Strengthening TANF at 20: A National View

Philadelphia Shared Prosperity Roundtable

September 22, 2016
What is TANF?

Temporary Assistance for Needy Families

TANF Block Grant and MOE

TANF Assistance and Work Activities
TANF is a Two-Generational Program

• Targeted to low income families with children.
• Two-generational strategies take into account:
  • Parents’ importance to children both as nurturers and as providers; and
  • Children’s importance in parents’ lives.
• Parents are essential in a child’s earliest years.
Opportunity to Make a Difference

Cash Assistance

+ 

Work Activities

+ 

High Quality Child Care

+ 

Supportive Services

More Money

Better Child Outcomes
Narrow eligibility criteria and burdensome requirements have combined to limit the share of poor children that TANF reaches.
TANF: A Missed Opportunity

• “Work-first” policies do not account for the realities of today’s low-wage labor market

Unemployment Rate by Level of Education

- Less than a High School Diploma, 25 yrs. & over
- High School Graduates, No College, 25 yrs. & over
- Some College or Associate Degree, 25 yrs. & over
- Bachelors degree and higher, 25 yrs. & over

http://www.calculatedriskblog.com/
TANF Recipients Benefit from Degrees

TANF Work Participation Rates

• Recipients must average 30 hours per week of work participation, 20 hours per week if single parent of child under 6

• 12 countable activities – restrictions apply to counting of education and training
  ▪ ABE/GED only countable on top of 20 hours per week of “core” activities.
  ▪ Vocational education only countable for 12 months

• States get credit for caseload declines
Little Opportunity for Education and Training

Percentage of Work-Eligible Individuals by Activity for FY 2014

Source: DHHS Administration for Children and Families

www.clasp.org
Beyond the WPR

- States should focus on activities that will help families achieve long-term economic security
  - Education and training
  - Transitional jobs
- States can meet the WPR in better ways
More than Half of TANF Adults are Under Age 29

TANF Work Eligible Individuals by Age

- Under Age 20: 12%
- 20-24: 5%
- 25-29: 4%
- 30-39: 27%
- 40-49: 29%
- Over 49: 23%

Source: CLASP, Young Adults and TANF, October 2015
TANF: A Missed Opportunity

- TANF Block Grant provides states with flexible funding, opportunity to provide individualized services.
- Families have limited access to high-quality child care, even with child care subsidies.
- TANF programs rarely look at the holistic needs of families or provide the full range of services.
- TANF funds are used for a wide range of services, not necessarily for the lowest-income families.
Basic Assistance is a Smaller Part of TANF and MOE Spending

FY 1997 TANF/MOE Spending
- Basic Assistance: 71%
- Administration and Systems: 9%
- Work-Related Activities: 4%
- Child Care Spent or Transferred: 5%
- Remaining Categories: 2%

FY 2015 TANF/MOE Spending
- Basic Assistance: 24%
- Remaining Categories: 23%
- Child Welfare: 8%
- Pre-Kindergarten/Head Start: 6%
- Work-Related Activities: 7%
- Program Management: 10%
- Refundable Tax Credits: 8%
- Child Care Spent or Transferred: 14%

Note:
- Refundable tax credits includes EITC and non-EITC spending
- Child Welfare includes foster care spending from basic assistance, AUPL, and Non-AUPL
Mixed Effects Even for Families Who Receive Assistance

Cash Assistance + Work Requirements + Sanctions + Child Care → More Money More Stress ?? Child Outcomes
Families Disconnected from TANF are Highly Vulnerable

- No cash assistance; unlikely to get child care; highly unstable work
- Easier to sanction high needs families out of the work participation rate than to engage them.
## State Policies Vary Widely

<table>
<thead>
<tr>
<th>State</th>
<th>TANF to Poverty Ratio</th>
<th>Max Grant for Family of Three</th>
<th>Time Limit</th>
<th>Family Cap</th>
<th>Sanctions for First Instance of Non-Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>8</td>
<td>$278</td>
<td>12 months</td>
<td>Yes</td>
<td>25% reduction in benefit, 1 month</td>
</tr>
<tr>
<td>California</td>
<td>65</td>
<td>$704</td>
<td>48 months</td>
<td>Yes</td>
<td>Adult portion of benefit, until compliance</td>
</tr>
<tr>
<td>New York</td>
<td>40</td>
<td>$789</td>
<td>None</td>
<td>No</td>
<td>Pro rata portion of the benefit, until compliance</td>
</tr>
<tr>
<td>North Carolina</td>
<td>8</td>
<td>$272</td>
<td>24 months</td>
<td>Yes</td>
<td>Case is closed, must reapply</td>
</tr>
<tr>
<td>Ohio</td>
<td>26</td>
<td>$473</td>
<td>60 months</td>
<td>No</td>
<td>Entire benefit, 1 month</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>31</td>
<td>$421 ($403 for most of state)</td>
<td>60 months</td>
<td>No</td>
<td>Adult portion of benefit, 1 month, + until 1 week of compliance</td>
</tr>
</tbody>
</table>
Thank You

For more information:

Elizabeth Lower-Basch
elowerbasch@clasp.org
(202) 906-8013

www.clasp.org
1200 18th St, NW
Suite 200
Washington, DC 20036