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HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING THE IMPACT OF POVERTY ON AMERICAN FAMILIES

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following opening statement at a committee hearing examining the impact of poverty on American families:

With our economy still struggling, poverty remains a critical challenge for our nation. The 2010 poverty rate of 15.1 percent was the highest seen in the past 17 years. The current economic recession is especially acute for children. In 2010, over one in five children were poor. That is up from about one in six in 2006.

Poverty is also an incredibly complicated issue — one that the federal government can only address within the bounds of a federal system that reserves most of these policy decisions to the states. There will continue to be a robust discussion on the role of the federal government as it relates to poverty.

One thing we can certainly agree upon, however, is that poverty is bad for children and in some cases is a risk factor for child neglect or maltreatment. It is that correlation between poverty and the potential for child neglect that I intend to focus on today.

According to data assembled by the Center for Law and Social Policy, poverty is the single best predictor of child maltreatment. Children living in families with incomes below \$15,000 were 22 times more likely to be abused or neglected than those living in families with incomes of \$30,000 or more.

Now, I want to be clear. Poverty does not cause neglect. And being poor does not mean that one is a neglectful parent. But poverty does add stress to already over-stressed families and creates conditions that often are detrimental for children.

Parents living in deep and persistent poverty are often tired, frustrated, and frightened, leading to short tempers directed towards their children.

Many parents in poverty suffer from substance abuse or mental illness and are unwilling or unable to get support for these problems.

And subpar housing exposes children to real health risks.

Unfortunately, the programs under the jurisdiction of our committee designed to address poverty do not work well together, even though they are essentially serving the same families.

The most salient example of this is Temporary Assistance for Needy Families or TANF. TANF is a block grant to states for their use in ending dependence on government benefits and more broadly, to promote child well-being. Over time, the focus of TANF has shifted from working with job-ready adults and preparing them for work, to a funding stream largely dedicated to purposes unconnected to job readiness.

Based on the spending and the composition of the caseload, one can argue that TANF — as a robust welfare-to-work program — has all but diminished and in large part been replaced by the emergence of TANF as a child welfare program.

The authorization for the TANF programs expired at the end of FY 2010. During the year leading up to the expiration of TANF and each subsequent year, the Obama Administration has failed to propose a comprehensive reauthorization of these programs.

If this committee decides to reauthorize TANF next year, Members will need to decide whether or not to recalibrate the program back to a welfare-to-work program. Instead, if Members acknowledge and accept that TANF spending and much of cash assistance is directed to low income children, then we need to address the fact that this TANF spending is largely unaccounted for and that TANF agencies do not coordinate their spending and services with child welfare agencies.

I hope that the next few years will usher in much needed reforms to the child welfare system. As I believe we will learn today, the TANF block grant will have to be a part of that conversation. Thank you, Mr. Chairman and I look forward to hearing from our witnesses.

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