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Hatch Statement at Finance Hearing on Welfare & Poverty in America

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following statement during a Committee hearing to explore solutions and promote self-sufficiency for families living in poverty:

The great American poet, Walt Whitman, wrote: “What a devil art thou, Poverty! How many desires -- how many aspirations after goodness and truth -- how many noble thoughts, loving wishes toward our fellows, beautiful imaginings thou hast crushed under thy heel, without remorse or pause!”

I think everyone here shares Mr. Whitman’s sentiments about the crushing and remorseless nature of poverty. And, while we may have disagreements on how best to address this issue, all of us have an interest in finding ways to more effectively and efficiently alleviate poverty in America.

Today’s hearing will attempt to provide some clarity around issues of poverty, the effect it has on children and families in the United States, and the role that federal programs, particularly the Temporary Assistance for Needy Families program, currently play in mitigating poverty.

Poverty is a critical challenge for our nation, and, far too often, children end up being the primary victims. Recent official poverty statistics reveal that one out of every five children in the U.S. lives in poverty. Some argue that the problem is even more widespread. But, regardless of the frequency, we know that poverty greatly increases the risks for a number of negative outcomes among children.

In some communities, the cycle of deep poverty persists generation after generation. Often these families live below the radar, unseen by many. Day to day life for families in deep poverty is fraught with difficulty and constant stress. To make a bad situation worse, this unending toxic stress often leads to a number of mental and physical health issues.

Unfortunately there is no easy solution to addressing issues associated with poverty. Policymakers have been arguing for years about the best way to address poverty. For a long time, programs which provided cash assistance to women and children did little to encourage work and in many cases perpetuated the cycle of poverty.

History has shown us that the best remedy to poverty, and especially the cycle of poverty, is a well-paying job. And I believe that most people in poverty want to be gainfully employed. I also

recognize, however, that, in many cases, individuals face significant barriers to successful employment that can be difficult to surmount.

The welfare reforms in the 1990s which transitioned welfare from an individual entitlement into a capped funding stream have produced mixed results. The number of families on welfare has declined dramatically, going from a peak of 5.1 million in 1994 to 1.6 million in 2015. However, the poverty rate in 2014 was nearly the same as it was prior to welfare reform.

Many families who are eligible for assistance through TANF do not receive it. Often times, states do not engage TANF recipients in robust activities designed to help them obtain and keep a job. The TANF benefit itself is very small, ranging from only \$170 to \$923 a month for a family of three.

However, while that may seem like a relatively small amount per family, the federal government still spends billions of dollars in an attempt to address poverty each year. In TANF alone, the federal government and the states spent nearly \$30 billion dollars in FY2014.

Unfortunately, the smallest expenditure was directed toward work program activities, while the largest expenditure was spent on what states report as “other expenditures.” There is no definitive definition of what these other expenditures are, but we do know that nearly \$11 billion are spent on them each year.

Despite these clear issues with the program, prior efforts to reform TANF have not been successful. I think it’s fair to say that many on both the left and the right would agree, although for different reasons, that TANF, the federal government’s welfare flagship, is in need of reform.

From 2001 to 2005, many of us here in Congress tried to reauthorize and reform TANF. Senator John Breaux from Louisiana and I spearheaded the so-called “Tri-partisan” proposal to reform TANF. This proposal ultimately became the basis of then-Chairman Grassley’s PRIDE bill, which, in a disappointing display of partisanship, was ultimately filibustered by the Democratic minority.

Several years ago, I wrote a letter to President Obama indicating my willingness and desire to work with him on welfare reform.

That letter has never been answered.

What is more, the Obama Administration has never put forward a proposal to reauthorize TANF. Instead, this administration has attempted to bypass the Congress and create regulatory schemes not authorized under the statute in order to undermine key features of welfare reform, including the work requirement and child support enforcement.

In other words, welfare programs – and the individuals they are designed to help – have become just another pawn in the endless partisan conflict between the Obama Administration and Republicans in Congress. This is unfortunate, and it is precisely the reason why so many people are skeptical about any progress being made on poverty and welfare in the near future.

Unfortunately, until the administration adopts a different posture with regard to these programs, I’m afraid that this skepticism will continue to be well-founded.

However, we do things differently here on the Senate Finance Committee. Even if the administration continues to double down on an unproductive position, I believe we need to continue to explore issues associated with poverty and keep searching for ways to improve welfare in this country. That, in my view, is the best way to keep moving toward the reforms that TANF needs so badly.

That is why we're here today. I look forward to a robust discussion of these important issues.

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