# Thirty Years of Temporary Assistance for Needy Families:

## *What Changed, What Didn't, and*

## *What It Means for Today's Work Requirement Debates*

*Working Paper*

CLASP
The Center for Law and Social Policy

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**August 2026**

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# Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) replaced the U.S.'s long standing program of cash assistance for poor families with children, Aid to Families with Dependent Children (AFDC), with a block grant called Temporary Assistance for Needy Families (TANF). PRWORA gave states authority to use TANF funds for a broad set of purposes, not just cash assistance, while requiring them to impose work requirements on parents receiving assistance. Thirty years later, cash assistance reaches far fewer families and has largely disappeared from public discourse. Child poverty, as measured including in-kind benefits, has gone down, due in large part to an expansion of other parts of the safety net. But the loss of cash assistance leaves some families exposed to severe hardships, scrambling to cover the necessities that can't be paid for with SNAP. And even families whose annual income exceeds the poverty level frequently have periods between jobs when the bills pile up.

Just as importantly the underlying narrative that drove the enactment of PRWORA–that without time limits on benefits and sanctions for nonparticipation in work requirements, recipients would not work–persists as an important driver of public policy in the United States. We are still having political arguments that boil down to whether people with very low income should have the autonomy to decide what is best for themselves and their family members that most people in the U.S. take for granted. And those arguments are putting the recent gains of the safety net at risk.

This report begins with a brief discussion of the historical context and political debate that led up to the enactment of PRWORA. It then explains the key mechanisms within TANF that have shaped state choices, and how TANF evolved as a result. The heart of the report is an assessment of whether TANF achieved the goals of its creators. The report concludes with an assessment of how TANF is still being used as a model for today's policy debates.

# Part 1: Historical Context and Political Debate

The program that TANF would eventually replace began in the New Deal as Title IV of the Social Security Act of 1935, under the name Aid to Dependent Children (ADC). It replaced the Mothers' Pensions that most states had created in the 1910s and 1920s, but which proved inadequate to the overwhelming need caused by the Great Depression.[1] However, in large part due to political compromise with southern state leaders who were afraid that a national program would force them to serve Black mothers, the new program left both eligibility rules and benefit levels under state and sometimes local control.[2] State participation in the program was voluntary, and ADC reimbursed states for one-third of their benefit payments, up to a maximum federal cap payment of $6 per month for the first child plus $4 for each additional child.[3] Like the Mothers' Pensions before it, ADC initially primarily served white widows, leaving out most Black mothers as well as abandoned, divorced, or never married mothers of any race. Black mothers were excluded by both targeted policies and by the discriminatory application of subjective criteria about "suitable homes'" and "unfit mothers."[4]

Over time, the population served by ADC evolved. Increasingly, widows were eligible for far more generous survivors' benefits under Social Security, so ADC came to serve primarily abandoned, divorced and never married mothers. As the Great Migration brought more Black families into states with more expansive assistance programs, more Black families were able to receive benefits. At the same time, racist backlash against that migration often led to the creation of more restrictive policies, even in northern states. Twenty-three states adopted "suitable home" laws between the late 1940s and early 1960s, allowing eligibility denials based on moral determinations of a parent's fitness. These policies were adopted disproportionately in jurisdictions with high Black populations. Black and never married mothers were often considered unsuitable by definition. Any sign of a "man in the household" could be treated as evidence that the family was not actually "deprived" of his income or that the mother was behaving immorally.[5]

During the 1960s, welfare recipients began to organize to lobby for changes in welfare policy, press for increased aid to recipients, and demand more respectful treatment by government caseworkers. Working together with legal aid lawyers, recipients filed hundreds of court cases challenging the administration of AFDC.[6] Such litigation did not achieve its most ambitious goals of establishing a federal constitutional right to a minimum adequate income or even creating a uniform federal standard for AFDC administration,[7] but it was effective in eliminating the most degrading eligibility provisions, including the so-called "substitute father" regulation, which denied AFDC payments to the children of a mother who "cohabited" in or outside her home with an able-bodied man; and establishing due process protections.[8]

At the same time came the first rumblings that welfare should *formally* encourage single mothers to work for pay outside of the home. (A concern that welfare benefits would allow recipients, especially

Black recipients, to turn down low-paid domestic and agricultural work had long been a motivation for keeping benefits low and access restricted.[9]) In 1967, Congress authorized the first work-related services for recipients, known as Work Incentive (WIN). WIN also addressed the punitive policy under which recipients lost a dollar of benefits for each dollar they earned. This policy had created a 100 percent effective marginal tax rate on earnings, leaving workers no better off for their efforts, and had incentivized recipients to work off the books. The revised policy allowed recipients to combine work and welfare.[10]

Following these changes, and with welfare rights groups encouraging mothers with low incomes to apply for benefits and to appeal negative decisions, welfare caseloads grew dramatically in the 1970s. In 1976 and 1980, Ronald Reagan explicitly campaigned against the growth of welfare, promoting the racist stereotype of the "welfare queen" who was obtaining benefits fraudulently. In 1981, Congress repealed the permanent earnings disregard, limiting it to just the first four months of employment.[11] This immediately cut the number of families receiving benefits and left mostly non-employed mothers on the caseload. The law also expanded states' flexibility to require recipients to participate in work activities as a condition of receiving benefits.

The 1980s and '90s brought growing pushback to the idea that the government should support single mothers indefinitely without any expectation of employment. In 1984, Charles Murray published *Losing Ground*, in which he argued that welfare discouraged both work and marriage; that poor Black women were having babies as teenagers and single parents in order to obtain welfare benefits; and that the War on Poverty had just made poverty worse. The book was supported by the Manhattan Institute, which also funded an aggressive press and public relations campaign to promote the book's ideas.[12] Murray was soon joined by Larry Mead, who diagnosed the problem as a culture of non-work and "entitlement" and prescribed mandatory work programs for welfare recipients as the solution.[13]

These arguments were based on strong ideology, weak evidence, and thinly veiled racism, but they successfully seized the public imagination.[14] More careful researchers pushed back on Murray and Mead's findings and conclusions, determining that the evidence did not support welfare benefits as the driving force behind the growth of out-of-wedlock births and female-headed households.[15] Others pointed out that the value of AFDC and food stamp benefits had actually declined since 1974 and that many of the trends Murray highlighted were driven by declining births among married women.[16] At the same time, policymakers largely accepted the premise that single mothers should be expected to work for pay. For example, David Ellwood, a leading liberal expert on poverty and the welfare state, argued that part-time work (supplemented by a guarantee of child support) was a reasonable expectation for single mothers.[17] The fundamental context had shifted: between 1950 and 1995, labor force participation among women with children under 18 had increased from 22 percent to 70 percent.[18] As the overall share of mothers who were employed outside the home increased, the public became more receptive to the idea that single mothers with low incomes should also be expected to work.[19]

The Family Support Act of 1988 introduced the first broad mandatory work or training expectation for single parents on welfare. Its centerpiece was the Job Opportunities and Basic Skills (JOBS) program, a mandatory work, education, training, and child care program for AFDC recipients. In what would turn out to be a significant requirement, the Family Support Act mandated a formal, random assignment evaluation of the JOBS program. It also required all states to provide AFDC to two-parent families with an unemployed breadwinner (AFDC-UP, previously a state option). The Act also strengthened child support enforcement and extended transitional Medicaid coverage for families leaving AFDC for work.[20]

But the enactment of the Family Support Act did not quiet the political debate over welfare; rather, the discourse was getting even hotter, fueled by key trends. After holding nearly flat through the 1980s—rising only from 3.3 to 3.6 million cases—AFDC caseloads surged by more than 40 percent between 1989 and 1994, to a record 5.1 million families. This jump was driven in part by the 1990–91 recession. But even as the economy recovered, caseloads continued to climb, fueling the narrative that welfare receipt was out of control.[21] Conservative pundits also bemoaned the long climb in the number of births to unmarried women and many people, regardless of ideology, worried about the sharply rising teen birth rate.[22]

The mandatory requirements under JOBS were supposed to be gradually phased in over time, starting in 1990, but these requirements were largely overtaken by "waivers" granted to the states by the federal government which allowed them to modify AFDC rules in ways that would have otherwise been impermissible. Starting in the Bush Administration and accelerating under President Clinton (who had famously campaigned under a pledge to "end welfare as we know it" and committed to the National Governors Association to allow even those experiments he disagreed with[23]), more and more states received waivers. These waivers allowed them to extend participation requirements to more recipients, impose full-family sanctions, increase earnings disregards to allow recipients to combine work and welfare, impose "family caps" that denied benefits to children born while their mothers received welfare, and impose time limits on how long families could receive assistance.[24] Ellwood had actually proposed a version of time limits, but his proposal was to require recipients to work or participate in job training when they hit their limit. Wisconsin requested and received a waiver (although only for two counties) to simply end benefits after two years.[25]

Clinton had not provided many details on his welfare reform plan during his 1992 campaign; once elected, he appointed a task force to try to develop that plan. From the start, the task force was pulled in different directions, with one co-chair, campaign strategist Bruce Reed, fighting to ensure that Clinton fulfilled his campaign promise, while the others, academics David Ellwood and Mary Jo Bane, argued for more gradual and research-based changes. The task force also had to compete for attention in both the White House and Congress with First Lady Hillary Clinton's health care reform efforts.

Two things changed before the task force completed its work that dramatically reshaped the final results. First, in the spring of 1993, as the task force was just getting started, MDRC, a widely respected non-partisan research organization, released findings from an evaluation of JOBS programs in California that were widely read as supporting Riverside, CA's employment-focused strategy that deemphasized education and training and promoted immediate job search, or "work first."[26] Second, the political environment changed dramatically after the November 1994 elections, with Newt Gingrich leading Republicans to take control of the House of Representatives and the Heritage Foundation's Robert Rector pulling the debate further and further to the right.[27] The "Personal Responsibility Act" was bill number three on the list of legislative priorities in Gingrich's "Contract with America."[28] After vetoing two earlier versions of the legislation, Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act in August 1996, ending AFDC and replacing it with Temporary Assistance for Needy Families (TANF).

# Part 2: TANF Structural Changes

Replacing AFDC with TANF dramatically shifted the framework for both states and families with low incomes.

First, TANF shifted the responsibility for designing the program to states, with very limited federal requirements. States had always had the power to set benefit levels under AFDC, but the litigation of the 1960s had created a standard federal framework that had applied across states. Because AFDC was an individual entitlement, the court ruling of the 1970s had found that recipients had due process protections that guaranteed them the right to a hearing before they could be deprived of benefits. States that wished to impose additional restrictions on recipients, such as time limits or denying benefits to babies born while their mothers received benefits (known as "family caps") had needed to get federal waivers allowing them to do so. PRWORA undid this, granting states vast discretion over both the use of funds and the requirements that applied to recipients of cash assistance. The funds provided under the block grant can be used for any activity "reasonably calculated" to meet one of the four purposes of TANF.29

### 42 U.S. Code § 601 - Purpose

The purpose of this part is to increase the flexibility of States in operating a program designed to:

1. provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
4. encourage the formation and maintenance of two-parent families.

States may spend funds on a range of programs and services for needy families with children, regardless of whether the families are getting cash aid. States define what constitutes "needy," and the income cutoff for those programs is often much higher than the limit set for cash aid, sometimes at 300 or 400 percent of the poverty level.[30] By contrast, in more than half the states, a family of three with earnings at half of the poverty level earn too much to qualify for cash assistance.[31] Activities justified under purposes 3 and 4 of TANF, which focus on marriage and family formation, do not need to be limited to needy families for TANF expenditures.[32] This can include programs that directly encourage people to marry before having children, but also programs that states claim indirectly further these goals, such as pre-kindergarten, after school programs, and college scholarships.[33]

The statute specifically prohibited the Administration for Children and Families (ACF), the federal agency that oversaw TANF, from regulating state action except when specifically mandated by law.[34] ACF was not given authority to approve or reject the plans where states describe their policies under TANF, only to determine that they include the required elements.[35] In 2023, ACF published a proposed rule that would have set a 200 percent of the federal poverty level ceiling on the definition of "needy" and created a "reasonable person" standard for whether an expenditure is "reasonable calculated" to meet one of the purposes of TANF, but this proposal was never finalized and was subsequently withdrawn.  ACF estimated at the time that more than half the states had some expenditures that would not meet this test, and that billions of dollars were being claimed for such purposes.[36]

Second, TANF is a block grant with levels set based on the funds each state received from AFDC prior to PRWORA. Under AFDC, if a state increased benefits or allowed more people to receive benefits, the costs were divided between the federal and state governments. And if a state made changes to AFDC that caused savings, they didn't get to keep all of the savings. Now, each additional dollar spent above the block grant would be all state funds,[37] while any savings would free up funds for other purposes. As noted, funds can be used for not just cash assistance, but for any activity reasonably calculated to meet one of the broad goals of TANF.

Moreover, the TANF block grant has not been adjusted for inflation since 1996, meaning that the real value has fallen by a half.[38] States were required to continue their own spending on families with low incomes at only 75-80 percent of their previous levels of investment, and that benchmark, known as the maintenance of effort (MOE) requirement, has similarly been eroded by 30 years of inflation.[39]

The block grant structure also locked in disparities between states. Those that had low benefit levels and caseloads prior to TANF now had permanently lower block grants. These were disproportionately states with large Black populations, especially in the South, where racist policies had limited access to AFDC.[40] TANF "supplemental grants" made modest adjustments to try to address disparities in the early years, but these were fundamentally a political choice and were allowed to expire after 2011. The 17 states that received them were selected based on low grant levels and population growth prior to the enactment of PRWORA, and new states could not be added.[41] So, states with newly growing populations of families with low incomes saw their funding per child living in poverty decline even more. As a result, Texas receives just $358 per child living in poverty, while Vermont receives $4,420 per child living in poverty–over twelve times more. The median state receives $1,390.[42]

Third, the primary measure of state performance under TANF is the work participation rate (WPR), a measure of the share of adult recipients who were engaged in one of a list of specified activities for a required number of hours. States that do not achieve the target rate, either for all families receiving

TANF or the separate, higher rate for two-parent families, are subject to fiscal penalties. While TANF did not directly set work requirements at the federal level, the framework of who was included in the base (denominator) and what activities could count toward the numerator drove state policy toward a “work first” approach that was far harsher than any of the policies that had been adopted under the waivers that had been allowed over the previous years. In particular, people with disabilities or other barriers to employment that limit their participation are included in the WPR even if a state adopts policies exempting them from work requirements. There is no partial credit for engaging people for fewer hours than needed to count. And participation in education and training count toward the WPR only in very limited ways.[43]

Moreover, states receive credit toward the WPR by moving people off the cash assistance rolls. The caseload reduction credit (CRC) reduces the target rate for the WPR by the percentage that the caseload has declined. While this number is adjusted for policies that directly add or subtract recipients, it is not adjusted for changes in implementation.[44] Proponents of the CRC claimed that it was needed to avoid penalizing states that moved recipients from welfare to work, but the CRC actually rewards states for caseload decline of any sort, regardless of whether they left for work. Robert Rector of the Heritage Foundation, one of the architects of PRWORA, was clear that this was intentional: “the real effect of a work program is to reduce the caseload–that’s what you want to measure.”[45]

Fourth, the national legislation set ceilings on how generous state TANF programs could be, but not floors. The statute explicitly removed the individual entitlement to benefits, making litigation nearly impossible. TANF created nationwide time limits of 60 months in a lifetime, and states were allowed to set shorter limits; many chose to do so. States were mandated to require parents to participate in work activities after 24 months, but the WPR created a strong incentive to require immediate participation. States were required to impose sanctions at least “pro rata” for failure to participate, but were allowed to impose full-family sanctions, meaning the children as well as the parents could lose benefits for a parent’s non-compliance. Teen parents were made ineligible for assistance unless they lived with their own parents or another responsible adult and attended school. States were allowed to impose family caps and other restrictions. States had to expressly opt out through legislation in order to provide benefits to people who were convicted of drug-related felonies. States that allowed recipient families to keep child support payments made by non-custodial parents, and did not count those payments as income, had to pay the federal government for a portion of those “disregarded” payments. While states could use state-only funds to go around these restrictions, the overall message to states was that they could and should limit access to TANF. At the same time, these policies sent a strong message to recipients that TANF would not always be available.

# Part 3: What Happened?

## How Did TANF Evolve?

### Caseload Decline and Benefit Erosion

The scale of the caseload collapse following PRWORA is difficult to overstate. The raw caseload of families receiving cash assistance from TANF or MOE programs fell from 4.4 million families in 1996 to approximately one million today, a reduction of 77 percent over three decades. These figures include families served under Separate State Programs (SSPs) claimed toward the MOE requirement. In 2025, states served roughly 140,000 families each month through SSPs, many of whom were in work supplement programs that provide only modest benefits.[46]

Looking just at TANF cases, approximately 40 percent of today's cases are child-only, or do not include an adult recipient. This means that there are just under 500,000 TANF cases that include an adult. In fiscal year (FY) 2024, just under half of the child-only cases had no parent in the assistance unit, meaning that the children are being raised by relative caregivers who do not themselves receive cash assistance. Children can also receive child-only TANF benefits when their parents are ineligible because of their immigration status, including being in the five-year bar period; when their parents are receiving Supplemental Security Income (SSI) benefits; or have been sanctioned.[47]

Benefit levels, already low, have generally not kept up with inflation. Only 9 states have benefits that are higher than or equal to their 1996 values after inflation, and 14 provide benefits equal to or lower than their 1996 levels in nominal terms, meaning their real value has fallen by half or more.[48] The national median maximum monthly benefit for a single-parent family of three—the standard comparison unit—was $549 as of July 2023, equal to 26 percent of the federal poverty line.[49] Cash benefits fall at or below 60 percent of the poverty line in every state; in 17 states, the maximum falls at or below 20 percent.

Low benefits reduce caseloads both mechanically and behaviorally. Mechanically, the interaction of benefit levels and the share of earned income that is counted come together to determine the point at which working recipients lose benefits–lower benefit levels generally mean that fewer people are eligible for assistance. Behaviorally, low benefit levels can cause potential applicants to decide that the potential benefit is not enough to justify the hassle and stigma of applying for cash assistance.

Recent years have brought an increased effort to adjust benefits, and in some cases to provide automatic inflation adjustments. More than 30 states raised TANF cash benefit levels since 2022, the most significant benefit movement since TANF's creation.[50] Ironically, the drop in caseloads has made it more affordable to raise the benefits for those who do receive assistance. In addition, advocates had drawn attention to the contrast between the benefit levels that were being eroded by inflation and the large amounts of unobligated funds that some states were holding in reserve. But

2025 brought the program's first documented benefit rollbacks. Kentucky, which doubled its benefit to $524 in March 2023, reduced it to $341 effective November 2025 when caseload growth driven by the benefit increase ran into the ceiling of the fixed federal block grant. South Dakota cut benefits 10 percent in September 2025 after its legislature reduced the state TANF appropriation, with further cuts anticipated.

Many states have also adopted time limits shorter than the 60-month federal limit. As of 2023, 12 states had established lifetime time limits shorter than the federal requirement and 8 states had established shorter intermittent time limits. Arizona and Arkansas have the shortest time limit of 12 months, with some exceptions.[51] However, relatively few people continue to receive benefits until they reach a time limit. ACF's most recent data found that time limits now account for only 2.7 percent of closures, compared to 34.2 percent for sanctions and non-compliance.[52]

The overwhelming evidence is that the decline in the receipt of cash assistance has been driven by decreases in participation among eligible families, not because families earn too much to qualify. The U.S. Department of Health & Human Service's (HHS) official estimates are that in 1995, 84 percent of families with children who were eligible for cash assistance received it. By 2023, the share was 22 percent.[53] A recent academic paper decomposes the 78 percent real decline in AFDC/TANF cash assistance (from $34.3 billion in 1993 to $7.4 billion in 2016) into three components: declining participation among income-eligible households explains 52 percent of the drop, declining real benefit levels explain 27 percent, and reduced need (fewer families meeting income eligibility standards) explains just 21 percent. A separate reweighting analysis shows that compositional and labor-market changes, including rising employment among single mothers, explains only about 22 percent of the total decline.[54]

The share of families in poverty receiving assistance fell everywhere in the country, but it fell further in some places than others. In 1995/96, AFDC reached 68 of every 100 families with children in poverty. TANF now reaches approximately 21 cases per 100 families with children in poverty, but there is significant variation behind that national number. California alone accounts for nearly 38 percent of all national TANF cases and has a coverage rate of 65 families per 100 in poverty. Without California's caseload, the national average would fall well into the teens. At the other end of the distribution, cash assistance has largely disappeared in some states: Arkansas and Texas reach just 2 of every 100 families with children living in poverty; Mississippi, Georgia, and Louisiana reach 3; and North Carolina reaches 4. Seventeen states in total have a coverage rate below 10 per 100 families with children in poverty.[55] Black people live disproportionately in states with less generous maximum benefits, more restrictive behavioral requirements, and shorter time limits.[56]

Moreover, TANF has become largely irrelevant as a countercyclical response to economic downturns. After the boom of the 1990s, the U.S. officially was in recession from March 2001 to November 2001. However, TANF caseloads did not increase. While TANF had a Contingency Fund that was supposed to support states in responding to increased need, no state tapped it during this period, likely because accessing it required a major increase in state MOE spending.[57]

The Great Recession (formally December 2007 to June 2009, although unemployment rates remained stubbornly high even after its official end) provided the clearest demonstration of TANF’s weakness as a countercyclical support. Even as unemployment climbed to over 10 percent, TANF's national caseload grew by just 15.6 percent over the entire recession, and even that modest growth was uneven. Georgia, Indiana, and Rhode Island had falling TANF caseloads throughout the recession. Michigan administratively removed approximately 12,000 families in October 2011 when unemployment remained severely elevated. As part of the American Recovery and Reinvestment Act of 2009 (ARRA), Congress created the TANF Emergency Contingency Fund, which provided an additional pool of $5 billion that could only be used for cash assistance; subsidized employment; and short-term, non-recurrent benefits. However, states were reluctant to make changes that would make it easier for people to access cash assistance. By the recession's end, nearly one-third of states had lower TANF caseloads than at the recession's start, and almost no states modified their work requirements to allow more education or training during a period when jobs were simply unavailable.[58] By contrast, SNAP did respond as a countercyclical safety net: caseloads roughly doubled, and the program lifted an estimated 8.4 million people above the poverty line in 2010.[59]

During the COVID-19 pandemic, unemployment peaked at 14.8 percent in April 2020, the highest rate in the modern era of monthly labor statistics. ACF issued guidance to states noting that they would likely qualify for reasonable cause relief from work participation rate penalties if they waived work requirements due to the pandemic.[60] Many, although not all, states did so.[61] However, after a brief early increase, TANF caseloads still fell below pre-pandemic levels by October 2020. In this case, the main explanation seems to be that the generous expansions of SNAP benefits, unemployment benefits to groups that would not usually be eligible for unemployment insurance, and stimulus payments, and the 2021 temporary expansion of the Child Tax Credit, were sufficient that few households went the more burdensome and stigmatized route of seeking TANF cash assistance.

## Paradox: Persistent Work-First Policies, But Low WPR

One of the paradoxes of TANF is that the work-first policies adopted in the early years have been stubbornly persistent, even in the absence of a binding constraint from the work participation rate. Only a handful of states have significantly re-designed their TANF programs to make them more flexible and responsive to client interests.

As discussed in Part 2, the primary measure of state performance under TANF is the work participation rate, a measure of the share of adult recipients engaged in a specified list of countable work activities for at least 30 hours per week (20 for single parents with a child under 6). The WPR is a state measure and does not directly determine the activities that individual recipients are assigned to. However, because an individual assigned to a non-countable activity or exempted from participation requirements is still in the numerator (base) of the rate, states generally designed the work components of their TANF programs around the structure of the WPR. Some states required recipients to participate for more hours than federally required, in order to leave room for recipients to miss a day and still achieve the needed hours. Because education and training are countable under only limited circumstances, in most cases recipients were required to first engage in a structured job search/job readiness program and then were assigned to unpaid workfare or community service if they were unable to obtain subsidized employment. The clear message to recipients was "take a job–any job you can get."

Thirty years after PRWORA, the CRC has significantly reduced the target rate for most states, even after two rounds of resetting the base year. At the time that TANF was reauthorized by the Deficit Reduction Act of 2005 (DRA), caseloads had fallen so much that 14 states had an effective zero caseload reduction credit.[62] Congress therefore "re-based" the caseload reduction credit, so that starting in FY07 states would only receive credit for declines compared to a new base year of 2005. This led to a sharp increase in the target rates in 2007. The DRA also included other provisions that were aimed to close what congressional Republicans saw as "loopholes" in the WPR requirement–applying the WPR to families served with state-only funds claimed toward the MOE requirement (under SSPs) as well as families where the adults had been sanctioned for non-compliance, directing ACF to create federal definitions for each of the work activities, and requiring states to verify and document all reported hours of participation. Temporary changes made in response to the Great Recession lowered the target rates again for FY08-11,[63] but the target rates rose again in FY12, and several states faced the threat of WPR penalties.[64]

**States that were at risk of penalties identified a menu of strategies for increasing their work participation rates:**

- States could remove people who were not participating in countable activities from their caseloads by moving quickly to close the entire case for failure to comply with work participation requirements. Prior to the DRA, cases where the parents were removed from the case due to sanction but the children continued to receive benefits were not considered in the WPR. After the DRA, such parents could only be excluded if they had been sanctioned for no more than 3 months in a 12-month period.[65] This created an incentive for states to simply close the entire case for non-participation or non-reporting so it would not drag down the states' WPR. Of the roughly 650,000 TANF cases that were closed in FY24, sanctions and other "failures to comply" (such as not submitting verifications or attending an eligibility appointment) accounted for 34 percent of all TANF case closures, while employment accounted for 14 percent. Time limits accounted for less than 3 percent.[66]
- States could make it harder for people who were unlikely to meet the work requirements to begin to receive TANF cash assistance in the first place. Many states increased the stringency of their pre-approval requirements. A 2008 Mathematica report for ACF found that 39 states required applicants to engage in at least one work-related activity to be approved, and that 15 of them had adopted one or more of those requirements within the previous 5 years. Twenty states required applicants to complete an "up-front job search," attending workshops or proving that they had submitted multiple job applications before their application for assistance would even be considered. Mathematica found that these typically required about 10 days to complete, although some states' requirements took longer.[67] This strategy increased administrative burden and often had the effect of closing the TANF door to the most disadvantaged applicants, who did not have the resources (child care, time, money, or executive function) to navigate these requirements.[68]
- States that claimed more MOE than the minimum required could claim additional caseload reduction credit. This "excess MOE" provision was originally adopted so states that used their own funds to provide assistance to families beyond what federal TANF supported would receive credit for that and would not be penalized for their additional investment. As first implemented, this provision created a strong incentive for states to identify additional spending that could be claimed as MOE.[69] The 2008 regulations subsequently modified this provision to adjust excess MOE for the share of MOE spent on assistance versus other services, greatly reducing the value of excess MOE for the caseload reduction credit.[70]
- Prior to the DRA, states could serve families who were exempted from requirements, (such as those who were working on SSI applications), assigned to non-countable activities (such as more than 12 months of higher education), or non-participating through SSPs, while still claiming the costs of these programs as MOE. After the DRA, states could still choose to serve the same families if they were willing to spend their own funds and not claim those expenditures as MOE. This approach became known as solely state funded programs (SSFs). By 2009, at least half the states had already created some type of SSF.[71] Two-parent cases are the clearest cases of SSFs used to avoid WPR penalties, as the TANF statute sets the separate target for two-parent families at a nearly impossible 90 percent. Twenty-one states and Washington, D.C. reported zero two-parent cases across TANF and SSPs in 2023, but according to the Welfare Rules Database only

three did not provide cash assistance to two parent families.[72] ACF estimates that at least 26 states now provide at least some cash assistance through a SSF program.[73]

Notably, there is no evidence that states responded to the DRA changes by investing more resources or improving the quality of the employment services offered to TANF recipients. Focusing on meeting the WPR mechanically was a rational choice for state policymakers and administrators: the evidence from studies of more intensive programs for "hard to serve" TANF recipients finds that, while it is possible to improve employment outcomes for this population, especially in the short-term, doing so is expensive, and even the most successful and intensive programs did not come anywhere near "full engagement" of all participants.[74]

The national achieved WPR was 35.4 percent in federal FY24. The overall national WPR has hovered between 33 and 40 percent in recent years, down from a high of 47.1 percent in FY19. The overwhelming majority (85 percent) of recipients counted toward the WPR are in unsubsidized employment rather than any sort of state-provided work activity.[75] These jobs are often found by the recipients without any support from an agency. When recipients do engage in "welfare to work" job search activities, the jobs they find do not generally pay higher wages, provide more stability, or offer more opportunity for advancement than the jobs that they have previously held. A 2023 deep dive by Marketplace found that more than 70 percent of Wisconsin TANF recipients placed in jobs were employed by temp agencies, often in jobs that lasted only a few months.[76] Many states also continue to require job search, even when there are no jobs to be found. The Congressional Budget Office (CBO) found that only 4.8 percent of recipients found a job each month when the unemployment rate was over 6 percent, compared with 8.6 per month during lower-unemployment periods; in these high unemployment times, 18 percent of families leaving TANF were sanctioned, compared to just 6 percent when unemployment was lower.[77]

After 2012, WPR targets declined steadily as caseloads fell further in most states. By 2023, further caseload decline had again moved nearly all states out of risk of failing the WPR, with 40 states having a target rate of zero.[78] The Fiscal Responsibility Act (FRA) of 2023 once again adjusted the base year, this time to FY15, effective in FY26. However, ACF estimates that even with the rebasing, 37 states will have zero percent targets in FY26, and that only one state is likely at risk of failing the all families rate.[79]

This means that states have far more flexibility than generally recognized. They do not need to limit their TANF programs to only permit recipients to engage in federally countable activities. A 2021 brief from the American Public Human Services Association, supported by state administrators of varying ideological perspectives, calls for TANF to support the physical, social, and emotional well-being of families, and to address long-term stability as well as recipients' sense of agency and community.[80]

A few states have started to redesign their TANF programs along these lines and allow recipients to participate in a broader range of services, even when they are not countable toward the WPR. For example, some states allow recipients who need mental health care or drug treatment or who have unstable housing to address these needs before looking for work, so that when they get jobs, they will be able to sustain them. These recipients show up as not participating in the federal WPR calculation, or they are served through SSFs, so they do not appear at all.[81] Some states allow recipients to enroll in demand-driven job training or college courses that will lead to higher-paying jobs. While attending college is not the right option for all TANF recipients, there is strong evidence that when TANF recipients are allowed to attend and complete programs, they experience meaningful increases in earnings, from $416 a quarter for short-term certificates to $2,200 a quarter for an associate of applied science degree.[82] However, the majority of states have not made significant adjustments to the work components of their TANF programs since the mid-2000s, and are continuing to mandate participation in only the narrow set of countable activities.

A longstanding criticism of the WPR is that as a process measure, it only measures attendance in countable activities. It offers no information on whether the services offered help recipients obtain and keep work or improve their earnings. The 2023 FRA recognized this shortcoming and directed HHS to calculate outcome measures for work-eligible individuals who leave TANF. The specific measures are the employment rate in the second quarter after exit, the employment retention rate in the fourth quarter after exit, median earnings in the second quarter after exit, and attainment of a high school diploma or equivalent.[83] Hopefully, these new measures will encourage states to revisit their TANF work programs to focus on improved outcomes. However, when data are released, caution should be used in comparing outcomes across states, as the services provided to recipients are just one of the factors affecting outcomes, along with underlying economic conditions and the composition of the state's TANF caseload.[84]

The FRA also authorized ACF to select five states to conduct pilots where they will be held accountable for these outcome measures (and others that they may select, related to family stability and well-being). Twenty-two states applied for the opportunity to participate in the pilots, highlighting the widespread interest in alternatives to the WPR.[85]

## TANF as a Funding Stream

The block grant's flexibility—any spending "reasonably designed" to meet one of TANF's four purposes—enabled broad movement of TANF funds away from cash assistance to a wide array of other programs and services for families with low incomes. In 1997, states spent 71 percent of federal and state TANF and MOE funds on direct cash assistance to families. By FY24, that share had fallen to 22 percent, with states ranging from under 2 percent to nearly 50 percent.[86] In real (2025) dollars, spending on basic assistance fell from nearly $28 billion in FY97 to $8.4 billion in FY24.[87]

Neither supporters nor opponents of PRWORA seem to have understood the extent to which TANF would become a funding stream rather than primarily a cash assistance program that also provided flexible services to families receiving, leaving, or at risk of needing cash assistance. During the early years of TANF, caseloads fell more rapidly than anyone had expected. As states are allowed to carry TANF funds over from year to year, states accumulated significant pools of unobligated funds. In some cases, states explicitly designated these as reserves to insure against possible future caseload increases; but in other cases, funds simply accumulated without a specific plan. PRWORA initially authorized TANF for five years, so beginning in late 2000, Congress started to debate reauthorization. Some policymakers suggested that the availability of unspent funds indicated that states did not need all the money that had been allocated. Concern about the possibility of Congress clawing back unspent funds created pressure for states to spend funds.[88]

The TANF and MOE funds freed up by declining caseloads were often reinvested in a range of innovative programs designed to support working families with low incomes, to address the root causes of poverty, and to promote two-generation benefits for parents and their children. These included new or expanded refundable state Earned Income Tax Credits (EITCs) to make work pay; child care and transportation subsidies; home visiting programs for new parents; early education for young children; and programs to encourage teens to stay in school and avoid early parenthood. As states realized the breadth of programs that could be supported by TANF/MOE funds, they rapidly drew down their carryover funds. By 2001, states were spending more TANF funds each year than they received from the block grant.

States also quickly figured out that TANF and MOE funds could be used for activities that the state was already planning to support. By 2001, the GAO was reporting that states were using TANF to pay for activities the state was already funding from general revenue—effectively converting TANF into a state fiscal relief mechanism.[89] This is an ongoing issue; similar concerns were raised in a 2025 Congressional hearing.[90] In some cases, the freed-up funds were used to support other social services, but in others, states used the freed-up funds to close budget deficits, support broad tax cuts, or pay for unrelated expenses such as roads. By contrast, the MOE requirement included a “non-supplantation” provision which prevented states from claiming spending in an area unless it represented an increase over previous state spending. However, without an inflation adjustment, the MOE requirement has grown progressively weaker as a constraint and now covers a shrinking share of what states would spend anyway.

Understanding how states spend their TANF and MOE dollars is complicated by two data reporting issues. First, a portion of state cash assistance spending is entirely missing from the data reported, because it is paid for with state funds and not claimed toward the MOE requirement. As discussed earlier, ACF estimates that at least 26 states provide at least some cash assistance through such a SSF program.[91] Therefore, true state spending on cash assistance is somewhat higher than the reported figures.

Second, there is enormous variation across states in how much MOE they report, and understanding what represents actual differences in state resources devoted to families with low incomes and what represents different accounting practices is impossible to disentangle without going through each state's budget documents. Some states report state spending on programs for needy families exactly equal to their MOE requirement, while others report much higher levels of state spending. As discussed previously, claiming excess MOE on cash assistance expenditures can reduce target rates for the WPR. And among those that report just meeting their MOE requirement, some may have other spending that they could claim but do not, while others are in fact spending the minimum possible amount without threatening their grant.[92] Caution should therefore be applied in state-to-state comparisons of percentages based on federal reporting.

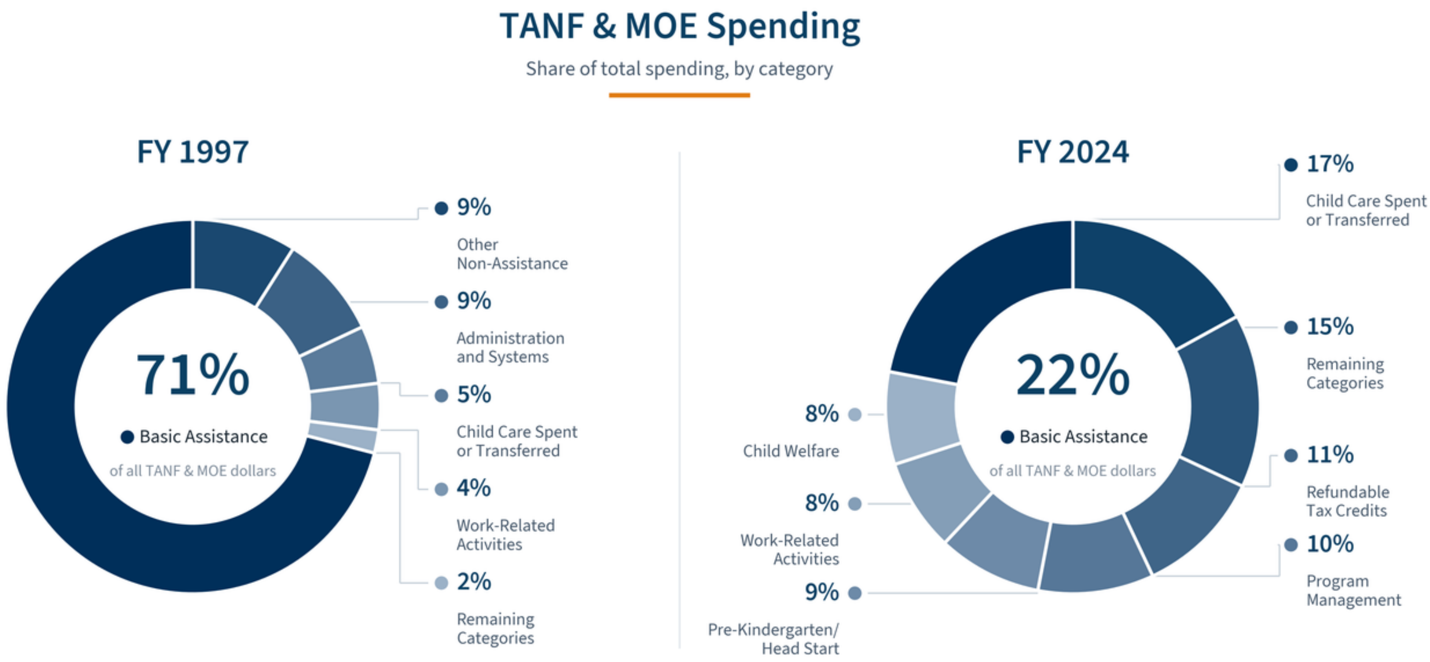
A further expansion of claimed spending occurred in the wake of the Great Recession. As noted, ARRA created a TANF Emergency Contingency Fund, which provided an extra $5 billion in funding that could be used for cash assistance, short-term non-recurrent expenditures, and subsidized employment. However, it required states to put up a 20 percent match to access these funds, which was difficult for them to do at a time when their budgets were already deeply strained. In this context, more and more states took advantage of a previously obscure policy that allowed states to claim private non-governmental expenditures toward the MOE requirement, including expenditures by businesses, foundations, and nonprofits.[93] In particular, between 2009-2010, most states used this provision to count the time spent by employers in supervising people engaged in subsidized jobs as an in-kind donation.[94]

While nearly all states used this provision to draw down ECF funding to support temporary programs created in response to the Great Recession, a handful of states continued to use it after the recession, in some cases nearly entirely supplanting the state's obligation to spend on families with low incomes. For example, some states claim as TANF MOE expenditures by nonprofit organizations on programs for youth in communities with low income that are funded by private donations.

While the regulations require the entity providing the funding to agree to state claiming, organizations that receive state funding may feel pressure to allow the state to claim their spending. A 2016 GAO report found that Georgia, a state that has consistently just barely met its MOE requirement, was using third-party expenditures to count for nearly 60 percent of its claimed spending.[95] ACF's 2023 proposed rule would have prohibited states from claiming third-party MOE.[96]

For these reasons, the increase in reported MOE spending of over $4 billion (in nominal dollars) between FY05 and FY11 was likely driven in large part by changes in data reporting, rather than true increases in the resources available to families in need. Researchers at the Rockefeller Institute of Government examining total state social service spending, regardless of sources, found that spending on non-medical social service programs other than cash, such as child care, child welfare, energy assistance, homeless shelters, and services for individuals with disabilities, increased significantly during a similar time period.[97]

After many years of stagnation, claimed MOE started to rise in nominal dollars around 2020, reaching $20.6 billion in 2024. By contrast with the early jump, this growth does not appear to be driven by efforts to seek out new funding to report. One obvious factor is inflation. While the MOE target has not been adjusted for inflation, the real costs of providing child care, job training, and other services claimed toward MOE have continued to rise. Total claimed MOE is still lower than the $23.3 billion the 80 percent target would have been in 2024 if it had kept up with inflation. Another factor is the growth of state-level refundable tax credits in recent years.[98]




After cash assistance, in 2024, the largest uses of TANF/MOE were child care (17.0 percent), refundable tax credits (10.9 percent), pre-kindergarten programs (9.2) percent, child welfare (8.6 percent) and work/education/training for parents with low incomes, not necessarily recipients of cash assistance (7.7 percent).[99] As caseloads have continued to decline, some states have again accumulated very large unspent balances. At the end of FY24, states reported unobligated balances totaling about $8 billion. While some “rainy day” funds may be prudent, excessive carryover funds suggest that states could reasonably invest more in the immediate needs of families with low incomes in their state. Sixteen states reported unobligated balances greater than their annual TANF block grant. Even after several years of deliberately increasing TANF spending, Tennessee still has about $675 million in unspent TANF funds, which represents 354 percent of its annual block grant. Hawaii’s unspent funds now equal $394 million, 399 percent of its annual block grant.[100] These are funds that could provide cash assistance, pay for child care, help families afford rent or otherwise provide economic support to families, but are instead sitting in the states’ Treasury accounts.

## What Happened to The Safety Net More Broadly?

The flip side of the harshness of the TANF changes was a genuine expansion of the safety net for working families with low incomes. Pundits and policymakers of all ideologies increasingly shared the concern that the loss or phase-out of highly targeted means-tested benefits could leave families little better off when they moved from welfare to work.[101] In his 1992 campaign platform, Bill Clinton also said he would “make work pay” and also made the specific and measurable commitment that “no one who works full-time and has children at home should be poor anymore.”[102] To fulfill this pledge, Clinton supported both raising the federal minimum wage and increasing the EITC.

The minimum wage was raised from $4.25 to $4.75 in 1996 and then to $5.15 in 1997 as part of the Small Business Job Protection Act of 1996 (PL 104-188, H.R. 3448), signed August 20, 1996, just two days before PRWORA. It remained at this level until 2007, when legislation was passed raising it to $7.25 an hour in three steps. The minimum wage has remained at this level since 2009, the longest stretch without an increase since the U.S. adopted a national minimum wage.[103]

The EITC became the centerpiece of this approach. The 1993 Omnibus Budget Reconciliation Act sharply enlarged the credit, roughly doubling the maximum for families with two or more children as it phased in between 1994 and 1996, reaching $3,556 by 1996, and for the first time extended a (small) credit to workers without qualifying children. Further rounds followed: ARRA added a more generous tier for families with three or more children and eased the marriage penalty for joint filers, and the 2015 PATH Act made both changes permanent.[104] Because its benefits rise with earnings, the EITC rewarded entry into work directly: a large body of research, using different methodologies, has concluded that the 1990s expansions were a major factor explaining the rise in employment among single mothers from 1993 to 1999.[105] The EITC grew into the nation's largest cash-like anti-poverty program for working families. In 2024, it lifted about 4.4 million people above the poverty line, including 2.3 million children, based on the Supplemental Poverty Measure.[106]

The Child Tax Credit (CTC), created by the Taxpayer Relief Act of 1997, was initially $500 per child and nonrefundable. The CTC added a second layer of tax-based support and was expanded repeatedly: the 2001 tax law raised it to $1,000 and made it partially refundable, and the 2017 Tax Cuts and Jobs Act doubled it to $2,000 and sharply raised the phase-out thresholds, making it available to households with much higher incomes.[107] Just for 2021, the American Rescue Plan temporarily lifted the CTC to $3,000–$3,600 per child and made it fully refundable. The 2025 Reconciliation Act increased the value to $2,200 per child and indexed it for inflation. It also set the refundable portion at a maximum of $1,700 per child.[108] The CTC is less targeted to families with low incomes than the EITC, as it does not phase out until income exceeds $200,000 for a single tax filer. Because it phases in with earnings and, with the exception of 2021, was only partly refundable, the poorest families receive a reduced credit or none at all, even as families with high incomes receive the full amount. While this limits the CTC's value as an anti-poverty tool, it strengthens the returns to low-wage work and does not phase out over the same range as other benefit programs.

Although it was not required by the federal legislation, nearly all states also adopted TANF earnings disregard policies more generous than their old AFDC rules, letting parents keep more of their grant as they went to work.[109] But the practical reach of these disregards proved limited, as TANF reached fewer and fewer families in poverty. One reason is that the disregards sat in tension with the new time limits. As result, the percentage of single mothers who combined welfare and work actually declined in the years following PRWORA, in spite of the more generous disregards.[110]

PRWORA significantly increased federal funding for child care for working parents with low incomes, and states also wound up using a large portion of their TANF block grant for child care. PRWORA folded the small pots of child care funding that had previously been dedicated to JOBS participants, parents at risk of receiving AFDC, and former recipients leaving AFDC for work together with the Child Care and Development Block Grant (CCDBG), which was established in 1990 and provided child care for other working parents with low incomes. In 1996, PRWORA established the Child Care Entitlement to States (CCES). Together, CCDBG and CCES make up the Child Care and Development Fund (CCDF).[111] With this consolidation, federal funding for child care assistance went from $935 million in 1995 to $2.9 billion in 1997.[112]

CCDF funding declined in real terms from 2002 to 2018 before being substantially boosted by the 2018 increase to CCDBG discretionary funding intending to fund the 2014 reauthorization.[113] Additionally, historic CCDBG supplemental discretionary funding was included in the COVID-19 relief packages; however, the last of those resources expired in 2024. Further, a permanent increase to CCES funding from $2.91 billion to $3.55 billion in 2021 was included in the American Rescue Plan Act.[114] In 2026, the discretionary CCDBG allocation was $8.83 billion and the mandatory CCES allotment was $3.55 billion, for total federal funding for CCDF of $12.38 billion before state contribution.[115] States are required to spend their own funds in child care match and MOE to access these funds.[116]

Moreover, as discussed above, states are permitted to transfer up to 30 percent of their TANF block grant to CCDF as well as to spend TANF funds directly. Those contributions are substantial: in FY24, states spent $1.5 billion of TANF directly on child care and transferred $1.4 billion more to CCDF, making TANF the largest source of child care subsidy funding after CCDF.[117] States also spent an additional $2.7 billion claimed towards TANF MOE on child care.[118] But the combined system has never come close to matching the need; only 16 percent of those eligible under federal rules received subsidies in FY22[119], and the total number of children receiving subsidies declined by over 147,000 children from its FY06 peak to FY23 because funding has not kept pace with inflation.[120]

The trajectory of the two big non-cash income support programs, Food Stamps (later renamed the Supplemental Nutrition Assistance Program, or SNAP) and Medicaid, in the years following PRWORA, is more complicated. Immediately following the enactment of PRWORA, Food Stamp caseloads also fell dramatically, dropping from about 27.5 million recipients in 1994 to roughly 17 million by 2000. The eligibility cuts in the 1996 law—the three-month time limit for so-called "able-bodied adults without dependents" without employment, and the denial of benefits to most legal immigrants—explain only part of this. One accounting attributes only about a third of the decline to federal and state policy changes, with the larger share coming from a drop in participation among families who remained eligible.[121] The share of eligible households actually receiving food stamps fell from roughly 70 percent in 1994 to 53 percent in 2000, and in a typical month of 2000 more than two million eligible working-poor households received nothing at all.[122] As families left welfare, many did not understand they remained eligible for food stamps, and the program's monthly reporting and frequent recertifications made it especially burdensome for working families to stay enrolled.

Beginning around 1999, federal policy moved deliberately on a bipartisan basis to reverse this erosion and reposition SNAP as a support for working families rather than an adjunct to cash welfare. The U.S. Department of Agriculture (USDA) rules issued in 2000 and effective as of July 2001 let states adopt "simplified reporting," allowing working recipients to go six months between reports instead of reporting changes month to month. This directly cut the paperwork burden that had pushed many eligible workers off the rolls.[123] The 2002 Farm Bill then extended simplified reporting to most recipients, created transitional benefits to keep families enrolled as they left TANF, and restored eligibility to large categories of legal immigrants cut off in 1996.[124] Starting in 2000 and accelerating after the Great Recession, states have increasingly used the "broad based categorical eligibility" policy to raise or eliminate asset limits and raise the gross income limit to allow people with higher incomes but large child care or housing expenses to continue to receive benefits.[125] Together with outreach and efforts to reduce stigma, these changes reversed the take-up decline; participation and the caseload climbed back through the 2000s and beyond. SNAP has become a major support for both workers with low incomes and those without earned income. SNAP has also become an essential part of the countercyclical response to recession; as an uncapped entitlement, it responds automatically to downturns. Congress has also repeatedly expanded it during times of economic downturn, recognizing its value in stimulating the economy.[126]

Finally, health coverage was delinked from cash assistance and access was gradually broadened to children in families with low incomes, and then to parents and other workers. PRWORA delinked Medicaid from welfare receipt so that parents did not need to continue to receive cash assistance to be able to access Medicaid for themselves and their children. Eligibility for parents with low incomes was established as a separate pathway under Section 1931 of the Social Security Act, and states could set the income limits higher than their limits for cash under TANF. However, despite the new protections, Medicaid enrollment among nonelderly, nondisabled adults and children fell by roughly 1.7 million (about 7 percent) from 1995 to 1997 as families leaving cash aid were dropped or never told they remained eligible—the same procedural problem that hit food stamps, though not as deep.[127]

Even before PRWORA, Congress had begun broadening Medicaid coverage for children, whether or not they received cash assistance, and the creation of the Children's Health Insurance Program (CHIP) in 1997 extended children's coverage well up the income scale, up to 200 percent of poverty in most states by 2001.[128] The 2009 CHIP Reauthorization Act (CHIPRA) pushed further, adding roughly $33 billion to cover an estimated four million more children; simplifying enrollment and providing bonuses to states for adopting certain measures; and creating a state option to cover lawfully residing immigrant children and pregnant women.[129] However, parents' coverage depended heavily on where they lived: many states used Section 1931 and Section 1115 waivers to raise parent eligibility well above the old AFDC levels through the 2000s, but as late as January 2013 the median state still cut parents off at 61 percent of poverty, and 16 states covered them only below half of poverty.[130] Childless adults had no pathway at all. The Affordable Care Act was meant to finish the job of covering workers with low incomes, but the Supreme Court's 2012 decision in *NFIB v. Sebelius* made the expansion optional for states, and many Republican governors declined to expand coverage. Adoption has spread incrementally since: as of 2026 ten states including Florida, Texas, and Georgia, have not expanded, leaving approximately 1.4 million people in a "coverage gap" in which adults can be too poor for Marketplace subsidies but ineligible for Medicaid.[131]

As a result of these combined changes, the safety net for working parents with low incomes is far more robust than it was in 1996. We have largely fulfilled Clinton's commitment that parents who work full-time would not be poor. Among children with a stably employed parent, the poverty rate taking into account benefits (SPM) fell from 18 percent in 1993 to just 7 percent in 2019, and deep poverty for this group nearly disappeared, falling from 4 percent to 1 percent.[132]

The incentives for the transition from non-work to part-time work are very strong and most workers continue to benefit as their earnings rise.[133] But the safety net for the parents with the lowest incomes, especially those with no earnings at all, is far thinner: TANF is hard to access and provides a minimal benefit; the EITC and CTC require work; Medicaid is health coverage, not income. SNAP has become the only widely available support available to parents without earnings, and the 2025 reconciliation bill expanded work requirements to parents with older children, putting even that floor at risk.

# Part 4: Was TANF Successful?

As explained in part 2, TANF has four broad statutory purposes. The first sets out what the program was expected to provide: assistance so that children may be cared for in their own homes or in the homes of relatives. The remaining purposes describe behavior that TANF's creators wanted to change: work, childbearing and marriage. Income, poverty, material hardship, and child well-being are not named. Nonetheless, the architects of the 1996 law believed that poverty among single-parent families was the result of not working and of childbearing outside of marriage, and that addressing these factors would automatically reduce poverty numbers and improve child outcomes

This section first examines the evidence on whether TANF raised employment and changed family formation before turning to the questions of poverty and child well-being.

## Did TANF Increase Employment?

PRWORA's architects believed that AFDC recipients could work but chose not to, and that both the recipients and society would be better off if they worked for pay, even at jobs that paid low wages. The act's architects believed that the availability of even meager cash assistance discouraged single mothers from working, and that work requirements and time limits on welfare receipt would therefore cause single mothers to work. The 1990s did in fact see substantial employment gains among less-educated single mothers. Employment among single mothers with no more than a high school degree rose 16 percentage points between 1993 and 2000, a historically significant shift.[134] Ever since, TANF's proponents have cited these gains as evidence that the reform worked and suggested that additional work requirements would generate additional gains. This section examines those claims.

The claim that TANF caused this increase in employment was never as strong as its proponents suggested and has gotten weaker over time. The growth of the late 1990s occurred in the context of an extraordinarily strong economy, as well as other policy changes in addition to the creation of TANF. After climbing to record levels in 2000, employment among single mothers with no more than a high school degree dropped and never regained that peak. No credible analysis attributes the entirety or even the majority of the improvement to TANF.

PRWORA was enacted in August 1996, and the employment gains were already underway before it took effect. The unemployment rate was at five percent or lower every month from May 1997 through September 2001. Before that, the last time the unemployment rate had been below five percent for a three-month stretch was 1973.[135] This extended stretch of low unemployment drove up real wages for all workers, as employers competed to hire, with particular growth at the bottom end, for both men and women.[136] Standard economic theory says that rising wages should pull more workers into the labor market, and research says this did occur in the late 1990s.[137] At the same time, tight labor markets make employers more willing to hire people whom they might otherwise have concerns about, including people with limited or interrupted previous work histories.

Moreover, the changes to TANF occurred at the same time as other policy changes that independently drove employment, including the expansions of child care and children's health insurance coverage and the increases in the EITC discussed in Part 3. Multiple researchers have attempted to tease out the attribution of the gains in work, but they have generally concluded that the effects of welfare reform, other policy changes, and the exceptionally tight late-1990s labor market cannot be cleanly partitioned.[138] Analyzing this question in 2022, the CBO concluded that "most of the increase was probably the result of other policy changes"—specifically the EITC expansion and increased child care funding, rather than work requirements.[139]

Nonetheless, the CBO concluded that work requirements have "substantially increased the employment rate of the targeted recipients in TANF during the year after they enter the program and by a smaller amount in later years."[140] This is overwhelmingly driven by the findings of the mid-1990s National Evaluation of Welfare to Work Strategies (NEWWS), conducted by MDRC.

The Family Support Act of 1988 had mandated an evaluation of JOBS programs; this evaluation eventually became NEWWS, which included 11 program arms in 7 sites in the mid-1990s. This is the most rigorous evidence available on mandatory employment programs of the type that TANF incentivized states to adopt. It used random assignment, which means that differences between the outcomes for program participants and control group members can be reliably attributed to be caused by the program. On average, MDRC found that these programs increased employment among program participants relative to control group members by approximately five percentage points over five years.[141]

However, the rigor of a random assignment evaluation does not provide any indication of whether its findings are transferable to other contexts.[142] The NEWWS studies assessed programs substantially less punitive than the policies many states adopted under TANF; for example, parents of infants were exempted, none of the sites imposed full-family sanctions, and only the parent's portion of the grant was withheld for non-compliance. We do not have random assignment evaluations of more recent TANF programs conducted in a different policy or economic context. MDRC's own assessment, published in 2023, cautions that "It is not straightforward to extrapolate the results described above to the current day and to different public benefits programs.[143]

Moreover, the details of the MDRC findings further complicate the simple story about the effectiveness of work requirements. Over five years, approximately three-quarters of the control group (the families assigned to the status quo, not required to participate in any employment program) found jobs in the formal labor market on their own. Both groups worked sporadically in low-paying jobs. Deep poverty increased in the program group for 6 of the 11 program arms.[144] The program that produced the largest and most sustained employment effects within the five-year window used a mix of services that included short-term job training, not just job search and participation requirements.[145] And the claim that "get a job, any job" would turn into better jobs and eventually careers did not materialize: long-term follow-up found no gains in employment or earnings trajectories extending 10 to 15 years out.[146]

Following the enactment of TANF, states were no longer required to evaluate the changes they were making to their programs, as they had under the waivers, and HHS did not fund any new rigorous evaluations. An extensive research literature attempted to assess the effects of different welfare policies by using econometric analysis of the differences between states with different policy regimes, and generally failed to produce coherent results: different studies produced different results on similar variables, sometimes in directions that fit no plausible explanation, and most of the specific variables are insignificant in most of the estimates.[147] In the early years of TANF, caseloads fell and employment rose in states with both more and less stringent policies. More recent research looking at a longer time period found that more stringent policies are associated with less TANF participation but did not increase employment or income.[148]

The only recent study that the CBO relies upon for its assertion that TANF work requirements actually increase employment rates is an analysis of Alabama's expansion of its work requirements to parents of infants.[149] In 2018, Alabama stopped exempting single parents whose youngest child was between 6 and 11 months old from work requirements. Comparing families who entered TANF in 2017 and 2018 at the same child ages, the CBO estimated that employment among affected parents rose about 11 percentage points looking only at the period when they were enrolled in TANF and subject to the requirement. Averaged across the whole year after entry, the improvement is just four percentage points. In other words, parents searched for work sooner and found it faster, but employment rates converged over time. Average cash income rose modestly, about $123 a month, in part because the average loss of TANF benefits was just $48 a month (Alabama has one of the lowest benefit levels of all states).[150]

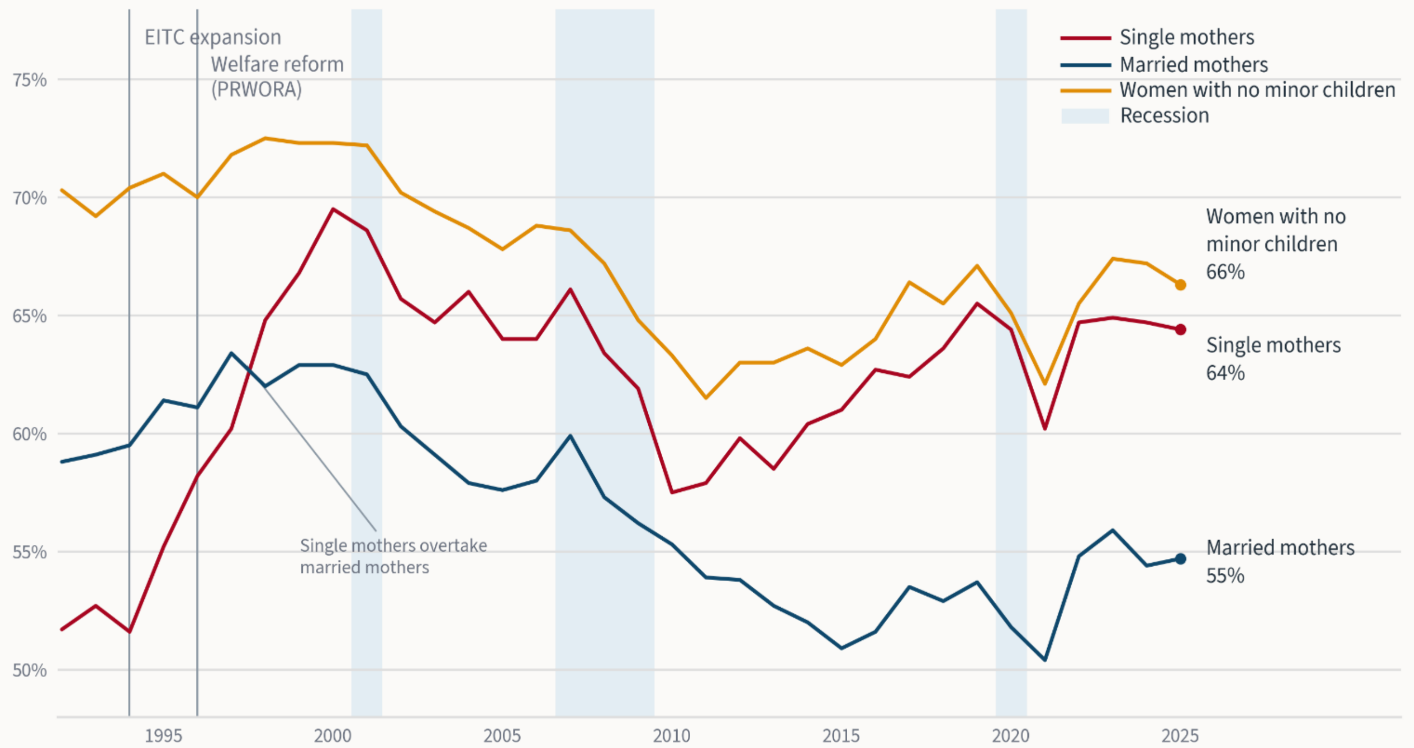
However, this study is limited to the effects on families who actually received TANF. The CBO notes that only about 10 percent of single mothers nationally and 4 percent in Alabama receive cash assistance.[151] Studies that look at the broader universe of less-educated single mothers found little effect. One study using cross-state data found that mothers exempted from work requirements based on having an infant were no less likely to be employed than otherwise comparable mothers in states where work was required as a condition of benefits.[152] Another found no relationship between employment levels of less-educated single mothers and their states' age of youngest children exemption policies, but higher rates of full-time work in states with no exemption for parents of infants.[153]

The Alabama study also shows some of the costs of a more stringent work requirement policy for this population: the share of families leaving TANF each month rose from about 10 percent to 15 percent, with four-fifths of that increase coming from removals for non-compliance. The share of months in which a family had neither earnings nor cash assistance rose 7.6 percentage points.[154] Lowering the age of child exemption produces short-term increases in employment for some participants, while leaving others with very little support at a critical moment in their children's lives. It also reduces parents' ability to exercise agency by choosing when and how much to return to work.[155]

Some policymakers, including the current leadership of ACF, have suggested that the decreased binding of the WPR is a problem, and that it should be tightened in order to force states to engage more TANF recipients in countable work activities.[156] There are several problems with this argument. As discussed in Part 3, most states have not loosened their work requirements in spite of their lower WPR targets. And when the WPR has been made more binding, states have responded in ways other than strengthening their work activities. But the more fundamental issue is that there is no evidence that less-educated single mothers need to be coerced to work: they now work more than married mothers at the same education level, a reversal of the historical pattern, and nearly as much as their childless counterparts. Including students in this analysis would raise single mothers above their childless counterparts, who are far more likely to be students.[157] Broader economic conditions, not the presence or absence of TANF requirements, now drive employment outcomes among this population.

**Single mothers overtook married mothers and narrowed gap with women with no minor children**

Share employed in the survey reference week · Women aged 18–54 with a high school diploma or less · IPUMS CPS ASEC
Excludes students aged 18–24 and people who received SSI in the prior calendar year




It is important to note that, in a context where most less-educated single mothers are working, data simply showing that people leaving cash assistance are working says nothing about the program's impact. For example, from 2011–2016, Kansas adopted one of the most punitive policy regimes in the country, including upfront job search requirements, full-family sanctions, and progressive time-limit reductions (to 24 months), resulting in a caseload decline from 13,014 to 5,231 families. Proponents claimed that it was a success and said the Kansas requirements promoted work. However, administrative wage data shows that employment was essentially unchanged. Approximately 71 percent of exiting parents had worked at some point in the year before they left TANF; approximately 71 percent worked at some point in the year after. In any given quarter after leaving, approximately 55 percent of former recipients were employed. Steady work was rare, with only about one in three maintaining employment across seven or more of the nine study quarters.[158]

Maryland, which has published outcomes for cash assistance leavers annually since 1997, has also published data specifically focused on sanctions. Among the 15,326 Maryland cases subject to work requirements that closed in FY14, employment in the year before the welfare spell began was effectively identical across groups: 52.9 percent of families who would go on to receive the state's most severe sanction had worked, against 54.3 percent of those never sanctioned. At the point of sanction, 34.0 percent of the sanctioned group was employed in the quarter their case closed, compared with 53.2 percent of the non-sanctioned. This gap narrowed over time, with both groups seeing employment gains and reaching 47.9 percent and 58.7 percent, respectively, six months after exit, similar to their rates before receiving assistance.[159] One explanation for the lingering gap for sanctioned families is that work requirements may have surfaced a disability; an earlier study found that nearly 20 percent of work-sanctioned cases applied for SSI benefits after closure, three times as many as applied while receiving benefits.[160] Neither state's data supports the suggestion that cutting people off of TANF leads to higher levels of work engagement.

## Did TANF Reduce Out-of-wedlock Births?

Proponents of welfare reform argued that, by providing single mothers with a dependable source of income, AFDC encouraged unmarried parenthood and discouraged marriage. Therefore, two of TANF's four goals were to reduce out-of-wedlock pregnancies and encourage the formation and maintenance of two-parent families. These are deeply paternalistic goals, grounded in a belief that government knows better than individuals themselves about such deeply personal choices as whether to get or stay married, and when to have children. Such beliefs have often driven harmful and racist government policies: throughout the twentieth century, women labeled "feeble-minded" or sexually "promiscuous" disproportionately Black, Latina, Native American, and poor white women, were forcibly sterilized, in many cases explicitly because they had borne children while unmarried, as were people confined to a range of state institutions.[161] In the 1970s, a federal court found that welfare recipients were routinely coerced into sterilization under threat of losing their benefits.[162] Without conceding the claim that influencing family formation choices is an appropriate role for government action, this section examines the evidence regarding TANF's impacts on these goals.

In a recent presentation at the ACF-sponsored Research and Evaluation Conference on Self-Sufficiency, The Heritage Foundation's Robert Rector claimed success on these goals, citing slowing in the previous trend of a declining share of children living in married two-parent families and the historic drop in births to teenage mothers. Rector made a similar argument in his February 2025 House Oversight testimony: "[F]ollowing reform, the decline in marriage among families with children halted."[163] This argument is grounded in coincidental timing and assumes that previous trends would have continued.

First, it is worth noting that PRWORA's statutory purposes target out-of-wedlock pregnancies generally as well as the formation of two-parent families, rather than teen births. On the metrics Congress actually wrote into the law, welfare reform clearly failed. On the first, the share of all births to unmarried women was 32.4 percent in 1996, rose only to 34.0% percent by 2002, and then climbed steeply to a peak of 41.0 percent in 2009 before stabilizing around 40–41 percent through 2021.[164] It is true that the share of children living in two-parent families has remained steady at between 67 and 71 percent since 1996,[165] but there is no evidence that this is caused by welfare reform. In fact, for the group most likely to receive welfare–mothers with a high school diploma or less–the share who are married has continued to decline steadily, from 66.4 percent in 1996 to 54 percent in 2025.[166] The overall trend leveled off because the share of women with a college degree, who remain far less likely to be single mothers, has continued to rise.

In claiming success because of the decline in teen births, Rector simply substituted a measure that better supports his story. That said, the decline in the teen birth rate over the last 35 years is astonishing. The teen birth rate peaked at 61.8 per 1,000 females 15-19 in 1991 and fell every year from 1992—four-plus years before PRWORA.[167] The birth rate for females ages 15–19 in the United States was at a record low in 2024 12.6 births per 1,000. The teen birth rate has declined 70 percent since 2007 (41.5), the most recent high, and 80 percent since the 1991 high (61.8).[168] Rector claims credit for this decline on behalf of welfare reform, which was not enacted until 1996, by adding a bar to his graph showing Clinton's 1992 pledge to end welfare as we know it. But no serious researcher attributes the bulk of the teen birth decline to welfare reform.

Research that assesses the causes of the decline in the teen birth rate overwhelmingly attributes it to improved contraceptive use, driven first by increased condom use (likely related to extensive educational campaigns about the AIDS epidemic) and later by increased use of hormonal and long-lasting contraceptives.[169] Improvements in contraception themselves have had identifiable access-side drivers: new delivery methods better suited to teens, like the patch and ring; elimination of the pelvic exam requirement for hormonal prescriptions; Medicaid family planning waiver expansions; and post-2009 spread of the availability and use of long-acting reversible contraception. These explanations, along with economic factors, also make sense of the temporary uptick in teen pregnancy rates seen in the late 2000s, which a welfare reform-driven explanation completely fails at

The best direct examination of the role of welfare reform in the decline of the teen birth rate in the late 1990s and 2000s uses state variation, and finds three statistically significant factors: unemployment, maximum welfare benefit levels, and Medicaid family planning waivers. The researchers conclude that the combination of declining welfare benefits plus Medicaid family planning together account for about one-eighth of the decline in teen pregnancies from 1991 to 2010.[170]

The strongest evidence to support TANF having an impact on teen pregnancy is from a study focused on minor teens (ages 15-17), which found that the implementation of the minor parent provisions (which prevented most minor parents from receiving TANF benefits unless they were living with a responsible adult) reduced fertility in these younger teens by an extra 0.7 percentage points per year, an approximately 22 percent acceleration of their decline relative to 18-year-olds.[171] But young teens were always a small share of teen parents, and so reducing their fertility only had a marginal impact on the overall rate. Even for this group, the effect of the overall trends is far greater than any possible impact for TANF.

## Did TANF Reduce Poverty?

As noted above, poverty reduction is not an explicit goal of TANF. It is hardly mentioned in the text of the legislation except for a provision that required a state in which child poverty rates increased by five percent or more in a single year as a result of TANF to submit a corrective action plan. This provision was never triggered and was dropped from statute in 2017.[172] Nonetheless, it is the question that is obvious to ask about the redesign of what has generally been assumed to be an "anti-poverty program."

As context for what to expect, the pre-PRWORA NEWWS evaluations—the same studies that showed modest employment gains from mandatory work programs—found that the income effects of such programs were approximately zero. Increases in earnings were roughly offset by reductions in cash assistance and food assistance, leaving families' total measured income statistically indistinguishable from the control group. In several sites, total family income was lower for the program group because the earnings gains that did occur were not large enough to compensate for the benefits lost. Deep poverty, defined as income under half the poverty level, even including food stamps, increased in 6 of the 22 programs.[173] In later work program evaluations, the only programs that increased income were those that also included supplemental payments to working families.[174]

Many states conducted "leavers studies" during the early years of TANF, in which they tracked what happened to families leaving cash assistance. National longitudinal survey data showed about half of leavers averaging lower household income after exit than when on the rolls, and nearly two-thirds averaging lower personal income.[175] A Wisconsin study found similar results.[176] A synthesis report found that in the four states that directly measured poverty of leaver families, on average, over half of leavers had incomes under the poverty line.[177]

While there are fewer recent studies of welfare leavers, those we have tell a similar story. Turning back to the Kansas data, the share of leavers with no earnings actually rose over time after leaving TANF, from 31 percent in the first year to 37 percent in the fourth. Median annual earnings across all leavers in that fourth year were about $3,600, roughly a fifth of the poverty line for a family of three.

At the same time, the share of leavers earning at or above the poverty level rose from 13 percent to 21 percent.[178] Similarly, in Maryland, among the most recent cohort followed for a full five years, the share employed fell from 62 percent in the first year after exit to 56 percent in the fifth, but earnings grew from $13,611 in the first year after exit to $22,476 for those still employed five years later.[179]

Stepping back to look at poverty trends for broader populations who might have been affected by the changes requires careful methodological choices. Poverty, especially child poverty, has fallen significantly since 1996 when measured using a poverty measure that takes into account taxes and transfers. The Census' Official Poverty Measure (OPM) takes into account cash transfers, including AFDC and TANF benefits, but does not consider taxes, including refundable tax credits, or non-cash transfers, such as SNAP benefits. These have become increasingly important since 1996, and poverty measures that do not take them into consideration miss an essential part of the story. The Census' Supplemental Poverty Measure (SPM), which has been released annually since 2009, counts these taxes and transfers, as well as certain expenses.

Another choice is more subjective, and matters a lot over a 30-year horizon: should the poverty measure move with rising living standards ("relative"), or should it be fixed in real terms, and adjusted only for inflation ("anchored")? An anchored line credits economic growth, so that if all incomes double, poverty falls; a fully relative line credits only redistribution, so that if all incomes double, poverty is unchanged. The SPM uses a "quasi-relative" approach, based on spending on core needs.[180] This review primarily draws on analyses that rely on an anchored version of the 2012 SPM, extended backward in time to make it possible to look at trends over time, created by researchers at Columbia.[181]

### Three Ways to Measure Poverty

Every poverty number in this section reflects three choices. They are independent of one another, and each can move the answer.

1. What counts as income. The Official Poverty Measure (OPM) counts pre-tax cash only, including AFDC, TANF, and Social Security benefits, but not the EITC, the Child Tax Credit, SNAP, or housing assistance. The Supplemental Poverty Measure (SPM) adds those, then subtracts taxes, work and child care expenses, and out-of-pocket medical costs. Using the OPM leaves out many of the programs that have become most important since 1996.
2. Whether the threshold moves. An anchored threshold is fixed in real terms and adjusted only for inflation. A relative threshold rises with contemporary living standards. Over thirty years, the gap between them is large: against an anchored line, pre-transfer child poverty has improved since 2000 but against a relative line, it got worse.
3. Whether the survey data are corrected. Survey respondents underreport benefit receipt, and increasingly so over time. The TRIM microsimulation model, funded by HHS, corrects for this by matching reported receipt to administrative totals year by year. At the deep-poverty line the correction does not merely adjust the magnitude—it reverses the direction of change for TANF's first decade.

All child poverty figures are the anchored 2012 SPM unless stated otherwise. Where a finding depends on the underreporting correction, that is stated at the point it is used.

The increase in employment of single mothers in the 1990s did reduce both overall poverty rates and child poverty. Looking at poverty *before* counting taxes and transfers isolates the effects of rising earnings. By that measure the reform's first years look genuinely good: pre-transfer child poverty fell about eight and a half points from the post-recession high in 1993 to 2000, with roughly two-thirds of the decline coming after PRWORA's enactment.[182] For single mothers who entered the labor market during this period, the combination of EITC expansion, the availability of Medicaid to single parents not receiving TANF benefits, and increased child care subsidies meant that working a low-wage job produced meaningfully more income after 1996 than before. As with the underlying increases in employment, the proponents of welfare reform were quick to claim success based on these trends and have continued to lean heavily on them ever since.[183] How to attribute these gains across different policy changes and the economic cycle remains a topic of controversy, but the fact of the overall gains is not disputed.[184]

After 2000 the picture is much less rosy. As employment levels of single mothers receded from their highs, pre-transfer child poverty stopped falling and instead drifted up during the early 2000s, before jumping during the Great Recession. It remained stubbornly high through 2013 and then dropped sharply but did not get back to the 2000 level until 2019.[185] After a smaller COVID spike, pre-transfer poverty fell again starting in 2021 as a tight post-pandemic labor market drove rising wages at the bottom.[186] Whether there is any improvement at all in pre-transfer child poverty from 2000 to 2024 depends on how you measure it. Against an "anchored" poverty line that is frozen in real terms, pre-transfer child poverty was about three points lower in 2024 than in 2000. But using a threshold that rises with living standards, pre-transfer child poverty in 2024 was higher than in 2000.[187]

However, due to the expanded safety net, *post-transfer* child poverty fell steadily over this period. Child Trends reports that child poverty fell from 27.9 percent in 1993 to 11.4 percent in 2019. Without counting taxes and transfers, child poverty would only have fallen from 30.7 percent to 20.3 percent.[188] Extending the series using the Columbia data reveals that child poverty hit successive record lows for six years starting in 2016 when measured against an anchored poverty threshold, and that the 2024 rate is the lowest of any non-pandemic year on record.[189]

Over 25 years the system's power against child poverty roughly doubled, from cutting the rate by about four and a half points in 2000 to about nine points in 2024. The strength of the safety net shows most clearly in the Great Recession: as pre-transfer child poverty rose nearly five points between 2007 and 2009, post-transfer child poverty *fell*, held down by the benefit expansions in ARRA. Only as those provisions expired did post-transfer child poverty drift up, and even at its 2012 worst it stood less than a point above where it had been in 2007.[190] The potential role of cash transfers was dramatically highlighted in 2021 when the Child Tax Credit was temporarily expanded and made fully refundable. For one year, child poverty was cut to five percent, a quarter of the pre-transfer level and about half the level of the years on either side of the pandemic.[191]

The child poverty trends show the effects of increased employment and a stronger safety net for workers with low-paying jobs, especially in families with children. But to see the full effects of the erosion of cash assistance, it is necessary to look at deep poverty. From 1980 to 1996, the maximum AFDC benefit in every state was below the poverty level. In the average state, on the cusp of welfare reform, AFDC left recipients well under the poverty level, even combined with food stamp benefits.[192] Therefore, the possibility for change in poverty rates was asymmetric. This is a definitional issue: for families whose income was already under the poverty line, raising income could reduce the measured poverty rate, while reducing income could increase the *depth* of poverty but could not affect the poverty rate. Child Trends calculates that even in 1993, subtracting all AFDC income received by families would increase calculated poverty by just 1.6 percentage points, and doing the same in 2019 would increase poverty by just 0.2 percentage points. This is both because fewer families receive TANF than received AFDC, and because the real value of benefits is lower. The same analysis finds that subtracting AFDC would increase deep poverty by 4.4 percentage points in 1993 but subtracting TANF in 2019 would increase it by just 0.1 percentage points.[193]

When Census survey data are corrected for the underreporting of TANF, SSI, and SNAP, deep child poverty, defined as income below half the poverty line, counting in-kind aid, *rose* during TANF's first decade, from 3.1 percent in 1995 to 3.5 percent in 2005, with the entire increase concentrated among children in single-mother families (5.4 to 7.4 percent). The old AFDC program had lifted 2.8 million children out of deep poverty in 1995; by 2005 TANF lifted only 700,000 and by 2016 it lifted only 300,000.[194]

Overall, deep child poverty has declined over the past 30 years. Child Trends attributes 41 percent of the decline from 1993 to 2019 to lower unemployment rates (22.4 percent), increases in single mother labor force participation (10.1 percent), and increases in state minimum wages (8.9 percent). They attribute 52 percent of the decline in deep child poverty to the dramatic decrease in teen births, while also noting that teen births are a symptom of deep poverty as well as a cause.[195] Depending on the exact dates chosen and whether data are corrected for underreporting, the safety net as a whole either does about the same or somewhat less to reduce deep poverty among children than it did before the creation of TANF.[196] But which programs reduce deep child poverty has changed dramatically: where AFDC was the program that had the greatest impact on deep child poverty in 1993, by 2019 it lifted only half as many kids as school meals. The programs with the biggest impact on deep child poverty in 2019 were Social Security, SNAP, housing assistance, and the EITC.[197]

In the late 1990s there was particular concern about the rising share of "disconnected" single mothers, who neither received cash assistance nor had earnings. In 1995, essentially all less-educated single mothers had income from one of these two sources. By 2001 more than 10 percent of single mothers with no postsecondary education had no earnings and were not receiving TANF cash assistance, and by 2016 the figure was nearly 17 percent.[198] Families with children and without access to public benefit programs are at extremely high risk of facing poverty and hardship, both through the direct impacts of deep poverty and the effects of parental stress.[199] A systematic analysis of state-level variation in TANF coverage between 2001 and 2015 found that declining cash assistance was associated with significant increases in household food insecurity and in the number of children experiencing homelessness in public schools, with the strongest effects concentrated among single mothers living independently with their children.[200] This is a causal claim, not merely a description: the variation across states in how quickly TANF coverage fell allows researchers to isolate the effect of declining cash assistance from other economic trends.

Families who are disconnected from both cash assistance and work may be homeless or depend on shared living situations, where parents may not be able to control who else is living there or their activities. Qualitative research in the early 2000s following such “disconnected” parents found that they adopt a range of survival strategies that include receiving help from family and friends, going into debt, and informal work.[201] The CBO found that families terminated for TANF work requirement violations in states with unemployment rates over six percent had an average monthly cash income of $153 after losing benefits—$569 including SNAP.[202] But SNAP cannot be used to pay rent, buy diapers or deodorant, or put gas in a car.

## How did TANF affect child well-being?

Like poverty, child well-being is not named as an explicit goal of TANF. But child well-being is implicit behind each of the goals, as the drafters of TANF believed that children would be better off in a household with at least one working parent, and preferably with two parents who were married. Opponents of PRWORA worried about the risks to children from reduced household income. They also feared that even if parental earnings increased, children could be worse off if they were placed in low-quality child care settings or left unsupervised, or if the stress of low-wage work reduced parents' ability to provide their children with a supportive and nurturing environment.

As with the employment and income outcomes, the most rigorous evidence is from the pre-PRWORA period, when HHS was supporting random assignment welfare and work evaluations. Under MDRC's Next Generation project, several of the sites collected data on child well-being. They found that impacts on child well-being generally tracked with impacts on income: the four sites that supplemented earnings, raising both employment and income, improved elementary-school-aged children's achievement, and some also reduced behavior problems or improved health. The six programs that only mandated work activities—raising employment without raising income—had "relatively few noteworthy effects on school-age children," with impacts about equally likely to help as to hurt.[203] However, a related synthesis that focused on effects on adolescents found worse school performance, more grade repetition, and more use of special education services. There were no overall effects on dropout or suspension rates, but these did increase for adolescents with younger siblings, who were more likely than their control group counterparts to have child care responsibilities.[204]

One limitation of this research is that these projects did not mandate employment for parents of very young children, who are subject to work requirements under TANF in many states. Studies that used variation in policies across time and states to examine the effects of work requirements on infants found some negative effects on the families whose mothers were induced to work by TANF requirements: more depressive symptoms among the mothers, lower rates of breastfeeding and reading to their children, lower scores on a standardized measure of the home environment, and lower scores for the infants on a standardized measure of cognitive development. This was true even though the families had higher incomes due to work.[205]

A separate strand of research asks whether the erosion of the cash floor for non-working families shows up in child welfare involvement. The language in the first goal of TANF–to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives–is a reminder that the original mothers' pensions were created as an alternative to the 19th century practice of putting children whose parents were impoverished in orphanages or allowing them to be placed with foster parents who often treated them as indentured servants.[206]

In recent years, there has been a conscious effort among policymakers and agencies to distinguish between poverty and neglect, but families living in poverty are still far more likely to come to the attention of child welfare agencies.[207] One study finds that benefit sanctions increase the rate of a neglect *investigation* but are not significantly associated with a *substantiated* finding of abuse or neglect, while other, non-sanction benefit reductions are.[208] However, another study using state variation in the restrictiveness of TANF sanction policy from 2004 to 2016 as an instrument estimates that more restrictive state policies are associated with more substantiated neglect victims and more foster-care placements per capita, for a national total of nearly 29,000 additional children entering foster care over the period.[209]

# Part 5: Conclusion

> ***"Let's move people from welfare to work. The dignity of work is a real thing in this country."[210]***

This is not Bill Clinton or Newt Gingrich, speaking in 1996. This is ***Agriculture Secretary Brooke Rollins speaking on Fox News on April 28, 2026***.

In the same interview Rollins shared what she considered exciting news: “As of just a couple of days ago, we now have moved 4.3 million Americans off of the food stamp program … This is a really big day. So people don't need food stamps."[211] Actually, the latest figures reveal that 4.5 million fewer people are receiving SNAP than they were last year when H.R.1, the so-called “One Big Beautiful Bill” was enacted, an 11 percent decline.[212] And half of them are children, who were not supposed to be affected by the bill.[213] But the bill’s shift of benefit costs to states, based on their payment error rate, has created incentives to increase the paperwork required of recipients.

If we only learn one thing from TANF, it should be that caseload decline is not a measure of success. Cutting the number of people receiving benefits is easy. It just requires a willingness to look away from people in need. It doesn’t even need big dramatic policy cuts; caseload decline can happen with more bureaucratic requirements, one more piece of documentation and then one more, or phone calls that are never answered.

The bottom end of the labor market is still full of jobs that provide low pay, unstable hours, limited benefits, and limited opportunity for advancement. Many of the workers in these jobs are at risk of losing benefits tied to work requirements, which now includes SNAP and Medicaid for many recipients, because their hours shift at their employers’ convenience. The experience of TANF recipients shows clearly that “any job” does not automatically lead to a “good job” or a career. Education and credentials remain the strongest path to well-paying, stable jobs, but are increasingly not a guarantee either.

After 30 years of caseload declines, the share of poor families who receive cash assistance is at historical lows. Mississippi’s diversion of TANF funds to pay for a college volleyball stadium is the flagrant case, and it was rightly prosecuted.[214] Still, the vast majority of states’ use of funds is perfectly legal but still takes money away from children living in families with very low incomes.

At the same time, at least until last year’s cuts, the safety net as a whole was broader and stronger than it had been before. Child poverty and deep child poverty both declined meaningfully. And the experience of the fully refundable CTC provided in 2021 shows that transfers can reduce poverty even further, if we’re willing to do it.

These gains are now at risk. As cash assistance disappeared from many states, SNAP came to play a critical role as both an anti-poverty support for families who would otherwise be destitute and an automatic, countercyclical response to recession. But there is no other program that can play this role if SNAP is removed. And without Medicaid, many people will simply go uninsured and will be unhealthier and more at risk of financial as well as medical catastrophe.

One of President Clinton's goals in advocating for welfare reform and in signing PRWORA was not just to change the program itself, but to reduce the race-coding of poverty politics and build public will for anti-poverty programs that would help people who "worked hard and played by the rules."[215] For a moment, it looked like that might indeed be possible, as President George W. Bush oversaw the expansions of SNAP and encouraged both Democratic and Republican governors to adopt provisions that would ease access.

But the argument and the rhetoric did not go away. Even as SNAP and Medicaid requirements inspired by TANF are rolling out, the current leadership of ACF is arguing not that TANF has been a success, but that the work participation rate has become too loose and must be tightened. In her Fox News interview, Rollins talked about a study that purportedly found thousands of SNAP recipients driving luxury cars,[216] a direct callback to Ronald Reagan's welfare queen driving her Cadillac to the welfare office back in 1976. The interviewer responded that these stories make Americans angry, which is, of course, what they are intended to do.

In some ways, TANF is now more powerful as a story than as an anti-poverty program. Of course, TANF cash assistance still reaches about a million families each year, and it matters to them. Some families do get short-term assistance that makes a difference in their lives: a car repair, a one-time payment to prevent eviction. Other families get benefits that TANF helps fund, like child care or a refundable tax credit, even if they never know that they are receiving something supported by TANF. But most Americans only know about TANF through the stories that politicians tell. And for many, that story is outdated, still repeating the same lines long after the underlying reality changed.

Rollins' call for welfare to work is an example of this. Single mothers with less education are working almost as much as their childless counterparts. Most SNAP recipients who can plausibly be expected to work are already working There is little evidence that SNAP's work requirements increase work,[217] and zero evidence from previous Medicaid work requirement waivers.[218] The overwhelming evidence is that these requirements reduce participation by eligible people, including those who are already working and those who are exempt, because of the paperwork burden. But that's not the point. The point is that the dignity of work is a value that resonates, and no one wants to be against work. As in the 1990s, these arguments are grounded in stereotypes and bias. But we now have 30 years of evidence: these policies do not promote work; they increase administrative burden and bias; they reduce the effectiveness of the safety net, especially in times of recession, when it is most needed; and they increase hardship among those most marginalized.

We need better policies, and it’s not hard to make a list of what this could look like. State variation should be on top of a national floor, not leaving some children destitute because of the accident of where they are born. Racial equity analyses should ensure that policies and practices do not perpetuate disparities. Child care should be adequately funded so it doesn’t have to compete with cash assistance. States with low grants should be eligible for more money, but only for direct supports for families. Programs must respond to economic conditions and not send people out to search for jobs that don’t exist. We should not put obstacles in the way of parents seeking postsecondary credentials. We should stop rewarding states for caseload reduction and get serious about measuring outcomes. We should consider states spending additional funds on people in need as a good thing, not a trick. But perhaps most of all, we need a new narrative, one that turns away from stigmatizing people experiencing poverty and recognizes the realities of today’s economy and how society cannot truly thrive unless we all thrive. Without a new narrative, we will remain stuck in the discourse of 1996.

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