TANF: The Past, the Present, and the Future of Ending Welfare As We Know It?

A Nation that Works Conference
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Chicago, Illinois
Nationally, TANF’s role as a safety net has declined sharply

Number of families receiving AFDC/TANF benefits for every 100 families with children in poverty

1979: 82

1996: 68

2014: 23

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

States are providing cash aid to a much smaller share of poor families under TANF.
TANF cash benefits are very low and have eroded significantly over time

Maximum TANF benefit as percent of poverty line (for a family of three)

TANF = Temporary Assistance for Needy Families
Note: The federal poverty level for a family of three in 2016 is $1,680 per month in the 48 contiguous states and Washington, D.C.; Alaska and Hawaii have higher poverty levels.
Source: 2016 Health and Human Services Poverty Guidelines. TANF benefit levels for a single-parent family of three were compiled by CBPP from various sources and are current as of July 1, 2016.
TANF cases have declined dramatically, even when poverty, and deep poverty, increased.

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

**TANF at 20**

States spend very little of their federal and state TANF funds on programs to support poor families and connect them to employment opportunities.

- **26%** of funds are spent on basic assistance for poor families.
- **16%** of funds are spent on child care.
- **8%** of funds are spent on work-related activities.

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#TANFat20
Major Tax Credits and Means-Tested Programs Lifted Millions Out of Poverty in 2012 (SPM)

Millions of people lifted above poverty line

<table>
<thead>
<tr>
<th>Program</th>
<th>Millions without corrections</th>
<th>Millions with corrections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned Income Tax Credit &amp; Child Tax Credit</td>
<td>10.1</td>
<td>10.3</td>
</tr>
<tr>
<td>SNAP (food stamps)</td>
<td>4.9</td>
<td>10.3</td>
</tr>
<tr>
<td>Housing assistance</td>
<td>2.8</td>
<td>4.0</td>
</tr>
<tr>
<td>Supplemental Security Income (SSI)</td>
<td>3.3</td>
<td>5.1</td>
</tr>
<tr>
<td>Temporary Assistance for Needy Families (TANF)</td>
<td>0.5</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Note: Figures show the number of people lifted above the poverty line using the federal government’s Supplemental Poverty Measure (SPM) with corrections for underreporting.

Children who gained access to Food Stamps, fared better in the long term

Percentage-point change for disadvantaged children in counties where food stamps became available

- Stunted growth: -6%
- Heart disease: -5%
- Obesity: -16%
- High school completion: +18%

Purchasing Power of CalWORKs Grants Has Dropped by More Than Half Since 1987-88

Maximum AFDC/CalWORKs Grant for a Family of Three

$0 $200 $400 $600 $800 $1,000 $1,200 $1,400 $1,600

$633 $694 $723 $638

Loss of purchasing power since 1987-88 = 53.4 percent

Maximum Grant if Grant Had Been Adjusted for Inflation Each Year

Actual Maximum Grant

Note: Maximum grants are for high-cost counties beginning in 1996-97.
Previously, maximum grant levels did not vary by county.
Source: CBP analysis of Department of Finance and Department of Social Services data
Opportunity to Make a Difference

Cash Assistance

Work Activities

High Quality Child Care

Supportive Services

More Money
Better Child Outcomes
Mixed Effects Even for Families Who Receive Assistance

Cash Assistance

+ Work Requirements

+ Sanctions

+ Child Care

More Money
More Stress
?? Child Outcomes
Little Opportunity for Education and Training

Percentage of Work-Eligible Individuals by Activity for FY 2014

Source: DHHS Administration for Children and Families
The realities of today’s labor market

Unemployment Rate by Level of Education

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

Unemployment Rate

http://www.calculatedriskblog.com/

www.clasp.org

### Impacts of College Credits and Credentials on Employment and Quarterly Earnings – Colorado Works Recipients

<table>
<thead>
<tr>
<th></th>
<th>30 credits, no degree</th>
<th>Short-term certificate</th>
<th>Certificate</th>
<th>Associate of Arts/General Studies</th>
<th>Associate of Applied Science</th>
<th>Bachelor's Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>-0.2%</td>
<td>11.9%</td>
<td>11.9%</td>
<td>14.9%</td>
<td>21.0%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Earnings</td>
<td>-$4</td>
<td>$416</td>
<td>$694</td>
<td>$432</td>
<td>$2,200</td>
<td>$1,482</td>
</tr>
</tbody>
</table>
More than Half of TANF Adults are Under Age 29

TANF Work Eligible Individuals by Age

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

Source: CLASP, Young Adults and TANF, October 2015
Thank You!

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