



TANF at 15: Looking at its Past Performance and Ways to Improve State Programs

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2011 Region IX TANF Administrators

Innovative Solutions Workshop

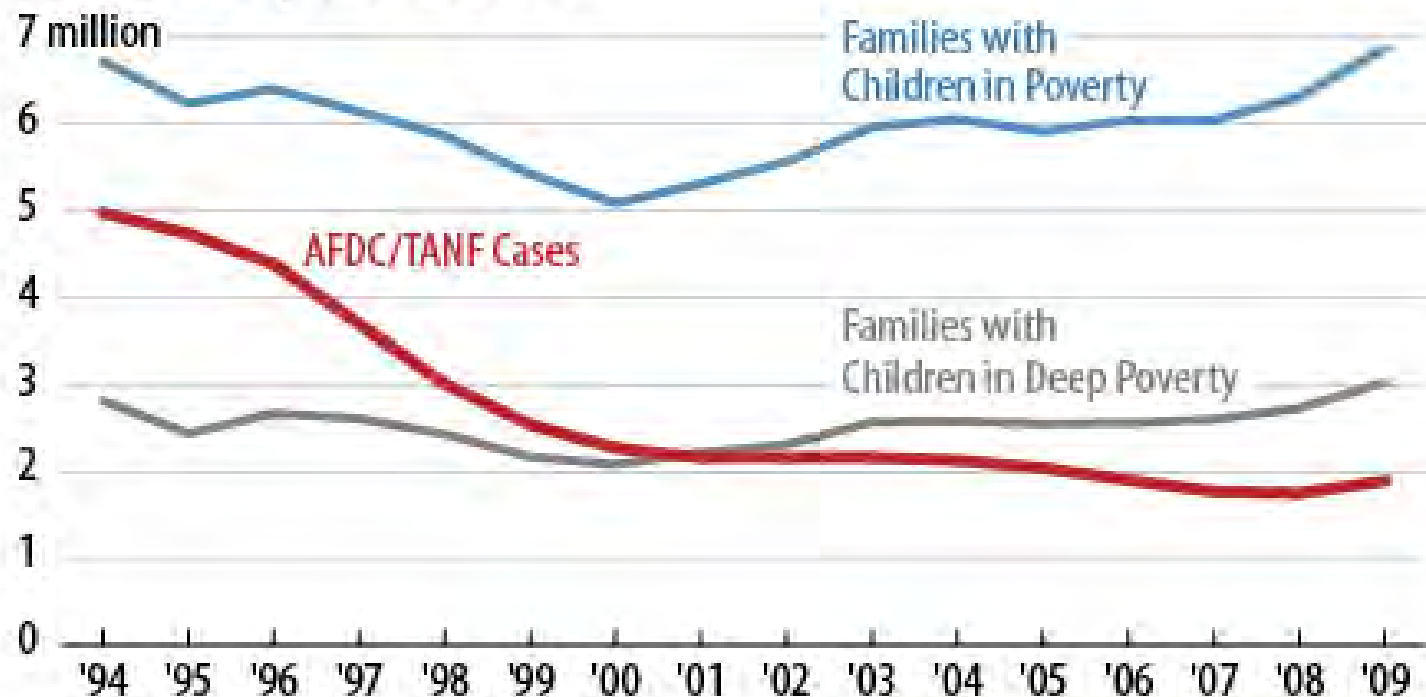
San Francisco, California, September 2011

Twin Goals to Consider in Performance: Safety Net and Work Program

- How well has TANF served as a safety net for poor families, particularly in hard times?
- How effective has TANF been in connecting people to work and improving future prospects of families?

TANF's role in providing income support to poor families has declined

TANF Cases Have Declined Dramatically, Including in Years When Poverty Has Increased

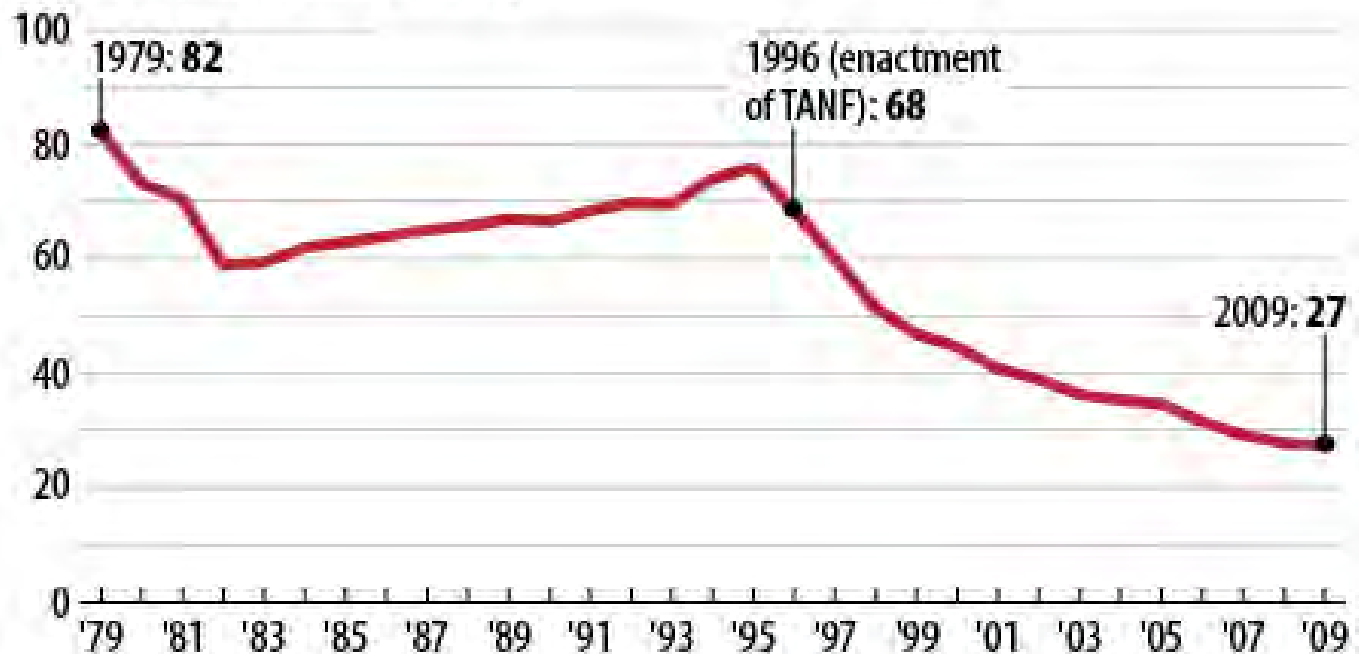


Source: CBPP analysis.

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A decreasing share of poor families receive cash assistance from TANF

Number of Families Receiving AFDC/TANF Benefits for Every 100 Families in Poverty

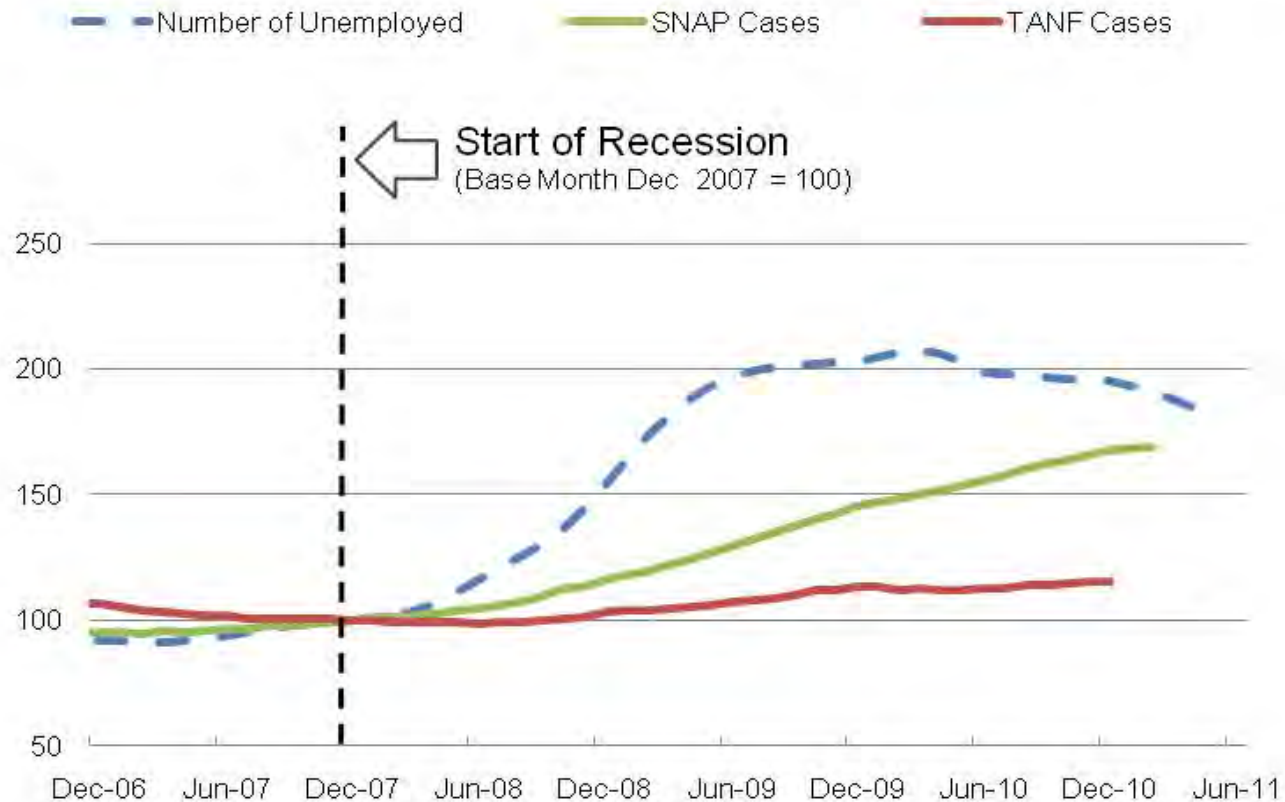


Source: CBPP analysis.

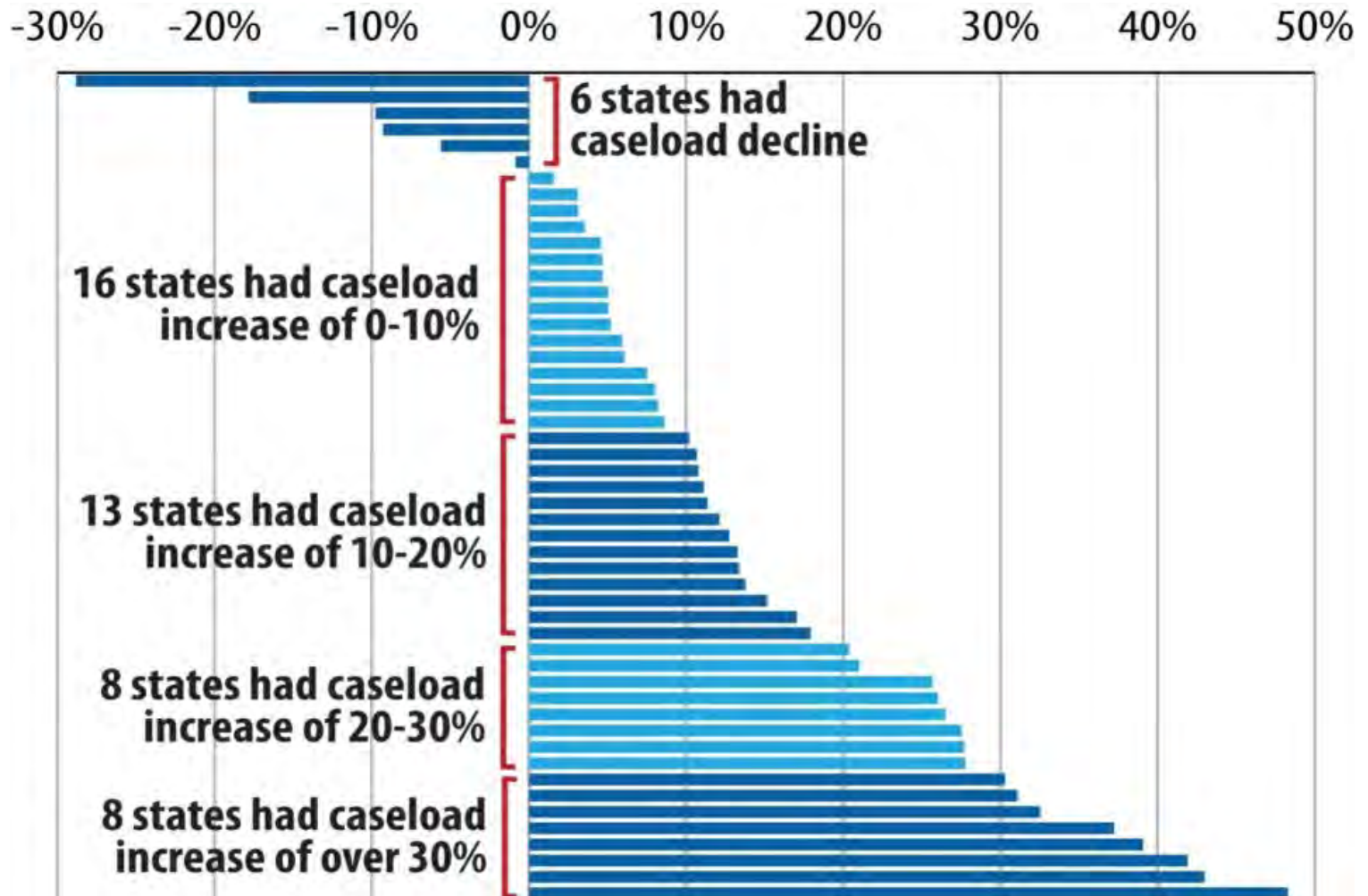
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TANF caseload has lagged behind need in responding to the recession

United States

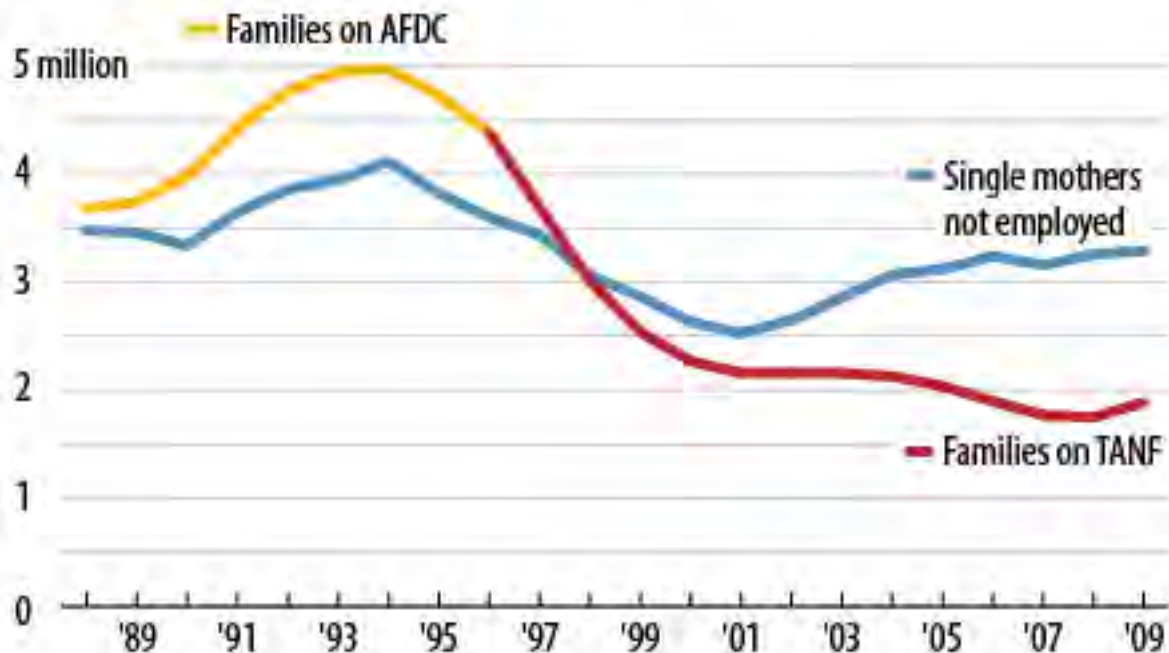


National TANF increase masks significant variation among states (12/07-12/09)



TANF caseloads mostly declined as joblessness increased

TANF Less Responsive Than AFDC to Changes in Joblessness Among Single Mothers

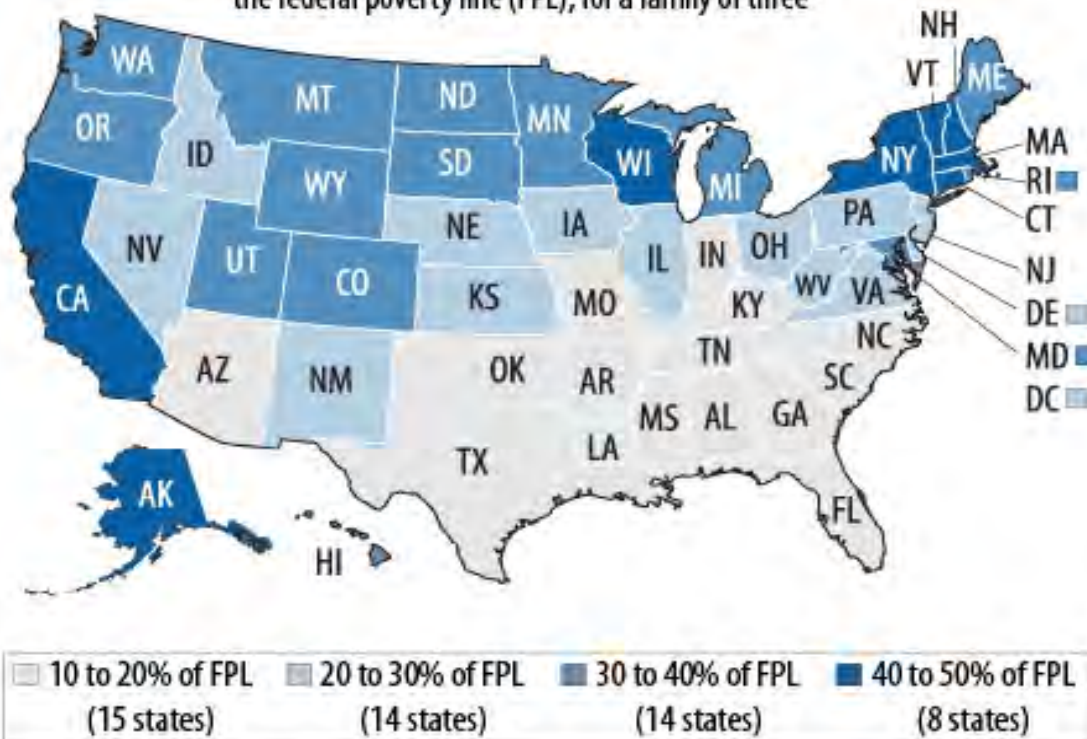


Source: CBPP analysis of March CPS data (for employment) and program data from HHS and states (for cases). Employment data for 1988 and 2001 use the latest available sample. AFDC/TANF cases include separate state programs and state-only programs, and exclude work supplement programs that generally provide only small and occasional payments.

TANF benefits are low, below half of the federal poverty line in all states

Maximum TANF Benefits Leave Families Well Below Poverty Level

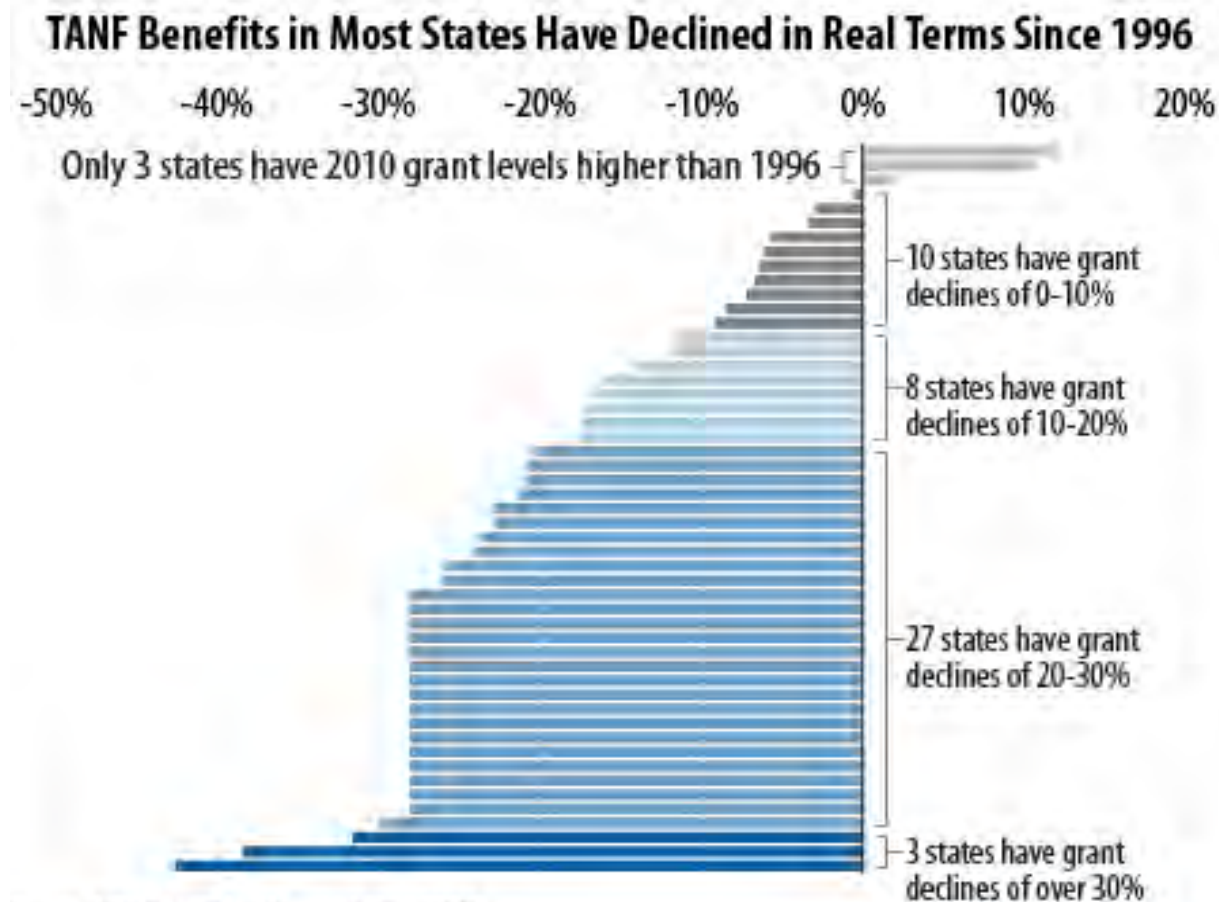
State maximum TANF benefit levels as a percentage of the federal poverty line (FPL), for a family of three



Note: Hawaii and Alaska poverty lines are higher than the other 48 states

Source: 2010 benefit levels compiled by CBPP.

Benefit levels have gotten lower in real dollars under TANF



Source: 2010 benefit levels compiled by CBPP.

With fewer poor families on TANF and lower benefits, TANF is less effective safety net than AFDC was

TANF Lifts Many Fewer Children out of Deep Poverty Than AFDC Did

TANF (2005)

Lifted 21% of children who otherwise would have been in deep poverty

 650,000 children

AFDC (1995)

Lifted 62% of children who otherwise would have been in deep poverty

 2,210,000 children

Source: CBPP analysis of Current Population Survey, additional data from HHS TRIM model.

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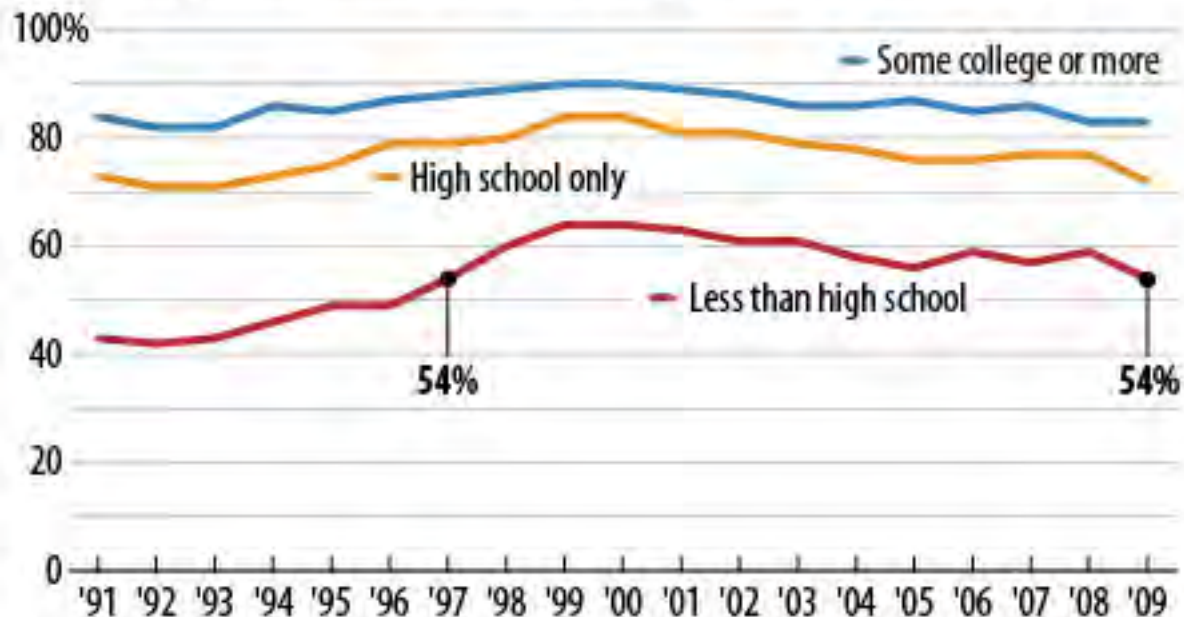
How effective are TANF work programs?

- Caseload decline more about (past) strong economy and eligible families not getting served than employment success
- What are the work-related needs of current caseload?
 - TANF WPR not a good match for those needs and poor measure of state efforts
 - Tension between good work prep policies and meeting TANF WPR
- What makes sense in the current economy?

Employment gains of early TANF years due in large part to strong economy, now lost

Employment Gains of TANF's Early Years Have Disappeared

Percent of single mothers with any earnings during the year, by education level

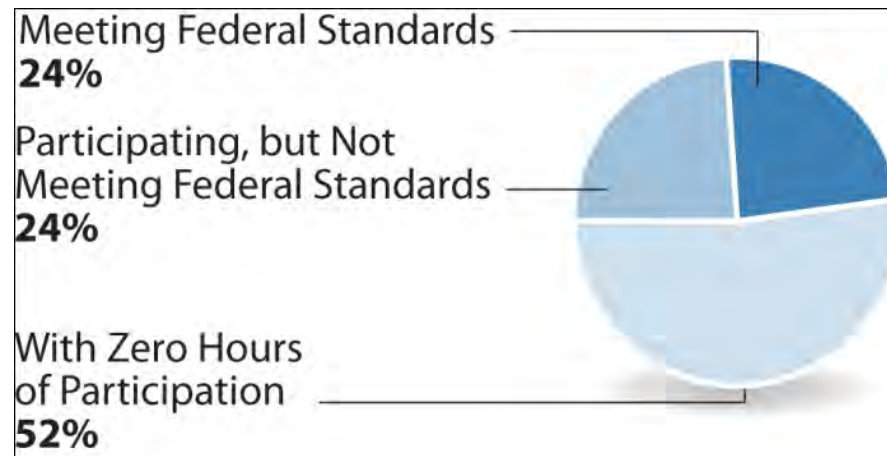


Source: CBPP analysis of March CPS data.

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Only half of those participating in activities count toward meeting WPR

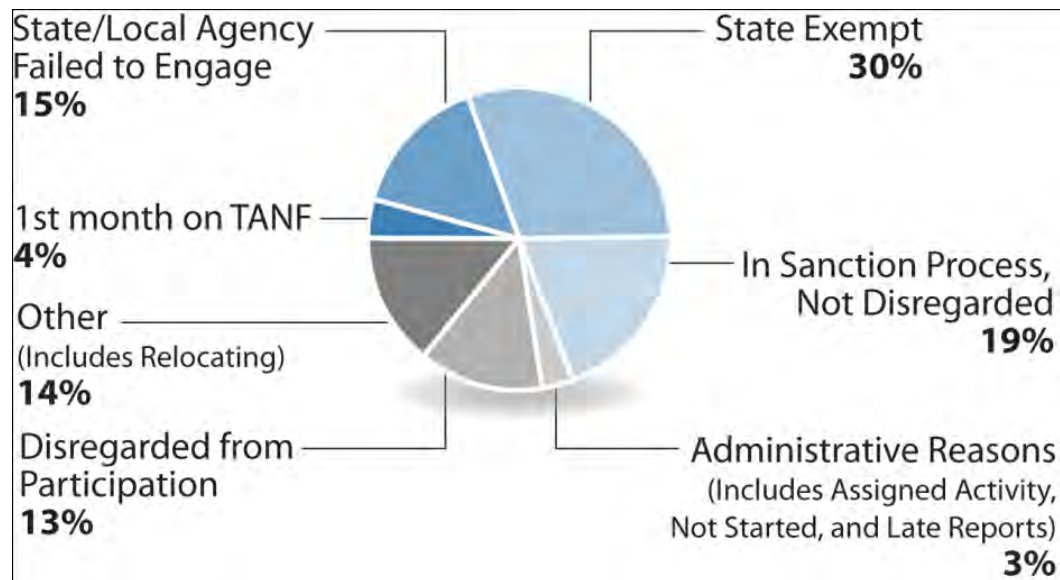
Work Eligible Individuals by Participation Status



Source: HHS data from state ACF-812 reports

Most persons not counting in WPR are for good reasons

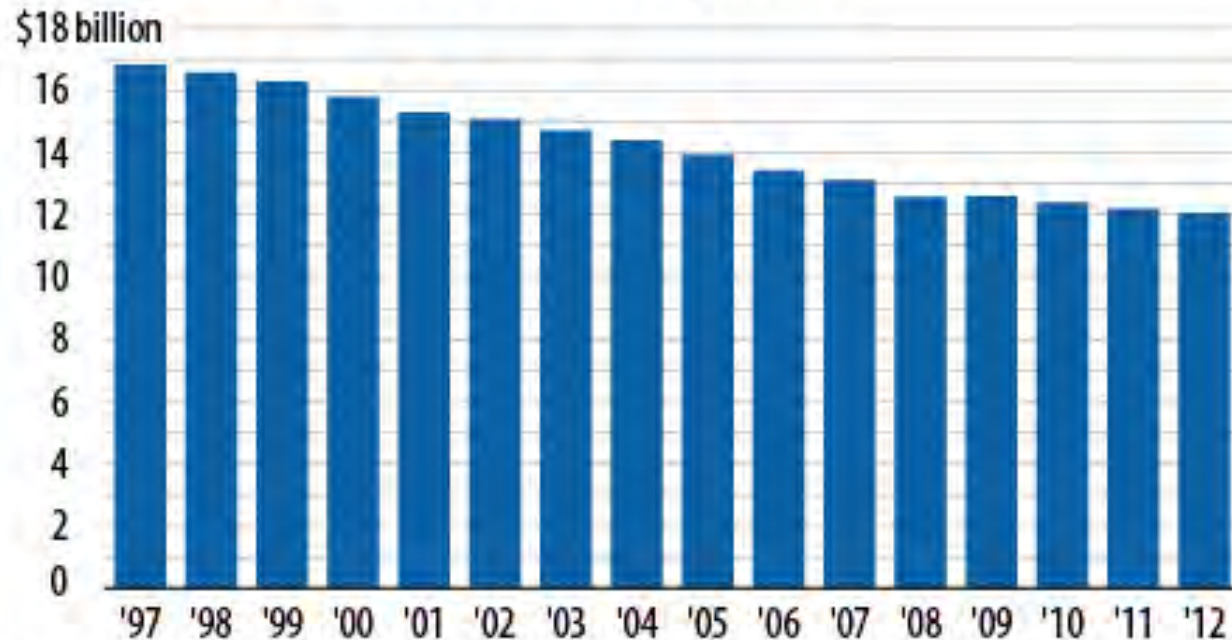
Work Eligible Individual with Zero Hours by Reason for Non-Participation



Source: HHS data from state ACF-812 reports

Diminished TANF dollars available to improve work or safety net programs

Real Federal TANF Funding Has Steadily Declined

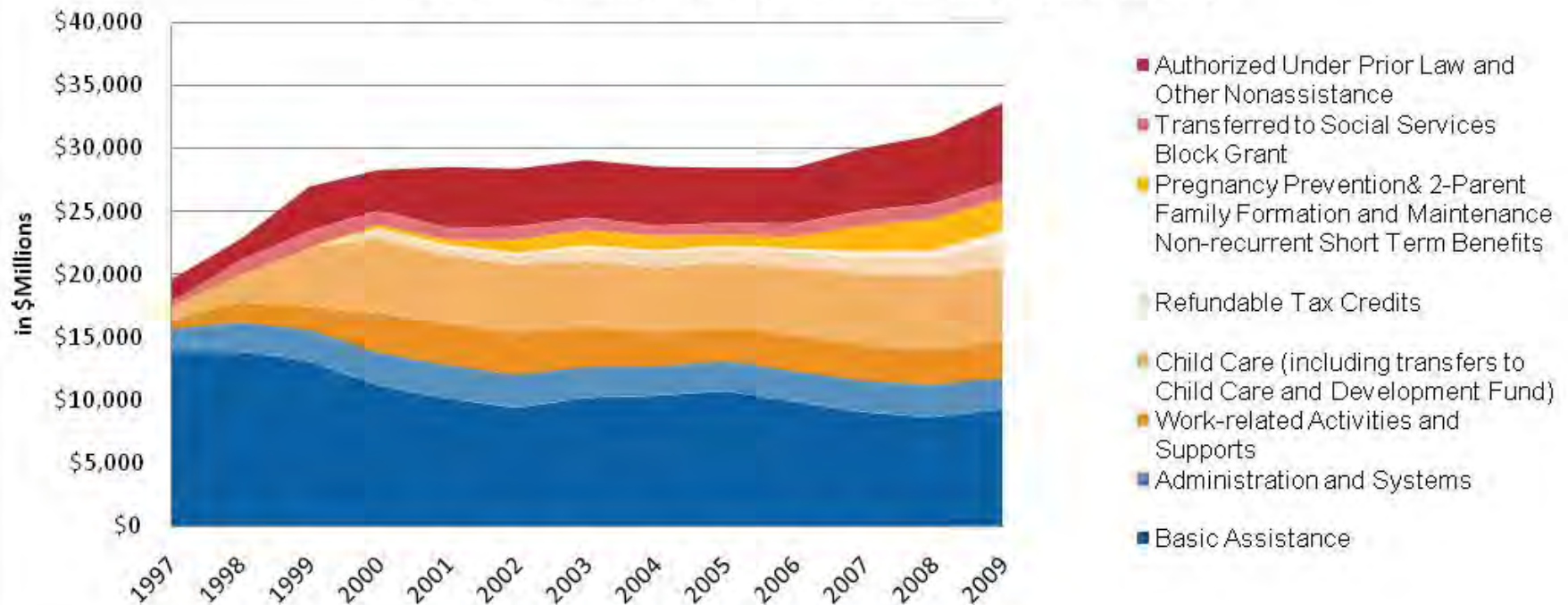


Source: CBPP analysis of TANF spending data. These figures are in 1997 dollars adjusted for inflation and include both the basic TANF block grant and supplemental grants to 17 states.

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Overall TANF/MOE Spending Trends Nationwide

Total Federal TANF and MOE Spending by Category



What can states do?

- How can states improve their program performance in the current context of:
 - Weak economy with fewer jobs available
 - Diminished TANF funding with greater demands on it
 - Work program measures (WPR) that are not useful

Ways to improve work programs

- Cannot afford to spend just to meet WPR if not an effective strategy
- Consider less costly ways to meet work rate
- Target some activities, skip others, consider exemptions
- Consider activities that make sense now –
 - Increase education to build skills for future
 - Subsidized jobs when limited other jobs available

How to improve TANF as a safety net?

- Take hard look at who is not being served
 - Share of poor (or deeply poor) families not served
 - Contrast with responsiveness of SNAP in recession
- What about those we do not expect to leave for work – state exempt, child only
 - Consider benefit levels for all or alternate benefit standards for some families