent families are faring; and 3) how recent developments in state programs and the economy may affect federal monitoring of TANF. To address these issues, in previous work conducted from November 2008 to May 2010, GAO analyzed state data reported to the Department of Health and Human Services; used microsimulation analyses; surveyed state TANF administrators in 50 states and the District of Columbia; interviewed officials in 21 states selected to represent a range of economic conditions and TANF policy decisions; conducted site visits to Florida, Ohio, and Oregon; and reviewed relevant federal laws, regulations, and research.

View GAO-10-815T or key components. For more information, contact Kay E. Brown at (202) 512-7215 or BrownKE@gao.gov.

What GAO Found

Changes states made to their welfare programs as they implemented TANF contributed to a significant decline in program participation, but caseloads are starting to increase in many states. The strong economy of the 1990s, TANF's focus on work, and other factors contributed to increased family incomes and a decline in the number of families poor enough to be eligible for cash assistance. However, research shows that state policies—including TANF work requirements, time limits, and sanction and diversion policies—also contributed to the caseload decline, as fewer eligible families participated in the program. In recent years, states have varied in their response to changes in economic conditions, with caseloads rising in 37 states and falling in 13 states between December 2007 and September 2009, the latest data available when we did our work.

Like TANF recipients, families who left TANF, as well as those who qualified for the program but who did not participate, had low incomes and continued to rely on other government supports. In the years following welfare reform, many of the parents who left cash assistance found employment, and some were better off than they were on welfare, but earnings were typically low and many worked in unstable, low-wage jobs with few benefits. Among eligible families who did not participate, a small subset did not work and had very low incomes.

Efforts to measure states' engagement of TANF recipients in work activities and to monitor states' use of all TANF funds have been of limited use in ensuring accountability for meeting federal TANF goals, according to our analysis. Work participation rates—a key performance measure for TANF, as currently measured and reported, do not appear to be achieving the intended purpose of encouraging states to engage specified proportions of TANF recipients in work activities. In addition, states' decisions to shift their spending from cash assistance to other programs and work supports such as childcare have highlighted gaps in the information available at the federal level on how many families received TANF services and how states used funds to meet TANF goals.

A central feature of the TANF block grant is the flexibility it provides to states to design and implement welfare programs tailored to address their own circumstances, but this flexibility must be balanced with mechanisms to ensure state programs are held accountable for meeting program goals. The limited usefulness of current measures of work participation and the lack of information on how states use funds to aid families and to meet TANF goals hinders decision makers in considering the success of TANF and what trade-offs might be involved in any changes to TANF when it is reauthorized.

Mr. Chairman and Members of the Committee:

I am pleased to have the opportunity to participate in today's discussion of women in poverty. I will focus on the role of the Temporary Assistance for Needy Families (TANF) program in providing assistance to this population. As you know, many families receiving TANF cash assistance are headed by single parents, and because the vast majority of those parents are women, the \$16.5 billion TANF block grant is one of the key federal funding streams provided to states to assist women and children in poverty. The Bureau of the Census just released last week poverty statistics for 2009 and the poverty rate for children is now at 20.7 percent, the highest it has been this decade. My remarks today are mainly based on two of our recent reports entitled *TANF: Fewer Eligible Families Have Received Cash Assistance Since the 1990s, and the Recession's Impact on Caseloads Varies by State*; and *TANF: Implications of Recent Legislative and Economic Changes for State Programs and Work Participation Rates.*¹

As you know, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) introduced sweeping changes to federal welfare policy. PRWORA ended Aid to Families with Dependent Children (AFDC), which entitled eligible families to monthly cash payments, and created TANF, a capped block grant that emphasizes employment and work supports for most families who receive cash assistance. Under the TANF block grant program, states receive a capped amount of federal funds to design and operate their own welfare programs within federal guidelines. The Department of Health and Human Services (HHS) administers the TANF program, which provides states with up to about \$16.5 billion each year in TANF block grant funds, and each state must contribute a specified level of its own funds to qualify for the grant. Within certain limitations, states set their own eligibility limits and benefit levels for cash recipients, but they must restrict most families to a lifetime limit of 60 months of federally funded TANF cash assistance. Central to TANF's focus on employment and self-sufficiency are TANF's work participation rate requirements, which require states to involve a minimum percentage of their families receiving TANF cash assistance in work activities for a required number of hours each week.

¹See GAO-10-164 (Washington, D.C.: February 23, 2010) and GAO-10-525 (Washington, D.C.: May 28, 2010).

Recently, several legislative and economic changes have affected TANF. First, with the reauthorization of the TANF block grant through the Deficit Reduction Act of 2005 (DRA), the Congress took steps generally expected to strengthen TANF work requirements by modifying the credit provided to states for reducing the number of families receiving TANF. Following DRA, the U.S. economy experienced a severe recession and, in response, the Congress passed the American Recovery and Reinvestment Act of 2009 (Recovery Act) which included provisions affecting TANF such as the creation of a \$5 billion Emergency Contingency Fund for state TANF programs. States qualify for this fund based on increases in expenditures for short-term non-recurrent benefits or subsidized employment or increases in the number of families receiving cash assistance. This fund supplemented the TANF contingency fund, which under PRWORA had made up to \$2 billion available to states.

With the creation of TANF, the number of families who received cash assistance fell significantly, from 4.8 million families on average each month in 1995—just prior to the creation of TANF—to 1.7 million in 2008. More recently, however, caseloads have begun to rise in some states. Recent changes in state TANF programs made in response to DRA as well as changes in the economy have raised questions about how the program has affected low-income families over time and how best to monitor TANF's progress in meeting two of its key goals—to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives and to end the dependence of needy families on government benefits by promoting job preparation, work, and marriage.

My remarks today—based primarily on our February and May 2010 reports—will focus on the following three issues: (1) key changes made to state welfare programs in response to TANF and other legislation and the effect of these changes on caseload trends; (2) how single parent families with children are faring, including those who receive TANF cash assistance as well as those who are eligible but do not receive assistance; and (3) the implications of recent developments on monitoring state TANF programs.

We used multiple methodologies to develop our findings for these reports. We reviewed and analyzed state TANF data reported to HHS; reported on microsimulation analyses conducted for us by the Urban Institute using a

model known as TRIM3²; reviewed relevant federal laws, regulations, and guidance and relevant research on the factors affecting the decline of cash recipient families; interviewed HHS officials; surveyed state TANF administrators from the 50 states and Washington, D.C.; interviewed TANF officials in 21 states, and conducted site visits to meet with state and local TANF officials in Florida, Ohio, and Oregon. The states we selected for interviews and site visits had a range of economic conditions, caseloads, TANF policies, and geographic diversity. We assessed the data we received for data reliability and concluded that the data were sufficiently reliable for the purposes of our report.

We conducted our work from November 2008 to May 2010 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions in this product.

²TRIM3 is maintained and developed at the Urban Institute under primary funding from HHS, Office of the Assistant Secretary for Planning and Evaluation. Using TRIM3 for these analyses required our input on assumptions and/or interpretations about economic behavior and the rules governing federal programs. Therefore, the conclusions presented in this testimony are attributable only to GAO.

Changes to State TANF Programs Contributed to a Long-Term Decline in Participation but Caseloads are Starting to Increase in Many States

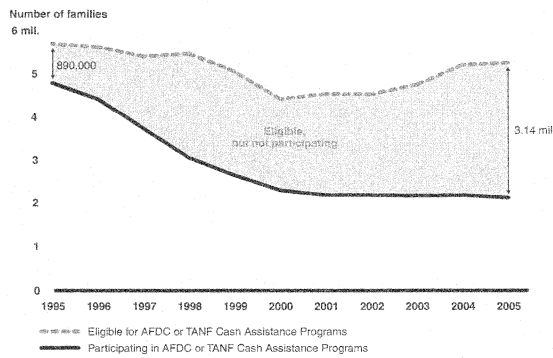
In response to the creation of TANF, states implemented more work-focused welfare programs, and research shows that these changes—in concert with other policy changes and economic conditions—contributed to raising the incomes of single parent families so that fewer were eligible for cash assistance. In designing and implementing their new TANF programs, states focused more than ever before on helping welfare recipients and other low-income parents find jobs. Many states implemented work-focused programs that stressed moving parents quickly into jobs and structured the benefits to allow more parents to combine welfare and work.³ States also imposed financial consequences, or sanctions, on families that did not comply with TANF work or other requirements, strengthening the incentives for TANF participants to comply with work requirements. Other concurrent policy changes contributed to an increase in the share of single parents in the labor force. These included an increase in the Earned Income Tax Credit (EITC) in the 1990s and increases in the minimum wage in 1996 and 1997, both of which contributed to an increase in the returns to work. Additional funds for federal and state work supports such as child care also made it easier for single parents to enter the labor force. Finally, the strong economy of the 1990s facilitated the move from welfare to work for many TANF recipients. A decline in the unemployment rate and strong economic growth contributed to the widespread availability of job openings for workers of all skill levels in many parts of the country. During this period, labor force participation increased among single mothers, the population most affected by TANF—from 58 percent in 1995—the year prior to the creation of TANF—to 71 percent in 2007, with most of this increase occurring immediately following the passage of welfare reform. Because the incomes of many single-parent families increased as a result of these policies, in total, 420,000 fewer families had incomes low enough to be eligible for cash assistance in 2005 compared to 1995, according to HHS data.

At the same time that some families worked more and had higher incomes, others had income that left them still eligible for TANF cash assistance; however, many of these eligible families were not participating in the program. According to our estimates, the vast majority—87 percent—of

³Not all TANF families are subject to work requirements. TANF law allows states to exclude single custodial parents caring for a child under the age of 1, for example. Families without adult recipients—child-only cases—are sometimes exempt from work requirements and time limits. States also have the option to consider some parents not “work eligible,” such as those on SSI or Social Security Disability Insurance.

the caseload decline can be explained by the decline in eligible families participating in the program, in part because of changes to state welfare programs. (See Fig. 1). These changes include mandatory work requirements, changes to application procedures, lower benefits, and policies such as lifetime limits on assistance, diversion policies, and sanctions for non-compliance, according to a review of the research.

Figure 1: Families Estimated as Eligible for and Participating in Cash Assistance through the AFDC or TANF Cash Assistance Programs, Monthly Average, by Calendar Year, 1995 through 2005



Source: GAO analysis of data from HHS's *Indicators of Welfare Dependence*, based on the TRIM3 model.

Note: For estimates of families' eligibility and participation using TRIM3, 2005 was the latest data that was publicly available when we conducted our work. TRIM3 is a microsimulation model funded by HHS that simulates major governmental tax, transfer, and health programs.

While mandatory work activities assisted some participants in getting jobs, according to a research synthesis conducted for HHS, these mandates may have led other families to choose not to apply rather than be expected to fulfill the requirement to work. Other families may have found it more difficult to apply for or continue to participate in the program, especially those with poor mental or physical health or other characteristics that make employment difficult. A decline in average cash benefits may also have contributed to the decline in participation. Average cash benefits under 2005 TANF rules were 17 percent lower than they were under 1995

AFDC rules, according to our TRIM3 estimates, as cash benefit levels in many states have not been updated or kept pace with inflation. Research also suggests that in response to lifetime limits on the amount of time a family can receive cash assistance eligible families may hold off on applying for cash assistance and “bank” their time, a practice that could contribute to the decline in families’ use of cash assistance. In addition, fewer families may have applied or completed applications for TANF cash assistance because of state policies and practices for diverting applicants from cash assistance; nearly all states have at least one type of diversion strategy, such as the use of one-time nonrecurring benefits instead of monthly cash assistance. Finally, some studies and researchers noted that full sanctions for families noncompliance—those that cut off all benefits for a period of time—are associated with declines in the number of families receiving cash assistance, although more research is needed to validate this association.

During the recent economic recession, caseloads increased in some states but decreased in others, as circumstances in individual states as well as states’ responses to the economic conditions varied. Between December 2007 and September 2009, 37 states had increases in the number of families receiving TANF cash assistance while 13 states had decreases. However, the degree of change in families receiving TANF cash assistance varied significantly by state, as some states experienced caseload increases or decreases of over 25 percent while others experienced minimal changes of 0 to 5 percent. Nationwide, the total number of families receiving TANF cash assistance increased by 6 percent during this time period although the subset of two-parent families receiving such assistance increased by 57 percent. Initially few states reported reducing TANF-related spending on family and/or work supports in response to the recession, instead using funding sources such as the Emergency Contingency Fund created by the Recovery Act to respond to rising caseloads and/or to establish or expand subsidized employment programs. However, through their comments on our national survey and during our site visits, state officials discussed how the economic recession has caused changes to local TANF service delivery in some states. A majority of state TANF officials nationwide, as well as TANF officials from all eight localities we visited, reported that they made changes in local offices’ TANF service delivery because of the economic recession.⁴ Specifically, of the 31 states reporting such changes through our survey, 22 had reduced

⁴For more information on the eight localities we visited, see appendix I of GAO-10-525.

the number of TANF staff, 11 had reduced work hours at offices, and 7 had reduced the number of offices.⁵ Officials in all three states we visited also reported that local TANF caseworkers are now managing an increased number of TANF cash assistance families per person. As a result of these increased caseloads, along with tightened resources, local officials in all three of the states we visited expressed their concerns that staff are less able to provide services to meet TANF cash assistance families' needs and move them toward self-sufficiency.

Most TANF Participants and Eligible Non- Recipients have Low Incomes, and A Small Subgroup Have Very Low Incomes

Research on how families are faring after welfare reform has shown that, like those who receive TANF cash assistance, families that have left welfare, either for work or for other reasons, tend to remain low income and most depend in part on other public benefits. As we noted in a 2005 report, most of the parents who left cash welfare found employment and some were better off than they were on welfare, but earnings were typically low and many worked in unstable, low-wage jobs with few benefits and advancement opportunities.⁶ There is evidence that some former TANF recipients have had better outcomes; for example, a 2009 study found that, in general, former TANF recipients in three cities, especially those who had left TANF prior to 2001, had higher employment rates and average income levels than they had while they were on TANF.⁷ However, even among working families, many rely on government supports such as the EITC, Medicaid, the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, and other programs to help support their families and lift them out of poverty, as most parents who recently left welfare are not earning enough to be self-supporting. In addition, a considerable body of work has documented families who are often described as "disconnected" from the workforce. It is not yet known whether or to what extent the recession has led to an increase in the number of these families.

⁵In contrast, 5 states reported that they had increased the number of TANF staff, 4 had increased work hours at offices, and 1 had increased the number of offices.

⁶GAO, *Welfare Reform: More Information Needed to Assess Promising Strategies to Increase Parents' Incomes*, GAO-06-108 (Washington, D.C.: Dec. 2005).

⁷Bianca Frogner, Robert Moffitt, David Ribar, *Income, Employment, and Welfare Receipt After Welfare Reform, 1999-2005 Evidence from the Three-City Study*, Johns Hopkins University Working Paper 09-02 (May 2009).

A recent GAO analysis of the characteristics of low-income families several years post-welfare reform found that while families who were receiving TANF cash assistance in 2005 had low incomes, a third worked full-time and most received other public supports, according to the most recent data available. The median household income of families receiving TANF cash assistance was \$9,606 per year, not including means-tested benefits. One third of families who received TANF cash assistance at some point during the year (33 percent) were engaged in full-time employment, while 44 percent were headed by an adult without earnings. About a fifth (18 percent) of these families were headed by an adult who had a work-limiting disability. The vast majority of families receiving TANF cash assistance—91 percent—also received at least one other public benefit, with most (88 percent) receiving benefits from the Supplemental Nutritional Assistance Program (SNAP), formerly known as the Food Stamp Program, and a smaller proportion receiving subsidized housing (22 percent), child care subsidized by the Child Care and Development Fund (CCDF) (11 percent), or Supplemental Security Income (SSI), a cash assistance program for low-income people with disabilities (22 percent). Only 16 percent of families receiving cash assistance included married couples, and even fewer—less than 10 percent—had income from an unmarried partner.

Many TANF eligible families do not participate in the program, possibly because they left the program or because they did not apply. Our analysis found that on average, these families had higher incomes than TANF recipients, but median incomes remained low, a significant proportion did not work full time, and many received public supports other than TANF. Compared to TANF cash assistance recipients, eligible non-recipients had higher median incomes (\$15,000 per year) and higher rates of full-time employment (44 percent). However, a significant proportion of TANF-eligible non-recipient families—41 percent—were headed by an adult without any earnings, and 11 percent had a work limiting disability. A somewhat lower percentage of those eligible but not receiving TANF cash assistance received other public benefits (66 percent received any benefit), but a majority lived in households that received SNAP (59 percent). Receipt of other benefits was also somewhat lower than among TANF recipients, with 13 percent receiving subsidized housing, 8 percent receiving CCDF-subsidized child care, and 18 percent receiving SSI. More eligible non-participating families were headed by married couples than participating families, but no more had income from an unmarried partner.

A small subgroup of families eligible for but not receiving TANF cash assistance (732,000 families in 2005), did not work and did not receive SSI

benefits and this group has lower incomes than TANF recipients and other eligible non-recipients. In addition, these families also had lower receipt of other public benefits compared to TANF recipients. Among families with no earned income that received neither TANF nor SSI, the median income from all sources was \$7,020, an amount equal to about 45 percent of the federal poverty threshold for a family consisting of one adult and two children. Twelve percent of this group of families was headed by a parent who reported having a work-limiting disability. The extent to which these families received other public benefits was similar to that of other families eligible but not participating in TANF, with 66 percent receiving any benefit. Most (63 percent) received SNAP benefits while 18 percent received subsidized housing, and 4 percent received CCDF-subsidized child care. These more disadvantaged non-participants accounted for 11 percent of all families who were eligible for TANF cash assistance in 2005.

Efforts to Measure States' Engagement of TANF Recipients in Work Activities and to Monitor States' Use of All TANF Funds Fall Short

Data on caseload trends, state policies, and how families are faring can provide important insight into how TANF programs are working. However, work participation rates—a key accountability feature of TANF, as currently measured and reported—do not appear to be achieving the intended purpose of encouraging states to engage specified proportions of TANF adults in work activities. In addition, as cash assistance caseloads fell, many states shifted their spending away from cash assistance toward work supports such as child care, highlighting information gaps at the federal level in how many families received TANF services and how states used federal and state MOE funds to meet TANF goals.

States Used Flexibilities Allowed in Law to Engage a Smaller Share of Participants in Work Activities than Stated Goal

To promote TANF's focus on work, HHS measures state performance by the proportion of TANF participants engaged in allowable work activities. States are expected to ensure that at least 50 percent of all families receiving TANF cash assistance participate in one or more of 12 categories of work activities⁸ for an average of 30 hours per week.⁹ PRWORA established penalties for states that did not meet their required work

⁸For two-parent families, the participation rate is 90 percent. For illustrative purposes, we refer primarily to the expected rate for all families. For more information on two-parent TANF families, see GAO-10-525.

⁹To be counted as engaging in work for a month, most TANF families are required to participate in work activities for an average of 30 hours per week in that month. However, PRWORA defined different weekly work hour requirements for teen parents attending school, single parents of children under age 6, and two-parent families.

participation rates and gave HHS the authority to make determinations regarding these penalties.

However, states can take advantage of program options to make it easier to meet their required rates. For example, states can annually apply to HHS for a caseload reduction credit that generally decreased the state's required work participation rates by the same percentage that the state's caseload decreased since a specified year, established as 1995 in PRWORA.¹⁰ Because of the significant drop in caseload size, many states were able to reduce their required work participation rate. In fact, 18 states reported caseload reductions of at least 50 percent in fiscal year 2006, effectively reducing their required work participation rate to zero. In addition, states can modify the calculation of their work participation rates by funding certain families with state maintenance-of-effort (MOE) dollars¹¹ rather than federal TANF block grant dollars. By using state MOE dollars rather than federal dollars, states are able to remove these families from the work participation rate calculation. Between 2001 and 2006, all but two states met the participation rate requirement, according to HHS data.¹² However, nationally, between 31 and 34 percent of families receiving cash assistance met their work requirements during this time.

In 2006, DRA reauthorized the TANF block grant through fiscal year 2010 and made several modifications that were generally expected to strengthen TANF work requirements intended to help more families attain self-sufficiency, and to improve data reliability.¹³ For example, DRA

¹⁰See GAO-10-525.

¹¹The \$16.5 billion per year TANF block grant is a fixed federal funding stream to states, which is coupled with a maintenance-of-effort (MOE) provision that requires states to maintain a significant portion of their historic financial commitment to their welfare programs. To meet the MOE requirement, each state must generally spend 75 or 80 percent of what it was spending in fiscal year 1994 on welfare-related programs, including: Aid to Families with Dependent Children, Job Opportunities and Basic Skills Training (JOBS), Emergency Assistance (EA), and AFDC-related child care programs.

¹²This refers to the all families rates; during this time period, from 1 to 4 states each year did not meet the higher two-parent rate.

¹³In our 2005 report on TANF work participation, we found differences in how states defined the 12 TANF work activities, which had resulted in some states counting activities that others did not count, and, therefore, an inconsistent measurement of work participation across states. We also found that some of the states in our review lacked internal controls over work participation data. See GAO, *Welfare Reform: HHS Should Exercise Oversight to Help Ensure TANF Work Participation*, GAO-05-821 (Washington, D.C.: Aug. 19, 2005).

modified the caseload reduction credit by changing the base year from 1995 to 2005, and it mandated that families receiving cash assistance funded with state maintenance of effort dollars be included in the calculation of the work participation rates. It also directed HHS to issue regulations defining the 12 work activities and included new requirements to better ensure the reliability of work participation rate data.

We found that the proportion of families receiving TANF cash assistance that met work participation requirements has changed little since DRA was enacted and is still below the 50 percent generally specified as the required rate. In fiscal years 2007 and 2008—the two years following DRA for which national data are available—between 29 and 30 percent of families receiving TANF cash assistance met their work requirements.¹⁴ In numbers of families, 243,000 of 816,000 families met their work requirements in fiscal year 2008. The small decrease in the proportion of families that met their requirements after DRA may be related, in part, to the federal work activity definitions and tightened work hour reporting and verification procedures states had to comply with after the act, as well as states' ability to make the required changes.¹⁵

The types of work activities in which families receiving TANF cash assistance most frequently participated were similar before and after DRA. For example, among families that met their work requirements, the majority participated in unsubsidized employment in the years both before and after DRA. In all of the years analyzed, the next most frequent work activities were job search and job readiness assistance, vocational educational training, and work experience.¹⁶

¹⁴An additional 8 and 10 percent of TANF families in fiscal years 2007 and 2008, respectively, participated in work activities for less than the amount required to meet their individual work requirements. Further, some states reported TANF families participating in "other" work activities that do not count toward the federal work requirements, both before and after DRA.

¹⁵As noted earlier, our 2005 report found differences in how states defined the 12 TANF work activities, which had resulted in some states counting activities that others did not count, and, therefore, an inconsistent measurement of work participation across states. We also found that some of the states in our review reported the hours recipients were scheduled to work, rather than those actually worked, as work participation. As a result, some states likely needed to make significant changes to their work definitions and procedures after DRA. See GAO-05-821.

¹⁶We analyzed states' work participation data reported to HHS for selected years. For more information, see appendix I of GAO-10-525.

Although the national rate did not change significantly, fewer states met the required work participation rates after DRA, according to HHS data.¹⁷ As before DRA, states used a variety of options and strategies to meet their required work participation rate. For example:

- States continued to request caseload reduction credits to help lower their required work participation rates; however, the credits were significantly smaller after DRA, since caseloads went down less after 2005.
- Some states lowered their required rates by spending state MOE dollars in excess of what is required under federal law on TANF-related programs¹⁸ – a practice we found enabled 22 states to meet their rates in 2007 and 14 states in 2008.¹⁹ Total state MOE expenditures increased by almost \$2 billion between fiscal years 2006 and 2008, which appears to be related to state spending on programs and services such as preventing and reducing out-of-wedlock pregnancies.
- Some states used policies to ensure that families complying with their individual work requirements were included in the work participation rate calculation by, for example providing monthly cash assistance to working families previously on TANF or about to lose TANF eligibility because their working incomes placed them just above eligibility thresholds. 18 states have implemented such programs since DRA.
- In contrast, after DRA required that state maintenance of effort dollars be included in the calculation of the work participation rates, some states removed certain nonworking families from the calculation of their rates by funding cash assistance for these families with state dollars unconnected to the TANF program – a practice we found in 29 states. We learned that states often use these state-funded programs to provide cash assistance to families that typically have the most difficulty meeting the TANF work

¹⁷In 2007, 12 states did not meet the 50 percent participation rate requirement, and in 2008, 7 states did not meet it.

¹⁸DRA also added a provision allowing states to count a broader range of their own expenditures toward the TANF MOE requirement. Additionally, if states spend in excess of the required MOE amount, they are allowed to reduce the number of families included in the calculation of their work participation rates through the caseload reduction credit calculation. HHS officials told us that, prior to DRA, only one state had claimed excess MOE expenditures toward its caseload reduction.

¹⁹Although the majority of states reported excess MOE expenditures after DRA we did not determine whether these increases reflected new state spending.

requirements, such as families with a disabled member or recent immigrants and refugees.

In short, because of the various factors that affect the calculation of states' work participation rates, the rate's usefulness as an indicator of a state's effort to help participants achieve self-sufficiency is limited. Moreover, the rate does not allow for clear comparisons across state TANF programs or comparisons of individual state programs over time. This is the same conclusion we reached in our 2005 report that triggered some of the DRA changes to improve this measure of states' performance. Further, our 2005 review before DRA changes as well as the one we just completed in May of this year indicate that the TANF work rate requirements as enacted, in combination with the flexibility provided, may not serve as an incentive for states to engage more families or to work with families with complex needs. Many states have cited challenges in meeting work performance standards under DRA, such as new requirements to verify participants' actual activity hours and certain limitations on the types and timing of activities that count toward meeting the requirements. The TANF work rate requirements—as established in the original legislation and revised in the Deficit Reduction Act—may not yet have achieved the appropriate balance between flexibility for states and accountability for federal TANF goals.

Reduced Cash Assistance
Caseloads Freed Up TANF
Funds for Purposes Beyond
Welfare-to-Work Programs But
Limited Information Exists on
Use of These Funds

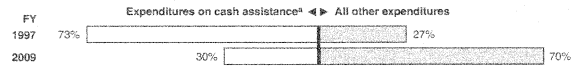
The substantial decline in traditional cash assistance caseloads combined with state spending flexibilities under the TANF block grant allowed states to broaden their use of TANF funds. As a result, TANF and MOE dollars played an increasing role in state budgets outside of traditional cash assistance payments. In our 2006 report that reviewed state budgets in nine states,²⁰ we found that in the decade since Congress created TANF, the states used their federal and state TANF-related funds throughout their budgets for low-income individuals, supporting a wide range of state priorities, such as refundable state earned income credits for the working poor, prekindergarten, child welfare services, mental health, and substance abuse services, among others. While some of this spending, such as that for child care assistance, relates directly to helping cash assistance recipients leave and stay off the welfare rolls, other spending is directed to a broader population that did not necessarily ever receive welfare payments. This is in keeping with the broad purposes of TANF specified in the law:

²⁰See GAO-06-114.

1. providing assistance so that children could be cared for in their own homes or in the homes of relatives;
2. ending families' dependence on government benefits by promoting job preparation, work, and marriage;
3. preventing and reducing the incidence of out-of-wedlock pregnancies; and
4. encouraging the formation and maintenance of two-parent families.

More recent data indicated that this trend has continued, even under recessionary conditions. In fiscal year 2009, federal TANF and state MOE expenditures for purposes other than cash assistance²¹ totaled 70 percent of all expenditures compared with 27 percent in fiscal year 1997, when states first implemented TANF, as shown in figure 2. In addition, of the 21 states we surveyed for our February 2010 report, few reported that they had reduced federal TANF and MOE spending for other purposes, such as child care and subsidized employment programs, to offset increased expenditures for growth in their cash assistance caseloads. States that increased spending on cash assistance while maintaining or increasing spending for other purposes did so by spending reserve funds, accessing the TANF Contingency Fund, accessing the TANF Emergency Contingency Fund created by the Recovery Act, or a combination of the three.²²

Figure 2: Expenditures for Cash Assistance and Other Purposes, Fiscal Years 1997 and 2009



Source: GAO analysis of HHS TANF expenditure data.

Note: Expenditures for both cash assistance and other purposes totaled \$19.0 billion in fiscal year 1997 and \$30.6 billion in fiscal year 2009. The fiscal year 2009 data include Recovery Act spending of \$550 million. Excluding Recovery Act spending does not change the percentages.

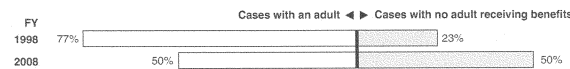
²¹We refer to this category as cash assistance, although ACF uses the term "basic assistance." This category includes benefits designed to meet on-going basic needs, including cash, payments, or vouchers.

²²States can save portions of their TANF block grant to use in the future for cash assistance to families. PRWORA also established a contingency fund for state TANF programs to draw on and the Recovery Act provided additional funds on a time limited basis for states to meet increasing needs.

This shift in spending left gaps in the information gathered at the federal level to ensure state accountability. Because existing oversight mechanisms focus on cash assistance, which no longer accounts for the majority of TANF and MOE spending, we may be missing important information on the total numbers served and how states use TANF funds to help families to achieve program goals in ways beyond their welfare-to-work programs. For example, states have used significant portions of their TANF funds to augment their child care subsidy programs, which often serve non-TANF families, yet we do not know how many children are served or what role these subsidies play in helping low-income families avoid welfare dependency, a key TANF goal. Further, many states use TANF funds to fund a significant portion of their child welfare programs. In effect, there is little information on the numbers of people served by TANF-funded programs other than cash assistance, and there is no real measure of workload or of how services supported by TANF and MOE funds meet the goals of welfare reform.

Another implication of changing caseloads relates to their changing composition, with about half of the families receiving cash assistance composed of cases with no adult receiving assistance in fiscal year 2008 compared with less than one-quarter in fiscal year 1998 (see fig. 3). There are four main categories of “child-only” cases: (1) the parent is disabled and receiving SSI; (2) the parent is a noncitizen and therefore ineligible; (3) the child is living with a nonparent relative; and (4) the parent has been sanctioned and removed from cash assistance for failing to comply with program requirements, and the family’s benefit has been correspondingly reduced. These families, with parents or guardians not receiving TANF cash assistance and generally not subject to work requirements, have not been the focus of efforts to help families achieve self-sufficiency.

Figure 3: Proportion of Child-Only Families Receiving Cash Assistance, Fiscal Year 1998 and Fiscal Year 2008



Source: GAO analysis of HHS data.

Concluding Observations

Nearly 15 years after the creation of TANF, the expected upcoming reauthorization of the program has brought renewed interest to efforts to assess how well the program is meeting the needs of low income families with children—most headed by women—and putting them on a path to

self-sufficiency. While the dramatic decline in the TANF caseload following welfare reform and the increase in employment among single mothers has been cited as evidence for the program's success, questions have been raised about its effect on families. Many who left the rolls transitioned to low wage, unstable jobs, and research has shown that a small subset of families who neither receive TANF nor earn income may have been left behind. Following the recent economic recession, poverty among children has climbed to its highest level in years.

A central feature of the TANF block grant is the flexibility it provides to states to design and implement welfare programs tailored to address their own circumstances, but this flexibility must be balanced with mechanisms to ensure state programs are held accountable for meeting program goals. Over time we have learned that states' success in engaging TANF cash assistance recipients in the type, hours, and levels of work activities specified in the law has, in many cases, been limited, though they have met the required targets using the flexibility allowed. Although the DRA changes to TANF work requirements were expected to strengthen the work participation rate as a performance measure and move more families toward self-sufficiency, the proportion of TANF recipients engaged in work activities remains unchanged. States' use of the modifications allowed in federal law and regulations, as well as states' policy choices, have diminished the rates' usefulness as the national performance measure for TANF, and shown it to be limited as an incentive for states to engage more families or work with families with complex needs. Furthermore, while states have devoted significant amounts of the block grant funds as well as state funds to other activities, little is known about use of these funds. Lack of information on how states use these funds to aid families and to meet TANF goals hinders decision makers in considering the success of TANF and what trade offs might be involved in any changes to TANF when it is reauthorized.

We provided a draft of the reports we drew on for this testimony to HHS for its review, and copies of the agency's written responses can be found in the appendices of the relevant reports. In its comments, HHS generally said that the reports were informative and did not disagree with our findings.

Mr. Chairman, this concludes my statement. I would be pleased to respond to any questions you or other Members of the Committee may have.

**GAO Contacts and
Acknowledgments**

For questions about this statement, please contact me at (202) 512-7215 or brownke@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this testimony include Hedieh Rahmanou Fusfield, Rachel Frisk, Alexander G. Galuten, Gale C. Harris, Kathryn A. Larin, and Deborah A. Signer.

Related GAO Products

Temporary Assistance for Needy Families: Implications of Recent Legislative and Economic Changes for State Programs and Work Participation Rates, GAO-10-525. Washington, D.C.: May 28, 2010.

Temporary Assistance for Needy Families: Implications of Changes in Participation Rates, GAO-10-495T. Washington, D.C.: March 11, 2010.

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Senate Finance Committee Hearing
Welfare Reform: A New Conversation on Women and Poverty
Opening Statement by Senator Chuck Grassley, Ranking Member
September 21, 2010

Mr. Chairman, thank you for holding this important hearing on the current state of the Temporary Assistance for Needy Families program. I want to also welcome our distinguished panel here today. Thank you for your willingness to appear before the committee.

As you know, the Temporary Assistance for Needy Families program otherwise known as "TANF" or "welfare" expires at the end of this month. Congress will need to pass a reauthorization bill in the coming weeks to prevent the program from sunseting entirely. The TANF program is in need of review and this hearing is part of that process. As with any program of this magnitude, Congress has a responsibility to review a program that is up for reauthorization to determine what changes might be needed. That might require making necessary improvements and course corrections in cases where a program is not meeting its intended goals. It might also require changes if the program is wasteful, inefficient, or where spending is exceeding what is appropriate.

Given the importance of the TANF program, I had hoped that the Committee would have made more progress this year to review, reform and reauthorize it, but that has not happened. At this point, my hope is that we can pass a simple extension of the program with no changes so that a more complete reauthorization process can take place in the next Congress.

In the years leading up to the reauthorization of the TANF program in 2005, there were 13 short-term extensions of TANF. This series of extensions created confusion in the states and undermined the program's effectiveness. I am disappointed that we are once again facing a simple extension of the TANF program. I am hopeful, however, that Congress will address the reauthorization of the program next year.

Welfare reform is sometimes characterized as one of the greatest domestic social policy accomplishments in a generation. Certainly very few believe that going back to welfare as an entitlement and a lifestyle that often persisted generation after generation is a viable option.

However, in the fifteen years since welfare reform was at the top of the national agenda, the results of welfare reform are decidedly mixed. While the welfare caseload has been cut in half, the jury is out on whether the program has succeeded in lifting people out of poverty. Last week we learned that the poverty rate has climbed to over 14%.

Disturbingly, in light of those numbers, many of the best anti-poverty programs, the so-called innovative welfare-to-work programs that were robust and widespread in the 1990s, are virtually non-existent today. These were programs where employers worked in partnership with state welfare agencies to provide good entry-level jobs for TANF recipients to help them get their start in the workforce.

Even more disturbing: according to the latest data from the Department of Health and Human Services, 56% of work-eligible adults receiving welfare are reported as engaged in zero hours of work, education, job search, domestic violence counseling, substance abuse treatment or work related activities. That's a really appalling statistic. Over half of the adults getting a welfare check are reportedly doing nothing. This means that more than half of TANF recipients today who are otherwise able to work are just collecting a check. They aren't reported as engaged in any of the activities designed to help them transition from welfare to work.

Now, in the current economic climate, you might be tempted to think that it's okay. But the current economic climate makes it even more important that TANF recipients have access to and are taking advantage of the education and work readiness activities available to them. And the landmark welfare reform bill was intended to end this very type of welfare-dependent situation. If we asked the average American how many adults on welfare should be doing something to qualify for welfare, I think the answer from the American people would be, "All of them." If we asked the American people, how many people on welfare should the states be engaging in productive work-related activities, I think the answer from the American people would be, "All of them."

During today's hearing, we will learn from the Government Accountability Office about the states' reaction to the modest refinements of the work requirements included in the Deficit Reduction Act of 2005. Their report, done at my request, reveals that states have done practically everything they could think of to meet the DRA requirement except actually engaging work-eligible adults in meaningful activities to help them enter the workforce. So, it seems to me that we have two threshold questions going into next year's debate on TANF. Do we want to continue to try and motivate states, either through vigorous accountability or increased flexibility? Or do we want to acknowledge that the TANF program, as conceived over a decade ago, is no longer relevant and modify the program accordingly?

The makeup of the TANF caseload has changed dramatically. Take for example the increase in TANF child-only cases. Child-only cases are those where the adult is not receiving cash welfare and the assistance is aimed solely for the assistance of the child. These types of cases are increasingly becoming a larger and larger percentage of the welfare caseload. The reason that this is important is that it's not clear whether these children are best served under the current system. For example, we worked on a bipartisan bill two years ago that allowed states to establish a "kinship" care option for youth in foster care. It might be that some of these children in child-only welfare cases could be better served in a permanent kinship care arrangement.

Another issue is the fact that a significant amount of TANF spending is unaccounted for. In 2009, states spent \$6 billion on uncharacterized activities. As a result, it is not known what these funds were spent on. This is obviously unacceptable. We need to have a better accounting of how states are spending their TANF monies. We hear from states that much of the TANF block grant goes to support child protection and child welfare programs. If that is the case, Congress should exercise its due diligence and provide appropriate oversight on the use of those funds.

Due to the fact that the demographics of the TANF caseload has changed and the fact that a major use of the TANF block grant is going toward services not directly associated with basic cash assistance, it might make sense to recalibrate TANF to meet the changing population served by this program.

So, TANF is facing big challenges. And Congress needs to take a hard look at the program and determine what needs to be done. It's going to be a big job that will have to be undertaken next year. I look forward to continuing to work with the members of the committee on this important work. Thank you again to our distinguished panel of witnesses. I look forward to what I think will be an informative hearing.

Westley W. O. Moore
Author, *The Other Wes Moore: One Name, Two Fates*

September 21, 2010
Welfare Reform: A New Conversation on Women and Poverty

The United States Senate Committee on Finance

I would like to thank Chairman Baucus, Ranking Member Grassley, and the esteemed Members of the Committee for this invitation to testify today. The proper reauthorization of TANF is both an investment in the well-being of our nation's most vulnerable families, and a key component to our short- and long-term national standing and security. It means a great deal to me to add my voice to this urgent national dialogue.

In my recent book, *The Other Wes Moore*, I wrote about the ramifications of paying attention – or not -- to the needs of the underserved and disconnected. While I focused on two specific families, it is really the story of millions of hard working families around the country that desperately seek to raise healthy, happy, and productive children. I, like far too many young people, grew up without my father in the home. I, like far too many young people, grew up in a neighborhood that was undervalued and that forced me to understand adult realities far too early. Fortunately, I was blessed to have an extraordinarily creative and persevering mother who used the leverage of familial and community supports around her to help my journey into manhood.

But there's another Wes Moore, who used to live in the same neighborhood as me in Baltimore, who is around the same age, but who is spending the rest of his life in prison for the tragic murder of a police officer. Wes also grew up with a single mother, who loves her children deeply but was overwhelmed and overpowered by community influences and lack of connections to meaningful supports. This true story helps to highlight the importance of access to opportunities and productive pathways to self sufficiency. It also highlights the consequences of allowing poverty to go unchallenged and unabated.

To be sure, TANF has helped many low-income families move one step closer to taking care of themselves. It helps provide pathways out of poverty through job training and access to health services. But there are still too many families who are forced to fend for themselves. The TANF reauthorization is an opportunity to revisit the program's mission and help it achieve its original promise to help move our nation's families out of extreme poverty.

Moving forward, in order for TANF to properly support the families that are most in need, we need to have better insight into the actual conditions of families in need and not dis-incentivize people from claiming the benefits to which they are legally entitled. From 1996, when TANF was enacted, to 2008, the share of poor children receiving cash assistance fell by more than half, from 62 percent to 27 percent. That sounds great if it also mirrored a downward shift in need or a corresponding decrease in the disparity gap between the rich and the poor in our country. The problem is that it doesn't. The disparity gap is the highest it has been since the Great Depression.

Acknowledging and developing holistic strategies to counter the core causes of poverty are essential when thinking about policies going forward. Again, I draw upon my experiences and those of the other Wes Moore to recommend that TANF reauthorization include reducing fatherless households as a key element in developing more holistic, accountable, and sustainable approaches to poverty reduction.

My father died before my fourth birthday. The other Wes never knew his father and as he said, "Your father wasn't there because he couldn't be. My father wasn't there because he chose not

to be. Therefore, we are going to mourn their absence differently.” There are too many young people-- from all races and ethnic groups – who are mourning the loss of their fathers. According to the National Fatherhood Initiative, children who live in father-absent homes are five times more likely to be poor and more than a quarter of America’s children now live with one parent or grandparent.

Much to the credit of federal and state focus over the past decade, we have seen substantive improvements in this area. However, when we think about the ongoing correlation between poverty and single-parent households, it is obvious that sustainable progress cannot be made without designing strategies that factor in both in concert.

Along those lines, for too many families trapped in poverty, an incarcerated spouse is at the center of their dilemma. Annually, there are more than 650,000 formally incarcerated men and women who return to their communities every year. How we prepare them to come back into society and how we prepare society to welcome them back is also part of the poverty reduction equation. How coordinated are the objectives of TANF and the Second Chance Act? This reauthorization presents the opportunity to examine possible links that could lead to a broader and more effective poverty-reduction strategy that would also help to cut the recidivism rate and costs at the same time. Imagine. If Wes’ first contact with the judicial system had been his last, he would be paying taxes instead of using tax dollars.

This year alone, we will spend well over \$61,000 to clothe, house, feed, provide health care and health insurance to Wes. Assuming he lives to the national average of 78, that will be a total cost of close to four million dollars. That’s for him alone. This figure does not include the brain capital lost that could have been utilized to create not just better futures for his family, but for our country. I say this not to create sympathizers, cast revisionist history, or absolve personal responsibility from the equation. Wes’ fate is sealed and he will spend the rest of his life in prison for choices that he made. However, we the American people rely on you, the lawmakers to make sure that every child has opportunity to succeed. All environments are not equal, nor will they ever be, but you have within your power in the reauthorization of TANF to install a holistic pathway to poverty reduction that is supported by data and linked to achievable outcomes. In the richest country in the world, it is the least we can do.

COMMUNICATIONS

Written Statement in Response to the Hearing Titled
**Welfare Reform: A New Conversation on Women and Poverty,
September 21, 2010**

Submitted to the Senate Committee on Finance

By the

Alternatives to Marriage Project

PMB 131, 358 7th Avenue, Brooklyn NY 11215
Nicky Grist, Executive Director

Thank you, honorable Chairman Baucus, Senator Grassley, Committee members and staff, for giving us the opportunity to submit comments on the important topic of welfare reform. Our comments focus on the use of TANF funds for marriage and fatherhood programs. We describe the differences between marriage promotion, relationship education, and fatherhood programs. We ask Congress to use the evidence it has received to set performance standards for the Fatherhood, Marriage and Families Innovation Fund. In brief, we recommend that the Fund:

- serve only low-income people;
- not discriminate on the basis of marital status or sexual orientation, nor stigmatize unmarried relationships;
- make relationship education inclusive of all relationships;
- develop standards, educational requirements and/or an accreditation system for relationship educators;
- let service providers work from their strengths rather than pursue fads;
- help men and women be great parents and partners, not husbands and wives;
- not confuse parenting with gender role-modeling; and
- gather and publish evaluation results quickly.

Finally, we suggest directions for re-envisioning TANF during the reauthorization process, keeping in mind that the goal of federal anti-poverty efforts should be to eliminate poverty.

TANF Funding For Marriage & Fatherhood Programs

For over a decade, the Alternatives to Marriage Project (AtMP) and our colleagues have assessed and critiqued the use of anti-poverty funds to promote marriage.¹ Our attention was required because of the excessive focus on marriage that entered welfare policy during the 1996 reform. The first words of The Personal Responsibility and Work Opportunity Reconciliation Act are “The Congress makes the following findings: (1) Marriage is the foundation of a successful

¹ For additional reports and critiques, please visit <http://www.unmarried.org/experts-vs-marriage-promotion.html> and <http://www.unmarried.org/history-vs-marriage-promotion.html>

society. (2) Marriage is an essential institution of a successful society which promotes the interests of children.” This Act created Temporary Assistance to Needy Families (TANF) and assigned it four purposes including the promotion of marriage, reducing pregnancies among unmarried women, and the formation and maintenance of two-parent families. When TANF was reauthorized in 2005, the Deficit Reduction Act (DRA) “made clear that the Congressional intent was to strengthen the formation and maintenance of two-parent, *married* families.”² The DRA redirected \$100 million per year to marriage programs and \$50 million per year to fatherhood programs (totaling \$750 million over 5 years).

As you know, TANF was due to be reauthorized by October 2010, but instead the Obama administration requested a one-year extension. However, the administration is not planning to extend current funding for marriage and fatherhood programs. Rather, it proposes to merge, expand and test these programs by making grants to states through a new Fatherhood, Marriage and Families Innovation Fund. We ask the Committee to critically examine this new Fund and to mandate high standards for not only performance but also fairness in its implementation.

Difference Between Marriage Promotion & Relationship Education

AtMP has closely followed TANF-funded marriage programs since their inception. Some funded programs exclude unmarried people. Some programs devalue unmarried people by insisting that marriage is the best way to structure relationships and families and/or by making marriage the only acceptable goal. Such programs are properly called marriage promotion.

In contrast, some TANF-funded programs teach relationship skills with an eye to helping people who are single, married, or in unmarried relationships. Colorado, for example, has several inclusive programs. A social worker in a TANF-funded program for people with disabilities says “It is important for people to know that not all who have these funds discriminate...most of us in CO serve same-sex couples, those who are dating and singles interested in learning good relationship skills. One thing about the HMI spokespersons that makes me nuts is how they lump all co-habitators into the same category, instead of [acknowledging] those in committed long term relationships who choose [not to or] are unable to marry. We are fighting for many of the same things you are within this community of grantees, i.e. change language from ‘marriage’ to relationship and no discrimination!”³

A relationship education trainer and researcher also based in Colorado calls it “unfortunate” that the TANF-funded programs were initially touted as promoting marriage, when in fact many grantees are more comfortable addressing a range of participants’ relationships and do not see marriage as a programmatic goal. Anecdotally, she noted that all service providers agree that children do better in stable homes while few prioritize marriage as a key to child outcomes. She also noted anecdotally that 90% of marriage and relationship education trainees are interested in providing services to same-sex couples. In fact, she believes that services to same-sex couples increased dramatically as a result of TANF-funded programs, although these services are not reported because they fall outside administration guidelines.⁴

The website of the TANF-funded program in Weld County, CO says

Testimony of the Alternatives to Marriage Project to the Senate Committee on Finance on Welfare Reform

“Don’t let the name fool you. The Building Healthy Marriages Program isn’t just for married couples. It’s for anyone who wants to have healthier, stronger, more committed relationships in their lives. Whether you’re married, cohabitating, dating or just interested in having a healthy relationship with those you love, there’s a program that will fit you and your needs perfectly!”⁵

However, it is not clear whether this inclusion of a wide range of relationships is genuine or successful. The Weld County program design was broadened beyond people interested in marriage because the original design had not been reaching the types or numbers of participants that had been promised in the grant application. To keep its grant of over \$907,000 per year, the program started offering four different eight-hour Relationship Seminars to the general public with no assessment or eligibility determination. Two of the seminars focus on conjugal relationships, one is for singles, and one (Winning the Workplace Challenge) is for employees. “At the conclusion of any public event, couples (not individuals) were invited to contact Building Healthy Marriages to assess their eligibility to participate in” ongoing training. The evaluation reviewed Knowledge and Satisfaction Surveys from all of these seminars. Overall results were positive: participants generally enjoyed the seminars and learned something about relationships, typically about conflict resolution.⁶

The surveys asked participants for written comments, a few of which stand out with regard to ATMP’s interest in relationship education that fully recognizes the value of non-marital relationships. Of participants in 52 seminars using the popular PREP curriculum for romantic couples, only 5% were single, while 30% were in a relationship but not married. “[Among] negative comments [that] were made... [was] that the seminar was geared toward marriage and not singles...” In the three seminars that focused on singles, there were “few negative comments,” while overall knowledge and satisfaction scores were somewhat higher than in the other seminars. Scores were somewhat lower for employees who attended 12 workplace seminars, and one commented that they “seemed more about marriage and parenting than the workplace.”⁷

Much as we would like to, it is difficult to believe that all or even most marriage programs are inclusive and tolerant of family diversity and prioritize relationship quality over marital status. Some of the most vocal advocates for TANF-funded marriage programs take a clearly ‘marriage-only’ approach, and are loudly protesting the combination of marriage and fatherhood funding. As they have delivered their opinions directly to Congress, we will not repeat them here.

Difference Between Marriage & Fatherhood Programs

Marriage and fatherhood programs share ideological origins but differ in their service delivery.

Promoting marriage and fatherhood as elements of *political ideology* originated with the so-called “family values” messaging that was consistently adopted by the coalitions that first achieved political power during the Reagan administration in the 1980s. Movement leaders achieved administrative power during the G.W. Bush administration in the 2000s.⁸

Fatherhood programs have been guided by two different mindsets: “pro-marriage” and “fragile-families.” They differ in that, “unlike the pro-marriage groups that use a moral/culturalist approach to family formation, fragile families organizations apply a structuralist/economic perspective and focus on the barriers to breadwinning and marriage among poor and minority men.”⁹

The debate between these two aspects of the fatherhood movement is occasionally clear and pointed. For example, a fragile families expert once said, “promoting marriage as a policy incentive in the fatherhood movement makes second-class citizens of a large and growing number of children who have unmarried fathers.” The pro-marriage brand of fatherhood programs is clearly more focused on gender, sexuality, biology and the role of marriage as a “key to all social problems.”¹⁰

However, the overlap between the two sides of the fatherhood movement has been more visible than their differences; on the ground, their focus on marriage is often identical. For example: fragile-families programs often relate responsible fatherhood to the achievement of marriage; both program types promote and reinforce gender roles; and both philosophies (though more so under the pro-marriage wing) describe fathers as irreplaceable and necessary because of the “maleness” that they bring to the so-called parenting equation. At the same time, the nation’s leading marriage/fatherhood educators reinforce the notion that men are only made into fathers through culture, custom and law – while claiming that women’s role as mothers is a function of biology alone. A researcher noted that these programs “draw on a combination of biblical and sociobiological discourses that make up a loose essentialist approach to gender relations.”¹¹

A report of the Task Force on Fatherhood and Healthy Families (part of the White House Office of Faith-Based and Neighborhood Partnerships) offers some insight into how debating the importance of marriage affects the delivery of economic assistance to low-income people:

“Couples employment programs are designed to serve couples that are jointly raising a child and are dedicated to being in a committed relationship with each other, irrespective of whether they are married. Some Council Members would be opposed to such programs to the extent that people qualify to participate in such a program precisely because they are involved in “committed” sexual relationships other than marriage. Those Council Members further submit that, if, by contrast, ... the program confers benefits based on the existence of nonmarital sexual relationship, *but also has as its purpose to steer those participants toward marriage*, then the concern raised by those Council Members would be alleviated.”¹² (italics added)

In terms of *service delivery*, marriage and fatherhood programs came from very different places. Fatherhood services developed at the community level with “a common focus on low-income fathers and on enhancing their ability to be involved with their children,” with activities that “focus on the barriers that result from poverty.”¹³ By contrast, marriage education services developed largely for middle-income, different-sex, legally married or engaged couples, often within their faith communities.¹⁴

When funding for marriage programs skyrocketed in 2005, fatherhood programs with a fragile families approach felt entirely left out.¹⁵ Some long-standing fatherhood programs added

marriage to their missions. Fatherhood “program representatives who saw marriage education services interfere with or displace other needed services for low-income clients viewed marriage services as irrelevant at best, and, more commonly, as harmful to their clients.”¹⁶

In Baltimore “a community-based organization that was known for providing employment and fatherhood services to low-income men since 1999” was the lowest performing of the Building Strong Families (BSF) national marriage education demonstration sites.¹⁷ While the demonstration achieved no net impact nationally, at this fatherhood site “couples were less likely than control group couples to remain romantically involved (and) reported being less supportive and affectionate toward each other than control group couples did. In addition, women ... were more likely than women in the control group to report having been severely physically assaulted by a romantic partner in the past year.... Baltimore BSF couples also rated the quality of their co-parenting relationship lower than control group couples did and reported that BSF fathers spent less time with their children and were less likely to provide them financial support than control group fathers were.”¹⁸

The Department of Health and Human Services (HHS) press release about the BSF evaluation says “These findings are very timely as Congress considers the more comprehensive Fatherhood, Marriage and Families Innovation Fund, proposed in the President’s 2011 budget. ... The results of this study show that it is possible to positively influence and strengthen families with support programs, but also suggest that the current approach isn’t adequate.”¹⁹

Congress Must Set Standards for the Innovation Fund

The proposed \$500 million Fatherhood, Marriage and Families Innovation Fund will be available to states on a competitive basis, probably in two or more funding rounds.²⁰ It seems states will have the option of applying to one or both of the Fund’s two separate, equally sized programs – which we’ll nickname Fatherhood and Family. The Family program will focus on employment for very low-income parents. The Fatherhood program “could include a set of activities relating to young people who are not yet pregnant or parenting, to expectant parents, and/or to custodial parents, including couples, and services could include addressing the consequences and responsibilities of becoming a parent. ...[C]ore elements of a comprehensive fatherhood service delivery network could include such services as: peer support; relationship skill-building (which can include marriage education); co-parenting services; conflict resolution; child support case management; job training and other employment services; employment preparation services; training subsidies; financial incentives; earning supplements; legal services; substance abuse and mental health treatment (typically, through partnerships with public agencies and community-based providers); linkages to domestic violence prevention programs; and linkages to public agencies and community-based providers offering housing assistance, benefits enrollment, and other services.”²¹

In testimony to the House of Representatives and in its budget justification statements, HHS has presented the Fund under the umbrellas of fatherhood, child support enforcement and even employment, not marriage. An HHS spokesperson said the fund reflects the fact that “children live in a wide range of family structures and there are many different ways that fathers can engage in the lives of their children.”²²

The budget justification statement notes that the Fund will fill any gaps left by the elimination not only of the Healthy Marriage funding initiative, but also by JOLI, Job Opportunities for Low-Income Individuals, which “provides grants for business and microenterprise opportunities [but] has never been evaluated, nor does it have performance measures.”²³

In contrast, HHS testified that the new Fund “will be required to establish meaningful performance goals, such as higher family earnings and improvements in factors that relate to child outcomes, and to measure progress toward those goals. Grantees will be required to agree to participate in a rigorous evaluation as a condition of funding.”²⁴

The immediate impact of the Fund will be on program design and partnership development within the states that apply for grants (in the way that the Race to the Top education grant competition inspired states to change their laws and procedures in the hope of winning or in the assumption that the competition standards represent best practices). To date HHS has declined to specify many standards, preferring to “encourage applicants to develop and put forward innovative and comprehensive proposals to address these outcomes. It does not earmark dollar amounts for particular services or activities. ... While the Administration envisions that relationship education will play an important role in programs supported under the Fund, a strong application will not just be about the provision of relationship education services by themselves. ... The explicit goal of the Fund is to encourage comprehensive, multi-faceted efforts that are not narrowly focused on parenting or relationship skills alone, or just on employment and employability efforts.”²⁵

If criteria remain vague, each state’s application will be shaped by the relative strengths of various local interest groups. Few if any states are already providing the integrated services that partner welfare agencies with community organizations as envisioned by the Fund. Marriage promotion lobbies have already demonstrated their persuasiveness in TX, OH, AZ, CO, UT, NM, NY, AL, GA, and OK by redirecting 1% of the TANF block grant to marriage programs as of 12/07, in addition to the grantees that won direct federal funding in 2006.²⁶

The Fund’s ultimate impact on the lives of America’s diverse families will depend on which aspects of marriage, relationship and/or fatherhood programs each state decides to carry forth.

Before approving the creation of the new Fund, Congress must create basic standards for the federal administration, and the administration must require that all state grantees and local sub-grantees meet the same minimum standards. Here are the standards that we recommend:

- ✱ **Serve low-income people.** In the long run, it would be better for relationship education services to be available to people at all income levels, and for anti-poverty funds to be dedicated to employment, education and other services that help people earn above poverty-level incomes. However, a small portion of federal spending is dedicated to low-income people, this Fund is part of that budget, and low-income people should receive its full benefit (hoping there is any benefit).
 - ✱ **Don’t discriminate** on the basis of marital status or sexual orientation **or stigmatize** unmarried relationships.
-

Testimony of the Alternatives to Marriage Project to the Senate Committee on Finance on Welfare Reform

- ✿ **Make relationship education inclusive.** Low-income parents and children depend on a wide web of relationships with friends, unmarried partners, extended family, community members and representatives of institutions. Programs should be evaluated with inclusiveness in mind: all participants should be counted, and effectiveness should be measured for different constituencies.
- ✿ **Develop standards, educational requirements or an accreditation system for relationship educators.** Currently there are no standards for training of educators who run programs at the local level.
- ✿ **Let service providers work from their strengths rather than pursue fads.** Participants suffered the worst outcomes in fatherhood programs that tried to become marriage programs.
- ✿ **Help men and women be great parents and partners, not husbands and wives.** Enhance skills as parents and co-parents, reduce conflicts among both biological and non-bio parents, increase the resources, safety and stability of children's homes.
- ✿ **Don't confuse parenting with gender role-modeling.** As the courts have stated, "gender is not relevant to the state in determining spouses' obligation to each other and to their dependents," and "gender no longer forms an essential part of marriage; marriage under law is a union of equals." While children benefit from having both male and female role models, strictly gendered *parenting* has not been proven relevant to child outcomes.²⁷
- ✿ **Gather and publish evaluation results quickly.** It would be nearly impossible for the new Fund's grantees to generate scientifically measurable results before September 2011, the next opportunity for TANF reauthorization. The grants should last no longer than the shortest feasible evaluation period, lest we throw good money after bad.

Write New Congressional Findings and Purpose Statement During Reauthorization in 2011

Inclusive relationship education, if proven effective, should be completely separate from the TANF program. "Services should be available and accessible to those who seek them. Counseling for partners should be available through health programs. Preparation for parenting should be available as part of elementary-secondary schooling. Parenting classes should be available for adults who are parents. Supports should be offered to partners who have to flee relationships due to intimate violence. Educational and support services for parents and prospective parents should not target poor people, should not pathologize poverty. They should reach everyone in recognition that anyone might benefit from parenting support."²⁸

TANF performance measures will be revisited during reauthorization. Notably, HHS has not met its targets on the two current measurements related to marriage: increasing the rate of case closures due to marriage and increasing the number of children living in married households as a percentage of all children in households.²⁹ Marriage and relationship decisions should remain personal, not be government performance measures at all.

The findings and purpose statement should also be revisited. HHS's early statements about the target population and anticipated outcomes of the Innovation Fund suggest that the Obama administration is interested in returning anti-poverty funds back towards economic solutions to poverty such as jobs and education. This is the right direction. Congress must create a more realistic and fair foundation for future anti-poverty work.

The ultimate goal of federal anti-poverty efforts should be to eliminate poverty. Intermediate objectives should include creating opportunities for people in poverty to make the same meaningful life choices that are available to economically stable Americans. For example, all Americans should have equal opportunities to choose whether and when to marry or form other healthy relationships, to pursue employment or education, to have children, to relocate, etc. The Alternatives to Marriage Project looks forward to contributing more detailed recommendations during the reauthorization process.

¹ For additional reports and critiques, please visit <http://www.unmarried.org/experts-vs-marriage-promotion.html> and <http://www.unmarried.org/history-vs-marriage-promotion.html>

² Mincy, Ronald B. *Marriage: Love It or Leave It?* The 2008 Kristin Anderson Moore Lecture. 2008. p. 2

³ email from LuAnn Pierce, 11/09

⁴ Conversation with Galena Rhoades, 7/15/10

⁵ <http://www.buildinghealthymarriages.org/> last accessed 8/12/10

⁶ O'Halloran, Mary Sean, et al, *Weld County Building Healthy Marriages Annual Report Year 3*, University of Northern Colorado, 2009, p. 10-11, 15, 38, 41

⁷ *Ibid*, p. 49, 58

⁸ Hardisty, Jean. *Pushed to the Alter: the Right Wing Roots of Marriage Promotion*. Political Research Associates and Women of Color Resource Center, 2008. pp. 12-22

⁹ Gavanoas, Anna. *Fatherhood Politics in the United States*. University of Illinois Press, 2004. p. 72

¹⁰ *Ibid*, p. 163, 154

¹¹ *Ibid*, p. 154, 44

¹² <http://www.whitehouse.gov/sites/default/files/microsites/obnrc-council-final-report.pdf> last accessed 6/7/10

¹³ Roulet, Marguerite. *Fatherhood Programs and Healthy Marriage Funding*. Center for Family Policy and Practice, 2009. p. 6

¹⁴ Ooms, Theodora, *The New Kid on the Block: What Is Marriage Education and Does It Work?* Center for Law and Social Policy, Couples and Marriage Series Brief No. 7, July 2005 p. 2

¹⁵ Mincy, op cit, p. 2

¹⁶ Roulet, op cit, p. 33

¹⁷ Dion, MR, et al., *The Building Strong Families Project: Implementation of Eight Programs to Strengthen Unmarried Parent Families*, 2010. p. 58

¹⁸ Wood, Robert G. et al, *Strengthening Unmarried Parents' Relationships: The Early Impacts of Building Strong Families, Executive Summary*. Mathematica Policy Research Inc., 2010. p. 5

¹⁹ http://www.acf.hhs.gov/news/press/2010/building_strong_families.html, last accessed 9/8/10

²⁰ Conversation with Phil Cowan, 6/12/10

²¹ http://www.acf.hhs.gov/programs/cse/pubs/2010/Fatherhood_Marriage_and_Families_Innovation_Fund_OA.html last accessed 9/8/10

²² <http://www.csmonitor.com/USA/Politics/2010/0810/Fatherhood-not-marriage-is-focus-of-Obama-family-policies> last accessed 9/9/10

²³ http://www.acf.hhs.gov/programs/opre/acf_perfplan/ann_per/2011_perf_plan/2011_final.pdf

²⁴ <http://www.acf.hhs.gov/programs/olab/legislative/testimony/2010/HansellFatherhoodTestimony.html> last accessed 9/8/10

²⁵ http://www.acf.hhs.gov/programs/cse/pubs/2010/Fatherhood_Marriage_and_Families_Innovation_Fund_OA.html last accessed 9/8/10

²⁶ <http://www.smartmarriages.com/legislation.html> last accessed 9/13/10

²⁷ <http://www.feministlawprofessors.com/2010/08/hiding-plain-sight-facts-about-marriage-parenthood-california-marriage-case-irrelevance-gender/> last accessed 8/24/10

²⁸ <http://feministsocialjustice.blogspot.com/2010/06/obama-administration-plan-to-establish.html>, last accessed 8/12/10

²⁹ http://www.acf.hhs.gov/programs/opre/acf_perfplan/ann_per/2011_perf_plan/2011_final.pdf last accessed 9/8/10

"Congress should state that the purpose of TANF is to end poverty, not to promote marriage. Congress should not reauthorize the Healthy Marriage Initiatives." Petition page 1 of 7

anonymous AK 99503	My parents divorced when I was 9, and even with child support, my mother, my brother, and I lived below the poverty line for several years. Her second marriage, to an abusive man, was the worst thing that ever happened to our family.
Sanjeev Gopal AZ 85650	marriage is a personal matter. no governmental interference please
Crista Underwood CA 94102	What helps families and children are stable families. Human cultures have evolved and chosen a wide variety of family structures to meet these needs, and marriage is only one of them. To favor one particular way that people choose to live their lives and support each other over all others is naive at best and discriminatory at worst. Supporting marriage is not the way to help all children, it is a way to further intolerance. Supporting families, of whatever composition, supports children and reduces poverty. Put the money into affordable childcare and health care, and it will go a lot further!
Collie Collier CA 95008	So many adults have never moved beyond their childhood fantasies; it's comforting for them to believe in the simple nostalgia of protective, perfectly happy, *married* parents. Unfortunately clinging to these fantasies ensure an adult who is unable to cope with hard human realities. In the long run, privileging only one narrow understanding of marriage harms everyone.
Jessica Gottlieb CA 91403	Until everyone can marry in all 50 states this is absurd.
Fernand Alvarez CA 94608	two parents does not make a healthy society, we need aunts, uncles, friends, strong connected community... Households with with 5 or more adults in them, regardless of any legal status, blood relation or intimacy, should be encouraged, the standard. only this type of reconnection can save our fragmented society from total dissolution.
anonymous CA 92026	I have a daughter that is gay and a daughter-in-law that's gay. I don't believe that God intended that for humans to act that way. We need to help the poor a lot moor than the same sex marriages. Our government should put a stop to this ASAP.
Linda Masterson FL 32807	As a single person, I resent the implication that I would be a better parent, or would be better equipped to care for a child if I was married. The tax codes, in fact the entire system of government is set up in a manner that discriminates against 44% of the population. It is time to stop trying to legislate people's behavior based on antiquated ideas of what constitutes a family.
Vickey Waqas KS	marriage its just a socail behavior to be unmarried mean happy life i want to be unmarried for every but here at pakistan no one support me
Emily Boone KY 40206	It is important that the government not mandate religious policy. Religious policy is best left up to religious organizations to implement among their members. The US is not a theocracy.
Jane Zuroff IN 46544	Education for "the poor" is always welcome until there is an agenda added to it.
Stephanie May MA 01776	Simply put, marriage does not guarantee the best home.
Seema Desai MN 55407	No personal TANF experience, but TANF's role is to provide a safety net, not to promote the institution of marriage. In a time when funding is limited, such resources should not be wasted on morality/normalcy crusades; rather, it should be used to help the many people in need.
Christine Insley NC 27801	If we were to get married we would most likely lose our medicaid and foodstamps we do not recieve any cash assisstance, this is per a social worker who advised me not to get married or lose my services.

"Congress should state that the purpose of TANF is to end poverty, not to promote marriage. Congress should not reauthorize the Healthy Marriage Initiatives." Petition page 2 of 7

anonymous NY 10305	There's oppressive unrealistic ideology favoring 2-person/2-earner households, especially when children are involved. Single parents by choice are stigmatized as somehow inadequate. To say this is inappropriate and unfair to children and extended families is a profound understatement.
Jonathan Minkoff NY 10036	The top portion may be form letter, but it is accurate and I cannot stress enough how important it is to allow people the freedom to live their lives -making the most private and personal decisions- out from under the thumb of big government. Let the role of govt be support for all, not prejudice -religious based or otherwise. Jonathan
anonymous NY 11218	i've seen the impact that feeling pressured to marry can have on couples, and i can only imagine how it can negatively impact the wellbeing of their children.
Bobby Mauger OR 97330	Never had TANF myself, and hope to not need it, but as a happily unmarried person I cannot think of any reason either of our benefits should be tied to whether we ever marry.
Maggie Bagon OR 97301	I went on public assistance after leaving an extremely physically and emotionally abusive husband. Because of his attempts to kill me and lack of help from law enforcement, I left Ohio and moved to Montana to be near my support system. I was unable to find steady employment and had to go on welfare. The way I was able to find permanent employment and get off welfare and out of poverty was through education. In my opinion marriage is not the answer for most women and fund to marriage promotion will not help women get off welfare.
Mark Weil PA 15218	Marriage should be only one option for people who love one another, and want to be considered a family. There are many reasons people who either do not want, or can't get married for a variety of reasons. It should not be up to the Government to legislate "morality".
Inessa Trombley TX 75206	TANF is meant to end poverty! The money should be spent on the basic needs and medications for survival. It is frivolous to spend it on promoting arbitrary standards like marriage.
Caitlin MacIntyre TX 78741	As the child of a mother and two gay fathers, I know firsthand the beauty and joy of diverse family structures and think it is vital that all families be supported, valued, and recognized in a meaningful and tangible way.
Angie Walls VA 22032	I strongly support diversity in what we consider "family" in today's society, and I do believe that marriage and "nuclear family" initiatives do more harm than good.
Monica Peabody WA 98501	In Washington state, which has a relatively high grant amount compared to other states, a TANF grant provides families only 40% of the Federal Poverty Level, relegating them to desperate poverty, substandard rentals, and meeting only some of their basic needs. People need food, housing, heat, water, not marriage promotion!
Michelle Joosse WI 53083	In WI., BadgerCare/Food Share program enrollment automatically enters your family in the child support system. Whether you and your significant other are "cohabitating" full-time or living separately(but in a relationship). They put the father in this system, and ASSume that you are not a family unit! Even if cash support is being paid, they state that support needs to go through their office....Discrimination based on marital status/living arrangements!! To provide for your family. this state makes you go through"hoops" just to provide insurance for your children! I found out that it just wasn't worth it!! Hopefully, all children will be insured, regardless of their parents' marital status!!
Peter Blaise Monahan VA 22206	Give equivalent consideration to all those in need.
Glen Anderson WA 98503	Conservatives say they want to get "Big Government" off our backs. Conservatives should get rid of this intrusive marriage-promotion propoganda. People can make their own decisions. The real solution is to eliminate poverty.

"Congress should state that the purpose of TANF is to end poverty, not to promote marriage. Congress should not reauthorize the Healthy Marriage Initiatives." Petition page 3 of 7

Rachel Buddeberg CA 94116	Teri Hu CA 94116
Bella DePaulo CA 93067	anonymous CA 95150
Mary Ann Vorasky CA 90404	Alyssa Clark CA 90026
Michael Marshall CA 96088	larry Marshall CA 96088
Lauren Alderman CA 93401	Joel Rane CA 90027
Brooke Bardin CA 92127	Brian Brackney CA 94102
Sandra Newton CA 95829	Amber Harvin CA 93933
Alex Vanderburgh CA 94131	Elizabeth Gardner-McBride CA 94709
Rider . CA 92806	Kathleen Collins CA 94707
Cole Thompson CA 95370	Lori King CA
Chiquita Dineyanti CA 91767	Paul Lathrop CA 94610
anonymous CA 94123	anonymous CA
Danielle Bowers CO 80233	Alice Greczyn CO
anonymous CO 80908	Desiree Hickson CO 80906
Matthew Berntsen CT 06807	Penelope Deotte CT 06457
Kristen Horvath CT 06237	John C. & Roberta Stewart DC 20010
Betsy Lehrfeld DC 20012	Marya Torrez DC 20001
Amanda Thon FL 32905	Rachel Tramell FL 33403
Rebecca Deotte FL 32784	Dean Millard FL 33611
Ken Nix FL 33613	Ellen Pattison FL 32055
Patrick Berry FL 32765	Monica Pignotti FL
Stephanie Tang IA 50010	Scott Williams IA
Virginia Brock IL 61201	Janine Putnam IL 60517
Anita Lee-Bjerke IL 60640	Barbara van Davis IL

"Congress should state that the purpose of TANF is to end poverty, not to promote marriage. Congress should not reauthorize the Healthy Marriage Initiatives." Petition page 4 of 7

Paul Christensen IL 60654	Tom Giesler IL 60302
Cheryl Hooks IL 60950	Virginia Brock IL 61201
Michelle Wirth IN 46617	Angi Bailey IN 46040
Natalie DeWitt IN 47403	Carolyn Marie Fugit KS 67218
anonymous KS 66502	Elizabeth Moyer KY 40258
anonymous KY 41076	Jim Collings KY 42701
Leah Foster LA 70118	Sherry Lester Kircus LA 71109
Jennifer Griffith MA 01030	Elizabeth Brownell MA 02115
Michael Leibensperger MA	Stephen Karpf MA 02446
Woody Glenn, Alan Hamilton, Pepper Greene MA 02143	Mary Gniadek MA 01201
William Churchill MA 01776	Ari Lev Fornari MA
Arthur Torrey MA 01862	anonymous MA 01983
John Lapham MA 02474	Anna Churchill MA 02472
anonymous MA	Anne Marigza MD 20772
C.T. Butler MD 20912-4514	Gessika Rovario-Cole MD
anonymous MD 21223	anonymous MD
Sara Mansoury MD 20882	Cecelia LaPointe MI 49686
Heidi frankenhauser MI 48103	anonymous MI 48108
Kathie Lesich MI 48316	Roscoe Jackson MI 48219
Robert Cowles MI 49441	Veronica Hayes MI 48220
Cheryl Cowen MI	Rachelle Busser MN 55426
April N MN 55337	Beth Varro MN 55104
anonymous MO	Kori Amos MO
Dr. Eric Blumberg MS 48220	Nick Frankenhauser NC 27886
Stephanie Shaw NC 28805	anonymous ND 58554

"Congress should state that the purpose of TANF is to end poverty, not to promote marriage. Congress should not reauthorize the Healthy Marriage Initiatives." Petition page 5 of 7

Penny Postel NJ 08034	Sarah Radford NJ 08854
Michelle Lerner NJ 07836	James Denny NJ 08054
Juliann Barbato NV	doyle warren NY 11215
Jessica Gafkowitz NY 11230	Rev. Reg Richburg NY 11435
Richard Semegram NY 11218	Ray Grist NY 11206
William Wolf NY 14072	Terry Boggis NY 10012
Diana Gabriel NY 10024	Michele Hirsch NY 10075
Jamie Levato NY 12561	Jessica Levy NY 11238
Dr. Rosalyn Baxandall NY 10012	David Graves NY 11215
Dorian Solot NY 12202	anonymous NY 12180
Michael Yarbrough NY 11217	Sam Miller NY
Ira Rosen NY 11226	Alissa Wise NY 11218
Alex Weissman NY	Hannah Mermelstein NY
lezie frye NY	Rebecca Ennen NY 10040
Katie Goldstein NY 11226	Miriam, Rebecca, & Robin Tell NY 12209
Joseph n. DeFilippis NY 11385	Emma Potik NY 12209
Kristen Eichenhofer NY 12209	Christian Burgess NY 10033
Brady Amoonclark NY	Emmaia Gelman NY 10025
Elise Harris NY 11215	Myra Batchelder NY
Maria Fiesta NY 11238	Vanessa Brocato NY 11218
anonymous NY	Veronica Bayetti NY 11216
Michael Reynolds OH 45419	Arthur Severance OH 44060
Sharon Woznicki OH 44107	Molly McHenry OH 11230
Jessica Baldwin OH 45750	Matthew Webb OH 45036
Valerie Lambert OH 45410	Deborah Dawson OK

"Congress should state that the purpose of TANF is to end poverty, not to promote marriage. Congress should not reauthorize the Healthy Marriage Initiatives." Petition page 6 of 7

Lindsay Millar ON	Elisa Pelaccia ON N9C 2A3
Carolyn Wiesner OR 97220	Alecia Haggard OR 97216
anonymous OR 97201	Sylv Cordier ot
Nicole Johns PA 19050	John Geiger PA 17887
Kimberly Meigh PA 15206	anonymous PA 19066
Gail Brown PA 15234	anonymous PA 15218
Susanna Gilbertson PA 19143	Sara Narva PA
Karey Bacon PA 19119	Nava EtShalom PA
Rebecca Subar PA	Ken Rosso PA
Susanna Gilbertson PA 19143	Rosa Friedman PA 19010
Alice Yew RI 02906	Melinda Brown TN 37217
Kristen Ruiz TN 38135	Jenny Salata TN 37909
Elizabeth Mei Wong TN 37901	Meredith Spies TX 77373
Karen Kaiser TX 75039	Stacey Salling TX 78723
Ricky Harris TX 78041	Courtney martin TX
Heather Francell TX	Amber Nelson UT 84068
Tina Kling UT 84088	Christopher Matthews VA 24450
Marisa Martineau VA 22041	Jonathan Krall VA 22301
Therese Lee VA 22041	Harold Kornylak VA 23451
Del Hardesty VA 22306	Sherri William VA 23112
Kathryn Snow VA	Debra Gram VA 22801
Stephanie Pratt VA	Anna Rabin VA 35170
Wynn Solomon VA 22971	Rev. Reg C. Richburg MSW,LSW VA
Len Smolen WA 98015	Amy Donahue WA 53703
Angela Kelly	anonymous

"Congress should state that the purpose of TANF is to end poverty, not to promote marriage. Congress should not reauthorize the Healthy Marriage Initiatives." Petition page 7 of 7

WA 98501	WA 98030
Renee Martineau	Tracy Bingham
WA 98502	WA
Robert West	Colin Hempstead
WI 53705	WA 98236
Jennie Hill	
WV 25302	

Testimony to the Senate Finance Committee

**By Michael Laracy, Director, Policy Reform & Advocacy
The Annie E. Casey Foundation**

October 5, 2010

Chairman Baucus, Ranking Member Grassley and Members of the Committee:

Thank you for the opportunity to submit testimony on evaluating the role of the Temporary Assistance for Needy Families (TANF) program in preventing hardship and lifting people out of poverty.

My name is Michael Laracy and I am the Director of Policy Reform & Advocacy of the Baltimore-based Annie E. Casey Foundation, a national philanthropy devoted to fostering public policies, human services and community supports that meet the needs of disadvantaged children and families. I am submitting this testimony to help illuminate what we know **and more importantly**, need to know about how families that are eligible for TANF are faring and how effective TANF is.

The Annie E. Casey Foundation's passionate commitment to helping children and families who are most vulnerable is matched only by our determination to be guided by quality data and useful indicators. This is illustrated by our KIDS COUNT project and our numerous investments aimed at measuring the impact of our grants on the status, conditions and well-being of the families our grantees are seeking to help. In our judgment, good measures of child and family conditions are indispensable to good policy decisions and public accountability.

Every year since 1990, we have released an annual KIDS COUNT Data Book, which uses the best available data to measure the educational, social, economic and physical well-being of children, state by state. The Foundation also funds a national network of state-level KIDS COUNT projects that provide a more detailed, county-by-county picture of the condition of children. We care about this data because it helps leaders, organizations and citizens make better decisions about how to improve the lives of children and their families.

However, sometimes our work is limited because the data that policy makers need simply does not exist. An important and sad example is the lack of state-by-state data that assesses the extent to which TANF is meeting the needs of America's children in this recession. In order to assess how well TANF is serving struggling families, it is essential to have good comprehensive data on child well-being that is statistically reliable for every state.

As the testimony of both Ms. Brown and Mr. Berlin emphasized, TANF programs vary substantially by state. We can see and learn from the array of variations—but to do so we need statistically significant data for each state informing us how families on and off TANF are faring. Since TANF is implemented by the states and state decisions on the use of TANF funds vary dramatically, only statistically significant state data can adequately depict how well or poorly TANF is meeting the needs of children and families. National data is simply insufficient to inform this committee and other policy makers.

Unfortunately, right now we lack this information.

Right now, there is no state-by-state data source comparing TANF-eligible families that receive TANF assistance to TANF-eligible families that don't receive assistance.

For example, we can't analyze the hardships each group is facing, how their children are faring in school, the health of their family relationships, whether the children are thriving or whether or not adolescents in each group are engaging in risk-taking behavior due to the financial situation of their families.

The findings of the GAO study referred to in Ms. Brown's testimony suggests that we need to study separately those families eligible to receive TANF but not participating whose income is higher than families on TANF and those whose income is lower, as the outcomes may be quite different. No current data source permits such analysis.

Much of the data we have on child well-being is only available as national data. In addition to the variation in state TANF programs noted above, the degree of variation among states in child well-being is stunning. For example, when we examined the ten indicators that we use in KIDS COUNT (all of which are available as statistically reliable state data) the variation between national and state indicators was dramatic. **For every indicator, more than half the states had incidence rates that were statistically different from the national rate. For some of the indicators, almost every state had an incidence rate that was statistically different.** The differences can be dramatic and unexpected. To provide another example, **while children's rate of health insurance varies significantly by both race and income, it varies even more by state.** In other words, national data simply cannot guide state specific decisions because child well-being varies greatly among states and between the state and national level. A problem that is significant and demands the attention of policy makers in one state may be trivial or dwarfed by other concerns in other states.

Where surveys that collect data on child well-being at the state level exist, these surveys do not provide a clear picture of how TANF-eligible families are faring. Such surveys usually cover only one aspect of well-being—income status or the frequency of teen pregnancy, for example. They don't generally collect data on whether the family is TANF-eligible or receiving TANF benefits. **As a result, it is impossible to investigate how strongly income status and the receipt or lack of TANF benefits correlates with other concerns such as educational engagement or teen pregnancy.**

Some of our data on child well-being in the states depend entirely on administrative sources, so that we lack information on children who are not in those systems. For example, while we track important data about how children in public schools fare, we miss comparable information about children in private schools, charter schools, home-schooled children, drop-outs, or children too young for school. Since one out of four children is not in our public schools, and administrative data from the public schools does not include information on whether families receive TANF, we cannot determine how the decisions made by the states about TANF are affecting children's ability to learn.

The GAO testimony at this hearing was based in part on a study of family outcomes by state. The GAO conducted a simulation for 21 states. That simulation found that eligible non-receiving families fall into two groups, one with higher income than most TANF recipients and another with lower income and less access to other benefits. This study shows the importance of looking at state by state data, but it has significant limitations: this was a one-time report, not a regularly recurring study that can guide policy makers over time; the data did not include the majority of states; and it did not provide detailed data on how the children in these families are faring on concerns such as health, school engagement, parental relationships or even frequency of severe hardships. It provides limited guidance to this committee and none at all to the policy makers in the 31 states not covered by the study.

One of our best sources of information about children in the states is the National Survey of Children's Health (NSCH), which surveys nearly 2,000 households in every state, provides invaluable statistically reliable information on how children are doing state by state. Unfortunately, it has two major weaknesses. First, it focuses on child health and tells us little about other aspects of child well-being, such as education, socio-emotional development and behavior, family well-being, and adolescent attitudes and expectations. All of these can be seriously affected by a family's economic struggles. Second, the NSCH is only collected every four years. As a result, the last data we have comes from 2007 and the survey will next be conducted in 2011, far too late to provide useful guidance to this committee and other policy makers on the needs of children in the depth of this recession and the degree to which TANF is meeting those needs.

In order to assess the impact of the availability or non-availability of TANF cash assistance and other services on children and families, we need far better state-level data on whether families are receiving TANF assistance, what that assistance includes, and how children are doing.

Bipartisan legislation to expand state-level indicators of child well-being has been introduced in the House (H.R. 2558) and Senate (S.1151). From this Committee, Senators Rockefeller and Snowe are original co-sponsors, and Senator Lincoln is also a sponsor. It is substantially the same bill that was included in the 2005 TANF reauthorization legislation developed by this committee as part of the manager's amendment, with the consent of both Senators Baucus and Grassley. The legislation would expand the range of data collected in the existing NSCH, and collect the data on an ongoing basis or annually.

This proposal would give policy makers and others concerned about children a much more detailed picture of how children are doing in every state and nationally, enabling state policy makers and program administrators to make more effective and better-targeted decisions affecting children. It would also enable national policy makers, such as members of this committee, to assess how TANF is functioning and whether the federal government needs to adjust the program to make better use of scarce federal resources and provide the most help to struggling families.

Under this bill, the Maternal and Child Health Bureau (MCHB) would develop comprehensive indicators of child well-being in each state. Indicators would include measures related to education; social and emotional development; physical and mental health and safety; and family well-being, such as family structure, income, employment, child care arrangements, and family relationships. The Director of MCHB would consult with a subcommittee of the Federal Interagency Forum on Child and Family Statistics comprised of experts on child well-being on new measures and methods. An advisory panel of state experts would make recommendations regarding the appropriate measures and statistical tools necessary for making such assessments.

Data collection would be overseen by the MCHB. The data would be publicly available, statistically representative at the state and national level, consistent across states, and measured with reliability. Since data collection would be ongoing or annual, and the NSCH releases data within 6 to 12 months of collection, information would be current, enabling state policy makers to craft real-time policy responses to meet needs and providing this committee and other national policy makers with current data to assess how effectively the TANF program is serving struggling children and families.

Most important for assessing the impact of TANF, an over-sampling of low-income children would be conducted as necessary and feasible to produce estimates of key subgroups of at-risk children. With such an ongoing survey, we would have enough cases to analyze low-income subgroups and determine how children are faring in each of the three groups the GAO identified, by state (those on TANF, those in eligible non-receiving families with higher income, and those in eligible non-receiving families with lower income); we would have richer data on welfare and income; and depending on survey design, we might well have self-reported data from adolescents. This would provide valuable information for committee members on the implications of TANF receipt or the lack thereof; it would also be enormously useful to state policy makers. An indicator of the value of this information to states is that the National Conference of State Legislatures has unanimously adopted a policy endorsing this proposal.

As part of this legislative effort, the Annie E. Casey Foundation has pledged to co-fund the dissemination of this information and will invest at least \$1 million to help policy makers and other stakeholders interpret and use the data from the expanded National Survey of Children's Health. As the sponsor of the annual KIDS COUNT reports, the Casey Foundation brings strong leadership in the area of child well-being research and its involvement in this effort would further enhance the credibility and usability of the new information. I should note that this "joint funding opportunity" permits me to lobby on behalf of the Foundation on this specific issue under one of the few exceptions to the general prohibition on foundation lobbying.

This proposal is cost-effective because it builds on a current survey. The proposed expansion of the National Survey of Children's Health would build on the current use of telephone surveys to collect information. The use of telephone surveys is a cost-effective strategy and can be conducted alone or in a mixed mode strategy with other survey techniques. The proposed legislation would authorize \$20 million a year to support the

expanded survey, with additional content, ongoing data collection, and surveys with adolescents.

The proposed legislation would address all of the flaws identified above. It would be state-specific, timely, address the full range of child well-being indicators, allow us to look at the whole child and the correlation between factors such as TANF receipt and other aspects of child well-being, and include all children rather than be limited to those served by administrative systems. It would provide precisely the kind of information that the committee sought in the hearing, and enable state policy makers to make decisions that are much better informed.

In 2008, only one out of four eligible poor children received TANF benefits. Since TANF caseloads have climbed much more slowly than the numbers of the unemployed, it seems likely that even fewer eligible poor children are served today. In order to understand what that really means for struggling children and families—whether they are going hungry, losing their homes, falling behind in school, or enduring deteriorating family relationships, or whether they are buffered from the worst consequences of this lack of income by other programs such as the Supplemental Nutrition Assistance Program (SNAP/Food Stamps)—we need better data. Likewise, we need similar data to determine which children are thriving as their parents achieve self-sufficiency and stay together despite the hard times. Fortunately, the child-well being indicators bill will provide a solution. I hope that as you deliberate how best to ensure that TANF will meet the needs of families during this recession and beyond, you will also weigh the best approach to tracking the results of your decision and decide to enact this legislation.

Thank you.



www.carseyinstitute.unh.edu

Testimony to the Senate Finance Committee

**By Beth Mattingly, Director, Research on Vulnerable Families
The Carsey Institute**

October 5, 2010



UNIVERSITY *of* NEW HAMPSHIRE

Chairman Senator Baucus, Ranking member Senator Grassley, and all the Committee members:

Thank you for the opportunity to submit testimony on Temporary Assistance to Needy Families.

My name is Beth Mattingly and I am the director of research on vulnerable families at the Carsey Institute at the University of New Hampshire. The Carsey Institute examines child poverty, how different family policies influence rural, suburban, and urban families and how families adjust their labor force behavior during times of economic strain.

The Carsey Institute at the University of New Hampshire has conducted extensive policy-relevant research on the differences between rural, suburban, and central city families and children in order to better understand trends in child poverty and the implications of different policies. This document summarizes the findings of the Carsey Institute and some of the federal policy recommendations that have emerged from this research.

Rural Communities Have Poverty Rates As High As Central Cities

Research shows that poverty has negative impacts on the life outcomes of children through decreased access to quality health care, nutrition, child care, education, and other opportunities.¹ Exposure to poverty in America is not consistent; research shows that rural places have poverty rates that are about as high as those found in central cities, yet many continue to view poverty as primarily an inner city problem². Among children under age 18, the US poverty rate was 20.7 percent³. In central cities, the rate among children was higher, at 26.4 percent, followed by rural areas at 24.2 percent, while the suburban rate was 14.8 percent⁴. Regionally, the rates were highest in Midwest central

¹ See Bradley, Robert H., Case, Anne, Angela Fertig, and Christina Paxson. 2005. "The lasting impact of childhood health and circumstance." *Journal of Health Economics* 24:365-389, who examined the impact of prenatal conditions and child health at age 7 on various outcomes; Corwyn, Robert F., McAdoo, H. P., & García Coll, C. G. (2001). The home environments of children in the United States part I: Variations by age, ethnicity, and poverty status. *Child Development*, 72, 1844-1886; Brooks-Gunn, Jeanne, and Greg. J. Duncan. 1997. "The effects of poverty on children." *The Future Of Children / Center For The Future Of Children, The David And Lucile Packard Foundation* 7:55-71; Korenman, Sanders, Jane E. Miller, and John E. Sjaastad. 1995. "Long-term poverty and child development in the United States: Results from the NLSY." *Children and Youth Services Review* 17:127-155; McLoyd, Vonnie. C. (1998). Socioeconomic disadvantages and child development. *American Psychologist*, 53, 185-204.

² See Weber, Bruce, Leif Jensen, Kathleen Miller, Jane Mosley and Monica Fisher. 2005. "A critical Review of Rural Poverty Literature: Is There Truly a Rural Effect?" *International Regional Science Review* 28:381; O'Hare, William P. 2009. "The Forgotten Fifth: Child Poverty in Rural America." The Carsey Institute, Durham, NH.

³ Mattingly, Marybeth J. 2010. "Young Child Poverty in 2009: Rural Poverty Rate Jumps to Nearly 29 percent in Second Year of Recession." The Carsey Institute, Durham, NH.

⁴ Ibid.

cities (29.6 percent) and the rural South, at 29.2 percent⁵. Poverty rates also differ by race, with rural Black children experiencing a rate of 49 percent, and rural Hispanic children at 36 percent, as compared to a rate of 20 percent for rural white children⁶.

Recent estimates from the Carsey Institute research suggest that nearly 29 percent of American children under age six lived in poverty in 2009.⁷ Among those under age 6, both central city and rural poverty was at 28.6 percent. In suburban areas, the rate was considerably lower, at 17.2 percent. According to data from the American Community Survey (ACS), young children living in the rural South remain the most likely to be poor, with a poverty rate of 33.3 percent⁸. For young rural Black children, the poverty rate nationwide stands at more than 55 percent, compared to 40 percent among Hispanic children, and 24 percent for white children under age 6⁹. In no region across the United States did child poverty significantly decline from 2008 to 2009, and the Midwest and South saw significant increases in rural and suburban areas since 2008. Both the West and the Midwest saw significant increases in young child poverty in their central cities.¹⁰

Risk Factors for Poverty

Some factors that increase the risk for poverty are:

- *Education, Wages and Work Hours* Both parental employment status and parental education influence children's risk of being poor. Non-metropolitan mothers of children under the age of 6 maintain higher rates of employment than their urban counterparts (69 percent and 63 percent, respectively).¹¹ Yet, despite these higher rates of work, rural mothers earn lower wages, have lower overall family incomes, and experience poverty rates nearly 4 percentage points higher than their urban counterparts (24 percent vs. 20 percent, respectively).¹² Also, while non-metropolitan mothers appear to have higher rates of employment than urban mothers, on the whole, individuals living in non-metropolitan areas are more likely to be working part-time than those in metropolitan areas (21 percent vs. 18 percent respectively).¹³ In other words, poverty in rural areas seems to be driven even more by low wages and lack of full-time employment (rather than lack of any work) than in urban areas.

⁵ Ibid.

⁶ Carsey Institute Analysis of 2009 ACS data.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Smith, Kristin. 2007. "Employment Rates Higher Among Rural Mothers Than Urban Mothers." Carsey Institute, Durham, NH.

¹² Ibid.

¹³ Shattuck, Anne. 2009. Rural Workers Would Benefit from Unemployment Insurance Modernization." Carsey Institute, Durham, NH.

- *Fragile Family Structures* Data show that American family structures have been shifting since the 1990s, particularly in rural America.¹⁴ By 2008, only 68 percent of rural children were living in married couple families, down from the 1990 estimate of 73 percent.¹⁵ The rural rate of married couple families is lower than in suburban areas (74 percent), but higher than central city estimates (61 percent)¹⁶. This shift has major implications for child poverty, as 2009 data show that married couple households fare much better than either female- or male-headed households, regardless of place. The rise in single mother families is most alarming in rural areas however. Among mothers who are the heads of households, poverty is especially high. Poverty is highest for single mothers in rural places, with a poverty rate of more than 49 percent, as compared to 43 percent in urban areas and 33 percent in suburban places.¹⁷ Family structure is part of the story behind extremely high child poverty rates in the rural South: there are high rates of divorce, out-of-wedlock childbirth, and female-headed households,¹⁸ all of which are associated with higher risks of poverty.
- *Racial Composition* Rural, non-white children lived in low-income (below 200 percent of poverty) families at nearly twice the rate of white children, and nearly 2.5 times the rate of white children in central cities. The rates are nearly identical for black and Hispanic children (rural 69% vs. 70%, respectively and central city 64% vs. 63%, respectively)¹⁹.

Challenges for Rural Poverty and Federal Policy Implications

One important income support for these families, regardless of place, is the funding from the Temporary Assistance to Needy Families (TANF) program. TANF funds can provide a necessary cash flow for poor families, as well as a system for making families work ready, through skill training, job placement, and the provision of work supports. These supports may be particularly important for families in rural areas, where alternative options for training and support are limited.

Because rural poverty is significantly different than urban or suburban poverty, federal policy should take these differences into account. Some aspects of rural poverty that should be considered in the reauthorization of TANF include child care funding and setting work requirements that reflect the nature of available work in rural communities.

¹⁴ O'Hare, William and Allison Churilla. 2008. "Rural Children Now Less Likely to Live in Married-Couple Families." Carsey Institute, Durham, NH

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Carsey Institute Analyses of 2009 ACS data.

¹⁸ Mattingly, Marybeth J. and Catherine Turcotte-Seabury. 2010. "Understanding Very High Rates of Young Child Poverty in the South." The Carsey Institute, Durham, NH.

¹⁹ Churilla, Allison. 2008. "Urban and Rural Children Experience Similar Rates of Low-Income and Poverty." Carsey Institute, Durham, NH.

Limited Access to Childcare

Higher employment rates among rural mothers means an increased demand for quality child care. Despite demand, however, rural mothers have fewer quality care providers available than their urban counterparts,²⁰ and more obstacles to accessing it, such as a lack of transportation²¹. Fewer options may also mean limited choices for parents working early morning or late night work hours, while long work commutes may mean that more hours of care are needed. Though urban families pay more for child care,²² perhaps due to the higher quality of available care, in the poorest families across regions, a staggering percentage of yearly income is spent on child care²³. Among rural mothers who live below the poverty line, 27 percent of their monthly income is spent on childcare, while poor urban mothers spend up to 34 percent of their income on the same. This is nearly double what families just above the poverty line pay, and more than four times the percentage that families 200 percent above the poverty line pay²⁴. Rural families tend to turn to informal non-relative care (e.g. a babysitter) at higher rates than their non-rural counterparts (25 percent usage versus 20 percent usage, respectively),²⁵ which may be of poorer quality, and may result in decreased child development²⁶.

Work Requirements

The education levels of rural mothers differ from urban mothers in some important ways. While rural mothers are more likely to have graduated high school, they are less likely to report having "some college" or to have a college degree than urban mothers²⁷. TANF should provide opportunities for education, skill training, job placement, and the provision of work supports. These supports may be particularly important for families in rural areas, where alternative options for training and support are limited.

In addition, the greater number of parents who work, and their greater reliance on part-time work, suggests that work participation requirements should be modified to take into consideration the greater difficulties that parents in some communities have in accessing full-time jobs. Working two part time jobs is significantly more challenging in terms of

²⁰ Smith, Kristin. 2006. "Rural Families Choose Home-Based Child Care for their Preschool-Aged Children." Carsey Institute, Durham, NH.

²¹ Ibid.

²² Ibid.

²³ Smith, Kristin and Kristi Gozjolko. 2010. "Low Income and Impoverished Families Pay More Disproportionately for Child Care." The Carsey Institute, Durham, NH

²⁴ Ibid.

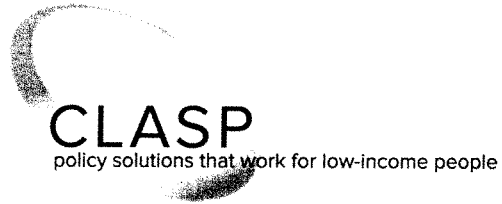
²⁵ Smith, Kristin. 2006. "Rural Families Choose Home-Based Child Care for their Preschool-Aged Children." Carsey Institute, Durham, NH.

²⁶ Smith, Kristin. 2007. "Employment Rates Higher Among Rural Mothers Than Urban Mothers." Carsey Institute, Durham, NH.

²⁷ Glauber, Rebecca. 2009. "Family Friendly Policies for Rural Working Mothers." Carsey Institute, Durham, NH.

total time outside the house, and complications of child care arrangements, than working the same number of hours in one job.

Thank you for the opportunity to identify some of the implications of federal policy for rural children and families.



Elizabeth Lower-Basch
Center for Law and Social Policy
Testimony for the Record

September 21, 2010

Hearing on Welfare Reform:
A New Conversation on Women and Poverty

Committee on Finance
U.S. Senate

Mr. Chairman, Members of the Committee, thank you for the opportunity to share CLASP's views regarding changes that should be made to improve the TANF program. CLASP develops and advocates for policies at the federal, state and local levels that improve the lives of low income people. In particular, we focus on policies that strengthen families and create pathways to education and work. I will discuss how TANF has performed during the current economic downturn, and the lessons that we can draw from the TANF Emergency Fund

Temporary assistance is a critical safety net, but also a net that has been stretched too thin. Vulnerable children and families are falling through the holes. Poverty reinforces itself when parents lose their jobs because they can't afford to fix a broken car, or a child falls behind in school because her apartment is too cold for her to do her homework. TANF reauthorization presents an opportunity to patch holes in the safety net and give families the opportunity to succeed.

It has now been 14 years since TANF replaced AFDC. Lawmakers created TANF at a time when the economy was booming, and they based its policies on the assumption that jobs would be plentiful. These policies have not fared well in the recent deep recession and slow recovery. The economic environment over the next five years will continue to be very difficult and different than that of the late 1990s or the 2000s. TANF reauthorization must both accommodate the economic realities of today and build the groundwork for the recovery for tomorrow. Policies should encourage states to provide adequate and accessible income supports to needy families and to prepare recipients for jobs of the future with opportunities for subsidized employment and education and training.

Let me begin by providing a very brief history of what has happened to poor families since 1996. As you know, a set of other federal and state policy initiatives designed to make work pay accompanied welfare reform. These initiatives included a large expansion of the earned income tax credit, a tripling of childcare funding, broadened health care coverage for low-income families, and increasing minimum wage. Combined with a near full-employment economy, the results were dramatic: employment among single mothers overall grew from 55 percent in 1993 to 73 percent in 2000.¹ Child poverty fell from 20.5 percent in 1995, to 16.2 percent in 2000.²

However, even before the current economic crisis, we had begun to lose ground. Child poverty rates had gradually risen to 18 percent by 2007. Rather than progressing into stable jobs where they could experience increases in wages and earnings, too many single mothers remained stuck at the fringes of the labor market, moving from one unstable, low-paying job to another. Meanwhile, policies that states had adopted to promote work also closed the door on those most in need. In 2007, one-third of poor single mothers were neither working nor receiving cash benefits, compared to 16 percent in 1995.³

When the current recession hit, it exposed TANF's weakness as a safety net program. In 2009, child poverty reached its highest level since 1995, 20.7 percent. For children under age 5, the poverty rate was 24.5 percent. That means that nearly one in four of our youngest children lived in families with incomes under the official poverty level (\$22,050 for a family of four in 2009.)⁴

Welfare reform was built on the premise that low-income parents, including single parents, can reasonably be expected to support themselves and their families by working. However, in the current recession, single mothers have been particularly hard hit. Unemployment rates for women maintaining households have been consistently about a third higher than for all adult women, and have hit a new high of 13.4 percent in recent months.⁵ For hundreds of thousands of single mothers, as for millions of other workers, jobs simply are not there. Moreover, the Congressional Budget Office projects that unemployment will only decline modestly during 2011 and will remain elevated for years to come.⁶

In February 2009, as part of the American Recovery and Reinvestment Act of 2009 (ARRA), Congress created a new TANF Emergency Fund, funded at \$5 billion.⁷ In addition, the ARRA provided a “hold-harmless” clause for states that experienced caseload increases, stating that they could still receive the same caseload reduction credit toward the work participation rate requirement that they had received in 2007 or 2008. These provisions were designed to remove the disincentives, under current law, for states to allow additional needy families to receive cash assistance.

The TANF Emergency Fund provided states 80 percent of the funding for spending increases in three categories of TANF-related expenditures in FYs 2009 or 2010 over FYs 2007 or 2008. The three categories of expenditures that could be claimed were basic assistance, non-recurrent short-term benefits, and subsidized employment. Each state could receive no more than 50 percent of its annual block grant over the two-year period from the combination of the new Emergency Fund and the regular Contingency Fund. With this program having just come to an end, and with states having drawn down the full \$5 billion allotted, it is an appropriate time to make an initial assessment of the lessons learned over the past two years.

States need a permanent counter-cyclical funding mechanism so that they can serve more needy families during periods of high unemployment.

The current structure of TANF – the fixed block grant combined with an intense focus on meeting work participation requirements and reducing caseloads – makes it difficult for states to use the program to operate as a counter-cyclical support for families during economic hard times. Given the long-term erosion of the buying power of the TANF block grant, the dependence of state revenues on the economic cycle, and the requirement that states achieve balanced budgets on an annual basis, it is simply not reasonable to expect states to assume the full costs of rising caseloads when the economy weakens.

The availability of the Emergency Fund after the past two years has clearly averted cuts to benefits and services that would have otherwise occurred, given the drastic decline in state revenues. Some states already have identified cuts in areas ranging from cash assistance to child care, to services for homeless families that will take effect now that the Emergency Fund has expired.⁸ Other steep cuts are likely to be proposed when state legislatures return in the spring. TANF funds supporting programs other than cash assistance are not providing “extras;” they have become a core element for funding social services in the states, and cannot be easily removed without causing real hardship.

When TANF is reauthorized, it is critical that some form of countercyclical additional funding for TANF be provided on a permanent basis. States are deeply reluctant to make permanent changes to their programs based on temporary funding and policy changes. States were afraid that if they increased benefits or expanded eligibility in response to the Emergency Fund, they would be stuck bearing the full costs of the increases after it expired, even if economic conditions remained difficult.

This funding should not be available to all states at all times, but should include “triggers” so that it automatically kicks in when warranted by economic conditions, without the need for Congressional action. With this exception, CLASP believes that the Emergency Fund is a better model than the original Contingency Fund created by the 1996 legislation. The Contingency Fund was never accessed during the 2001 recession, and in practice has rewarded states that are more aggressive about claiming existing spending as Maintenance of Effort, rather than encouraging increased spending on core income supports. New TANF funding should be targeted to activities that strengthen TANF’s dual roles as a safety net and a pathway to economic success.

Many states’ assistance programs are minimally responsive to need

Even with the increased federal funding available under the Emergency Fund, cash assistance caseloads rose by a limited degree during this recession. Nationally, there was about a 10 percent increase in the number of families receiving cash assistance from the start of the recession in December 2007 to March 2010, the most recent month for which data are available. By contrast, SNAP (food stamp) caseloads rose by 50 percent over the same time period.⁹

This overall figure masks a great deal of variation from state to state. This variation is illustrated by the five states with the highest unemployment rates in August 2010. Nevada, with the highest unemployment rate (14.4 percent), has had TANF caseloads rise by nearly 40 percent. Michigan, with the next highest unemployment rate in the country (13.1 percent), has had only a 2 percent increase in its TANF caseloads. California’s (12.4 percent unemployment) caseload rose by 20 percent. Rhode Island’s (unemployment rate of 11.8 percent) caseloads *fell* by 10 percent as it began cutting children as well as adults from assistance when families reach benefit time limits.¹⁰ Even the states with the largest increases are serving far fewer families than they were prior to welfare reform.

If caseloads were low because families had no need for help, we would be right to celebrate. But this is not the case. In too many states, TANF is simply failing in its mission of protecting children from hardships caused by deep poverty. Far too many are hungry, cold, left without adult supervision, or failing in school because they don’t know where they are going to sleep that night. Poverty has adverse consequences for families and for the nation as a whole. Persistent, deep, and early poverty are particularly threatening to child well-being. Poor children face worse education, health, life and economic outcomes than children who don’t grow up poor.

States should be held accountable for their performance in preventing severe hardship among children, as measured by indicators such as poverty, deep poverty (income below 50 percent of the poverty line), homelessness, hunger, lack of adult supervision, and multiple housing, school,

or child care moves in a year. As reliable state-level data is not currently available for all of these measures, Congress should require HHS to collect and report data needed to monitor indicators of child well-being and hardship at the state level. Reauthorization should include a clear expectation that states will be held accountable based on these measures, but should also provide a reasonable period to collect and report data before imposing consequences such as loss of funding flexibility.

Subsidized jobs should play a larger role in TANF program going forward

Subsidized public and private sector employment are both countable work activities under TANF without restriction. But until the creation of the Emergency Fund, there was very little use of such programs. From 2006 to 2008, states reported only \$50 million to \$200 million per year in combined TANF and MOE spending on “wage subsidies.” In 2008, states reported approximately 7,000 individuals receiving assistance as participating in subsidized employment, with most of these in California, Washington, or New York.¹¹

Subsidized jobs got off to a slow start under the TANF Emergency Fund. Most states did not have recent experience operating subsidized jobs programs, and it took a while to develop the agreements between TANF agencies, workforce boards, nonprofit intermediaries, and employers that were needed for successful programs. Moreover, until HHS clarified that employer costs of supervising and training participants could count as a third-party in-kind contribution, many states simply did not believe that they could afford to operate large scale programs. As a result, by February 18, 2010, a year after the ARRA had been enacted, 21 states (plus the District of Columbia) had been approved for just \$124 million based on increased spending on subsidized employment.¹²

But once a few states received attention for their subsidized jobs programs, the model spread rapidly. The appeal of the model is obvious – participants gained labor force experience and real skills while earning money to support their families; employers were able to expand at a time when credit markets were tight and the economic outlook was too uncertain for them to commit to regular employers. Governors and mayors of both political parties supported the programs. By September 30, when the TANF Emergency Fund ended, 39 states, plus Washington D.C., had received \$1.3 billion based on increased spending on subsidized employment programs.

Given the persistence of high unemployment, especially for less-educated workers, CLASP is deeply disappointed that Congress did not extend the TANF Emergency Fund. We urge this Committee to find a vehicle to restore the Emergency Fund when Congress returns to session after the upcoming elections.

While today’s economic conditions are thankfully unusual, even after the economy improves, subsidized jobs may still have a role to play in the TANF program. Even in a good economy, there are areas that experience persistently high unemployment. Transitional jobs are appropriate for individuals who have little labor market attachment and need the opportunity to prove themselves as reliable workers. Permanent subsidized jobs may be needed for people with mental or physical disabilities that are not significant enough to qualify for SSI, but will always have trouble qualifying for competitive jobs. Moreover, by continuing smaller scale targeted

programs, states will preserve the relationships and procedures needed to develop more rapidly a counter-cyclical employment program when needed.

Cash assistance is only one part of the TANF program

Of the \$5 billion awarded under the Emergency Fund, states qualified for only \$1.6 billion, just under one-third, based on increases in cash assistance spending. This is slightly higher than the overall share of combined TANF/MOE funds that are spent on cash assistance, which was 28 percent in FY 2009, the last year for which data are available. Child care, which was not one of the designated spending categories, under the Emergency Fund, accounts for another 17 percent of combined TANF/MOE spending.¹³ The remaining more than 50 percent of TANF and MOE funds are reported under a variety of spending categories, including administration and systems, transfers to SSBG, refundable tax credits, such as state Earned Income Tax Credits, pregnancy prevention, two-parent family formation, transportation and supportive services, Individual Development Accounts, and two catch-all categories of “other non-assistance” and “authorized under prior law.”

However, almost all of the data reporting under the TANF block grant only applies to families receiving assistance – ongoing monthly benefits. We simply don’t know enough about how these funds are used, who is served with programs that do not count as “assistance,” and whether these programs are meeting their desired goals.

The limited nature of reporting on “non-assistance” programs, is highlighted by how little we know about families who received “short-term non-recurrent benefits” under the Emergency Fund, or who were employed in subsidized jobs. We only know that the subsidized jobs programs served approximately 235,000 individuals because CLASP and our colleagues at the Center on Budget and Policy Priorities surveyed states. We will probably never know what share of the individuals served were TANF assistance recipients before or while participating in these jobs, or other characteristics.

Statutory language limits HHS’ ability to collect any information about state activities under the TANF block grant that is not specified by law or needed to enforce penalties. Congress should grant HHS the authority to revisit the categories of spending which states must report on, and to collect additional information on the number and circumstances of families who benefit from “non-assistance” programs.

The “maintenance of effort” (MOE) requirement is losing effectiveness.

AFDC, the predecessor to TANF, was a matching program. When the TANF block grant was created, Congress established a MOE requirement under which states were required to continue to spend at least 75 percent of what they had spent under AFDC (80 percent if they failed to meet the work participation rate requirements). Both spending under TANF and increases in spending on other programs serving needy families can be counted as TANF. This was designed to ensure that states would continue to invest their own funds in programs serving low-income families.

However, over time this requirement has become increasingly ineffective, as states have realized that spending on a large number of existing programs – including the portion of non-means-tested programs that benefits low-income families– can be claimed as maintenance of effort. The requirement that, outside of TANF, only increases in spending can be counted has become less meaningful as the base has not been adjusted for inflation. In fact, while the amount of spending reported as MOE has climbed in recent years, researchers at the Rockefeller Institute have found that since 2001, states have actually reduced total spending on non-medical social services.¹⁴

To access the Emergency Fund, nearly all states have claimed spending by non-governmental third parties toward the MOE requirement. This was an effective way to leverage private spending and draw down badly needed funding for programs for low-income populations at a time when state budgets were under unprecedented strain. However, it is likely that many states will attempt to continue these claims. This has the potential to drastically undermine the MOE requirement, undercutting its intent that states continue to invest their own funds in programs serving low-income families. To restore the effectiveness of the MOE requirement, we believe that when TANF is reauthorized only spending by governmental entities (including counties and other sub-state entities) should be countable. A reasonable limit should also be set on the definition of “needy families” so that states may not claim expenditures on families earning well above the median income.

Conclusion

We hope that Congress will draw from these lessons from the Contingency Fund as it prepares to reauthorize TANF next year. While the TANF block grant is not large enough to solve all the problems posed by child poverty, it has the potential to play a unique role as a flexible funding stream that allows states to determine what families truly need to succeed, and to provide as much or as little as needed. However, this potential is all too often unfulfilled.

TANF was scheduled to be reauthorized in 2010, but Congress did not even consider bills to do so. TANF is currently operating under a short-term extension as part of the continuing resolution, which expires on December 3. Such short-term extensions create uncertainty and make it difficult for states to plan. Congress should pass a full-year extension of TANF as soon as it returns.

For a fuller discussion of CLASP’s priorities for TANF reauthorization, see:
Elizabeth Lower-Basch, *Goals for TANF Reauthorization*, CLASP, January 6, 2010.
<http://www.clasp.org/admin/site/publications/files/TANF-Reauthorization-Goals.pdf>

¹ Elizabeth Lower-Basch and Mark Greenberg, "Single Mothers in the Era of Welfare Reform," in *The Gloves-off Economy: Workplace Standards at the Bottom of America's Labor Market*, A. Bernhardt, H. Boushey, L. Dresser, and C. Tilly, eds., Champaign IL: Labor and Employment Relations Association, 2008, pp. 163–190. Available at: <http://www.clasp.org/admin/site/publications/files/0490.pdf>

² U.S. Census, Historical Poverty Table 3. Poverty Status, by Age, Race and Hispanic Origin

<http://www.census.gov/hhes/www/poverty/data/historical/hstpv3.xls>

³ Congressional Research Service, Trends in Welfare, Work, and the Economic Well-Being of Female-Headed Families with Children: 1987-2007 (April 21, 2009).

⁴ U.S. Census, Income, Poverty and Health Insurance Coverage in the United States: 2009 (P60-238).

⁵ Data series LNU04000313, downloaded from the Bureau of Labor Statistics,

<http://www.bls.gov/webapps/legacy/cpsatab10.htm>

⁶ CBO projects an average unemployment rate of 9.0% for 2011 and 6.7% for 2012-2014. Congressional Budget Office, *The Budget and Economic Outlook: An Update*, August 2010.

<http://www.cbo.gov/ftpdocs/117xx/doc11705/08-18-Update.pdf>

⁷ The TANF Emergency Fund, sometimes known as the Emergency Contingency Fund was created by Section 2101 of ARRA.

⁸ Donna Pavetti, *What Lies Ahead after Jobs Fund's Expiration?*, CBPP, 2010.

<http://www.offthechartsblog.org/what-lies-ahead-after-jobs-fund%E2%80%99s-expiration/>

⁹ TANF data available at: http://www.acf.hhs.gov/programs/ofa/data-reports/caseload/caseload_current.htm SNAP

data available at: <http://www.fns.usda.gov/pd/34SNAPmonthly.htm>

¹⁰ Unemployment rates as of August 2010, from BLS Regional and State Employment and Unemployment Summary, <http://www.bls.gov/news.release/laws.nr0.htm> TANF caseload changes are CLASP analysis of ACF data available at: http://www.acf.hhs.gov/programs/ofa/data-reports/caseload/caseload_current.htm

¹¹ ACF, *Work Participation Rates 2008*, available at:

<http://www.acf.hhs.gov/programs/ofa/particip/2008/index2008.htm>

¹² Elizabeth Lower-Basch and Josh Bone, "TANF Emergency Fund: State Applications Approved as of February 18," CLASP, February 2010.

¹³ Center for Law and Social Policy, "UNITED STATES: Use of TANF and Maintenance of Effort (MOE) Funds in Fiscal Year 2009, September 2010. <http://www.clasp.org/admin/site/publications/files/TANF2009-US.pdf>

¹⁴ Tom Gais and Lucy Dadayan, *The New Retrenchment: Social Welfare Spending, 1977-2006* (Rockefeller Institute, 2008), http://www.rockinst.org/pdf/workforce_welfare_and_social_services/2008-09-15-the_new_retrenchment_social_welfare_spending_1977-2006.pdf.

**CCWRO Testimony
Hearing on Welfare Reform
Women and Poverty**

**Before House Senate Finance
Committee**

**September 21, 2010
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RECIPIENT VIEW OF WELFARE REFORM

CCWRO has been involved in welfare reform initiatives since 1970. We have witnessed the Reagan California alleged welfare reform. Then there was a Nixon plan that has been the best ever proposed in the 20th century. In reality most Welfare Reform bills generally turns out to be *Deform*.

For the past 30 years most of the so-called welfare reform proposals have proposed and enacted changes that make things worse for the impoverished children and families on welfare.

What was the primary message of current Temporary Assistance to Needy Families (TANF) P.L. 104-193 - the 1996 welfare Deform bill? The message is anti-family and anti-child. There are two clear messages in the current program:

- (1) *working* is more important than *parenting*"; and
- (2) your *job* is the most important thing in your life. Your *family* comes after your *job*.

Most people view their family and parenting as the most important missions in their lives - but not for poor families and children in the United States of America. To this day welfare officials and politicians continue to insist that *working* is more important than *parenting*. Although after the 1996 TANF Bill caseloads went down, the truth is poverty has gone up. The caseloads went down because people started timing out (60 month limit). This meant families stopped receiving aid they still needed

Under TANF 70% of funding money goes to the welfare bureaucracy and only 30% goes to the payments to families with children. Before TANF 80% of the AFDC money went to payments to families. TANF has been a resounding success for the welfare bureaucrats and catastrophe for the poor.

What is Real Welfare Reform? Real welfare reform is to make things better for families and children. Under the current TANF program many women have to participate in a workfare activity for the welfare bureaucrats the day after their baby is born. No breast-feeding for many poor babies born in America – this is known in some quarters as “welfare reform”. Parents should be allowed to parent in dignity. If we can afford to give trillions to the rich and spend billions on wars of choice, why can't we spend a miniscule part of that money on the impoverished families and children of America? Is this a Christian Nation?

Recipient View of TANF Reauthorization

TANF is up for reauthorization in 2010. TANF has an ATM machine for States to bilk the TANF program for billions of dollars.

Recently HHS released a comprehensive report entitled "[Eighth Annual Report to Congress - June 2009](#)": on the TANF program that reveals the magnitude to of the raid that States have launched on TANF money meant for the impoverished families. Majority of the money is used for reasons other than payments to poor families. <http://www.acf.hhs.gov/programs/ofa/data-reports/index.htm#tanfdata>

In California TANF grant levels today are what they were in 1989. The Governor is proposing a 15.7% for 2010-2011. California's TANF program has contributed over \$15 billion to the California State general Fund since 1998. Not one penny of that \$15 billion was ever used to feed or house children of impoverished families living in California. In 2010-2011 the Governor's proposed budget has an estimated \$2 billion TANF money scheduled as "contribution to the California General Fund".

To verify whether States have been helping impoverished families with needy children we looked at the TANF Report to Congress that reveals the utter contempt that States have for impoverished families with needy children.

In 2008 only 31% of the TANF money was used for "payments to families". This means 69% of the money was used for other reasons. Some may argue that they used the money for services, such as childcare and transportation. That may be true, but less than 2% of the money was used for childcare and 1% for transportation. What happened to 66% of the money? TABLE #1 reveals the percentage of total TANF funds used for "payments to families" during 2008.

The TANF legislation provides that federal TANF dollars and the required state matching funds have to be used for four purposes: (1) keep needy children in family homes, (2) end dependence on government benefits, (3) reduce out of wedlock births and (4) encourage two parent households as direct assistance to the poor. With these elastic purposes majority of the TANF money can be used for just about anything other than providing payments to means tested impoverished families to meet their basic survival needs.

Page 104 of the 2008 TANF Report to Congress shows what the maximum pay monthly benefits for a family of three has been in 1996, 1999, 2003 and 2006.

- In 24 states the benefits level for a family of three has remained the same from 1996 through 2006.
- 3 states actually had a higher payment level in 1996 than they did in 2006.

District of Columbia 1996 \$ 415 - 2006 \$407
 Hawaii 1996 \$712 – 2006 \$570
 Idaho 1996 \$317 – 2006 \$309

- 43 states impose full family sanctions against families who allegedly failed to cooperate with the State Work Program. This shows the total contempt that

majority of the States have for children; they punish innocent children for what their parents do. It should be noted that many of these children end up in foster care and it destroys families. Moreover, 70% of foster care kids end up in the United States prison system.

- 21 States punish children who were not aborted by their moms and were brought into this world while on welfare. The punishment meted out is not paying any cash assistance for the new born to women who choose not to have an abortion. This is called the family cap policy. Many of these kids end up in foster care because they are removed from the parent for the alleged "neglect". The real neglectors are States that punishes women for not having an abortion.

TANF has been an ATM machine for States bilking the program while totally neglecting impoverished families with children. TANF reauthorization should reverse this phenomenon and require that at least 70% of the total TANF funds be used for "assistance payment to families". It shall also restrict states from denying aid to children for any behavior of the parents. Children should not be victimized due to the behavior of the parents with family caps, sanctions and other penalties against infants and minor children. There should be no time clock ticking for parents who are working. All of these punitive policies are a result of "state flexibility which breeds full family sanctions, family caps, fleecing the TANF program and other anti-family and anti-child TANF policies

RECIPIENT VIEW OF TANF RECOMMENDATIONS MADE BY WELFARE ADMINISTRATORS

- *Maintain the base TANF funding and formula allocation, and fold current supplemental funds into each eligible state's base.*
- *Increase the current level of overall funding for the basic TANF block grant using the Consumer Price Index (CPI) increase since 1996 and employ reasonable allocation methodologies for new funds.*
- *Extend availability of existing Emergency Contingency Funds (ECF) through FY2011 and explore adding funds prior to reauthorization."*

It is important that people practice what they preach. APhSA officials complain that the funding they receive in 2010 is the same that they received in 1996. That may be true, but how much do they pay the needy families? Their needs have also gone up? What States have done is taken from the poor families and increased their bureaucratic budgets. That is why 70% of the TANF money is used for the bureaucracy and 30% to house and feed the families.

We OPPOSE increasing funding for TANF and indexing the TANF money for States that do not index the "payment to families". Funding increases should come with strings because like the banks, state welfare bureaucracies have a proven track record of depriving the poor to enrich themselves.

"Establish a standardized MOE requirement at 75 percent."

We OPPOSE establishing an across the board 75% MOE requirement. We would SUPPORT a 75% MOE requirement for those states that use 70% of more of their total federal and MOE allocation for "payment to families". Payments to families should be defined as a cash aid payment to families to make sure that State do not employ manipulative policies that result in "payment to families" being something other than cash aid payments to families.

Restore counting MOE under TANF purposes 3 and 4 without restriction to "eligible families."

We OPPOSE this recommendation as purposes 3 and 4 (reduce out of wedlock births and encourage two parent households as direct assistance to the poor) have been used to take money out the mouths of hungry children and use it for State to balance their budgets by manipulating the provisions of purposes 3 and 4. It is because of purposes of 3 and 4 that California has taken \$15 billion from poor families and kept their grant levels at the same level in 2010 that they were in 1989. This is unconscionable.

"Revise regulatory penalty provisions, thus making the option of appeal more viable for states."

We OPPOSE this recommendation and suggest that States receive the same type of appeals rights that they make available to TANF families. The current appeals process for States is most generous compared to the penalties that States impose on TANF families for allegedly not participating in a TANF activity. Many states provide that lack of childcare is not a god cause for nonparticipation. It is appalling.

We would SUPPORT changing the State TANF penalty system to be consistent with the type of appeal process states make available to TANF recipients.

CCWRO Recommendations for TANF Reauthorization

1. 70% of the TANF money shall be used for "assistance payments to families". Assistance payment shall be defined as "cash aid payments to families";

The TANF program is temporary assistance to needy families and not for needy states and state bureaucrats. As stated above, in 2008 only 31% of the TANF money was used for "payments to families". This means 69% of the money was used for other reasons. Some may argue that they used the money for services, such as childcare and transportation. That may be true, but less than 2% of the money was used for childcare and 1% for transportation.

2. No penalties/sanctions/family caps against innocent children of America

Many states punish children for what their parents do. This is cowardly behavior and it is immoral. It is child abuse. No child should be punished for what its parents do. There is no evidence that sanctions have resulted in any positive behavior. In fact, most businesses used the *positive* incentives rather than *negative* incentives to get desired outcomes. States always ask for positive incentives to produce desired outcomes and insist on a very vigorous appeal process before any "negative penalties" can be imposed upon them, yet they rarely practice what they preach when it comes for poor families of America.

3. Stop the clock for working TANF families.

There is no time clock for foster care payments, for social security payments, for congressional pensions, yet somehow time limits have been imposed upon poor families. We believe time limits are immoral, but they are especially immoral for working persons.

4. Protect Families from rogue States who refuse to have a TANF program

California Governor Schwarzenegger has proposed to eliminate the TANF program for the second year in a row. This has caused great unrest in the low-income community. Children are at risk and they need to be protected. The elimination of the TANF program would mean that hundreds of thousands of families would break up, children will end up in foster care homes.

We would SUPPORT legislation that would have the federal government operate the TANF program in lieu of the State. This can save a lot of money for the federal government. In California alone, it can save a billion or more each year.

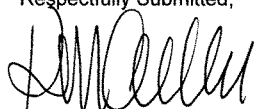
If Congress decides not to take over the TANF program from the states to stop the state fleecing of federal dollars, then at least Congress should adopt a process whereby the federal government would operate the TANF program if a state elects to opt out of the TANF program.

**TABLE # 1- Funds Used for Payments to Families
v. Funds Used to State Budget Relief & the
Welfare Bureaucracy**

2008	Total TANF Expenditure	Basic Assistance Payments		Child Care		Transp.		Total Expend. For Non- Assistance	
TOTAL	28,129,745,092	8,648,970,019	31%	554,679,148	1.97%	323,605,580	1.15%	18,082,991,966	64%
ALABAMA	142,703,450	40,713,175	29%	37,671	0.03%	4,900,361	3.43%	97,052,243	68%
ALASKA	62,618,543	33,507,885	54%	7,443,863	11.89%	880,853	1.41%	20,785,942	33%
ARIZONA	348,648,363	121,767,061	35%	0	0.00%	1,424,026	0.41%	225,457,276	65%
ARKANSAS	144,429,058	13,515,457	9%	0	0.00%	0	0.00%	130,913,601	91%
CALIFORNIA	6,687,297,080	3,252,007,950	49%	192,761,394	2.88%	139,782,105	2.09%	2,937,310,095	44%
COLORADO	230,522,823	42,639,891	18%	0	0.00%	2,634,585	1.14%	185,248,347	80%
CONNECTICUT	496,433,622	100,482,895	20%	4,480,387	0.90%	0	0.00%	389,671,996	78%
DELAWARE DIST.OF	68,010,869	13,475,885	20%	1,621,354	2.38%	0	0.00%	52,913,630	78%
COLUMBIA	160,828,810	21,414,961	13%	0	0.00%	0	0.00%	139,413,849	87%
FLORIDA	948,327,470	158,913,733	17%	15,898,847	1.68%	635,998	0.07%	772,878,892	81%
GEORGIA	614,970,867	74,073,720	12%	23,098,641	3.76%	18,977,631	3.09%	498,820,875	81%
HAWAII	229,161,027	48,682,475	21%	0	0.00%	0	0.00%	180,478,552	79%
IDAHO	34,736,983	5,505,784	16%	0	0.00%	82,262	0.24%	29,148,937	84%
ILLINOIS	1,013,298,702	60,486,523	6%	0	0.00%	2,463,217	0.24%	950,348,962	94%
INDIANA	307,914,275	76,018,087	25%	0	0.00%	<1,315,337>	0.00%	233,211,525	76%
IOWA	172,539,579	60,106,428	35%	10,194,971	5.91%	3,012,950	1.75%	99,225,230	58%
KANSAS	176,155,602	46,132,310	26%	9,790,508	5.56%	7,440,574	4.22%	108,333,225	61%
KENTUCKY	193,155,383	106,151,412	55%	11,828,452	6.12%	6,190,026	3.20%	68,985,493	36%
LOUISIANA	172,783,957	37,860,309	22%	8,368,074	4.84%	1,340,716	0.78%	125,214,858	72%
MAINE	126,825,275	70,200,037	55%	7,649,780	6.03%	18,309,820	14.44%	30,665,638	24%
MARYLAND	405,147,673	113,031,371	28%	124,464	0.03%	86,880	0.02%	291,904,958	72%
MASSACHUSETTS	915,028,670	293,351,120	32%	0	0.00%	0	0.00%	621,677,550	68%
MICHIGAN	1,229,605,394	337,949,681	27%	47,083,998	3.83%	0	0.00%	868,796,780	71%
MINNESOTA	434,519,789	70,883,104	16%	0	0.00%	0	0.00%	363,636,685	84%
MISSISSIPPI	91,104,043	18,481,700	20%	0	0.00%	6,821,883	7.49%	65,800,460	72%
MISSOURI	332,477,116	113,778,808	34%	0	0.00%	0	0.00%	218,698,308	66%
MONTANA	39,140,456	14,226,840	36%	1,313,990	3.36%	0	0.00%	21,422,047	55%
NEBRASKA	94,112,951	23,167,357	25%	0	0.00%	0	0.00%	70,945,594	75%
NEVADA	84,705,650	24,292,338	29%	1,411,542	1.67%	5,030,033	5.94%	53,971,737	64%
NEW HAMPSHIRE	85,297,320	23,824,195	28%	0	0.00%	0	0.00%	54,775,926	64%
NEW JERSEY	954,549,189	200,065,680	21%	26,374,178	2.76%	17,117,303	1.79%	710,992,028	74%
NEW MEXICO	128,692,434	55,006,875	43%	2,895,258	2.25%	199,255	0.15%	70,591,046	55%
NEW YORK	4,422,854,615	1,428,242,373	32%	101,983,998	2.31%	0	0.00%	2,632,069,218	60%

NORTH CAROLINA	446,893,081	79,891,677	18%	0	0.00%	0	0.00%	366,010,956	82%
NORTH DAKOTA	37,086,344	7,630,285	21%	1,016,606	2.74%	126,630	0.34%	18,845,112	51%
OHIO	1,501,163,076	307,203,938	20%	0	0.00%	10,702,454	0.71%	1,183,256,684	79%
OKLAHOMA	175,918,077	20,707,125	12%	10,989,081	6.25%	19,094,071	10.85%	114,424,886	65%
OREGON	309,176,612	91,724,605	30%	23,404,314	7.57%	8,388,665	2.71%	157,873,772	51%
PENNSYLVANIA	961,552,372	218,530,827	23%	0	0.00%	19,246,350	2.00%	723,775,195	75%
RHODE ISLAND	109,182,938	40,730,642	37%	1,568,972	1.44%	157,351	0.14%	66,725,973	61%
SOUTH CAROLINA	170,362,249	34,628,615	20%	0	0.00%	3,247,351	1.91%	132,486,283	78%
SOUTH DAKOTA	28,545,277	12,784,415	45%	802,914	2.81%	0	0.00%	7,731,088	27%
TENNESSEE	290,193,867	93,722,337	32%	23,928,314	8.25%	454,178	0.16%	172,089,038	59%
TEXAS	821,875,550	98,128,017	12%	0	0.00%	249,439	0.03%	677,074,708	82%
UTAH	85,708,335	24,891,496	29%	6,482,243	7.56%	1,547,667	1.81%	52,786,929	62%
VERMONT	72,143,568	26,058,457	36%	0	0.00%	6,120,945	8.48%	39,964,166	55%
VIRGINIA	271,076,657	92,994,978	34%	6,462,908	2.38%	0	0.00%	171,618,771	63%
WASHINGTON	704,948,904	267,864,015	38%	0	0.00%	0	0.00%	437,084,889	62%
WEST VIRGINIA	115,181,837	31,148,455	27%	4,108,719	3.57%	14,951,851	12.98%	64,972,812	56%
WISCONSIN	452,884,898	89,486,194	20%	0	0.00%	0	0.00%	363,398,704	80%
WYOMING	27,254,412	10,886,521	40%	1,553,707	5.70%	3,303,487	12.12%	11,510,697	42%
Total	28,129,745,092	8,648,970,019	31%	554,679,148	1.97%	323,605,580	1.15%	18,082,991,966	64%

Respectfully Submitted,



Kevin M. Aslanian, Executive Director
CCWRO

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STATEMENT OF EVERY MOTHER IS A WORKING MOTHER NETWORK

*Submitted to the Senate Finance Committee
to be included in the record of the Committee's
September 21, 2010 Hearing on*

"Regarding Welfare Reform: A New Conversation on Women and Poverty"

The Every Mother is a Working Mother Network (EMWM) is a national multi-racial network of grassroots mothers, grandmothers and other caregivers campaigning to establish that *raising children and caring work is work*, and to change social and economic policies and practices so that the value of caring work is reflected in the right to welfare and other resources. Thank you for this opportunity to add our voices to your hearing "Regarding Welfare Reform: A New Conversation on Women and Poverty".

First of all, it must be emphasized that poverty is a women's issue, particularly for women of color. According to Organizing for America, women and their children comprise 75% of the poor in America. The lack of support and resources for the critical work of raising children and caring for people, women's double day of low-waged work on top of unwaged work, and lack of pay equity on our waged jobs are major reasons for our high levels of poverty.

As Senator Daniel P. Moynihan wrote in his book *The Politics of a Guaranteed Income* (1973), "If American society recognized homemaking and child rearing as productive work to be included in the national economic accounts...the receipt of welfare might not imply dependency. But we don't.... It may be hoped that the Women's Movement of the present time will change this. But as of the time I write it had not."

Current welfare policies place no value whatsoever on the work of mothering and ended support for that work, instead forcing us to leave our children in the care of strangers to take on low-waged work or workfare. Additionally, for those of us who want the option of a career outside the home, present policies deny us access to a four-year college education (which we used to have under the previous welfare system). No wonder one of the fastest growing populations among homeless people is families headed by single mothers.

And this lack of valuing the work of mothers and other caregivers, and denying us resources, has a disproportionate and devastating impact on communities of color. Statistics bear out that Black families are largely headed by women. A recent survey by the Census Bureau reported that the percentage of Americans below the poverty line in 2009 was the highest it has been in 15 years: 44 million, or one in seven residents. The poverty rate for non-Hispanic whites was 9.4 percent, for blacks 25.8 percent and for Hispanics 25.3 percent. The rate for Asians was unchanged at 12.5 percent.

Additionally, poverty is being mixed up with neglect which results in children from low income communities being torn from their families and placed with strangers at an alarming rate as money that used to go to welfare has shifted to the child welfare "industry". And it is families of color who are disproportionately impacted. This is a national disgrace. Our children – our future generation - are suffering terribly as a result. When welfare "reform" is reauthorized, it must address these critical issues and provide respect, financial and other practical support for mothers who are struggling to raise our beloved children with the stress of trying to make a dollar out of fifty cents, inexcusable for the richest nation in the world.

History

EMWV began in response to welfare "reform" which ignored the enormous amount of work mothers do, in this instance mothers with the least. It ignored the importance of the nurturing relationship and bonding between mothers and children and in so doing made the case that mothers, instead of having the time and the support to care for our own children, be forced to take any job outside the home and our children placed in the care of strangers. This devalued the work of all mothers, in particular those with the least resources, and demeaned the caring relationship between mother and child. It treated our children like a nuisance that gets in the way of what is really important -- a job outside the home. Our views reflect the reality of millions of mothers and other caregivers whose contributions are devalued, and the thousands of low-income mothers who are punished in welfare legislation for being mothers.

Our roots are in the welfare rights movement of the 1960s and 1970s and in the International Wages for Housework Campaign (WFH) which has campaigned for recognition and payment for caring work since 1972. We fought for and won a resolution in the Platform for Action of the 1977 US Conference on Women in Houston Texas (a conference mandated by Congress) that opposed discrimination against mothers, and proposed that welfare be called a wage. That resolution went to the Carter Administration to be implemented as was its mandate, but with the subsequent change in administrations it never was. We opposed the Family Support Act of the late 1980's for all of the above stated reasons.

In 1987, International Black Women for Wages for Housework and WFH prepared and submitted a statement to the subcommittee on Social Security and Family Policies. In that statement we said, in part:

The debate on "welfare reform" has so far centered on the assumption that women are not "working" until they enter waged employment. According to Senator Moynihan: "A program that was designed to pay mothers to stay at home with their children cannot succeed when we observe most mothers going out to work." [Ms. Magazine, November 1987]. Senator Moynihan is frequently quoted as saying he "looked up one day and women were working," that is, doing waged work, and therefore women on welfare should be mandated to work.

In reality, Senator Moynihan, looked up one day and women were doing the double shift – housework and waged job – because women wanted not to be institutionalized in the home, with or without money. Many women feel that dignity and independence seem to come only with a job outside the home and a paycheck.

Women are doing the double day because we have to. Because we live in a society that does not value our work, we are forced to do the 24-hour-a-day shift...The women's movement has fought long and hard for choices for women, not for men on Capitol Hill to decide for us how much work we should do, and at what age we must leave our children...Women...should have comparable work programs... to stand on equal footing with their male counterparts.

Caregiving work has value and is deserving of support

WFH coordinated the International Women Count Network which succeeded in winning the decision at the 1995 UN World Conference on Women in Beijing calling for women's unwaged work in the home, on the land and in the community to be measured and valued by governments in economic statistics and in the Gross Domestic Product. We worked to have introduced into Congress in 1993 *The Unremunerated Work Act* which called for unremunerated work to be measured, valued and included in the gross domestic product; the Act received bi-partisan support. The Bureau of Labor Statistics has begun such measurements and valuations, and according to the 1995 UN Development Programme's (UNDP) Human Development Report, the unwaged and underpaid work women do in the US is valued at \$1.4 trillion a year. However this data has not been considered or used in determining policy as it relates to low income mothers or in a whole host of policy decisions regarding resources for women, from social security, to valuing the work of homecare workers and other caregivers, to the right to welfare.

Money is found for war and occupation where our children are trained to kill other mothers' children, but where are the resources for women who need them to care for their children? The price tag for the wars being waged by the US military in Iraq and Afghanistan will hit nearly \$1.6 trillion during the coming year, according to a report released by the Democratic staff of Congress's Joint Economic Committee. The report further estimates that the total cost of the two wars between 2003 and 2017 will amount to \$3.5 trillion.

Immigration policies all too often separate families leaving mothers alone to fend for their children. Immigrant women and children are denied welfare - even the inadequate safety net provided under TANF - as well as healthcare. And the contributions of immigrant mothers are even further hidden than those of other mothers, leaving those of us who are immigrants even more vulnerable to attack in these difficult financial times.

But all women are hampered by a lack of pay equity, low wages, part time work which offer no benefits, and job insecurity. With cuts in homecare in at least 25 states and the District of Columbia since the start of the recession, including meal deliveries, housekeeping aid and assistance for family caregivers, according to the Center on Budget and Policy Priorities, and lack of access to healthcare when our loved ones become ill or elderly or return from war with mental and physical wounds, women are counted on to do the unwaged caregiving work not provided by governments. In California, which faces a budget shortfall of \$19.1 billion for the 2010-11 fiscal year, Gov. Arnold Schwarzenegger's office proposed eliminating adult day health care centers that serve 45,000 people and in-home supportive services that help more than 400,000 elderly, disabled or blind residents. The Legislature rejected these cuts but has not yet produced an alternative budget. The state already cut Alzheimer's day care centers and assistance for caregivers. [*New York Times*, July 16, 2010]. Thus women are forced to do a double or even triple day of low-waged work on top of unwaged caring work, which many people's very lives depend on.

Mothers need an income, just like anyone else, for us and for our loved ones to survive, but mothers are not like other workers in that our work remains counted on, and given

lip service to, but not resources. Policy makers *must stop hiding the contributions mothers and other unwaged and low-waged caregivers make to society*, and stop attacking mothers with the least in the most racist and vicious ways. Families in rural areas, including on Native American lands, where jobs are few and far between are particularly at risk. For many mothers our source of survival is welfare.

Children are being torn from their families as a result of welfare “reform”

As noted above, one of the results of current welfare policies is the alarming rate at which children are being removed from their homes by “child welfare” departments. Increasingly we see the conflation of poverty, racism and neglect with a disproportionately high number of Black and other children of color being taken from families and placed into foster care with strangers or put up for adoption. Mothers are being threatened that their children will be taken by child protective services if they apply for welfare, a diversionary tactic used to keep the rolls down. Mothers on welfare are afraid to seek help in domestic violence situations through the Family Violence Option for fear that their children will be taken. Mothers struggling to get their children back from foster care cannot get welfare because their children are not with them, and the children cannot come home because their mother has no income, a catch-22 situation. The housing requirements for mothers to be able to get their children back who have been detained by children and family services departments are discriminatory against low income mothers. And grandmothers caring for grandchildren do not get the support they need.

Rather than supporting mothers and children, welfare funds are now going to child welfare services, tearing up families and dealing a traumatizing blow to children. Studies show that children in foster care with non-family members have twice the rate of PTSD as Gulf War veterans. One third say they have experienced sexual abuse by adults in foster care. And only 20 percent of foster care “alumni” could be said to be “doing well”. [National Coalition for Child Protection Reform]

We are outraged that especially – but not only – during this economic crisis mothers are being denied welfare as a right, and frankly denied money directly into our hands so that we can care for our families. Indeed the number of women receiving welfare has dropped dramatically in contrast for example to those receiving food stamps. Why is it that foster parents are paid in the realm of \$35,000 per year for the care of children when no money can be found to help the mothers?

Lawmakers seem to have forgotten that without mothers, none of them would be here. The work of bearing and raising children is the most important work in society, but it is treated like it is worth nothing, and that we can somehow make do without it. For them, the “real” work, the important work, is the work for wages outside the home. Well, there is very little of that around these days and even if we can find a job, what about the children – who will raise them? Who will care for their needs when they have disabilities? Welfare policies treat children like so many sacks of potatoes that can be parked at one childcare center or another, completely devaluing the importance of the maternal bond on the child’s development and well-being. All child psychologists agree on the importance of consistent care especially in the first three years. The American Pediatric Association has recommended breastfeeding for the first year. Experts of all

kinds point out the value of investing in the first six years of life as a preventive measure for problems later in life. But welfare policy in the US has continued to tear mothers from children at a young age, pushing us into a job, any job – then pay someone else to look after our children!

US the only country in the Global North with no family allowance or child benefit

While paying lip service to motherhood and apple pie, the US is the only industrial nation that does NOT have some kind of program to pay mothers. In countries of the Global North, with the exception of the US, mothers are entitled to family allowance, whether they are married or not, whether they are working outside the home or not; the money comes to the mother, and there is no means test or stigma attached to it as there is with welfare. Also in countries of the Global North, again with the notable exception of the US, mothers (and fathers) are entitled to paid parental leave that can be close to the amount they earned while working. How can it be that the wealthiest country in the world cannot “afford” it? Even some countries in the Global South offer a form of welfare for the poorest families including Brazil and Venezuela.

In June of this year, the Every Mother is a Working Mother Network participated in the US Social Forum in Detroit, Michigan with over 20,000 people in attendance, which passed unanimously a resolution entitled “Poverty is Not Neglect and We are Not Powerless: Mothers reclaim our children back from the child welfare industry” calling for ***an end to time limits, sanctions and other punitive measures including “work” requirements in welfare reform, as well as an increase in benefit levels, as TANF moves through its reauthorization process in Congress, and to make welfare available immediately to all women who need it including for their children to be returned to them.***

In a statement for a Legal Momentum briefing to legislators on TANF sanctions which took place on September 30, 2010, we said: “It is unconscionable that sanctions are imposed when we fail to jump through the bureaucratic hoops imposed by a cruel and demeaning system. Frequently it is mistakes of the bureaucracy itself that are the cause of our ‘non-compliance’. We remind lawmakers that it is children in the end who suffer the most by such sanctions and other punitive policies.” While sanctions are a particularly cruel aspect of the current welfare policy, the entire system is “misguided”, punitive and cruel. We urge the Senate Finance Committee and all our legislators in Congress to take a fresh look at welfare policy as we move through the reauthorization process and rid yourselves of past prejudices. We hope that your “New Conversation on Women and Poverty” will be just that, and result in a new welfare policy that is respectful and compassionate, that moves us towards a more caring society. All mothers, including those of us fighting to reunite our families, have earned support. We have a right to money, resources and other programs that value our work. And the value of our caring work must be reflected in welfare policy.

In closing, we quote from the testimony EMWM presented before the Subcommittee on Human Resources of the House Committee on Ways and Means Hearing on Welfare Reform Reauthorization Proposals on April 11, 2002:

For those of us who have been forced out to waged work, the conditions that we have to leave our children under are undermining to both our children and those who care for them. In California, for example, the infant/adult ratio in infant care centers ranges from 3-1 or 4-1. We consider this promoting child abuse. Since when is one adult able to nurture, hold, cuddle, sing to, and comfort three or four babies at the same time? No wonder pediatricians can tell which babies have been in infant care from the so-called "flat-head" syndrome resulting from long hours of lying in a crib. Even walkers are often not allowed and babies are stuck lying around all day without the kind of one-on-one love and care that only a mother or main caregiver can provide. And the pay of childcare providers is an insult; for a relative care provider, it is often below the minimum wage. This is not to say that mothers should not have the choice to work outside the home and access to quality childcare, but it must be a mother's choice and not a mandate and the conditions of care and the pay of the workers must be greatly improved.

Summary of Recommendations

1. *The work done by mothers or other caregivers raising children is a valuable contribution to the economy and society and should be reflected in welfare benefits. Mothers, grandmothers and other caregivers must not be required to work outside the home as a condition of receiving benefits. Mothering is real work; what we lack are real resources.*
2. *Mothers who choose to work outside the home should be entitled to pay equity, affordable quality childcare of choice, paid breastfeeding breaks (in accordance with the International Labor Organization), and protections from sexual harassment, and other job supports.*
3. *Welfare benefits must be increased and indexed to the cost of living.*
4. *Time limits on receiving welfare benefits must be eliminated, as well as sanctions.*
5. *Mothers must not be required to identify the father or sue for child support as a condition of receiving benefits.*
6. *Women must not be pushed into marriage.*
7. *Mothers receiving benefits should have the right to education and training of choice, including the right to attend a four-year college. Participation in education and training should be counted as work activity.*
8. *No discrimination in access to benefits, including based on immigration status, race, disability, criminal record, or sexual preference.*
9. *Federal legislation on welfare should include national standards, protections and guidelines that states must abide by.*

(For further information, contact Every Mother is a Working Mother Network, Philadelphia: 215-848-1120, philly@allwomenscount.net; Los Angeles: 323-276-9833, la@allwomenscount.net)

**Testimony Submitted for the Record
United States Senate
Committee on Finance
Hearing on Welfare Reform: A New Conversation on
Women and Poverty
Submitted on October 5, 2010**

**Submitted by
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**Testimony Submitted for the Record
United States Senate
Committee on Finance
Hearing on Welfare Reform: A New Conversation on Women and Poverty
Submitted on October 5, 2010**

Mr. Chairman, Ranking Member, and Members of the Committee, on behalf of Goodwill Industries International®, Inc. (GI), I appreciate this opportunity to submit written testimony on the need for comprehensive welfare reform.

Goodwill® is comprised of 158 independent, community-based Goodwill agencies in the United States. Collectively, Goodwill's network of local agencies provides employment training, job placement services and other community services to 1.9 million people annually. In addition, approximately 155,000 people obtain meaningful employment as a result of Goodwill career services programs. Collectively, these employees earn \$2.5 billion in salaries and wages and contribute to their communities as productive, taxpaying citizens.

Goodwill agencies are innovative and sustainable social enterprises that support job-training, employment placement services and other community programs by selling donated clothes and household items at Goodwill retail stores and online, providing contract services, and by securing grants and donations from private and public sources. Eighty-three percent of collective revenues raised go directly toward supporting and growing critical community-based programs and services.

Goodwill Industries looks forward to working closely with Congress, the Administration and other stakeholders to improve the Temporary Assistance to Needy Families program (TANF) through the reauthorization process. Of the 1.9 million people that received Goodwill's services, nearly 200,000 of those individuals were TANF recipients. In addition, state TANF administrators referred nearly 115,000 individuals to local Goodwill agencies for help.

Since TANF was created in 1996, Goodwill Industries has provided more than 1 million TANF recipients with pre- and post-employment services, including skills training, job search assistance, job retention support, and other career programs tailored to their needs. Goodwill career counselors seek to develop individualized career plans that aim to help people find jobs and move up the career ladder. Recognizing that it's not enough to just get a job, Goodwill agencies use a holistic "family strengthening" approach, and therefore provide or help provide access to a range of supportive services such as assistance with child care, transportation, and stable housing. The experience of our local agencies informs us that this strategy is very effective in helping people find a job, to remain attached to the labor force, and to advance in careers.

Based on the experience of its network of local agencies in communities nationwide, Goodwill Industries International has the following recommendations:

Funding

The Administration's FY 2011 budget proposal would extend TANF as is for one more year but proposes spending for two new funds. First, the President proposes extending the TANF "emergency funds" by providing \$2.5 billion. Second, the FY 2011 budget proposes spending \$500 million on a "Fatherhood, Marriage and Families Innovation Fund." The \$3 billion proposed for these two funds represents about a one-sixth increase in federal TANF spending, a significant anti-poverty investment. However, a larger anti-poverty investment is urgently needed as family poverty is now so common. The welfare rolls increased by 5 percent last year, the first increase in the program in over a decade.

Goodwill appreciated the emergency TANF funding as it created incentives for states to aid more poor families; however more must be done to increase access reduce barriers at the state and local level and to raise sub-poverty benefit levels. The TANF Emergency Fund expired on September 30, 2010. According to a recent report from the Center on Budget and Policy Priorities, "in anticipation of the fund's scheduled expiration, various states and counties are planning to start dismantling their TANF subsidized jobs programs and to cut cash assistance for impoverished families."¹

Congress should reinstate the TANF emergency fund and expand the Administration's proposal to assist more of the families who are now living in extreme poverty and must address some of the structural flaws within the program during reauthorization this year.

Access Barriers

Goodwill provides support services – including financial skills strengthening and services for youth and families – that enable people from all backgrounds and walks of life to obtain and maintain economic independence and an increased quality of life. Many of these individuals – particularly individuals with disabilities, limited English proficiency, or limited literacy – turn to Goodwill because they are ineligible for TANF assistance or have found it difficult to enroll and maintain enrollment in the program.

Goodwill urges Congress to consider strategies to increase access and reduce barriers especially for populations that have a history of unemployment rates that are higher than the national average. In addition, Congress should consider extending the 60-month lifetime limit to some of these harder-to-employ populations or waive the lifetime limit during emergency circumstances.

Education, Training, and Employment

Goodwill agencies take a holistic approach to providing job-training and other supports to people with barriers to employment. Many Goodwills also run local one-stop centers through the Workforce Investment Act (WIA) supported by the Department of Labor.

¹ Liz Schott and LaDonna Pavetti, "Extending the TANF Emergency Fund would Create and Preserve Jobs Quickly and Efficiently" February 17, 2010, p. 2.

States and localities have the option to include TANF programs and local Goodwills also offer these services, however more needs to be done to ensure that TANF is a true partner in the WIA system. As reported in a recent Government Accountability Office study, “several challenges including programs differences between TANF and WIA and different information systems used by welfare and workforce agencies, inhibited state and local coordination efforts.”² Goodwill is pleased to see the strides that the Department of Labor (DOL) and Health and Human Services (HHS) have taken to overcome these challenges.

A Washington-based Goodwill agency provides a Community Jobs program funded through the Washington State Department of Commerce. The Community Jobs program is a subsidized employment and training program for TANF recipients. Parents enrolled in the program are job-ready but still possess barriers to achieving independent employment in the community. Participation in the program entails 20 hours of work experience training at a nonprofit work site – Goodwill pays the participant’s wages during the training and is reimbursed for wages through the contract. In addition, the participant must also participate in 10 hours in a job-training or educational activities, (i.e. activities such as GED or basic computer classes), and 10 hours of barrier removal (i.e. going to court, domestic violence classes, doctor appointments, etc.). Goodwill’s Community Jobs program is successful in part due to the strong community partnerships the agency has and the experience in providing other types of services to alleviate barriers to employment.

Goodwill recommends that TANF reauthorization include a focus on collaboration between DOL and HHS to share best practices and outcomes via the one-stop centers, TANF administrators, and other social service providers.

Research shows access to education is closely linked to economic security. Many community-based Goodwills are collaborating closely with community colleges to leverage their unique strengths and resources to develop and deploy local joint ventures that support career advancement, family and financial strengthening skills development with stackable credentials and job placement with career navigation support.

Goodwill recommends that Congress to maintain provisions that allow participation in post-secondary education to count as training.

Innovation and Capacity Building

Hard economic times have led to an increase in the number of families seeking assistance from Goodwill not only for employment assistance but also for discounted clothing and household products. Goodwill agencies are innovative and sustainable social enterprises that fund job-training, employment placement services and other community programs by selling donated clothes and household items at Goodwill retail stores and online.

² Government Accountability Office, “Support for Low-Income Individuals and Families: A review of Recent GAO Work” February 22, 2010, pg. 10.

A challenge for many nonprofits to address the rising need of individuals seeking assistance is related to the capitalization costs of expanding infrastructure. Congress recognized the potential for a system of capitalizing new Goodwill facilities in Section 413(h)(3)(A) of the Social Security Act, which allowed HHS to grant \$10 million combined to two community-based Goodwills for the purpose of purchasing additional sites and the construction of new facilities. In exchange, the agencies were expected to demonstrate job placements for those leaving welfare to work with services funded by the proceeds from the new donated goods stores. A three-year evaluation of the grant showed that the agencies met and exceeded the placement quotas.

GII is requesting that Congress build on its success by capitalizing new Goodwill Job Connection programs in additional sites across the country. The purpose of the capitalization funds is to infuse capital into the network of Goodwills to accelerate their ability to build self-sustaining employment platforms in support of employment, training, and workforce development programs. Local Goodwill organizations are established organizations with proven track records that have expressed their commitment to using federal capitalization funds to address the needs of their communities.

Goodwill believes that the capitalization model is an effective way for the federal government to address the immediate needs of communities in hard economic times through job training and placement programs while creating programs that will stand ready to address the changing needs of communities for the next 30 years and beyond.

Goodwill Industries urges Congress to support H.R. 4299 and other legislation that would allow self-sustaining social enterprises like Goodwill continue to grow and meet the needs of their communities.

Other Supports

During the late 1990's the TANF program experienced a significant decline in the number of cash assistance caseloads, while the number of working single-parents increased. A combination of factors contributed to this result including a strong economy and strengthened work supports such as the Earned Income Tax Credit (EITC). GII was disappointed to see that the President's FY 2011 proposed budget proposes to eliminate funding for the EITC. Without these additional work supports vulnerable families will continue to struggle.

Following the enactment of the Deficit Reduction Act of 2005, the TANF program saw another decline in caseloads. On the other hand, Supplemental Nutrition Assistance Program (SNAP) caseloads have increased significantly. This increase could be due in part to an outreach program undertaken by the Food and Nutrition Service. Best practices from this outreach effort should be shared with TANF administrators who can benefit.

Congress should consider the broader impact to vulnerable families during hard economic times when examining the potential of various supports on which these families rely.

Conclusion

GII thanks you for taking the time to consider these recommendations and looks forward to working with Congress to consider changes to the TANF program that would result in providing improved supports for people who have low incomes. As our nation recovers from an economic crisis that many experts believe to be the worst since the Great Depression, Goodwills across the country stand ready to leverage its existing infrastructure to supplement government programs that enhance the dignity and quality of life of individuals, families, and communities by eliminating barriers to opportunity and helping people in need to reach their fullest potential through the power of work.

LEGAL

The Women's Legal Defense
and Education Fund

Statement of Legal Momentum

*Submitted to the Senate Finance Committee to be included in the record of the Committee's
September 21, 2010 Hearing on
"Regarding Welfare Reform: A New Conversation on Women and Poverty"*

We applaud the Committee for holding a hearing on the Temporary Assistance for Needy Families (TANF) program. TANF is especially important for single mother families for whom the poverty rate is almost forty per cent. About ninety per cent of adult recipients of TANF are single mothers, over half with a child below age 6 and over a quarter with a child below age 2. A third of adult recipients have a disability, a substantial portion are domestic violence victims, and 40% lack a high school degree.

TANF is a deeply flawed program. It barely functions as a safety net, aids only about one fifth of poor children, and provides grossly inadequate benefits to the relatively few families who are aided. In many states and localities, the TANF program is administered in a fashion that seems intended to exclude as many families as possible from eligibility or receipt of benefits.¹ In all states, the benefit levels are so low as to condemn millions of women and children to the most extreme poverty, leaving many to experience hunger, eviction, and other serious material and social deprivations. Such hardship in a country as rich as ours violates basic principles of social justice and human rights.

We urge Congress and the Obama Administration to move forward with comprehensive reauthorization legislation that will increase federal funding and raise participation rates and benefit levels in TANF. Any increase in federal funding for TANF, and any TANF emergency fund, must be accompanied by a requirement that the new funding be used to provide cash assistance or employment to poor families and not be diverted to other purposes.

FAR TOO FEW POOR FAMILIES RECEIVE TANF

TANF was created in 1996 to replace AFDC. In 1995, AFDC's last full year, AFDC aided 84% of eligible families and the monthly number of child recipients averaged 62% of the number of poor children. In 2009, TANF aided at most 40%² of eligible families and the monthly number of child recipients averaged only 21% of the number of poor children. By contrast, in 2008 Food Stamps aided 86% of eligible children.

TANF BENEFITS ARE MUCH TOO LOW

In every state, TANF benefit levels are far below the official poverty line, currently \$1,526 a month for a family of three.³ In a majority of states, the TANF benefit level is below 30% of the poverty standard. Under TANF, the real value of the benefit has declined in all but four states, with a decline since 1996 of 20% or more in twenty eight states, and a decline of 17% in the median state benefit. In July 2008, for a family of three, the daily benefit per person was less than \$8.00 in all but one state, less than \$5.00 in thirty states, and as low as \$1.86 in one state.

THE TANF PROGRAM HAS BEEN WOEFULLY UNRESPONSIVE TO THE 'GREAT RECESSION'

In March 2010, the most recent month for which data are available, the national TANF caseload was only 12% greater than at the beginning of the recession in December of 2007. The national Food Stamp caseload increased 51% over this same period.

The national TANF caseload *declined* in 34 states and nationally by about 1.3% between December 2009 and March 2010. By contrast, over this same period, the national Food Stamp caseload *increased* by about 3.6%.

TANF REAUTHORIZATION MUST INCREASE PROGRAM RESPONSIVENESS AND STATE ACCOUNTABILITY FOR AIDING NEEDY FAMILIES

TANF reauthorization must result in new accountability mechanisms to halt and reverse the continued decline in TANF participation among poor and eligible families. There should be access protections like those in the Food Stamp program and a financial bonus system like that in Food Stamps that rewards states achieving high participation rates.

New federal policies are also needed to halt and reverse the continued erosion in the inflation-adjusted value of TANF benefit levels. There should be requirements, incentives, and new funding sufficient to assure families a minimum income from direct assistance or from subsidized employment that, when combined with Food Stamps, will bring family income at least to the official poverty standard.

(For further information, contact Timothy Casey, tcasey@legalmomentum.org, 212 413-7556)

¹ See Legal Momentum (2010), *The Sanction Epidemic in the Temporary Assistance for Needy Families Program*, <http://www.legalmomentum.org/assets/pdfs/sanction-epidemic-in-tanf.pdf>; Legal Momentum & National Resource Center on Domestic Violence (2010), *Not Enough: What TANF Offers Family Violence Victims*, <http://www.legalmomentum.org/assets/pdfs/not-enough-what-tanf-offers.pdf>; Legal Momentum (2009), *The Bitter Fruit Of Welfare Reform: A Sharp Drop In The Percentage Of Eligible Women And Children Receiving Welfare*, <http://www.legalmomentum.org/assets/pdfs/lm-tanf-bitter-fruit.pdf>.

² The most recent participation data from the U.S. Department of Health and Human Services (HHS) indicate that TANF aided 40% of eligible families in 2005. The eligible family participation rate has likely fallen significantly below 40% since 2005. Although the average monthly unemployment rate was almost twice as high in 2009 (9.3%) as in 2005 (5.1%), fewer families received TANF in 2009 (1.84 million a month) than in 2005 (2.06 million a month).

³ See Legal Momentum (2009), *Meager And Diminishing Welfare Benefits Perpetuate Widespread Material Hardship For Poor Women And Children*, <http://www.legalmomentum.org/assets/pdfs/tanf-meager-benefits.pdf>.

From GEDS to PhDs

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September 30, 2010

STATEMENT OF JASMINE FRAZIER

Submitted to the United States Senate Committee on Finance to be included in the record of the committee's hearing on "Regarding Welfare Reform: A New Conversation on Women and Poverty" held on September 21, 2010

I'm a working welfare mom, attending California State University East Bay, where I am currently earning my B.S. in Biology. Every day is a struggle to make ends meet as I raise my child on my own; I've been her sole provider since 2007 after her father was murdered. Still I continue, and strive to provide my daughter with a sense of stability in her life while I pursue my education.

I believe that TANF should focus on education first, because education is the key to becoming self sufficient. While I understand that TANF currently allows parents to earn vocational certificates, it is my belief that allowing parents like me to earn college degrees is the way to see us leave welfare permanently. Education is the only way I'll be able to provide a stable environment for my daughter, where I don't have to depend on government assistance, is through higher education.

In this economy, it doesn't make sense for TANF to continue its focus on "work first," because there are no jobs available. Without jobs, mothers on welfare have to do 32 hours a week in unpaid "workfare" in exchange for their welfare benefits. How will I support my daughter when all of my benefits will be going towards gas to get to/from my workfare assignment that I will not be getting paid for? Why not include education as part of the "workfare" so that mothers like me don't have to stress out about finding a job in this economy or doing unpaid workfare, on top of trying to go to school full time?

Right now I earn \$8.00 an hour (California's minimum wage) through the paid work experience program through TANF, which has helped me keep a roof over my child's head, and pay for some of our basic needs. Imagine how much I could be making if TANF put education first. I am asking that you make education a priority for TANF recipients, so we can end the cycle of poverty.

Sincerely,

Jasmine Frazier

From GEDS to PhDs

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September 30, 2010

STATEMENT OF REBECA WALKER MARQUEZ

Submitted to the United States Senate Committee on Finance to be included in the record of the committee's hearing on "Regarding Welfare Reform: A new Conversation on Women and Poverty" held on September 21, 2010

My name is Rebeca Walker Marquez and I am currently working at LIFETIME thanks to the *TANF Emergency Contingency Fund*. I lost my job in October 2008 and have been struggling financially every since. With the difficulties in the job market I had not been able to find any work. I have a Bachelors degree and have attended classes towards my graduate studies in Social Anthropology in addition to many years of experience working as interpreter, translator, interviewer, and case manager. Yet even with all these skills I was unable to find a job to support myself and my nine year old son. I thought about going back to school but I just could not afford it.

These last two years have been extremely hard for us. I don't have a family to support me, and with the high costs of living my self-sufficiency rapidly deteriorated during my job search. While sending out resumes and applications, I worked in odd jobs such as cleaning houses and babysitting in order to be able to pay my bills, but it still wasn't enough. When my car broke down, I wasn't able to pay for repairs, I couldn't pay my rent, and eventually I had to give up my apartment.

For the last six months I have been homeless, staying in friends' houses with little hope of being able to get back on my feet. In tears, my son pleaded to me, "I just want my old life back." I felt hopeless for myself, my son, and our future.

Through the TANF program; LIFETIME was able to hire me and has given me the opportunity to have a meaningful job. Now I can look forward to the day when I am able to have a place to live, fix my car, and get our old life back.

I can't help but wonder how very different my life would be if there had been job opportunities available shortly after I became unemployed; however because the job market has been so competitive, it became virtually impossible for me to sustain myself. I can only imagine how much more difficult it is for other people in my situation who don't have any postsecondary studies. I wish the Welfare System worked as a viable safety net by putting in place the opportunities needed for families like mine to get back on the path of stability. That Welfare System would help people by creating more subsidized jobs where we can further our experience as well as offering real opportunities to further our education without getting further in debt.

Sincerely,

Rebeca Walker Marquez

September 30, 2010

STATEMENT OF ASHLEY SMITH



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Submitted to the United States Senate Committee on Finance to be included in the record of the committee's hearing on "Regarding Welfare Reform: A New Conversation on Women and Poverty" held on September 21, 2010

My name is Ashley Smith and I am the teenage mother of a 9-month old son named Randy III. As a child, I grew up moving from place to place since both of my parents were unstable. I remember watching my father beat my mother, so when they finally separated I felt I had peace of mind. However, I never realized that my mother was on drugs. My mother's addiction placed me in the position of having to grow up fast. I have lived on my own for the past three years without the support of my parents. TANF requires teens to live with their parents in order to get any of the benefits, but in my case this was almost impossible.

My mother has been receiving TANF benefits for me and my two sisters this entire time, and not once have I been able to get supportive services or any of the money to support myself. I applied for TANF a few years back and was denied because I was told that they needed proof that I was no longer living in the home. My mother has an addiction and was not going to admit that to TANF, nor was she going to support me when she was only interested in supporting her habit.

I graduated in June 2009 from High School, but unfortunately graduating with a high school diploma was not enough for me to take care of myself, let alone my newborn son. As you already know our country is struggling economically and without the proper credentials it is impossible for people to find jobs. Since the recession, there aren't many jobs available. The fact that I am a young single mother makes my options even slimmer.

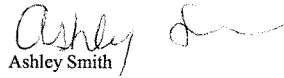
Although I am not a TANF recipient, I discovered LIFETIME through a friend and was able to gain employment for the first time in my life. This was made possible because of the TANF Emergency Contingency Fund. My employer was able to hire me and provide me with the means to care for myself. Unfortunately because Congress has not extended the fund I will be unemployed as of September 30, 2010.

Without this job, I am now in a position where getting TANF will soon become my only option for survival. The reauthorization of TANF needs to deal with helping young parents like me become educated so that we have the ability to leave welfare and become independent, educated and able to not only work, but have careers that will allow us to support our families. Postsecondary education is the only way TANF recipients will be in a

position to prosper and become self-sufficient. It should be included as an option for TANF recipients so that they can achieve lifelong success.

I don't want to depend on welfare forever. I want to be able to go out and earn a living wage to provide for my family. I want to be able to provide for my sons basic needs such as diapers, formula and asthma medication, with my own hard-earned money. The only way for this to become a reality is for me to have the opportunity is through postsecondary education. I hope that as you make your decisions you think about the opportunities you want for your own children and families.

Sincerely,


Ashley Smith

September 30, 2010

STATEMENT OF ANYANIA MUSE

From GEDS to PhDs

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Submitted to the United States Senate Committee on Finance to be included in the record of the committee's hearing on "Regarding Welfare Reform: A New Conversation on Women and Poverty" held on September 21, 2010

This month marks the two-year anniversary of my graduation from Mills College in Oakland, California. It has been an amazing journey of what often seemed to be insurmountable odds. I started Mills as a single mother unemployed, on welfare and in an unstable living situation. With perseverance, dedication and drive I was able to attend Mills even under these circumstances, with a 3.88 GPA. I graduated with a B.A. in Political Legal and Economic Analysis and a concentration in Public Policy. I realized this dream because of my ability to utilize assistance through TANF. In spring of 2009 I was presented with the opportunity to return to Mills as a Graduate Student and begin working on a Masters in Public Policy.

These opportunities have come at the most critical time in my career. I state this because as you know the recession hit prior to my graduation. Even with a degree I have struggled and had to depend on TANF as a means to provide for my family. I was employed in July of 2010 through the TANF Emergency Contingency Fund which has been an amazing opportunity for me, as well as the other staff members in my organization. Unfortunately, September 30, 2010 marks the deadline for Congress to extend this fund and as of now we have no decision about what will happen to our jobs.

I spent two years looking, applying, temping and moving toward the goal of employment and, even with my degree and past work experience, was unable to find a job. This recession has played out in a very devastating way for my family. We have been homeless, we have worked tirelessly to endure this and we finally thought that through this opportunity with the TANF ECF, we had seen the light at the end of the tunnel. With an uncertain outcome and a heavy heart I implore you to look at what is happening to families nationwide. Imagine for a moment that if I am struggling with an education, what is becoming of families who have little to no education to speak of. Postsecondary education is the only way to see these families successful.

If the individuals who make the policies, that govern our safety nets would look at education as a means for success as opposed to simply touting "work first" as being the only way; we would see a fall in unemployment, a

rise in job security and a workforce that is not only capable, but talented in their careers. Every one of us wants our children to become successful in their lives, we promote education from the time they begin to walk and talk and many of us do so even prior to giving birth. Why then, do we look to those who are on TANF and feel that working a minimum wage job is enough for them? Why do we spend TANF dollars, training recipients for low wage/non benefited jobs with the expectation that they will thrive? I fought for my education because I understood early on that without it, I would fail. I understood that with it opportunities for stability, lifelong learning, career longevity and higher earning power would be in my grasp. America needs skilled, intelligent, and capable employees. We will not get this by sticking millions of people into dead end low wage jobs.

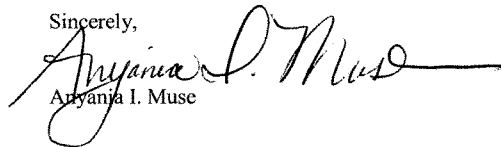
I am asking Congress to promote postsecondary education for TANF families as a means to self sufficiency. Tangible caseload reduction that will be long lasting must include educational allowances that go beyond certificates and employment training in oversaturated fields. If you have an individual who wants to be a nurse, why not invest in the short term for them to do so? By allowing that opportunity we have seen TANF families go from a certificate in Medical Assisting, earning \$10.00 to \$12.00 per hour, to a Bachelors of Science in nursing earning \$90,000 per year. These are the types of careers that end poverty, change lives and promote self-sufficiency.

I ask that you make the necessary changes that afford families real opportunities toward self-sufficiency. I ask that you stop penalizing families through "work fare" and "work first" mandates, during a time where even the most educated are struggling to secure employment.

Please understand the impact that postsecondary education will have on the lives of TANF recipients this is not simply an issue of giving to the impoverished, or extending benefits to the less fortunate, this is an issue of supporting fundamental change in a system that should promote, not just work, but career goals.

Thank you for your time and consideration.

Sincerely,



Anyanja I. Muse

From GEDS to PhDs

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September 29, 2010

STATEMENT OF RANDYL PAMPHLET

Submitted to the United States Senate Committee on Finance to be included in the record of the committee's hearing on "Regarding Welfare Reform: A New Conversation on Women and Poverty" held on September 21, 2010

My name is Randyl Pamphlet, and like you, I'm a working adult. Unlike you, my daughter and I are TANF recipients. We have been on welfare, off and on, since 2008 when I stopped my undergraduate career because I could no longer afford to continue my education. During this time I held many jobs ranging from receptionist and retail assistant to call center representative, during which time I often still needed to receive some form of government assistance. I've worked both full-time and part-time positions (sometimes working two or three jobs at once) yet I still couldn't make ends meet.

Currently, my daughter and I share a two bedroom apartment with another family totaling three adults and five children; yet we still struggle to pay our bills and provide food for our families. For as much as I want to be self-sufficient, this will be absolutely impossible until I finish my degree and attain a career that pays me a living wage.

Right now for me to continue my education under TANF, I am required to work while I go to school and take care of my daughter. I am willing to meet this requirement, but we are facing extraordinary times right now. "Work first" requirements during this time of recession are problematic. To ask families with little to no education, to obtain work when individuals who have degrees and solid past work experience are struggling, is an impossible feat.

What would help my family under TANF reauthorization would be to focus on higher education. To have more study time included in my thirty-two hours of welfare to work activities would enable me to meet my goals as well as the goal of the TANF system. Allowing postsecondary education as a valid "work first" activity would improve my position in life as well as support TANF's goals of permanent case load reduction. Educating families, like my own, will prepare us for long term career success as well as provide us with opportunities to save money and become independent.

While short term training programs offer basic education for fields like medical assisting, administration assistants, teacher's aides, etc. they do not provide the skills for longevity in your career. I acknowledge that welfare has "allowable" programs that promote training and job preparation, but what

is important is to assess the abilities of TANF recipients so that we don't wind up in programs that are oversaturated and underpaid. The only way to promote true self-sufficiency is to do so through postsecondary education that will not only employ us, but change our earning power within the communities in which we live.

Right now is not the time to enforce "work first" policies when there are no jobs available. We need to change the focus of TANF towards educating low-income parents for life long careers; careers that will promote healthy growth of the economy and an informed, knowledgeable and well prepared workforce.

Sincerely,


Randy Pamphlet

**TANF Tested:
Lives of Families in Poverty
During the Recession**

Testimony submitted to the Senate Finance Committee

For the Hearing Record of:

**Welfare Reform: A New Conversation
on Women and Poverty
September 21, 2010, 10:00 a.m.**

**by: NETWORK, A National Catholic Social Justice Lobby
25 E. St. NW – Suite 200
Washington, DC 20001**

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NETWORK's 2010 TANF Watch Project

The recent recession severely impacted many families in the U.S., particularly those whose financial stability was already precarious. While government programs provided some assistance to people who had lost their homes or livelihoods, it has become clear that those at the very bottom of the economic ladder did not receive sufficient help from one of the major programs meant just for them—Temporary Assistance for Needy Families (TANF).

In the years since TANF was created in 1996, NETWORK has evaluated its effectiveness in lifting our nation's most vulnerable families from poverty to self-sufficiency. During this time we have interviewed thousands of families receiving help from social service agencies to learn more about their day-to-day experiences. Previous reports based on our surveys appeared in 1999 and 2001, during times of relative prosperity. Despite economic growth in the nation during the 1990s, we found considerable suffering and poverty. 2010 is our third report, one that comes at a time when the U.S. is just coming out of the most severe recession since the Great Depression, and when unemployment rates remain stubbornly high.

With congressional reauthorization of the TANF program coming soon, NETWORK designed this TANF Watch Project to examine the current reality of people in poverty. From February to March 2010, more than 800 interviews were conducted at 70 social service agencies, including food pantries, family centers, homeless shelters and multi-service organizations, in 21 states and Washington, D.C. Adults who were interviewed were members of low-income families that included 1300 children. Survey instruments were designed and analyzed by Professor Douglas Porpora of Drexel University, in collaboration with NETWORK staff and service providers and administered by agency staff and volunteers at the individual agencies.

Key Recommendations for Reauthorization

NETWORK sees the reauthorization process as an opportunity for policymakers to improve the program. We recommend the following:

- **Measure of Success** The primary goal of TANF should not be to reduce caseloads, but to reduce poverty and improve child wellbeing. States should be given substantial incentives to lift more children and families out of poverty
- **Improved Coordination of Services and Interagency Collaboration** Agencies on federal, state and local levels must improve their collaboration so that individuals and families will be able to navigate more coordinated, less complex systems and receive the help they need.
- **Investment in TANF** The TANF block grant needs to be increased so that it is able to meet increased needs, especially during an economic downturn, and create effective pathways out of poverty.
- **Subsidized Jobs** States should be encouraged to participate in subsidized jobs programs and continue to build on successful programs that came from the TANF Emergency Fund.
- **Help for Non-custodial Parents** Non-custodial parents need better access to job training and education to help their families, and families need programs promoting responsible fatherhood.
- **More Help for People Facing Job Barriers** Additional funding is needed to help those facing multiple barriers (sick child, mental illness, emotional problems, physical disability, domestic abuse, etc.). Further, the disproportionately negative effects of welfare reform on Latinos should be addressed by giving increased access to education (including English training), job training and support services, and full access to TANF benefits should be restored to lawfully present immigrants.
- **Education:** The one-year time limit on education should be removed and the cap of 30% of a state's TANF rolls allowed to seek education should be expanded.
- **Five-year Time Limit:** The five-year limit should be eliminated or, at the very least, states should be allowed to exempt more than 20% of their current caseloads.

Introduction to NETWORK and the TANF Watch Project**Project Overview**

Our current TANF Watch Project is third in a series of studies that have tracked the effects of welfare reform in the past 15 years. Our previous reports, published in 1999 and 2001, examined the transition from AFDC (Aid to Families with Dependant Children) to TANF (Temporary Assistance for Needy Families), finding that many people continued to live in persistent poverty after the 1996 welfare reform law. Each study was based on individual interviews conducted at private social service agencies, including food pantries, soup kitchens, homeless shelters and other service centers. Our goal was to learn all we could about the people receiving help there.

Survey instruments were designed by Professor Douglas Porpora, from Drexel University's Department of Culture and Communication, in consultation with NETWORK staff and social service providers and administered by agency staff and volunteers at the individual agencies. Up to 50 interviews were conducted at each of 70 agencies. Facilities also completed questionnaires about their program characteristics and changes during the economic downturn.

Profile of Survey Respondents

For the current survey, adult members of 808 families that included 1300 children were interviewed in social service agencies in 21 states (AL, AZ, CA, IL, IN, KY, MD, MA, MI, MN, MO, MT, NJ, NY, OH, PA, TX, VA, WA, WV, WI) and Washington, D.C.

Gender & Family Structure**Marital Status**

23% married, 9% living with partner, 2% widowed, 18% divorced or separated, and 48% single.

Eighty-nine percent of survey respondents were women, and 92% of these respondents had their own children under the age of 18 as dependants. Six percent cared for grandchildren and 2% for unrelated children. Of the survey respondents, 32% were married or living with a partner, and 48% identified as single. In addition:

- 51% of men surveyed were married, as opposed to 19% of women.
- 42% of White respondents were married vs. 18% of Black respondents.
- 63% of those interviewed in Spanish were married, as opposed to 25% of English speakers.

Racial/Ethnic Composition

Slightly more than one-third of survey respondents (35%) identified as Black and another one-third (34%) identified as Hispanic. Twenty-two percent were non-Hispanic White. Three percent identified themselves as Asian, 2% as Native American and 4% as Other.

Household Income per Year

Income demographics reflect a population living in deep poverty, with 31% of respondents reporting incomes of less than \$6,000 per year and 29% in the \$6,000-10,080 range. This is far below 2010 poverty guidelines of \$22,050 for a family of four designated by the Federal Government.

Housing

Almost half (47%) of the survey respondents rent their home or apartment, with 13% in each of subsidized housing or living with friends/relatives. An unsettling 16% live in a shelter. Additionally, one-fourth (25%) of respondents reported that they had moved in the past six months because it cost too much to stay where they were.

Percentage of Respondents Now Receiving or Who Ever Received TANF Help:

Ever Received TANF?	Child Care Assistance	Transportation Assistance	Cash Assistance
YES	38%	23%	54%
NO	29%	15%	45%

Despite evidence of severe poverty, relatively small percentages have received or are now receiving help through the TANF program.

NETWORK's 15-Year Review of TANF

When TANF first came into being, NETWORK began an analysis of its effects and the real-life experiences of people in poverty. Our *Welfare Reform Watch Project* included three separate surveys that involved interviewing more than 3,000 patrons of soup kitchens, health clinics and other private emergency facilities. Results of the first two surveys, conducted in 1997 and 1998, immediately after the law went into effect, were published in a 1999 report entitled *Poverty amid Plenty: The Unfinished Business of Welfare Reform*. Results of a follow-up survey were published in 2001 in *Welfare Reform: How Do We Define Success?*

Today, a decade later, we find that much of what we observed in our original surveys continues to be true. The biggest difference between now and then is that our nation has just passed through the most severe recession since the Great Depression. Unemployment rates remain high, and people struggling at the bottom rungs of the economic ladder continue to find it extremely difficult to rise out of poverty.

Although our four separate surveys involved somewhat different demographics, all those interviewed had one major commonality: inability to earn enough money to meet their needs, they had been forced to turn to emergency facilities like soup kitchens and free clinics for help.

Below are some key findings from NETWORK's reports.

Poverty amid Plenty: The Unfinished Business of Welfare Reform (1999)

- **Less government assistance** than before 1996. Despite their poverty, only 33% of those interviewed received TANF benefits in 1997.

- **The struggle to meet basic needs as people left welfare rolls** for jobs that provided little economic security. People with jobs were almost as likely to report lack of food for their children as unemployed families (22% and 25%, respectively).
- **Dramatic rise in the percentage of disconnected**—those who neither receive TANF nor job income—from 52% in 1997 to 79% in 1998.

Welfare Reform: How Do We Define Success? (2001)

- **More jobs.** Some survey respondents benefited from TANF's work-first strategy, with an increase of employment rates from 21% in 1999 to 35% in 2001.
- **Insufficient incomes.** Large numbers of people had incomes far below the poverty line, with 47% of respondents reporting annual incomes of less than \$8,500.
- **Unrealistic poverty line.** Many people with incomes above the poverty threshold were still hungry and did not have basic necessities. 34% lived above the poverty line *and still* sought services from emergency facilities.
- **Many people disconnected**—living in poverty without employment or the support of public benefits. 82% of disconnected people lived in poverty.
- **Employment and marriage.** Jobs and marriage, two goals of welfare reform—did not necessarily lift people out of poverty, and families turned to soup kitchens, food pantries and free clinics to meet basic needs. 37% of respondents in social service facilities were married or partnered with at least one family member employed.
- **Struggles of the Latino population.** 40% of Latinos had never received cash assistance, and had higher unemployment and less education.

TANF Tested (2010)

- **Poverty during the recession.** 50% of respondents had incomes of \$500-700/mo. (6,000-8,400/yr.), similar to the 47% figure in 2001 findings. Inflation, however, has affected the buying power. What could be purchased for \$700 in 2000 would cost \$877 today – a loss of \$187 in buying power.
- **High unemployment.** Over two-thirds of those interviewed were unemployed, with one-fourth having been laid off or fired within the previous year.
- **Low TANF caseload even in time of recession.** Only 45% of respondents received TANF benefits despite their high levels of unemployment.
- **More hunger.** Almost three-fourths of our respondents reported that they often or sometimes ran out of food because of lack of money in the past year, an increase over previous survey findings. In 1999, 43% reported having to eat fewer meals or less per meal during the previous six months; 47% in 2010. 73% reported running out of food during the month, sometimes or often.
- **Continued unstable housing.** One quarter of our respondents had moved during the previous six months.

Work-first Emphasis Problematic

TANF has been administered with a *work-first* approach, directing TANF recipients and eligible families toward employment and self-sufficiency. This approach had some success when the economy was strong, but there have been problems during economic downturns. High unemployment during the recession of 2008-9 struck many vulnerable families.

TANF recipients also face other employment obstacles, including jobs that are low-wage or part-time that leave them mired in poverty with little room for advancement. Other job barriers include domestic violence, disability, substance abuse, care of infants, felony drug charges and educational limitations.

Two-thirds (67%) of our survey respondents were not working at the time of the survey, and only 13% worked full time. According to the Bureau of Labor Statistics, national unemployment in May of 2010 was 9.7%. Although the recession aggravated the problem of unemployment, NETWORK's 2001 study also found that roughly two-thirds of respondents were

unemployed. This is an indicator that those in poverty struggled prior to the recession to find stable employment and continue to do so.

Employment Status

67% not working, 18% working part time, 13% full time, 2% multiple part-time jobs
One-fourth (26%) of all respondents had been laid off or fired in the past year.

Despite TANF's goal to promote work, only 42% of respondents who had received TANF funds found a job while under the program. Among those who did, 26% reported that they lost their child care benefits, which created additional hardship.

Fifty-six percent of those respondents not working have not held a full-time job in the past year, and only 40% of all respondents had one or more part-time jobs. Part-time positions may offer family flexibility, but they often do not provide enough income to feed and care for a family.

Spanish-speaking respondents were less likely to have ever had full-time employment than English speakers—31% of the 2010 study's Spanish speakers had never held a full-time job, as opposed to only 12% of English speakers. In NETWORK's 1999 report, 20% of Latinos were working, as opposed to 30% of Whites and 28% of Blacks.

Of those not working, percentages who previously had full-time jobs
16% never, 28% one in the past year, 56% not in the past year

Part-time Employment: All Respondents

60% never, 25% one in the past year, 15% two or more in the past year

Among households that reported incomes of less than \$8,400 per year, 60% said they were not working while 12% were working full time. Even those who report higher incomes and employment within our sample are turning to social service agencies to provide for their basic needs. The emphasis in TANF to place people in any type of work regardless of pay limits the program's potential to help them reach self-sufficiency. Additionally, case managers can be reluctant to encourage people to leave jobs for better ones, preferring to maintain the security of current jobs.

More Hunger

Inability to buy food is a real issue for many survey respondents. Almost three-fourths of our respondents reported that they often or sometimes ran out of food because of lack of money in the past year. It is particularly troubling that the percentage of respondents reporting this is higher now than during our previous surveys.

Ran out of Food in the Past Year

29% often, 44% sometimes, and 27% never

Sixty-two percent of respondents also reported that at some point during the past 12 months they could not eat balanced meals, and 21% reported that this problem occurred often. Additionally, almost half (47%) reduced their meal size or skipped meals at some point in the past year. Out of this category, 31% experienced this problem almost every month.

In comparison, 43% of respondents reported in 1999 that they had to eat fewer meals or less per meal in the most recent 6-month period due to cost.

The Spanish speakers within NETWORK's study reported greater challenges providing enough food for their families. For example, 79% of Spanish speakers sometimes could not eat balanced meals, versus 59% of English speakers. Additionally, 27% of Spanish-speaking respondents used soup kitchens or food pantries more than twice a month, while only 15% of English-speaking respondents did so.

SNAP vs. TANF Assistance

TANF responded little to the rising needs of low-income families during the recent recession. According to the Center on Budget and Policy Priorities, caseloads only increased 13% between December 2007 and December 2009 nationwide. In contrast, the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) increased sharply to meet rising

needs. Between December 2007 and March 2010, the number of SNAP recipients rose by 48%, reflecting over 40 million people.

Despite the fact that SNAP is the largest food program in the country, it is administered by individual states and there are variations in eligibility guidelines and policies. Within the program, certain populations are underrepresented (seniors, unemployed, immigrants), and less than 70% of eligible people are actually enrolled, with enrollment rates varying from state to state, according to the Food Research and Action Center.

Almost three-fourths (73%) of our survey respondents received SNAP benefits at the time of the survey, as opposed to only 45% who received TANF benefits. Seventy-five percent of respondents who received SNAP benefits have applied in the past year, potentially as a result of the economic downturn.

It is important to note racial differences among our respondents. Out of those who reported no SNAP benefits, 21% of the White population said they had been turned down after applying, while almost twice that percentage of the Black respondents (38%) reported that they had been denied.

From the results of NETWORK's survey data, it is clear that SNAP benefits provide support but for many families who experience deep or chronic poverty, public benefits have not provided enough of a safety net during the recession. According to the Food Research and Action Center, one in three people eligible for SNAP does not receive benefits.

Rising Needs

Although few respondents (5%) reported use of soup kitchens, 41% utilized food pantries, and within this group, 63% did so more than once a month. Over half (57%) of the respondents said that their first visit to a food pantry or soup kitchen had been in the past year.

Twenty-six agencies that participated in the TANF Watch Project completed facility questionnaires, and they reported an 81%-increase in clientele. As a result, two-thirds of these organizations increased their staff and volunteer capacity in the past two years.

Education Barriers to Good Jobs

Because of TANF's work-first emphasis, only 30% of families meeting a state's TANF work requirement can seek educational opportunities, limited to a maximum of 12 months. This is despite the fact that, according to the Center for Law and Social Policy, 41.5% of all adult TANF recipients have less than a high school diploma.

Among our survey respondents, one-third had not finished high school and 27% had just completed high school or attained their GED. This contrasts with NETWORK's 2001 survey, in which twice as many (54%) had completed high school.

Education

34% 11th Grade or below; 27% High School/GED; 29% Some/Completed College; 6% Graduate Study, 4% did not respond

Forty percent of respondents reported that a lack of education or job training was a barrier to employment. Among this group, 55% had less than a high school diploma. Respondents with less education also experienced a wider variety of other barriers to employment such as transportation and child care challenges, limited skills training, low English proficiency, etc.

Half (50%) of the respondents lacking a high school diploma reported three or more barriers to employment, versus only 29% of those who had more than a 12th grade education. Twenty-six percent of those with less than 12 years of schooling had never held a full-time job, versus only 8% of those with education beyond 12th grade. These findings are similar to those in NETWORK's 2001 report, according to which people who had received education beyond high school had jobs with higher incomes. Then, as now, education was critical to improve earnings.

Although TANF emphasizes work and work supports, only 31% of TANF recipients in our survey had received job training. Only 15% received career counseling, and only 8% received English language assistance. Agencies that completed NETWORK's facility questionnaire reported this problem as well.

Barriers to Employment and Getting Help

Since TANF first became law, lowering caseloads while increasing employment rates has remained TANF's primary goal—and its measurement of success. Tragically, far too little attention has been paid to real-life barriers to meeting this goal.

Nutrition and low-income housing programs are critically important, but they can only go so far if we fail to identify and address barriers that make it difficult or even impossible for families and individuals to access what they need to lead lives of dignity.

Identifying Barriers***Transportation, Child Care, Domestic Abuse***

Many people struggling in poverty face multiple barriers that keep them from finding jobs and getting the help they need. Forty-one percent of the respondents in our study, for example, identified three or more specific barriers to employment including too few available jobs, limited education or job training, poor transportation, and child care problems.

Specifically, 41% of all respondents identified transportation barriers. Similarly, 38% of all respondents mentioned child care problems. The number and severity of their challenges means that low-income families find it very difficult to find jobs, and for TANF recipients, it is also challenging to meet the expectations of their work requirements.

Disabilities

According to a 2002 GAO study, 44% of all TANF recipients had some level of disability, and the U.S. Department of Health and Human Services today reports that people with disabilities constitute a growing proportion of TANF recipients. Unemployment rates for people with individual or multiple disabilities are higher than those for the rest of the population while government funding of training programs and employment services such as job coaching continues to be cut because of state and local budget deficits. This creates major obstacles for TANF recipients with disabilities who want to work.

Various recent studies have resulted in different estimates of the prevalence and severity of individual disabilities among TANF recipients. Mental health and physical disabilities are fairly common, as are various forms of learning disabilities. One of the great challenges is that an individual may have several disabling conditions, none of which is severe enough to gain him or her access to SSI or other support systems. The sum total of the problems, however, makes it extremely difficult for the person to find employment.

In our study, 17% of the respondents stated that physical disability was a barrier to their employment, with 12% of men and 18% of women reporting emotional problems. Too little attention is paid to the impact of depression and stress on families, especially since children whose parents have emotional disabilities often exhibit problems at school and elsewhere. Their problems, in turn, intensify the stress at home, creating a cycle that can last years.

Physical challenges also present employment obstacles. In our study, only 6% of those with physical disability barriers to employment reported that they were working full time.

Multiple Barriers to Employment for All

49% not enough jobs "for people like me", 41% transportation, 40% lack of education or job training, 38% child care, 18% can't speak or read English well; 18% emotional problems; 17% disability; 13% criminal record; 9% domestic abuse; 5% substance abuse

Problems Faced by Men

Too little attention has been paid to the challenges faced by men, especially non-custodial fathers and low-income men with poor education. Men have been harder hit by unemployment during the recent recession than women, and many also face multiple employment barriers. The TANF Watch survey found that 62% of male respondents felt there were not enough jobs for people such as themselves, versus 47% of women. Thirty-three percent of men in our study had been laid off or fired in the past year, whereas only 25% of women had lost their jobs in that period. Twenty-six percent of men and 18% of women reported language barriers, while 25% of men and 16% of women had physical disabilities. Similar percentages of men and women in our

study reported criminal records, but we know that men across the nation have far higher incarceration rates than women.

While 87% of the men in our sample reported that they lived with their children (vs. 92% of the women), non-custodial fathers continue to face serious problems in the U.S. The U.S. Census Bureau states that over 24 million children live in households without their biological fathers, which translates to one in three children in America. The non-custodial fathers have far more difficulty accessing support systems such as job training and cash benefits.

Obstacles for Latinos

Respondents who completed the survey in Spanish faced many barriers to getting the help they need. For example, only 56% of Spanish speakers received SNAP benefits, as opposed to 78% of English speakers. This continues the trend we noted in our 2001 study.

Forty-eight percent lacked a high school degree, versus only 31% of English speakers. Spanish speakers also had greater language barriers in seeking employment (53% vs. 10% of English speakers).

It is also important to note that the Spanish speaking sample was less likely to report barriers due to criminal records or substance abuse. Although 15% of English speakers stated that a criminal record presented an obstacle to employment, less than 1% of Spanish speakers did so, and less than 1% reported barriers to employment due to substance abuse, as opposed to 6% of the English speakers.

Barriers to Getting Help

Since 1996, welfare caseloads have dropped dramatically with only a small rise during the recent recession. The Center for Budget and Policy Priorities noted that prior to 1996, AFDC covered up to 80% of eligible families, a figure that dropped to 40% for TANF in 2005. Nationally, it is estimated that 87% of the caseload reduction between 1995 and 2005 was due to eligible families not receiving TANF funds.

Among our survey respondents who did not receive TANF benefits at the time of the survey, many cited a variety of reasons:

- Poor outreach—had not heard of TANF or chose not to apply
- Employment requirements—chose not to apply if they could not comply with employment requirements; others were sanctioned off due to noncompliance
- Time limits—reached the 60-month limit to receive benefits (19% of those not receiving TANF noted reaching the income disregard)
- Hurdles in the application process and requirements to disclose personal information
- Belief that they do not qualify despite the fact they lived in poverty—may have reached the income disregard or are currently employed. Nineteen percent of the survey respondents who did not receive TANF benefits reported that they reached the income disregard, yet the survey results indicated great need of assistance despite their ineligibility.

NETWORK's Recommendations for Improved Services

The TANF Watch Project has painted a picture of what life is like for families struggling in poverty during this economic downturn. We interviewed people unable to buy enough food or find jobs, members of families that struggle just to make ends meet. These families need our help.

We know that TANF, working with other government-sponsored social safety programs, should act as both a safety net and an opportunity to lift families out of poverty. This is especially true because unstable finances can foster family insecurity, and the resultant stress can affect adults' ability to get jobs. Vulnerable populations need better outreach, assessment, appropriate services, and access to transitional employment that lead to better jobs. Current programs fall short in meeting these goals due to insufficient funding and fragmented systems.

The following recommendations for TANF reauthorization come from our project findings, our long experience with TANF and other assistance programs, and our understanding of current policies.

1. Change the measure of success.

Echoing the message from our 1999 and 2001 reports, we believe that a decline in caseload does not mean a decline in poverty or an increase in child wellbeing. The federal government's current measurement of a state's performance, "the work participation rate," does not indicate what the level of poverty in the state is. Forty-five percent of our respondents have never received TANF assistance, but are still seeking help at the social service agencies, soup kitchens, shelters and medical centers that we surveyed. Clearly, TANF rolls do not reflect the amount of poverty in a given state. And with the given variation in state TANF programs, states should be accountable for more than just the size of their TANF rolls. The measure of TANF's success should be a demonstrated reduction in poverty, and states should be incentivized to lift more children and families out of poverty.

2. Emphasize the coordination of services and interagency collaboration.

With more than 40% of our respondents reporting they faced three or more barriers to entry into the workforce, it is clear that many cannot simply be given any job and sent on their way. Clients with little education or poor communication skills often must contact and fill out paperwork for the Department of Human Services, the Department of Transportation, the SNAP office, the Medicaid office, the Section 8 office—and more. Nonprofit social service agencies can barely keep up with changing, complex requirements so it is difficult even for them to help clients navigate the systems. Programs and services should be evaluated from the point of view of the client/applicant to make sure that staff members are fully informed and the application process clear. When agencies collaborate and systems can be navigated, clients are better served and more likely to sustainably enter the workforce.

3. Invest in TANF so that it is truly a safety net during an economic downturn and an effective pathway out of poverty.

NETWORK believes that TANF is not properly funded. According to the Center on Law and Social Policy, the TANF block grant has declined by 27% due to inflation and the fact that states are using the funds to support other critical needs for low-income families, draining money from actual TANF programs. Furthermore, TANF does not have enough funding to address increased need during a recession. In our 2001 report, NETWORK recognized that TANF would need additional support and funding during a time of recession, and the past two years have given us a great deal of information about how TANF actually functions during a downturn. From December 2007 to December 2009, the national unemployment rate more than doubled (from 4.8% to 9.7%), while, according to the Center on Budget and Policy Priorities, TANF caseloads only increased by 13% (and even decreased in some states). NETWORK recommends an increase in the TANF block grant to allow states to sufficiently address increased need during times of economic need and offer more opportunities out of poverty.

4. Build on the success of the TANF Emergency Fund and continue to invest in subsidized jobs.

According to a director of transitional housing and support services in Baltimore, "Our residents have experienced extreme difficulty in accessing gainful employment since the recession started, which affects everything from their ability to obtain housing to access to healthcare." With five job seekers for every one job opening, subsidized jobs programs have been hugely successful throughout the country. Spurred by incentives in the TANF Emergency Fund created by ARRA, subsidized jobs programs have successfully put more than 190,000 people to work in 32 states, according to CBPP. These programs have benefitted thousands of newly employed clients, their communities, and small businesses able to hire them with little risk. During periods of high unemployment, providing counter-cyclical jobs is an important way to address joblessness. NETWORK recommends encouraging states to participate in subsidized jobs programs and to build on the successful programs.

5. Address the needs of non-custodial parents

Non-custodial parents are virtually ignored by the safety net, but their income and stability have an enormous impact on their children's wellbeing. Many non-custodial fathers need training, education and support services so that they can give their children emotional and financial support that will have long-lasting effects. According to the Bureau of Labor Statistics, men account for 80% of the loss in employment this recession. According to our survey, the number-one barrier to entry into the workforce for men was that there weren't enough jobs available for people with their skills. These fathers need proper supports so they can be trained to hold stable, sustainable jobs in a new economy. NETWORK recommends investing in this population and in programs promoting responsible fatherhood.

6. Provide additional funding for people who are hard-to-employ and families facing multiple barriers to entry into the workforce

Our survey respondents face many barriers to entry into the workforce. A physical disability, a child with health problems, emotional problems, a criminal record, or an experience with domestic violence can all be significant obstacles. NETWORK recommends additional funding to address these barriers. NETWORK also believes that good case management and initial assessment are vital, and that training, hiring and funding for case managers should be improved.

Our Spanish-speaking respondents faced some of the most significant barriers to entry into the workforce. With higher food insecurity and unemployment and lower education, the Latino population needs improved access to government programs. As we said in our 2001 report, NETWORK believes that the disproportionate effects of welfare reform on Latinos should be addressed by giving increased access to education, job training and support services. NETWORK recommends the restoration of full access of TANF benefits for lawfully present immigrants.

7. Expand access to education and training

Employment is a vital tool in lifting families out of poverty, but a work-first attitude for the TANF program can ignore how essential education and training are to economic success. With 40% of our respondents indicating lack of education or job training as barriers to employment, it is clear that a significant number of our respondents are not properly educated or prepared for the needs of the current labor market. NETWORK recommends that the one-year time limit on education be removed and that the cap of 30% of a state's TANF rolls allowed to seek education be expanded.

8. Remove the five-year time limit on assistance or provide more flexibility.

NETWORK has consistently opposed the five-year time limit on federally funded TANF assistance. Many of our respondents were not on TANF due to a time-limit issue, either because they had reached the 60-month limit or because they were avoiding "using up" their remaining assistance. The time limit also deters some people struggling in poverty from seeking TANF help for fear that they may need it even more in the future. For those facing multiple barriers to entry into the workforce or trying to complete their education, 60 months is simply not enough time. NETWORK recommends the removal of the five-year time limit on assistance. At the very least, states should be allowed to exempt more than 20% of their current caseloads.



9to5, National Association of Working Women

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October 1, 2010

Senate Committee on Finance
Attn: Editorial and Document Section
Rm. SD-219, Dirksen Senate Office Building
Washington, DC 20510-6200H

Submitted to the Senate Finance Committee to be included in the record of the Committee's September 21, 2010 Hearing on "Regarding Welfare Reform: A New Conversation on Women and Poverty"

Dear Senators:

Attached please find a list of policy recommendations for TANF reauthorization and extension of the TANF Emergency Contingency Fund presented by Women for Economic Justice in Washington, DC in February 2010.

The organizations engaged in authoring these recommendations are membership-based organizations of low-income women and families from across the country. We represent thousands of members and constituents who are directly impacted by the deficiencies in the TANF system. We have worked together to improve the economic well-being of low-income mothers, their families and communities by bringing their voices into the national and state-level debates on Temporary Assistance to Needy Families (TANF) and other safety net programs affecting low-income families.

We appreciate your consideration of our recommendations.

Sincerely,

Linda Meric
Executive Director
9to5, National Association of Working Women
Lindam@9to5.org

POLICY RECOMMENDATIONS FOR TANF EXTENSION AND REAUTHORIZATION

Women for Economic Justice (WEJ) is a national network of membership organizations under the leadership of low-income women, working to make ending poverty the goal of welfare reform. As grassroots organizations, we know that public assistance is a critical resource for low-income parents struggling to raise happy, healthy, confident children in poverty, and to find pathways out of poverty for their families. We therefore urge our elected officials to create federal welfare policies that strengthen our nation's safety net, while providing low-income mothers and fathers with opportunities to become educated, employed, and economically secure. The life experiences of the parents and children who lead the WEJ organizations have informed the policy recommendations in this document.

When Temporary Assistance to Needy Families (TANF) was created, it was in the context of a strong economy and record rates of job growth. Under the current recession, poverty is at its highest point in 14 years, and welfare rolls are rising for the first time since TANF was passed in 1996. As a result, over the past year, the trend of caseload reduction has reversed, and as unemployment rates have risen, many states have seen increases of 15% or more in their welfare caseloads, including Florida, Ohio, Oregon and Washington. Sixty-four percent of the increase in the national welfare caseload has been in the state of California alone.

Despite increasing caseloads, our nation's safety net is failing to meet the needs of vulnerable families in these hard economic times. In response to fiscal pressures and budget shortfalls, many states have continued to cut their welfare rolls, adopting tougher work rules, stricter time limits and harsher sanctions. For example, Rhode Island recently shortened its lifetime limit for welfare from five years to two, and extended that time limit retroactively to low-income children. Likewise, the state of Texas has also continued to cut its welfare rolls, with benefits so low - the average monthly benefit for a low-income family in Texas is only \$68 per month - that many families don't bother to apply. On an annual basis, welfare benefits in Texas leave a family of three 96% below the poverty line. And while welfare cash grants in California are the third highest in the nation, averaging \$550 a month, a family of three in the state CalWORKs program lives 64% below the poverty line. In real dollars, monthly benefits in California are less than they were in 1989, when milk cost \$1/gallon. Since then, the price for a gallon of milk has quadrupled to \$4 or more. Even Ron Haskins of the Brookings Institution, who authored much of the TANF legislation, admits that "the evidence now is that it is not a very good safety net."

RECOMMENDATIONS FOR TANF EXTENSION & ECF EXTENSION

The Emergency TANF Contingency Fund (ECF) in the American Recovery and Reinvestment Act of 2009 (ARRA) be extended and funding expanded to September 2011.

The ECF provides funds to states to initiate or expand subsidized employment opportunities and other key supports for TANF eligible families. Unfortunately, the fund expires soon and the current \$5 billion allocation has not yet been spent. Extending and expanding the availability of ECF funds to states will encourage jobs creation for low-income women, their families and communities, and provide critical supports for families living in poverty. In addition, WEJ supports the President's proposal to allow the emergency funds to be used for employment-related services, including the costs of supervising and providing on the job training for TANF participants, and for subsidized employment to reimbursed at 100 percent rather than the current 80 percent.

Suspend welfare work requirements and time limits.

With our country in a recession, current welfare to work policies will do little to move families into a bleak labor market. In February 2010, unemployment rose to its highest level since 1982. Last month, workers were unemployed for an average 29.1 weeks, the most since records began in 1948. Furthermore, welfare to work requirements create financial burdens for cash-strapped states, who must provide job search and supportive services to TANF parents who are required to look for jobs that don't exist, or to create expensive workfare programs. Likewise, in this economic context, welfare time limits penalize low-income parents for their inability to find jobs that simply don't existⁱ

We therefore recommend that:

- Welfare work requirements be suspended until 2012, when the Congressional Budget Office predicts unemployment may dip below 9 percent.
- Likewise, that the welfare "clock" on lifetime limits be suspended until 2012 and that this measure be made retroactive to December 2007, when the recession began.ⁱⁱ
- Allow people who have been timed off of welfare to be able to access the safety net program during this economic recession.

Invest in education and training programs that prepare both mothers and fathers of children receiving TANF for high wage, career-path jobs.

As the President himself has advised, this period of high unemployment is an ideal time for people to enroll in education or training programs and build the skills they need to attain career-path employment when the economy recovers. For TANF parents, access to quality education and training programs is particularly important. Studies show that TANF parents who complete work first programs earn wages that are significantly below the poverty line. However, TANF parents who complete postsecondary education and training programs increase their earnings and rates of employment at double that of parents in 'work-first' programs. Similarly, immigrant and refugee parents who complete English as a Second

Language (ESL) education and training programs increase their earnings and employment rates by 50 percent.

Prioritize subsidized employment for parents who have reached their lifetime limit for welfare eligibility.

Studies show that the majority of parents who have reached their five-year lifetime limit on welfare were working and playing by the rules when they timed off welfare for the rest of their lives. For example, in some California counties, the work participation rate of timed-off parents was as high as 90 percent. Contrary to the stereotypes, parents who receive welfare do want to work and many of them are timed before they received the support and resources they needed to successfully move into economic self-sufficiency. During this dismal economic climate, it is important that former welfare recipients who timed-out of the program be able to access opportunities that will assist them with moving into the workforce.

We there recommend that:

- Providing paid employment to timed-off parents be a priority for future economic stimulus funding and TANF Emergency Contingency Funds.

RECOMMENDATIONS FOR REAUTHORIZATION

1) **The goal of TANF should be poverty reduction, not caseload reduction.**

Under welfare reform, states were given incentives for caseload reduction rather than poverty reduction. Consequently, hundreds of thousands of low-income families were systematically removed from the welfare rolls, regardless of their families' needs, to struggle in low-wage, dead end jobs or to live outside the safety net with no income supports. Currently, less than half of eligible families nationwide are now accessing state TANF cash assistance programs.

In addition, welfare as a safety net for low-income women and their children has been significantly compromised by the 1996 welfare reform. According to the Urban Institute, "welfare caseloads rose during recessions until the introduction of TANF." If our safety net program for low-income families fails to respond or responds too slowly to the economic challenges families are facing during a recession, then fundamental changes are needed.

We therefore recommend that:

- States and counties should get financial incentives to enroll eligible families, particularly during a recession, and reduce family poverty.
- TANF should be one component of a larger initiative to help low-income families move into economic security and provide for their children, including affordable quality child care; health insurance; and affordable housing.
- States should be required to conduct thorough research and reporting to document the impact of welfare policies on families who receive or who have left TANF, and include a measure of success related to families' economic well-being as well as a measure of parents' satisfaction with the services they've received, in all research and reporting.
- Federal law should hold states accountable if states fail to provide parents with critical supportive services, if they fail to comply with reporting requirements, or if they fail to make measurable progress towards reducing poverty with former TANF participants.

2) **Actively support parents' access to education and training opportunities, from ESL, GED, and adult basic education programs to baccalaureate and advanced degrees.**

Article 26 of the United Nations Declaration of Human Rights established the right of all people to education and training. "Work-first" requirements under welfare reform have systematically denied these opportunities to low-income parents in the United States.

Many states, under pressure to meet work participation requirements, have denied parents access to even basic education. Without high school diplomas or English proficiency skills, low-income parents are being relegated to dead-end jobs that keep their families in poverty. For example, 70% of parents leaving welfare for work have earnings below the three-person poverty line.

Welfare reform has also denied parents access to higher education and training, even though studies have shown that 80-90% of parents who complete college degrees get jobs upon graduation and earn enough to exit the welfare rolls, with average wages of \$25,000 to \$30,000 per year. A year later, 80-90% are still employed. By contrast, only 40-50% of parents who complete "work-first" programs get jobs, and earn an average wage of only \$6.50 per hour. A year later, 40-50% are unemployed and/or back on welfare again. Clearly, for parents on public assistance, education and training is a long-term investment with lasting results.

And finally, in the context of today's labor market, access to education and training – including college degrees - is critical to parents' ability to get jobs at wages that support their families. For example, the top four demand occupations through 2006 that pay more than \$10 an hour – health therapists, nursing, teachers, and computer systems analysts – all require baccalaureate degrees.

We therefore recommend that:

- Parents who receive TANF assistance should have the right to pursue GED, ESL, or adult basic education full-time as their welfare-to-work activity without having to combine it with other work activities.
- They should also have the right to pursue their education and training program until it is complete, and not be limited to an arbitrary number of months.
- Higher education and training should be considered valid welfare-to-work activities, including baccalaureate and advanced degrees.
- Homework, study time, internships and work study hours should be considered valid welfare-to-work activities.

3) Eliminate all time limits on welfare benefits.

The WEJ organizations believe time-limited welfare benefits are inherently unjust, given that there is no time limit on poverty. Time limits are particularly unreasonable in this time of recession, and ignore the complex challenges that poor families face, including:

Education and training deficits leave parents poor. High school dropouts are three times more likely to be in poverty than people who have completed associates degrees. Likewise, they are eight times more likely to be in poverty than someone who has completed a Bachelor's degree of higher.ⁱⁱⁱ

Learning disabilities affect up to 60% of parents who receive welfare, who need time to learn to manage their disabilities effectively, and to gain the skills they need to become educated, employed and economically secure.

Limited childcare services prevent parents from participating in education, work and other required activities under welfare reform For example, the Georgia Children and Parents Services (CAPS) Program has 4,000 families on the waiting list due to insufficient funding appropriated in the states budget. By contrast, in 2007 the state of Illinois spent 37.2% of its state and federal MOE on childcare has none. Georgia has spent 9.5% of the state MOE on childcare.

Transportation services are crucial for parents to fulfill their work requirements. Transportation and welfare studies show that without adequate support for transportation, welfare recipients face significant barriers in trying to move from welfare to work. These challenges are particularly acute for urban mothers who do not own cars and must make multiple trips each day to accommodate child care and other domestic responsibilities and for the rural poor who generally drive long distances in poorly maintained cars.

Many TANF parents have multiple barriers that include domestic violence, depression, anxiety and other mental health issues, and substance abuse. Time limits on welfare are arbitrary and may conflict with the time needed for parents to adequately deal with significant barriers, and access needed counseling for the parent and children.

Immigrant parents have been denied access to ESL classes, and/or services and assistance in their native language Because of these language barriers, Alameda County, California, didn't hire a bilingual Vietnamese-speaking childcare specialist until the 3rd year of welfare reform. Consequently, the largest ethnic group of parents who ached their five-year limit on welfare in that county.

We therefore recommend that:

- Poverty has no time limit, therefore all time limits on welfare benefits should be eliminated, and low-income parents be given the support they need to sustain their families – both income support and supportive services – until they earn enough to meet their basic needs for housing, food, medical insurance, transportation and childcare.

4) Require states to provide family violence services and protections for TANF parents who have experienced domestic violence.

Studies indicate that from 65 to 83 percent of TANF mothers have experienced domestic violence, either as children and/or as adults. Nonetheless, TANF gave states the option to provide family violence services and protections in their state welfare programs, and provided no funding for this whatsoever. By contrast, marriage promotions

We therefore recommend that:

- TANF reauthorization should require states to provide domestic violence protections and services in their state welfare programs. This should not be an option.
- Federal TANF funding should be allocated to enable states to plan, create and implement family violence protections in their state welfare programs and to provide domestic violence trainings to welfare caseworkers and their supervisors.

5) Recognize the social and economic value of care giving, and reward parents for this critical contribution to our collective well-being.

In the United States, policymakers often blame single parents for poverty and other problems their families face. However, in industrialized nations such as Sweden, where government policies actively support parents and children regardless of marital status or income, children

in single-parent families thrive. It is not single parenting that is the problem, but a government that promotes so-called “family values” while creating policies that force parents to choose between work and family responsibilities, leaving our children at risk. To truly value families, we urge Congress to enact public policies that enable parents, not the government, to decide how to organize their family and work responsibilities.

We therefore recommend that:

- Create a refundable Caregivers Tax Credit to give critical income support to parents and other caregivers, and recognize the social and economic value of childrearing.
- Count childrearing responsibilities as an allowable welfare-to-work activity, in particular for parents with children with special needs.
- Exempt parents of children aged three years and younger from their welfare-to-work requirements, and allow them this critical time with their children.

6) Rights to Benefits and Due Process

Research has shown that the primary reason parents have left the welfare rolls is due to punitive sanctions, not self-sustaining employment. In California, the Applied Research Center found that ten times more CalWORKs parents exited the rolls due to sanctions than to employment. Sanctions not only reduce the grant a family receives, but the parent is also ineligible for job search assistance and work supports, further reducing the likelihood they will become employed.

Durational sanctions, an escalating punitive measure, do not allow welfare recipients to come into compliance until a specified amount of time has passed. This punitive policy does more to punish families than it does to bring people into compliance and keep them engaged. These sanctions are particularly harmful, and leave parents unable to meet their families’ basic needs, or to find and keep a job. Research also indicates that families who were sanctioned had lower education levels, more limited work experience, and greater incidence of domestic violence, disabilities, and other physical and mental health problems – difficulties that welfare reform should ostensibly help these families address. Furthermore, studies have shown that most sanctions are unjustified, with many due to caseworker error, problems communicating with parents, and minor infractions, e.g. for showing up for an welfare to work appointment 10 minutes late.

For children, full family sanctions have been particularly harmful. The General Accountability Office found that between 1997 and 1999, 540,000 families nationwide lost assistance due to a full family sanction, and only a third of these families became subsequently employed. Full family sanctions are associated with increased rates of hospitalizations for young children; with significantly increased rates of food insecurity in households of young children; with a 30 percent higher risk of children being underweight, and with a 50 percent higher risk of children being hospitalized during an emergency room visit.^{iv}

Moreover, full family sanctions are also associated with increased state spending on Child Protective Services and foster care. The state of Georgia has a ‘two strikes you’re off’ rule that reduces a family’s grant by 25% for 90 days for the first sanction, and the second sanction is a full family sanction for life. Consequently, since imposing the full family sanction in 2007,

the state of Georgia now spends 56% of TANF funds on child protective services and other child welfare related services, including adoption services and foster care.^v

We therefore recommend that:

- Full family and durational sanctions be eliminated, and children continue to receive benefits regardless of their parent's ability to comply with welfare-to-work requirements.
- A federally mandated appeals process is created and an assessment be conducted of a family's needs before a sanction is imposed.
- Benefits should be reinstated for sanctioned families who are unemployed, underemployed or unable to meet their basic needs.

7) Make Work Pay for Low-Income Parents

Under TANF, states are mandated to engage public assistance recipients in a minimum number of hours of work activities to receive benefits, or workfare. Under workfare, TANF workers are often required to perform the same tasks and hold similar responsibilities to unionized workers or other employees who get a salary and receive benefits, while TANF parents work in exchange for their welfare benefits and/or food stamps. The irony is that while the TANF legislation exhorts parents to "work first," forcing parents to perform unpaid workfare for no pay is demeaning, and doesn't honor the work that they do.

Moreover, the federal focus on work participation requirements results in post-welfare earnings that are often too low for families to meet their basic needs, let alone reach economic security. In a moment when unemployment is rising and consequently, job opportunities are diminishing, the work-first approach of TANF is short-sighted. The dismal economic climate, however, is an opportunity to create job opportunities for low-income parents through subsidized and transitional employment programs.

Transitional employment, a workforce strategy designed to help people overcome barriers and obstacles to employment, combines support services and education and training with temporary, subsidized employment in high growth sectors. It is a proven and effective first step towards permanent employment, career advancement and economic opportunity for public assistance recipients. Studies show that consistent participation in these programs leads to permanent, unsubsidized employment and increased wages. Moreover, paid employment programs, unlike workfare, make parents eligible for unemployment benefits; enable them to pay into Social Security; and qualify them for the Earned Income Tax Credit.

Finally, for TANF to work for low-income families, it must include financial incentives that reward work and reduce poverty and work supports that enable parents to participate in the labor market. Research shows that state welfare programs that increased both the Earned Income Disregard and TANF grant levels led to increased income and reduced poverty for families working their way off welfare.^{vi}

We therefore recommend that:

- Eliminate workfare requirements and, instead, focus on evidence-based and proven programming that effectively assists TANF recipients with successfully and permanently moving into careers, including career ladder opportunities and subsidized employment programs such as transitional jobs.
- Expanding the Earned Income Disregard will increase work participation rates and enable parents to make ends meet on their welfare benefits until the combination of welfare benefits and wages enable self-sufficiency, as measured by the Self-Sufficiency Standard developed by Dr. Diana Pearce.^{vii}
- Provide crucial work supports including help with the costs of childcare and transportation while parents work and participate in job search and education and training activities.

ⁱ "Shrinking U.S. Labor Force Keeps Unemployment Rate From Rising," Bob Willis and Courtney Schlisserman, Bloomberg News, January 09, 2010.

ⁱⁱ "U.S. recession began in December 2007, National Bureau of Economic Research says," Rex Nutting, MarketWatch, The Wall Street Journal, Dec. 1, 2008.

ⁱⁱⁱ Poverty Status in the Past 12 Months, 2006-2008 American Community Survey, U.S. Census Bureau, 2009.

^{iv} "The Impact of Welfare Sanctions on the Health of Infants and Toddlers," Anne Skalicky and John T. Cook, A Report from the Children's Sentinel Nutrition Assessment Program, July 2002.

^v "Strategies Georgia Can Use to Reduce Poverty," Claire S. Richie, MPA, Georgia Budget and Policy Institute, (Atlanta, GA), 2009.

^{vi} "Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program," Virginia Knox, Cynthia Miller, Lisa A. Gennetian, Manpower Demonstration Research Corporation (Washington, D.C.), September 2000.

^{vii} "Six Strategies for Self-Sufficiency: Great ideas for using state policy to get families out of poverty," Cindy Marano, Executive editor, Wider Opportunities for Women (Washington, D.C), 1999.

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September 21, 2010 Hearing on "Regarding Welfare Reform: A New Conversation on Women
and Poverty"*

Temporary Assistance for Needy Families (TANF) is a critical program for low-income families; however, the current family-cap policy denies additional income support to poor women who have a baby while enrolled in TANF. The family-cap policy does not directly address the goals of welfare reform, ie, helping low-income families end their dependence on governmental support by obtaining stable jobs at a living wage.

States had the option of implementing the family-cap policy and 24 states did so (see Table 1). The law does not require that states evaluate their programs to determine if the policy has achieved its intended result: to deter poor women from giving birth.

A policy such as the family cap can make a powerful statement about the beliefs and values of American society. Therefore, it is critical to understand the impact of such a policy, which assumes that poor women make reproductive decisions based on whether they can expect to receive an increase in their cash assistance with the birth of a new child. As the time approaches for Congress to consider reauthorizing our national welfare program, it is important that legislators examine the past almost 2 decades of family-cap policy experience and ask whether this policy has achieved its objectives and helped poor women succeed economically.

The family cap is not effective

There have been approximately 10 evaluations of the family cap in various states that have implemented it. In a study of 32 current and former welfare recipients in New Jersey, none of the women knew what the family cap was. After being informed of the policy, more than half of the women said it would *not* influence their decision to have a child while receiving TANF. Three-quarters of the women said that the family-cap policy would not influence them in the future on whether or not they would decide to have a child while receiving TANF.

Analysis of data from the National Survey of Family Growth found that poor and non-poor women had no differences in reproductive health behaviors both before and after the family-cap policy was implemented, including contraception use, pregnancy, sterilization and births. The only exception was abortion, where poor women were more than twice as likely to have had an abortion than non-poor women before welfare reform. After welfare reform that disparity grew, with poor women more than 3 times as likely to have an abortion as non-poor women 7 years after welfare reform.

A study of the 24 states with the family cap found that most state welfare agencies do not provide welfare recipients with written information specifically about the policy.

Of eight other studies of the family-cap policy that used diverse sources of quantitative data, 7 failed to find any association with the family-cap policy and women's fertility. However, two studies found that an increased abortion rate was associated with the family-cap policy.

State policies are inconsistent with the goals of the family cap

In the study involving the 24 family-cap states, administrators reported that very few formal state-level evaluations of the policy had been conducted; most administrators did not believe that the policy was effective. Moreover, the researchers concluded that related state policies were inconsistent with the goals of the family cap. In sum,

- Of 24 states that implemented the family cap, only 6 of them conducted an evaluation of the policy.
- Three states have repealed the family-cap policy, one of which found through evaluation that it was not shown to be effective in reducing poverty.
- Some states have other policies that are inconsistent with the family-cap policy; for example, 10 states lack a Medicaid family planning waiver.
- Some states continue to collect child support payments from the fathers of children who have been subject to the family cap. Instead of passing the funds through to the families, some states keep most or all of the child support payment even though no additional TANF monies are provided for the capped child.
- Some states carry over the family cap to a birth to a teen daughter who was part of a household enrolled in the TANF program.
- Of 24 state welfare administrators, 15 felt the policy was ineffective and 5 were unsure of its effectiveness. The 4 who felt the family cap was effective did so in the absence of any empirical evidence.

Overall, the empirical evidence related to the impact of the family-cap policy is mixed but mostly indicative of a lack of an effect on poor women's fertility. Most studies, whether directly measuring the family cap or using proxies for childbearing among welfare recipients, did not find an effect. In addition, an experimental design, considered the most rigorous form of evaluation, reported an *increase* in abortions among welfare recipients subject to the family cap, particularly among recent enrollees.

TANF reauthorization should eliminate ineffective policies

Congress must carefully take into account the evidence-based and ethical justifications for reauthorizing a policy that appears to have little effect on women's fertility but instead may put them in the position of continuing to raise their children in poverty. Until now, policymakers have not considered the family-cap policy's disproportionate impact on low-income women and women of color. Nor have they considered the family-cap policy's impact from within a human rights framework. In fact, the United States is a signatory to several international covenants that have articles pertinent to the family-cap policy, including the Universal Declaration of Human Rights, in which the US figured prominently in its development. This document stipulates that all are born free and equal in dignity and rights (Art 1.), deserve protection from interference with privacy, family and home (Art. 12), and have the right to marry and found a family, entered into with free and full consent (Art. 16); that motherhood and childhood are entitled to special care and assistance (Art. 25), and that all children, whether born in or out of wedlock, shall enjoy the same social protection.

The TANF program is a key support for helping poor Americans weather a depressed economy and high joblessness. Given the lack of impact of the family-cap policy on recipients'

fertility or income, it is incumbent on Congress to eliminate the family-cap provision when it reauthorizes TANF.

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Table 1. U.S. States that Implemented the Family-Cap Policy

State	Year of Family Cap Implementation
Arizona	1995
Arkansas	1994
California	1997
Connecticut	1996
Delaware	1997
Florida	1996
Georgia	1994
Idaho	1997
Illinois	1995*
Indiana	1995
Maryland	1996 [†]
Massachusetts	1995
Minnesota	2003
Mississippi	1995
Nebraska	1996 [‡]
New Jersey	1992
North Carolina	1996
North Dakota	1999
Oklahoma	1997
South Carolina	1996
Tennessee	1997
Virginia	1995
Wisconsin	1996
Wyoming	1997

[†] Family cap repealed by state legislature in 2004.

^{††} All counties used state “opt out” provision since 2002 in order to not implement the family cap; in 2008 the state legislature repealed the policy.

[‡] Family cap repealed in 2007.



Advancing Justice and Opportunity

Testimony of Wendy Pollack
Director, Women's Law and Policy Project
Sargent Shriver National Center on Poverty Law

Hearing on Welfare Reform: A New Conversation on Women and Poverty

Senate Committee on Finance
September 21, 2010

Thank you for the opportunity to testify about the current status of women and poverty, and what the status of women means for welfare reform. The Sargent Shriver National Center on Poverty Law champions fair laws and policies so that people can move out of poverty permanently. Specifically, the Women's Law and Policy Project's mission is to create and promote legal and policy solutions to improve the lives of low-income women and girls.

This testimony includes three main components. First is a brief discussion of women and poverty in Illinois. Second is a set of critical suggestions to improve TANF when it is reauthorized. Third is information regarding the innovative changes to Illinois TANF which have recently been implemented and should serve as a guide for further amendments to TANF.

Poverty and TANF in Illinois

Nearly 10% of Illinois families experienced poverty last year.ⁱ Only one in nine Illinois families in poverty receive TANF.ⁱⁱ Among families with children under 18, over 15% were poor, and the data is even more daunting for female-headed households. Among female-headed households with children under 18, the proportion of families living in poverty soars to near 39%, and for such households with children under five the poverty rate is over 45%.ⁱⁱⁱ In Illinois, 8.5% of children are growing up in extreme poverty (under one half the poverty line),^{iv} and many are not being helped by TANF at all. Even before the recession, increasing TANF participation rates to the AFDC levels would have lifted 800,000 children out of extreme poverty nationally.^v TANF is currently not reaching the vast majority of eligible families, and our families are suffering because of it.

Looking Forward – Goals for TANF Reauthorization

Measure Success with the Alleviation of Poverty

As we work towards re-authorization of Temporary Assistance for Needy Families (TANF), we must design the program to be a robust and flexible safety net focused on the economic wellbeing of the poor and very poor. In order to do so, we must first measure success in terms of alleviating and ending poverty, not caseload reduction.

While caseloads have plummeted across the country,^{viii} measures of poverty and extreme poverty have remained stubbornly high over the last decade, only to rise further during the current recession.^{ix} Women and children are disproportionately likely to experience poverty and extreme poverty.^x This reveals that, while there are a great many causes for the reduction in TANF caseloads,^{xi} a decline in the profound need for a robust safety net with cash assistance simply is not one of them.

State Accountability and Flexibility

We must ensure state accountability for the use of funds *to help the poor* while at the same time allowing adequate flexibility for each state to best serve its own needs. While states should be subject to more stringent reporting requirements and a more narrow focus on alleviating poverty, this must be accompanied with greater flexibility for states to try creative new programs and invest in what works. The Temporary Assistance for Needy Families (TANF) emergency contingency fund (ECF) has now expired. Before it ended, the funding stream prompted state creativity all around the

country and put one quarter of a million people to work. Here in Illinois, 25,000 parents in low-income families who had been displaced from employment by the recession or otherwise were in need of employment, got jobs that paid \$10 an hour and added to their work experience and future employability. Reauthorization should further encourage subsidized work and state creativity in using TANF and MOE funds to alleviate poverty.

It is critical that TANF reauthorization also allow greater flexibility in meeting the work requirement so that women can use their limited period of cash assistance to increase their skills. Our current restrictions on education and training push heads of households – predominately women – into low-skill, low-wage, dead-end jobs, and continue the cycle of poverty. By contrast, allowing more flexible education and training to count towards the TANF work requirement will allow women to access careers which pay a family sustaining wage and increase long-term financial independence.

Encourage Education and Training that Work

In reauthorizing TANF, Congress must remove barriers to education and training for public benefits recipients and other low-income people. Given the strong link between educational attainment and earnings, low-income people must be afforded the opportunity to participate in education and training that will improve their earning capacity. This includes Adult Basic Education (ABE), English as a Second Language (ESL), high school and general education development (GED) certificate programs, vocational training, and higher education. Policies that discourage access to quality education and training for low-income people must end.

Those eligible for public benefits programs must be seen as integral to our economy. They must be seamlessly folded into the larger workforce, education, and economic development systems and not treated as just an afterthought. The Obama Administration and Congress have made great strides in this direction, but more must be done to invest in policies and programs that target low-income people and move them out of poverty and into career-path employment. Examples include: Transitional Jobs, bridge programs, a guarantee of at least two years of post-secondary education or training, financial aid policies that support working adults and other nontraditional students, and helping two- and four-year colleges play an increasing role in workforce development by promoting innovation in program content and delivery, including partnerships with community based organizations that serve women and minorities. Reauthorization presents an opportunity to incentivize states to address these issues by creating performance measures based on clients' employment, earnings, education, and skill development and their successfully addressing barriers to work, rather than a short-sighted focus on caseload reduction.

Increase Benefits

We must expand TANF in terms of the amount of benefits, the proportion of eligible individuals served, and the eligibility of families with earned income below the poverty line. First, we must increase the value of cash assistance so that families can attain a reasonable standard of living. Illinois, like many states, provides TANF grants which are so low they do not even raise a family to one-half the poverty line. In fact, the basic TANF grant in Illinois for a family of three is only \$399 to \$432 a month, depending on county.³⁰ Once significant increases in the value of cash assistance have been achieved, Congress should index TANF to inflation. Grants must be sufficient to help

temporarily stabilize a family while they get back on their feet and move towards economic independence. Second, it is imperative that every person who is eligible for public benefits actually receive them in the amount and for the duration necessary, and be provided the social services and work supports needed to increase individual capabilities. Third, as Illinois has, we must increase the earned income disregard to further encourage employment and support a smooth transition to economic self sufficiency. Finally, we must eliminate asset limits on TANF receipt.

Require the Family Violence Option

Although most states have adopted some form of the Family Violence Option (FVO), an overhaul is necessary since the FVO is underutilized and is not serving its intended purpose. First and foremost, Congress must replace the state option with a mandate with minimum standards for screening, service referral, caseworker training, and waivers.

A challenge for survivors of domestic or sexual violence is securing and maintaining TANF benefits. The safety and recovery needs of these survivors may be jeopardized by TANF requirements, such as cooperating with child support enforcement, participating in work activities, and the 60-month time limit on receiving benefits. Either regulatory or statutory changes should allow states to deduct individuals who receive FVO waivers from the federal work participation rate upfront, not after the rate is calculated and applied only if a state does not meet its participation rate.

Following the example of Illinois, Congress should expand the FVO to include survivors of sexual violence (sexual assault, child abuse, teen-dating violence, and stalking).

II. TANF Reforms

In Illinois, we have made significant strides to increase the accessibility of TANF. In January 2010, Illinois enacted Public Act 96-0866, which made both substantive and procedural changes to TANF in Illinois.^{xiv} By making benefits available sooner, and to more poor individuals, our TANF program has become a more robust safety net during the recession. In fact, Illinois has experienced a relatively significant increase in TANF receipt during the recession, rising approximately 32% since April, 2008^{xv} and 10% in just the two months since Public Act 96-0866 went into effect on July 1, 2010.^{xvi}

Substantively, the law increases earned income disregards in two ways. First, the law disregards all earned income below 50% of the poverty line in determining initial TANF eligibility. Second, the law increases the amount of the earned income disregard applicable once an application is approved – raising the disregard to three-fourths from two-thirds of a recipient's earned income. This encourages employment and keeps families eligible for limited assistance until they reach the federal poverty level.

Procedurally, Public Act 96-0866 increased the efficiency of the application process to better assist poor and vulnerable families and children. Improvements include: requiring benefits to be paid within 30 days of the date of application instead of 45 days; making benefits payable from the date of application rather than 30 days after application; and allowing applicants 30 days after their application before they are required to participate in work-related activities.

These policies, taken together, have assisted vulnerable Illinois families, and represent reasonable, practical policies which should be implemented nationwide. We have seen during the

recession that TANF provides inadequate benefits to too few recipients, creates insurmountable hurdles for victims of domestic and sexual violence, and does not allow the state-level creativity and aggressive response that the recession has required. TANF reauthorization presents the opportunity to re-dedicate the program to its most critical goal, the alleviation of poverty, while at the same time furthering the aims of reducing dependency on aid and strengthening families.

Thank you for the opportunity to address these important issues. I would be happy to follow up with you on any of these issues. I can be reached at 312-368-3303 or wendypollack@povertylaw.org.

ⁱ U.S. Census Bureau, American Community Survey 2009, Illinois, Selected Economic Characteristics, available at http://factfinder.census.gov/servlet/MYTable?_bm=y&-geo_id=04000US17&-qr_name=ACS_2009_1YR_G00_CP3_1&-context=myp&-ds_name=ACS_2009_1YR_G00_-&-tree_id=309&-lang=en&-redoLog=false&-format=

ⁱⁱ *Id.*

ⁱⁱⁱ *Id.*

^{iv} U.S. Census Bureau, American Community Survey 2009, Illinois, Table S1703: Selected Characteristics of People at Specified Levels of Poverty in the Past 12 Months, available at http://factfinder.census.gov/servlet/STTable?_bm=y&-context=st&-qr_name=ACS_2009_1YR_G00_S1703&-ds_name=ACS_2009_1YR_G00_-&-CONTEXT=st&-tree_id=309&-redoLog=true&-geo_id=04000US17&-format=&-lang=en.

^v Kay Brown, General Accounting Office, Testimony Before the Subcommittee on Income Security and Family Support, Committee on Ways and Means, House of Representatives, *Temporary Assistance for Needy Families: Implications of Changes in Participation Rates 6* (2010), <http://www.gao.gov/new.items/d10495t.pdf>.

^{vi} The average decline in caseload from 1995 to 2005 was 87%. Kay Brown, General Accounting Office, Testimony Before the Subcommittee on Income Security and Family Support, Committee on Ways and Means, House of Representatives, *Temporary Assistance for Needy Families: Implications of Changes in Participation Rates 1* (2010), <http://www.gao.gov/new.items/d10495t.pdf>.

^{vii} Nationally, 6.3% of individuals were in extreme poverty (below 50% of the poverty line) in 2009. This is significantly greater than the 5% in 2000. U.S. Census Bureau, American Community Survey, Calculations by the Center on Budget and Policy Priorities, <http://chn.org/pdf/2010/ACSDepPovbyState2000-09.pdf>.

^{viii} National Women's Law Center, Poverty among Women and Families, 2000-2009: Great Recession Brings Highest Rate In 15 Years (2010), <http://www.nwlc.org/resource/poverty-among-women-and-families-2000-2009-great-recession-brings-highest-rate-15-years>.

^{ix} A discussion of some reasons, particularly the extremely significant decline in the proportion of eligible individuals who are on TANF, appears in: Kay Brown, General Accounting Office, Testimony Before the Subcommittee on Income Security and Family Support, Committee on Ways and Means, House of Representatives, *Temporary Assistance for Needy Families: Implications of Changes in Participation Rates 1* (2010), <http://www.gao.gov/new.items/d10495t.pdf>.

^x Illinois Department of Human Services, TANF Worker Action Guide 25-03-05, *Table of Monthly Allowances*. Available at: <http://www.dhs.state.il.us/page.aspx?item=12673>.

^{xi} The text of the bill is available at: <http://ilga.gov/legislation/publicacts/fulltext.asp?Name=096-0866>.

For more information, see Dan Lesser, Illinois General Assembly Moves to Repair Frayed Safety Net for our Most Vulnerable Families, Sargent Shriver National Center on Poverty Law, May 2009, <http://www.povertylaw.org/newsroom/2009-press-releases/2009-05-15.pdf>

^{xii} Illinois Department of Human Services, *Just the Facts* reports: <http://www.dhs.state.il.us/page.aspx?item=43824>, <http://www.dhs.state.il.us/page.aspx?item=44375>.

^{xiii} Public statements of Jennifer Hrycyna, Associate Director, Human Capital Development, Illinois Department of Human Services. October 4, 2010.

TESTIMONY BEFORE THE
UNITED STATES SENATE COMMITTEE ON FINANCE

TANF REAUTHORIZATION:
A New Conversation on Women and Poverty

Hearing date: September 21, 2010
Prepared by the Women of Color Policy Network of New York University's
Robert F. Wagner Graduate School of Public Service
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INTRODUCTION

Thank you for this opportunity to provide testimony to the Senate Committee on Finance on the topic of welfare reform, women and poverty. More than a decade ago, Congress reformed the U.S. welfare system with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), replacing the Aid to Families with Dependent Children (AFDC) entitlement program with Temporary Assistance to Needy Families (TANF). Although TANF intended to help families in need transition from poverty to self-sufficiency, the program introduced additional barriers to economic security for many parents receiving assistance, 90 percent of whom are single mothers.¹ The consequences of ineffective TANF policies have been especially devastating for racial and ethnic minority women, a population that is disproportionately poor and vulnerable to changes in the economic landscape. To ensure that TANF is positioned to support all Americans, the needs of women of color must be specifically considered and addressed. As a critical part of the social safety net, TANF must be revised and restructured to become more effective at alleviating poverty.

This testimony provided by the Women of Color Policy Network at New York University's Robert F. Wagner Graduate School of Public Service aims to shed light on the barriers to self-sufficiency for low-income racial and ethnic minority women and suggest strategies to enhance TANF's effectiveness. Founded in 2000, the Women of Color Policy Network is the country's only research and policy institute focused on women of color, their families and communities at a nationally ranked top ten public policy school. The Network conducts original research and collects critical data used to inform public policy outcomes at the local, state and national levels.

POLICY CONTEXT

The enactment of PRWORA and subsequent adoption of TANF in 1996 resulted in several changes that have had reverberating effects on the economic security of low-income women of color. Underscoring the shift from AFDC to TANF was the redefinition of public assistance as a privilege, rather than an entitlement, to be granted on the condition of work and withdrawn after a period of five years. Additionally, federal funds were distributed in the form of block grants, which increased state discretion over TANF implementation and led to considerable variability in program benefits, rules and regulations nationwide. As states began diverting growing numbers of their caseloads into work programs and imposing financial penalties on TANF recipients, the welfare rolls declined even as poverty was on the rise. Rather than providing clear pathways out of poverty, TANF policies have created additional obstacles to self-sufficiency for low-income women of color, their families and communities.

TANF's "WORK FIRST" POLICY

Since TANF's inception, it has prioritized immediate employment in any available job. As a result, states are mandated to keep a specified proportion of their TANF caseload engaged in federally qualifying employment-related activities or face a penalty. Although education is a key predictor of employment stability and increases access to quality jobs that lead to self-sufficiency, TANF's "work first" approach undervalues its importance. GED programs don't always count as a federally qualifying activity, and recipients hoping to pursue a college education are often deferred to federally qualifying vocational programs.

In practice, TANF's "work first" policy reinforces deleterious trends in the labor force by directing vulnerable populations towards low quality jobs, thereby impeding their likelihood of attaining long-term economic security. Racial and ethnic minorities remain on the margins of the U.S. economy and labor markets, as Black and Latino workers are disproportionately likely to hold jobs that are temporary in nature, offer few benefits, pay low wages and provide minimal opportunities for upward mobility. For women of color, opportunities to succeed economically are also mired by historic patterns of discrimination and labor segmentation that relegate them to low-wage occupations. Black and Latino women are nearly twice as likely as white women to be employed in the service industry.² Women of color are also underrepresented in management-level or professional positions and face significant barriers in transitioning from low-wage jobs to professional

occupations due to low education levels, lack of training and unclear pathways to career advancement. By promoting low-quality jobs, TANF fails to protect the long-term economic security of women of color.

INSUFFICIENT WORK SUPPORT MEASURES

Although TANF emphasizes employment, the program lacks the work support mechanisms necessary to adequately assist low-income workers in the labor force. Like all working parents in America, TANF recipients – many of whom are single mothers – depend on child care to secure and maintain employment as well as attend education and/or training programs. However, without sufficient child care assistance, the chances of securing and retaining employment opportunities are slim.

In the absence of sufficient and graduated work support measures, TANF fails to help recipients move from poverty to economic security. As benefit recipients work more hours and earn more income, their likelihood of becoming ineligible for public assistance rises, leaving many feeling trapped by the welfare system. These measures are particularly important for low-income women of color, single mothers and disconnected women who have historically faced barriers to economic security.

TIME LIMITS

Time limits remove many vulnerable families from the safety net before they are equipped to achieve long-term economic security, placing them at risk of extended periods of poverty. Federal guidelines impose a 60 month ceiling on TANF benefits (with few exceptions), but some states have established even shorter time limits. Connecticut, for instance, allows TANF benefits to expire after only 21 months, well before the 5 year mark.ⁱⁱⁱ There is currently no comprehensive accountability structure in place to ensure that states are implementing TANF in an equitable manner. Lifetime limits arbitrarily bar access to TANF assistance without regard for explicit need. Only a small percentage of families qualify for extensions that allow them to continue receiving benefits after reaching the federal or state limit.

ENROLLMENT AND ELIGIBILITY

Due to federal incentives for states to reduce their TANF caseloads, many states use eligibility rules and regulations to keep TANF enrollment levels artificially low. While TANF caseloads have been steadily declining over the last few years, poverty and expressed need are on the rise. Nonetheless, the majority of families eligible for TANF are not receiving assistance. In 2005, the Department of Health and Human Services reported that only 40 percent of TANF-eligible families were receiving cash benefits.^{iv} Over the last five years, poverty and unemployment rates have increased considerably but the number of families receiving TANF has continued to drop, suggesting that the percentage of eligible families receiving benefits today is even smaller. TANF caseloads are not indicative of the number of families in need, but of changing enrollment and eligibility criteria. The clear disconnect between the need to lift families out of poverty and the growing number of eligible families who are not receiving critical assistance must be addressed in the reauthorization of TANF.

DISCONNECTED MOTHERS

One of the most devastating results of TANF has been the emergence of a new vulnerable population: disconnected mothers. This group is largely comprised of former TANF recipients who were not successfully transitioned out of the welfare system and are now “disconnected” from both the labor and education systems. These low-income single mothers live below the poverty line and face multiple, substantive barriers to employment, including lower education levels, young children requiring costly childcare services, ill health and a history of domestic violence. Some of these mothers were disqualified for assistance by their meager earnings or work hours as they re-entered the labor force. Others were obligated by TANF work requirements and time limits to take unstable, low-quality jobs that quickly fell through, resulting in subsequent economic disruptions for their families. No longer eligible for TANF assistance, all disconnected mothers are forced to

operate without a safety net and lack the necessary resources to move out of poverty and towards economic security.

RECOMMENDATIONS:

TANF must adequately address the needs of women and families who qualify for the program. Federal minimum requirements should strive to provide adequate and sufficient safety nets for women and children. Programs implemented at the state level should share these goals and work toward achieving them. Reauthorization legislation should include the following:

1. **MAKE POVERTY REDUCTION A CENTRAL GOAL OF TANF:** A reduction in the number of TANF recipients within a state's caseload is currently not a measure of TANF's ability to reduce poverty and increase economic security. A reauthorization of TANF should include a clear commitment and strategy for alleviating poverty, with special attention paid to vulnerable populations such as disconnected mothers.
2. **EXPAND TANF ELIGIBILITY:** All families with demonstrated need should receive TANF assistance regardless of marital status, citizenship status, family composition or family size. Aid should be awarded to promote and ensure economic stability.
3. **ELIMINATE TANF TIME LIMITS:** To ensure that recipients are responsibly transitioned off TANF, particularly during this economic climate in which jobs are scarce, it is crucial that the current time limits be lifted. This would protect against the disconnected mother phenomena, where individuals are phased out of the system and deemed ineligible for further assistance before stable jobs or educational opportunities are established.
4. **PROVIDE COMPREHENSIVE, GRADUATED WORK SUPPORTS:** Increased funding for childcare and related work support programs will help TANF beneficiaries meet TANF work requirements. In the absence of childcare, single mothers have encountered notable difficulties re-entering the workforce. Graduated work supports will help recipients successfully transition off TANF and ensure that they are not penalized for re-entering the labor force.
5. **OFFER MEANINGFUL WORKFORCE DEVELOPMENT AND EDUCATION OPPORTUNITIES:** TANF's "work first" policy generated structural barriers to educational opportunities for many beneficiaries. Education is inextricably linked to attaining quality jobs that provide critical benefits and livable wages. Work provisions should embrace educational and training opportunities that maximize participant's employment potential and contribute to their long-term self-sufficiency and economic security.
6. **OFFER AID AMOUNTS THAT REFLECT THE COST OF LIVING:** TANF support should take into account the true cost of living for families, factoring in location and case-specific variables that shape household expenses: geographic location, number and age of children, transportation requirements and health care needs.
7. **PROVIDE COMPREHENSIVE OVERSIGHT AND DATA COLLECTION:** In order to fully evaluate TANF's effectiveness, it is important that comprehensive data on low-income families and communities be collected. To evaluate the long-term impact of the program and understand what happens to TANF recipients after benefits cease, mechanisms must be put in place to track recipients beyond the 5 year window of the program.
8. **ELIMINATE SANCTIONS:** Financial penalties have become a mechanism for tapering state caseloads and preventing individuals from accessing TANF benefits. Many sanctions are applied erroneously and/or disproportionately to the offense and reduce the assistance families ultimately receive.

Currently, missing an appointment or failing to submit required paperwork are the most common grounds for costly financial sanctions. Reducing or withdrawing cash assistance to low-income families only serves to push them deeper into poverty and away from TANF's mission of self-sufficiency.

9. **EXTEND THE TANF EMERGENCY CONTINGENCY FUND:** The American Recovery and Reinvestment Act provided \$5 billion to help states meet the increased need for TANF assistance as a result of the recession. These funds are time-limited for use during 2009 and 2010 and have subsidized much-needed jobs and workforce development programs. The reauthorization of TANF should extend ECF funding to ensure that individuals currently benefiting from expanded funding are not dropped from TANF caseloads. It is critical that the ECF is not discontinued and that the benefits of this expansion in funds are not lost.

CONCLUSION

TANF's pending reauthorization is an opportunity to reconfigure our nation's welfare system as a mechanism for truly reducing poverty and moving low-income women and families toward self-sufficiency. In order to accomplish this, the economic security and well-being of women of color and their families must be a top priority. Women of color face unique challenges in the process of securing quality jobs and accruing personal wealth to help them weather economic storms, which increase their likelihood of enrolling in TANF and impede their economic stability after TANF. In order to address the particular needs of this population, TANF must implement changes that create accountability structures and provide adequate and sufficient safety nets for all women and children.

¹ Committee on Ways and Means, U.S. House of Representatives, as cited in Casey, Timothy. "The Sanction Epidemic in the Temporary Assistance for Needy Families Program." Legal Momentum. 2010.

² U.S. Census Bureau. *2007 American Community Surveys* as cited in Mason, Nicole C. Race, Gender, and the Recession: The American Recovery and Reinvestment Act of 2009 and its Impact on Women of Color, their families and communities. Job Creation and Employment, May 2009. (http://wagner.nyu.edu/wocpn/reports/Race_Gender_and_the_Recession_Job_Creation), accessed on August 23, 2010.

³ National Center for Children in Poverty. "Connecticut: TANF Assistance." http://nccp.org/profiles/CT_profile_36.html

⁴ Schott, Liz. "An Introduction to TANF." Center on Budget and Policy Priorities. 2009. <http://www.cbpp.org/cms/?fa=view&id=936>

