



End Poverty: Make TANF Work! Summary of Key Policy Priorities

Poverty reduction should be a key goal of the TANF block grant and funding must be increased accordingly. In addition, Congress must:

1) “Open Up” TANF to Two-Parent Families and Low-Wage Workers

? ? Require states to provide TANF cash assistance and supports to two-parent families on a non-discriminatory basis.

? ? Require states to make TANF broadly available to *all* low-wage workers on a non-discriminatory basis. If a state provides cash assistance and related benefits to parents who have left TANF for employment, they should provide those same supports to all low-wage workers, regardless of whether they have received TANF in the past.

2) Promote Access to Education and Training

? ? Count education and training – including the full continuum of basic, secondary, and post-secondary education, English as a Second Language, and skills training – as a work activity.

? ? Stop the time limit clock for parents while they are engaged in education and training.

? ? Eliminate the 12-month cap on the length of time parents may be engaged in education and training.

? ? Eliminate the 30 percent cap on the portion of the caseload that may engage in education and training.

3) Stop the Time Limit Clock for Families “Following the Rules” and in High Unemployment Areas

? ? Stop the time limit clock for families who are “following the rules” – meeting all work and program requirements.

? ? Stop the time clock in periods or geographic areas of high unemployment.

4) Value Families and Children

- ? ? Eliminate work requirements and stop the time limit clock for parents with very young, sick or disabled children, and reduce work requirements for parents with young children.
- ? ? Ensure that all families with incomes below 200 percent of poverty have access to high-quality childcare. States should be able to use federal childcare dollars to follow the example of Montana and Minnesota, which allow parents to receive childcare subsidies to care for their own children.
- ? ? Create a new federal fund, in addition to the TANF block grant, to encourage state efforts to provide paid vacation, sick and parental leave to low-wage parents.
- ? ? Ensure that grandparent caregivers are not required to engage in work activities, but if they choose to do so that all supports and services are available to them.
- ? ? Value *all* families and do not adopt punitive policies that punish single parent families, or coerce them into marriage.

4) Restore TANF and Related Benefits to Immigrants

- ? ? Require states to provide TANF and Medicaid/SCHIP to immigrants who otherwise qualify, and should restore Food Stamps and SSI to all lawfully residing immigrants regardless of date of entry.
- ? ? Ensure cultural and linguistic access, including allowing English as a Second Language (ESL) to count as a work activity.

5) Create a Federal Public Jobs Program

- ? ? Create a \$500 million fund in addition to the TANF block grant to support state and local public jobs programs that provide valuable experience, benefits and real skills training to low-income adults.

6) Ensure Fair Treatment and Racial Equity

- ? ? Ensure that low-income parents have the right to apply for cash assistance, a thorough assessment of their needs and an appropriate response to identified needs, a formal grievance procedure to appeal decisions, and a conciliation process to ensure that they are not sanctioned inappropriately. Applicants and recipients should be informed of their rights verbally and in writing.
- ? ? Require states to collect and report data on program outcomes broken down by race, ethnicity, and gender to account for any potential disparities and to ensure even application of rules and procedures. States should also be required to examine the racial impact of welfare policies and practices.
- ? ? Strengthen and adequately fund enforcement of civil rights laws by the Office of Civil Rights at HHS.

“OPENING UP” TANF TO TWO-PARENT FAMILIES AND LOW-WAGE WORKERS

What is the Problem?

In many states, TANF programs discriminate against two-parent families and low-wage workers. Under rules left over from AFDC days, in many states two-parent families are not eligible for TANF cash assistance except in very limited circumstances even if their incomes are very low. State rules often prevent two parent families from accessing TANF if one of the parents is employed.

Most state TANF programs also prevent low-wage families from accessing cash assistance and other supports. Many states allow parents leaving welfare to keep some portion of their welfare benefits as an “earnings supplement” if they take a low-wage job. However, a parent working in a low-wage job who had not previously received TANF cannot get this earnings supplement. Because eligibility levels are so low in most states, a parent would be forced to leave a job in order to get access to cash assistance and other supports through TANF.

What is the Solution?

TANF should be a platform to lift *all* poor families out of poverty, by providing them the income and other supports they need to get ahead.

- ? ? States should be required to provide TANF cash assistance and supports to two-parent families on a non-discriminatory basis.
- ? ? States should not discriminate against low-wage workers. If a state provides cash assistance and related benefits to parents who have left TANF for employment, they should provide those same benefits to low-wage workers who were not previously receiving TANF.

Additional Background Information

Any policy that discriminates against families because of marital status is unjustified. We therefore support equal treatment of two-parent families, and oppose any efforts to reduce benefits for single-parent families.

Low-income families typically cycle in and out of low-wage jobs, and on and off TANF. This is because low-wage jobs are inherently fragile – they do not provide enough income, health insurance, or sick, vacation or parental leave. Therefore, any childcare or transportation breakdown, or a child’s illness, often becomes a crisis for these parents. Requiring a parent to leave their job in order to qualify for income supplements or related supports that might have kept them employed is perverse and counter-productive.

PROMOTING ACCESS TO EDUCATION AND TRAINING

What is the Problem?

Most state welfare programs provide limited opportunities for parents to access education and training. The emphasis of welfare reform on caseload reduction has resulted in parents being pushed into low-wage jobs, which typically do not provide health insurance or opportunities for advancement. As one might expect, state “leaver” studies paint a sobering portrait of hardship and continuing poverty among families leaving welfare. Families typically cycle in and out of low-wage jobs (and on and off welfare) because of family emergencies, transportation and child care breakdowns, and an inability to make ends meet.

Only 1 percent of TANF dollars nationally are invested in education and training. TANF creates strong disincentives for states to provide education and training in two ways. First, states currently may not count parents engaged in education and training for more than 12 months towards their work participation requirements. Second, no more than 30 percent of a state’s caseload may be engaged in education and training activities. Maine and other states that allow parents to pursue education and training beyond these limits must now do so with limited state funds.

What is the Solution?

TANF should encourage education and training as a path for families to escape poverty.

- ? ? Education and training – including the full continuum of basic, secondary, and post-secondary education, English as a Second Language, and skills training – should count as a work activity.
- ? ? The time limit clock should stop for parents while they are engaged in education and training.
- ? ? The 12-month cap on the length of time parents may engage in education and training and the 30 percent cap on the portion of the caseload that may engage in education and training must be lifted.
- ? ? There should be accountability mechanisms in place that will track and reward improvements in:
 - 1) Who is able to access education and training, by race, educational level, and other demographic measures and;
 - 2) What starting wage and benefits people are getting at initial employment, how long they stay in that employment, and what wage increases follow.

Additional Background Information

Parents engaging in education and training are likely to get better jobs with better initial wages and benefits, are more likely to hold their jobs and less likely to return to welfare, and are more likely to advance in their jobs over time. For example, 85 percent of parents who complete college do not return to welfare. There are inter-generational benefits as well: the children of parents with higher education are more likely to pursue higher education than other children.

Eliminating the “caps” on education and training in TANF is fully consistent with an emphasis on allowing states to design effective welfare programs. The case for education and training is even stronger during a recession when there are few jobs for parents to take. According to a recent poll by the Feldman Group, more than 90 percent of voters support investing in welfare parents’ skills so that they can escape poverty.

STOPPING THE CLOCK FOR FAMILIES “FOLLOWING THE RULES” AND IN HIGH UNEMPLOYMENT AREAS

What is the Problem?

The 1996 welfare law established a five-year lifetime time limit on assistance, and allowed states to set shorter time limits. Many states opted for shorter time limits, and more than 150,000 families have already been cut off or have had their benefits reduced as a result. Studies now show that time-limited families in these states face severe hardship after losing assistance. Time limits put the well-being of families and children at risk.

In most states, the lifetime limit will go into effect this year, while unemployment rates are at their highest point in years, particularly for low-wage workers and people of color. The “work first” culture of welfare reform made little sense in the best of times, because it failed to put families on a path out of poverty. Now, it is unrealistic and unfair to impose time limits on families when the economy is in recession, especially when low-wage workers who recently got jobs may not qualify for Unemployment Insurance.

What is the Solution?

The TANF time clock should not tick for families who are in compliance and those who are living in areas of high unemployment.

? ? Families who are “following the rules” – meeting all work and program requirements – should not have their clocks ticking.

? ? The clock should stop for families who are living in areas of high unemployment.

Additional Background Information

States are beginning to act to address the time limit crisis. As a result of intense grassroots pressure from low-income parents and their allies, Washington and Pennsylvania have announced that they would continue benefits for many families reaching their time limits. Still, unless Congress allows states to use federal TANF dollars to fund benefits for these families, states will have strong disincentives to protect families.

Parents losing assistance due to time limits face severe barriers. In Utah, for example, as many as 48 percent of time limit leavers are depressed, 22 percent experience post-traumatic stress disorder, 32 percent have a learning disability, 45 percent do not have a high school diploma or GED, and 17 percent experienced severe domestic abuse in the previous 12 months. At the same time, many parents losing assistance due to time limits are working, but still poor. In Connecticut, for example, the state with the shortest time limit at 21 months, 85 percent of recipients were employed when their case was closed.

VALUING FAMILIES AND CHILDREN

What is the Problem?

All parents have trouble managing the demands of their jobs and their care-giving responsibilities in the home, but these problems are most acute for low-income parents. While low-income families are more likely to have health problems and less likely to have insurance than other parents, low-wage jobs often do not provide the vacation, sick and parental leave that would allow low-income parents to care for a sick child or a newborn. In addition, high quality, affordable childcare options are limited, and infant and off-hour care is often not available. Many low-income parents suffer from a time crunch as they spend hours traveling to and from work and childcare centers.

Welfare reform has often forced parents to make an impossible choice between their jobs and the well-being of their children. Welfare reform has also failed to meet the needs of the growing numbers grandparent and kinship caregivers. We need a new paradigm for welfare reform that puts the well-being of children and families first.

What is the Solution?

Congress should support a real pro-family agenda by developing policies that help low-income parents balance the competing demands of work and family life.

- ? ? Eliminate work requirements and stop the time limit clock for parents with very young, sick or disabled children, and reduce work requirements for parents with young children.
- ? ? Ensure that all families with incomes below 200 percent of poverty have access to high-quality childcare. States should be able to use federal child care dollars to follow the example of Montana and Minnesota, which allow parents to receive child care subsidies to care for their own children.
- ? ? Create a new federal fund, in addition to the TANF block grant, to encourage state efforts to provide paid vacation, sick and parental leave to low-wage parents.
- ? ? Ensure that grandparent caregivers are not required to engage in work activities, but if they choose to do so that all supports and services are available to them.
- ? ? Value *all* families and do not adopt punitive policies that punish single parent families, or coerce them into marriage.

Additional Background Information

The authors of welfare reform often argued that middle-class parents cannot stay home with their infants, so poor women should not be allowed to do so either. However, new census data shows that 50 percent of all mothers of infants are not employed, and another 17 percent work in part-time jobs. Welfare rules should not hold low-income parents to a different standard, especially in light of the greater barriers they face.

Sixty percent of non-poor parents had four weeks or more of combined sick and vacation leave per year, compared to only 22 percent of workers below the poverty line. Most Americans would be shocked to learn that 34 percent of poor workers lack *any* family benefits at the job: they have no sick leave, no vacation and no schedule flexibility.

RESTORE TANF AND RELATED BENEFITS TO IMMIGRANTS

What is the Problem?

Legal immigrant families who entered the country after 1996 are barred from accessing public benefits (TANF, Food Stamps, Medicaid and SSI), leaving a large hole in the social safety net for low-income families.

Under TANF and the immigration laws, legal immigrants who entered the country after August 22, 1996 cannot receive public benefits for five years and then are subject to significant barriers that in practice make them ineligible. Among these barriers are: lack of language access and lack of culturally appropriate services; “deeming” provisions that count an immigrant’s sponsor’s income as their own for purpose of determining eligibility, even if that income is not really available to the immigrant; racial and ethnic discrimination; and fear of being labeled a “public charge,” which makes it harder to become a citizen. Since 1996, there has been dramatic decline in participation by immigrants – for example, 80 percent fewer lawfully present immigrants and 75 percent fewer U.S. citizen children of lawfully present immigrants receive food stamps. Yet, more than one in four low-income children live in immigrant families.

What is the Solution?

TANF should be a platform to lift *all* poor families out of poverty, by restoring benefits to all lawfully residing immigrants and removing barriers to access.

- ? ? Congress should require states to provide TANF and Medicaid/SCHIP to immigrants who otherwise qualify, and should restore Food Stamps and SSI to all lawfully residing immigrants regardless of date of entry.
- ? ? Congress should ensure cultural and linguistic access, including allowing English as a Second Language (ESL) to count as a work activity.

Additional Background Information

Immigrants are an growing share of the low-wage workforce (one out of 7 workers is an immigrant) and pay a significant amount in taxes annually, contributing considerably to the U.S. economy. Immigrants pay more in than they cost the government. According to the National Academy of Sciences, immigrants pay an estimated \$80,000 more in taxes over a lifetime than they receive in local, state, and federal benefits.

Although 18 states have created state programs to make up for federal cuts, the result has been a patchwork of unclear and uneven benefits that leave many immigrants ineligible and place an unfair financial burden on states. The U.S. economy, as seen in the Census data released in April 2001, depends on immigrant workers in all 50 states of the country. Many immigrants are actively volunteering and are currently fighting in the war, yet are denied basic public benefits in this country.

CREATE A FEDERAL PUBLIC JOBS PROGRAM

What is the Problem?

While welfare caseloads are down dramatically since 1996, evidence from states' "leaver" studies clearly demonstrates that welfare reform has not been a success in helping low-income parents get the skills, education and support they need to get and keep well-paying jobs. Many face bouts of unemployment after leaving the rolls, often due to inadequate work supports like childcare and transportation, and those who are working make less than \$8 an hour. Clearly, the "work first" focus of the current welfare system has done little to help these families move out of poverty.

Even worse, some states have created punitive "workfare" programs that require welfare recipients to work for their benefits, often for less than the minimum wage, without access to benefits like sick or vacation leave or, in some cases, even basic worker protections. Because workfare positions are not considered paid employment, participants cannot qualify for the Earned Income Tax Credit or other earnings-based wage supplements. Many testify that they could not put their workfare assignment on a resumé, because employers do not consider it meaningful work experience.

Welfare time limits are hitting in most states this year, and those who are left on the rolls often face the most serious barriers to employment, such as limited education or work history. At the same time, even though experts predict that the recession's end is on the horizon, unemployment remains abysmally high, particularly for low-wage workers, single parents and people of color.

What is the Solution?

Public jobs programs that provide access to well-paying jobs, training and supports are crucial to ensure that all low-income parents have the opportunity to lift their families out of poverty.

? ? Congress should create a \$500 million fund in addition to the TANF block grant to support state and local public jobs programs that provide valuable experience, benefits and real skills training to low-income adults.

Additional Background Information

Public jobs programs create temporary jobs for welfare recipients and other low-income adults in public and non-profit organizations. They combine paid work with education and training, mentorship and supportive services to provide participants with a meaningful work experience that can give them stronger standing in the workforce as they continue to progress in careers over time. Because these are wage-based programs and not punitive "workfare" programs, they do not count against participants' TANF time limits, allow participants to earn social security credits, and may qualify participants for the Earned Income Tax Credit and the Refundable Child Tax Credit.

The evidence so far indicates that public jobs programs have very positive outcomes in improving the long-term employability and earnings of TANF parents. This is in sharp contrast to the record of "workfare" programs – no study has shown any positive impact on employment prospects for workfare participants.

ENSURE FAIR TREATMENT AND RACIAL EQUITY

What is the Problem?

Welfare reform “devolved” key decisions to states, eliminated basic federal protections for applicants and parents receiving welfare and gave broad discretion to individual caseworkers. The result has been unclear rules, arbitrary and inconsistent application of the rules, and widening racial disparities.

Low-income parents have no right to apply for welfare, no matter how desperate their situation, and are frequently “diverted” away from welfare, sometimes to a job, sometimes to nothing. Real assessments of families’ needs are often not conducted, resulting in a failure to address issues such as domestic violence or health problems. Families often face a loss of benefits due to sanctions with no grievance procedure, and no affirmative effort by the state to identify and address legitimate problems that prevent families from complying with program rules.

In addition, there is growing evidence of disparities based on race. African Americans and Latinos may be “tracked” into job search or “dress for success,” while whites are given access to greater work supports and training opportunities. African-Americans and Latinos are less likely to get a job when they leave welfare than whites, are more likely to be sanctioned than whites, and more likely than whites to leave welfare because of time limits.

What is the Solution?

TANF should create minimum federal standards to ensure fair treatment and racial equity for low-income parents.

- ? ? Low-income parents should have the right to apply for cash assistance, a thorough assessment of their needs and an appropriate response to identified needs, a formal grievance procedure to appeal decisions, and a conciliation process to ensure that families are not sanctioned inappropriately. Applicants and recipients should be informed of their rights verbally and in writing.
- ? ? Ensure that states collect data on program outcomes broken down by race, ethnicity, and gender to account for any potential disparities and to ensure even application of rules and procedures. This data should be provided in a timely basis to HHS and made available through the Internet and other means to the public. States should also be required to examine the racial impact of welfare policies and practices.
- ? ? Strengthen and adequately fund enforcement of civil rights laws by the Office of Civil Rights at the Department of Health and Human Services.