

Making TANF Work for Poor Families

SALT Fall Advocacy Conference

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TANF at 20: Falling Short



23 out of 100 families with kids below the poverty line receive TANF benefits today, compared with 68 out of 100 families 20 years ago.



Benefits in every state fall short of even half the federal poverty line.



The number of children in “deep” poverty – (the share of children living below half the poverty line) has actually increased under TANF.

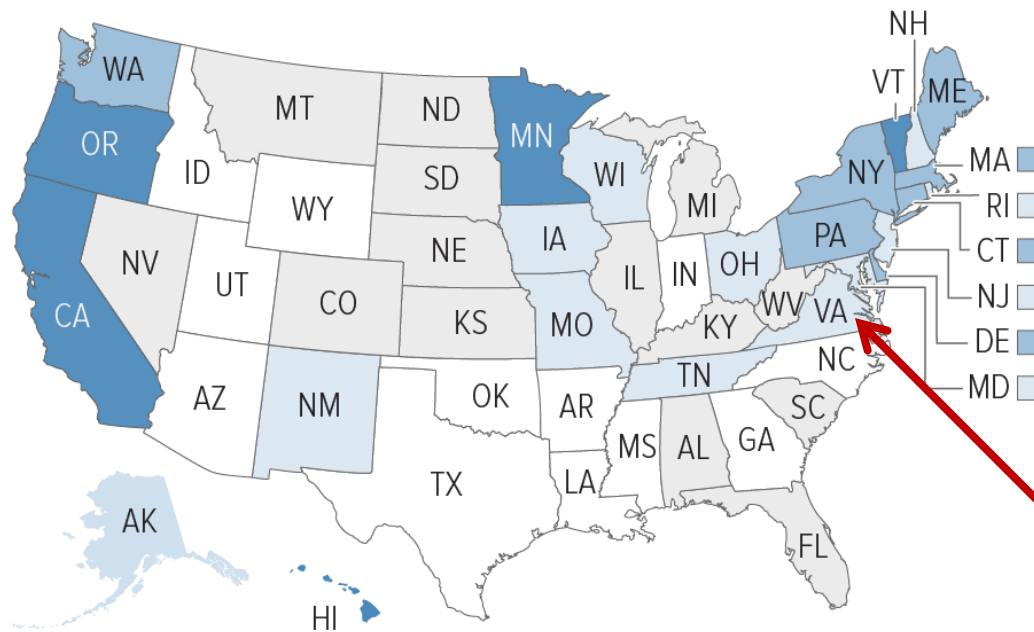


TANF is a slush fund for states. Less than one-third of all TANF dollars are actually spent on income assistance, education and work and training combined.

TANF Provides a Safety Net to a Small Share of Poor Families

Number of families receiving TANF benefits for every 100 families with children in poverty in 2013-14

0-10 10-20 20-30 30-40 Greater than 40



Note: TANF = Temporary Assistance for Needy Families.

Source: CBPP analysis of poverty data from the Census' Current Population Survey and TANF caseload data collected by CBPP from state agencies.

Nationwide, TANF cash assistance averaged \$398 per month in 2015.

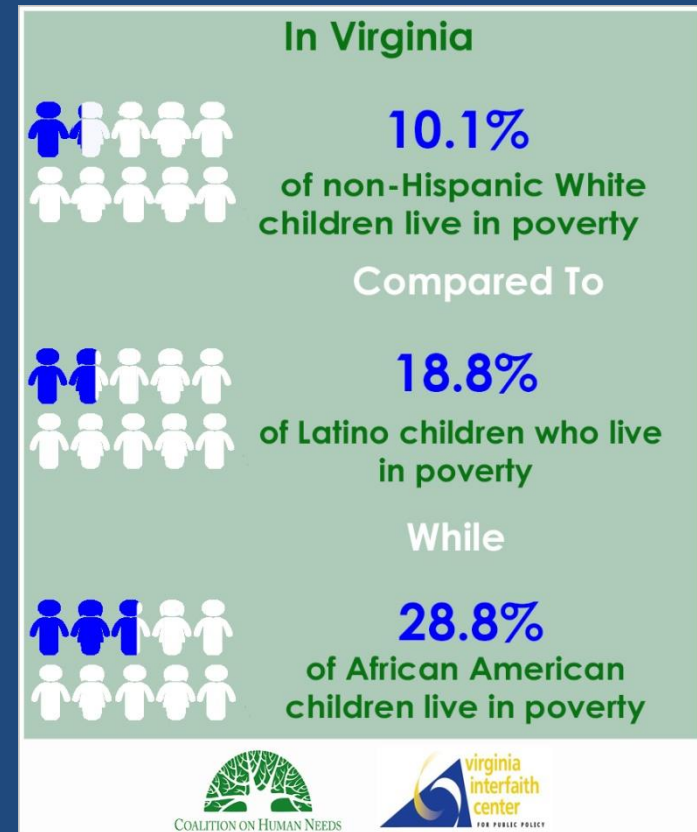
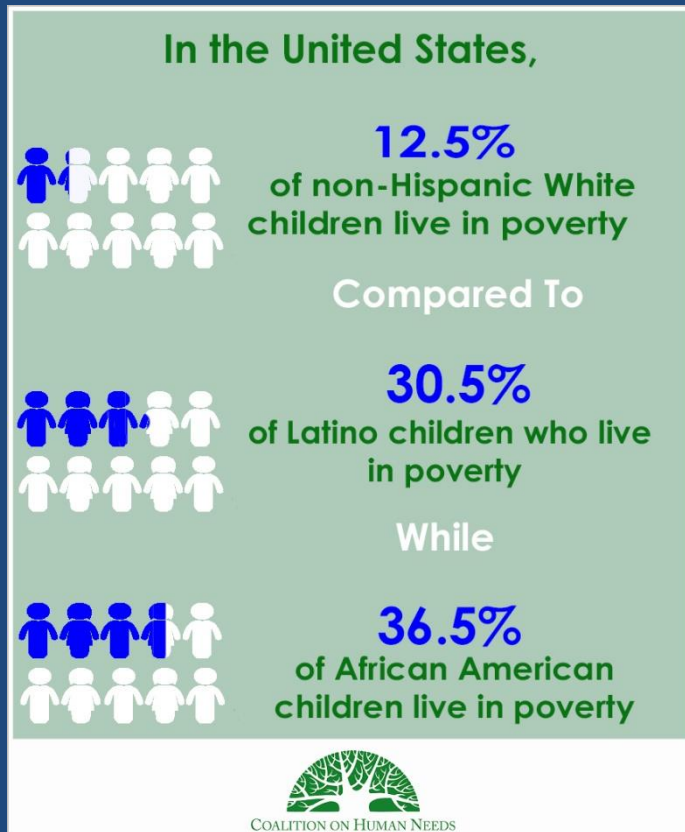
- No state has benefits that exceed *half* the federal poverty line.
- Since 1996, benefits have fallen by 20 percent or more in 35 states plus D.C., after adjusting for inflation.

States Raising TANF Benefits in Past Year (monthly benefit for family of three)

	July 2016 Benefits	Increase Since July 2015
District of Columbia	\$441	\$7
Montana	\$588	\$2
Nebraska	\$436	\$72
New Mexico	\$409	\$29
South Carolina	\$282	\$5
Texas	\$285	\$4
Virginia	\$409	\$20
Wyoming	\$657	\$5

Note: TANF = Temporary Assistance for Needy Families
Source: CBPP-compiled 2016 state benefits

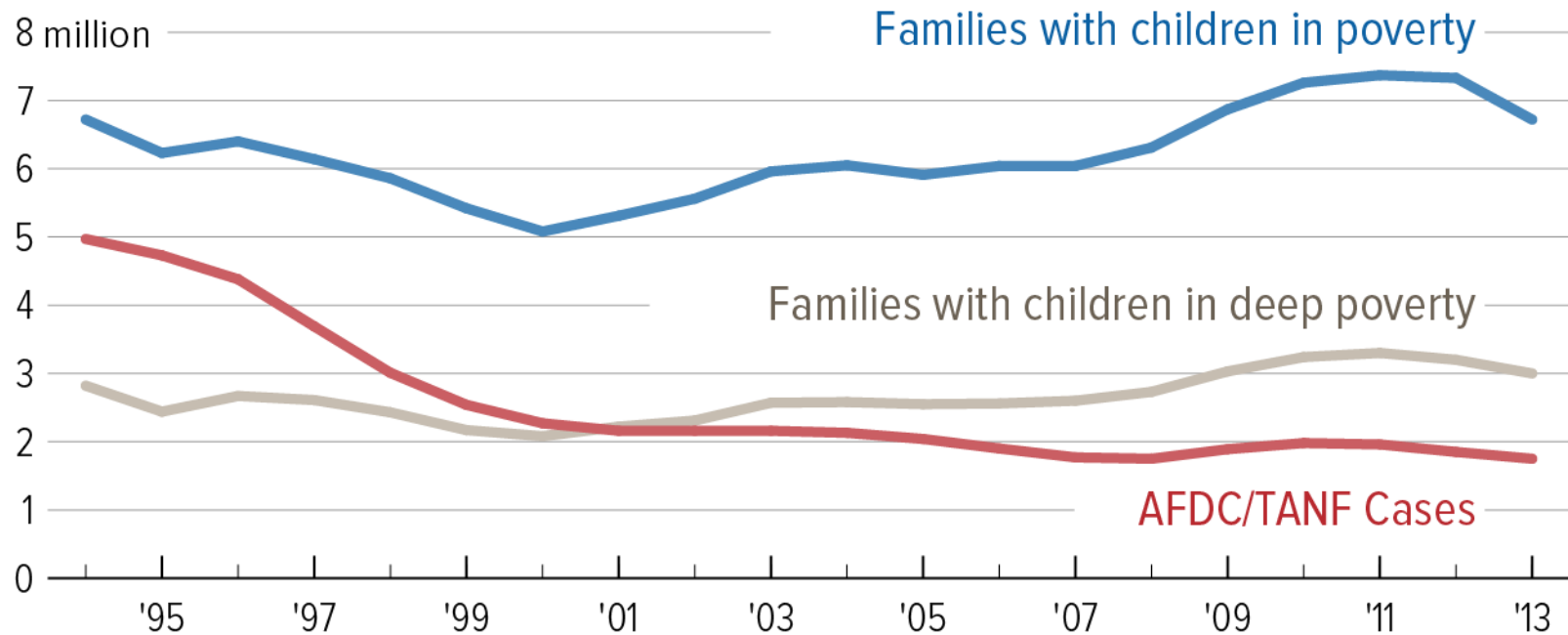
Too many poor children



6.5m children below half poverty line

131,000 children below half poverty line

TANF Cases Have Declined Dramatically, Even When Poverty, and Deep Poverty, Increased

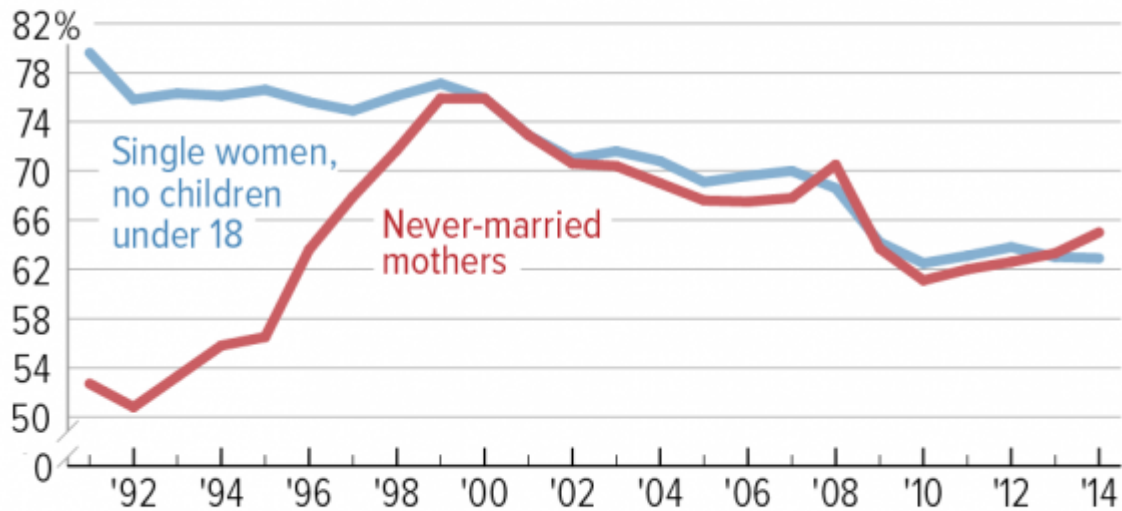


Source: CBPP analysis of poverty data from the Current Population Survey and AFDC/TANF caseload data from Health and Human Services and (since 2006) caseload data collected by CBPP from state agencies.

Many factors increased single moms' work in the 90's: jobs, EITC, child care and TANF.

Never-Married Mothers' Work Rates Jumped in 1990s but Have Fallen Since

Percent of women between the ages of 20 and 49 with a high school education or less with any work during the year



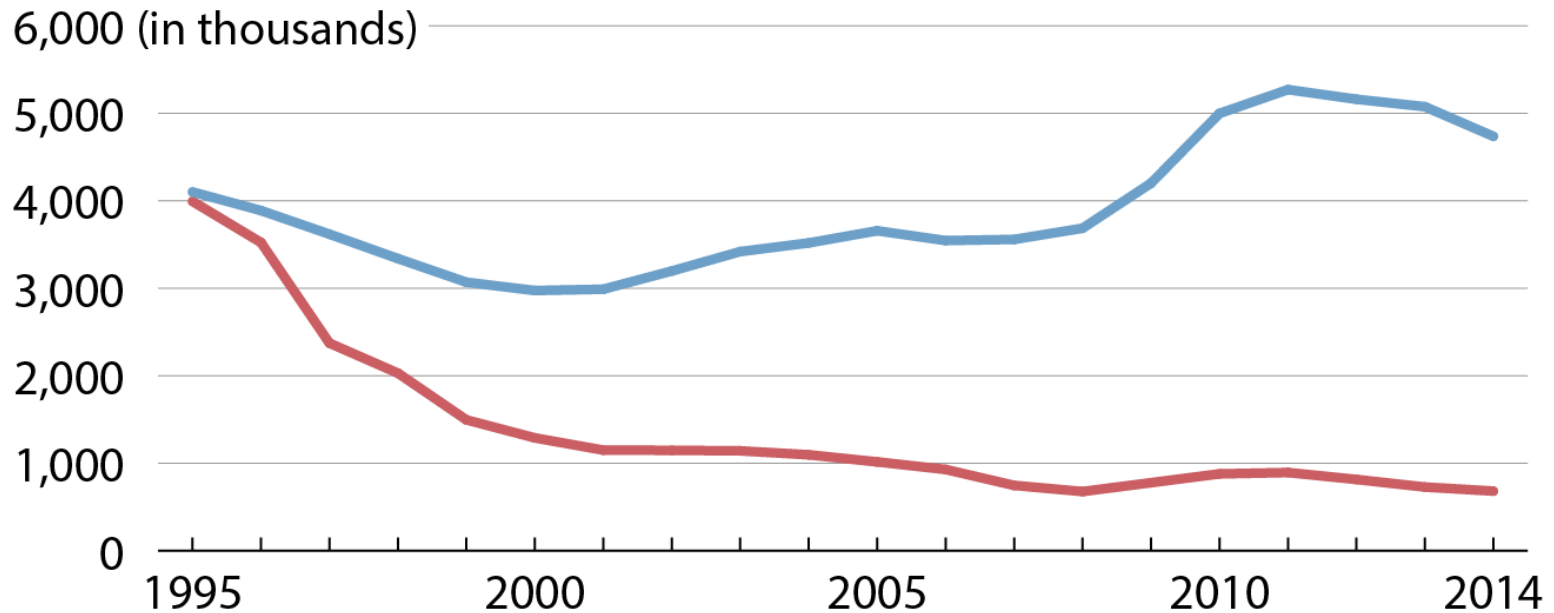
Source: CBPP analysis of Current Population Survey.



As the Number of Unemployed Single Parents Increased, the Number Served by AFDC/TANF Fell

Annual averages by fiscal year

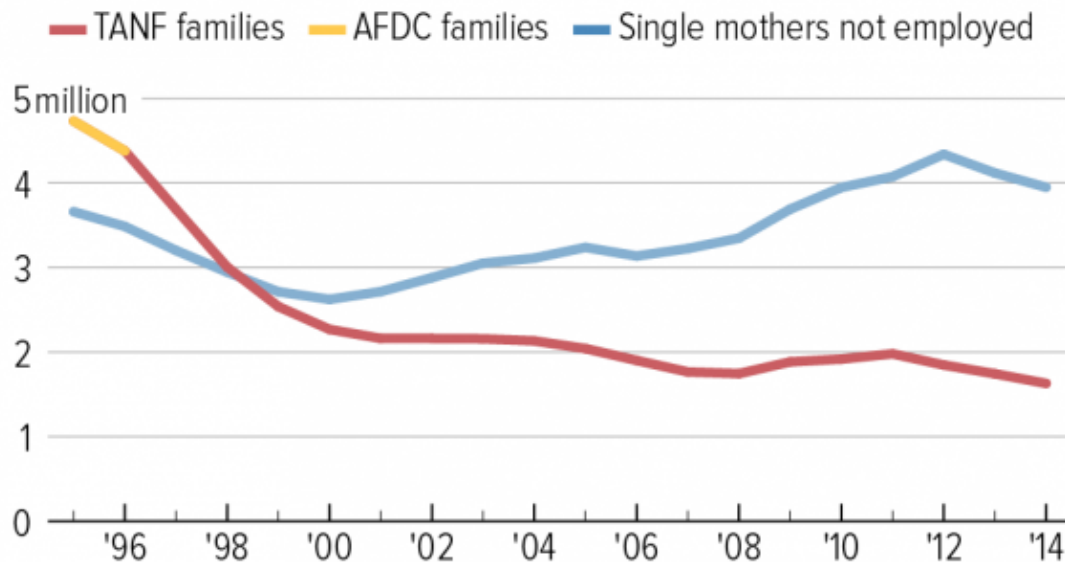
— Single Parents Not Employed (from Census data) — AFDC/TANF Adults Not Employed (from case records)



Source: AFDC/TANF Characteristics and Financial Circumstances Reports, CBPP analysis of Basic Monthly CPS data.

TANF isn't working as a welfare to work program

TANF Is Not Responsive to Changes in Joblessness Among Single Mothers



Note: TANF = Temporary Assistance for Needy Families; AFDC = Aid to Families with Dependent Children

Source: CBPP analysis of March CPS employment data. Employment data for 1988 and 2001 use the latest available sample. AFDC/TANF caseload data from Department of Health and Human Services and (since 2006) caseload collected by CBPP from state agencies.

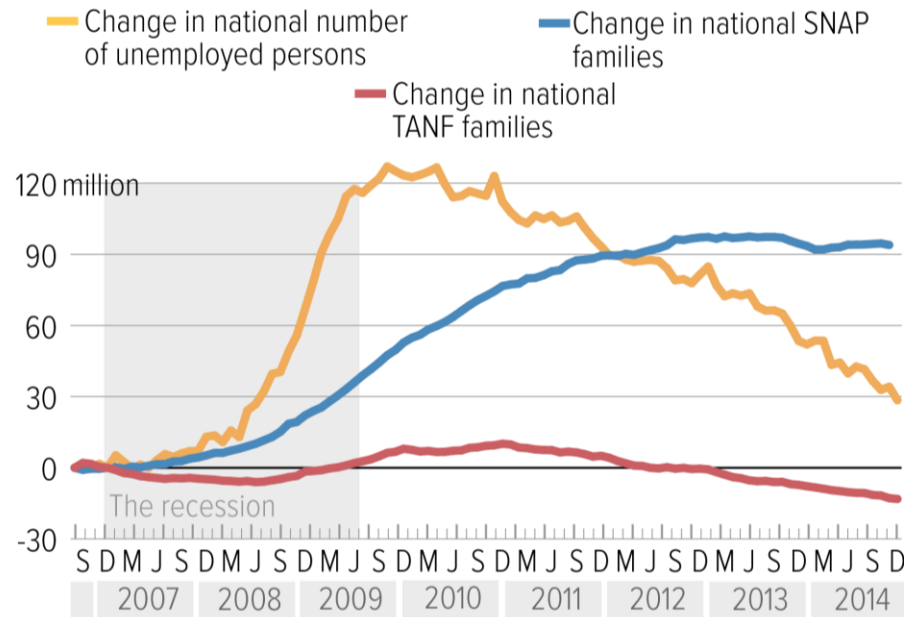
Education credentials work

Colorado Works program (TANF) findings:

- **\$416** per quarter: average gain for those with short-term credential
- **\$2,200** per quarter: average gain for those with Assoc. of Applied Sciences degree

(nationwide, close to 4 in 10 TANF adults haven't finished HS)

Unlike SNAP, TANF Proved Not Responsive to Changes in the Economy

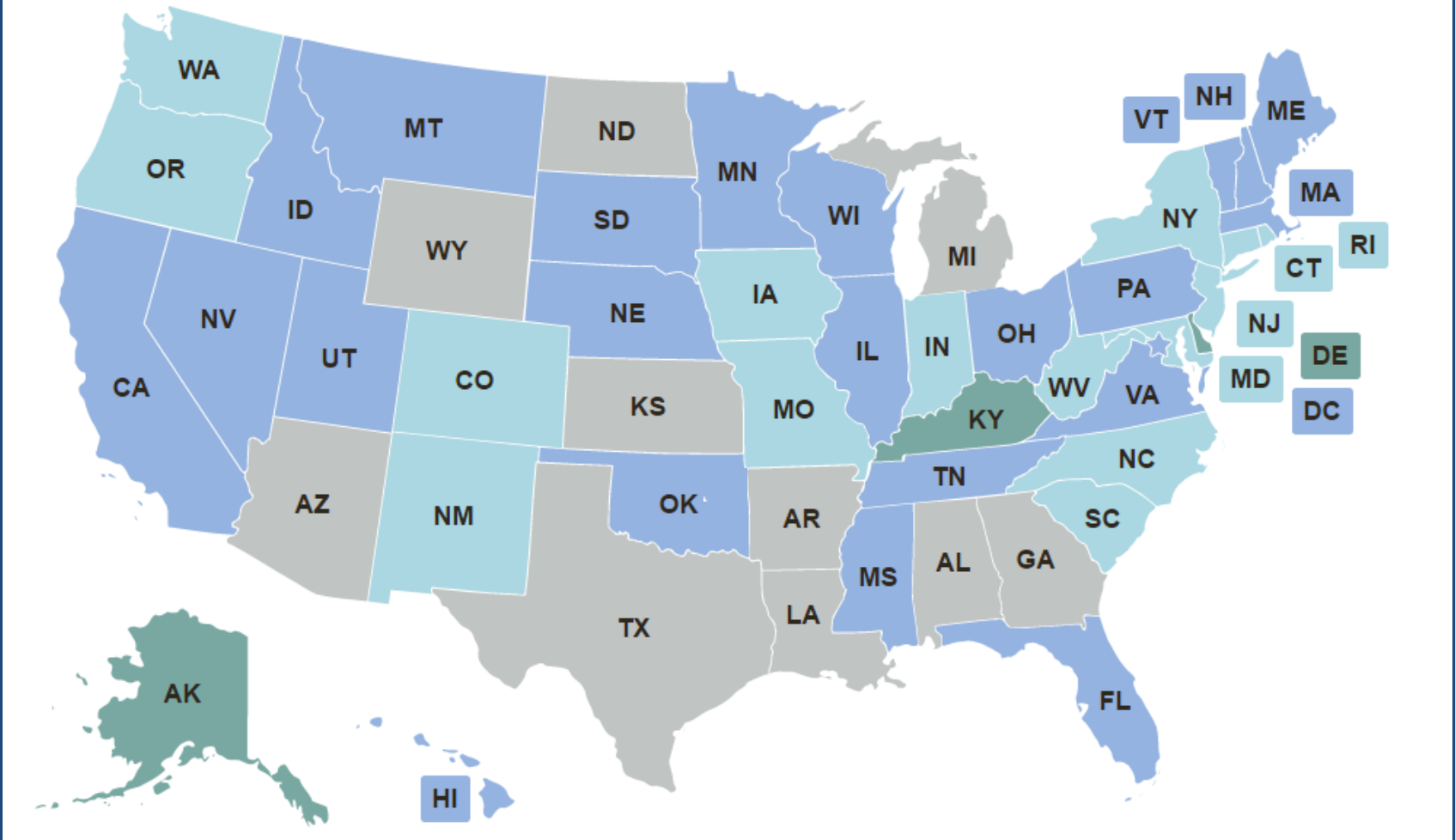


Note: Temporary Assistance for Needy Families

Source: Analysis of CBPP-collected TANF caseload data from state agencies and the Bureau of Labor Statistics' unemployment data.

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TANF and MOE Spending on Basic Assistance, Work, Education, & Training Activities, and Child Care, FY 2015



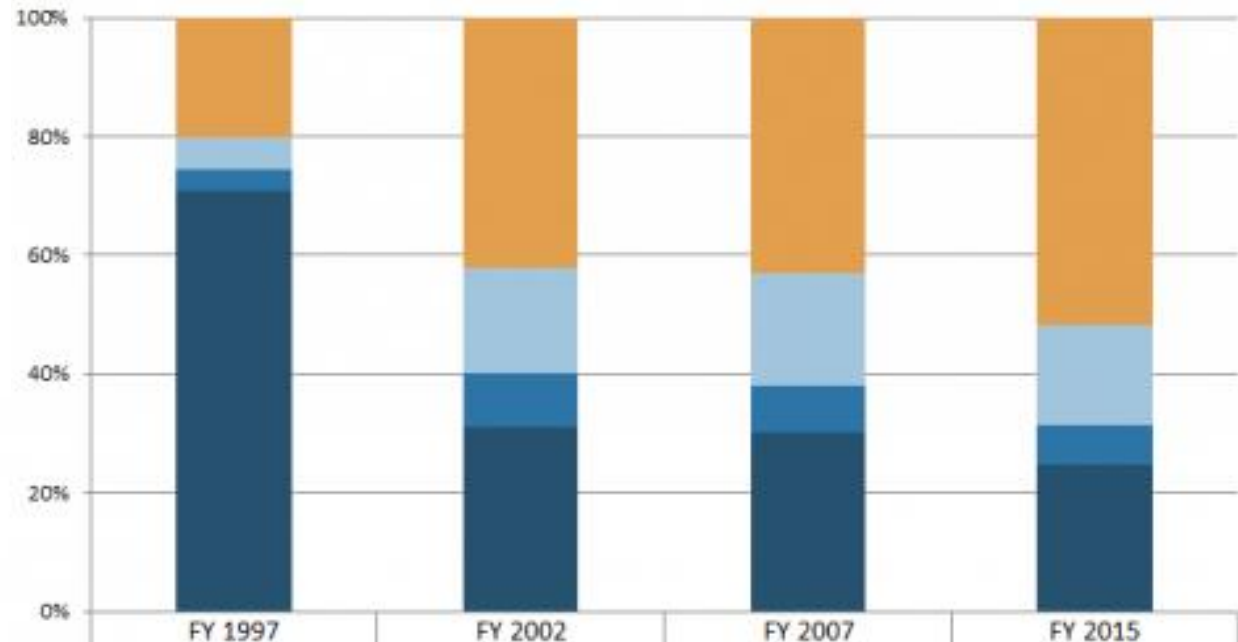
Gray: less than 25%

Turquoise: 25% - 49%

Blue: 50% - 74%

Green: More than 75%

Change in Spending on Selected Categories Over Time



Remaining Categories	\$3,935,595,169	\$12,807,566,418	\$12,921,827,721	\$16,428,335,853
Child Care (Including Transfers)	\$1,050,302,519	\$5,430,557,655	\$5,745,051,205	\$5,351,825,691
Work Activities	\$715,511,268	\$2,726,866,731	\$2,338,496,223	\$2,111,467,071
Basic Assistance	\$13,901,705,312	\$9,408,233,518	\$9,115,204,492	\$7,797,359,706

not adjusted for inflation

What to do...

- States should serve more of the poorest families.
- States should spend a minimum percent of their state and federal TANF funds on basic assistance, child care and work.
- The work participation rate/caseload reduction credit should be replaced with an employment outcome measure.

More to do...

- Provide competitive grant funds to find the best ways to help people overcome barriers to work.
- Allow more education/training.
- Increase federal funding for TANF – the block grant has fallen in value by more than one-third over the past 20 years.
- Create a federal recession response fund.

Still more to do...

- Recognize TANF must work with other programs/policies:
 - Raise the minimum wage
 - Increase funds for child care
 - Paid leave
 - Improve SNAP, child nutrition programs
 - More housing vouchers
 - Modernized unemployment insurance program