



The Women's Legal Defense
and Education Fund

STATEMENT OF LEGAL MOMENTUM

*Submitted to the Subcommittee on Income Security and Family Support of the House Committee
on Ways and Means to be included in the record of the Subcommittee's April 22, 2010 Hearing
on the Role of Education and Training in the TANF Program*

We applaud the Subcommittee for holding a hearing on the role of education and training in the Temporary Assistance for Needy Families (TANF) program. We agree with Chairman McDermott that TANF must be “changed from ‘work first’ to ‘work best’.”¹ Work First has helped perpetuate single mother poverty and single mother employment in low wage “women’s work.” We urge Congress and the Administration to move forward rapidly to amend the TANF statute to embrace the Work Best approach.

Since TANF’s creation in 1996 federal policy has embraced a “Work First” approach, meaning an approach that stresses immediate employment in any available job as the aim of TANF work programs.² States are penalized unless a specified percentage of recipients participate in federally countable activities. High school attendance generally counts as full participation only if the parent is under age 20, and college attendance as full participation only if the program of study qualifies as “vocational education” and then only for 12 months. In 2008, fewer than 2% of adult recipients were counted as participating based on high school/GED attendance, and only about 4% were counted as participating based on attendance in vocational education.³

Work First Helps Perpetuate High Single Mother Poverty Rates

TANF’s Work First policy deters and prevents the single mothers receiving TANF from going to school even though 40% have not completed high school and only 5% have attended college even for a day.⁴ This denial of educational opportunity helps perpetuate the high poverty rates for single mother families that have prevailed for decades. The poverty rate is now about 50% for single mothers who lack a high school degree, compared with about 30% for single mothers with a high school degree, about 20% for single mothers with an Associate’s degree, and about 10% for single mothers with a Bachelor’s degree.⁵

Work First Reinforces Single Mother Employment In Unstable, No-Benefits, Low-Wage “Women’s Work.”

When they leave TANF, mothers overwhelmingly enter low wage jobs in low wage industries and occupations dominated by women with typical wages of between \$7 and \$8 an hour.⁶ Twelve of fifteen federally funded studies of parents who had left TANF (“TANF leavers”) found that average earnings in the quarter after leaving TANF were less than the poverty level for a family of three.⁷ Most TANF leaver jobs lack basic benefits such as health coverage, sick leave, pensions, and vacation.⁸ Many of these jobs are unstable, with the percentage of TANF leavers employed in all four quarters after leaving TANF ranging from a low of 35% to a high of only 58% in five state studies.⁹

Due to low wages and unstable employment, TANF leavers often experience severe hardship. In state TANF leaver surveys, the percentage reporting “moved or evicted” ranged from 5% to 21% (11 states); “needed medical care but couldn’t get it” from 13% to 54% (8 states); “had a time when no way to buy food” from 13% to 44% (8 states); “electricity cut-off” from 2% to 36% (6 states); and “phone cut-off” from 22% to 48% (6 states).¹⁰

Work Best Can Lead To Higher Employment and Earnings

Work Best means an approach that stresses finding the best path to sustainable employment based on each individual's needs, desires, and abilities as the aim of TANF work programs. This approach enables TANF recipients who are able and willing to go to school to do so, and can lead to higher rates of employment and earnings. Among all single mothers, those with a high school degree have much higher wage rates and employment rates than those without a high school degree. In 2009, single mothers with a high school degree had an employment rate of 57% and average earnings of \$29,352 when working full-time, year-round; single mothers

without a high school degree had an employment rate of only 37% and average earnings of only \$21,764 when working full-time year-round.¹¹

Similarly, single mothers with a college degree have much higher wage rates and employment rates than those with only a high school degree. In 2009, single mothers with an Associate's degree had an employment rate of 70% and average earnings of \$38,677 when working full-time, year-round; single mothers with a Bachelor's degree (or more) had an employment rate of 76% and average earnings of \$59,392 when working full-time, year-round.

CONCLUSION

Work First creates a roadblock to the educational opportunity that is a real path out of poverty and into stable, living wage employment. Work First should be replaced by a Work Best policy that supports single mothers who wish to go to school.

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¹ Opening Statement By Chairman Jim McDermott, available at <http://waysandmeans.house.gov/Hearings/OpeningStatement.aspx?OSID=3054>

² The federal TANF work rules are complex in detail. For a more thorough discussion, see Committee on Ways and Means U.S. House of Representatives, *Background Material and Data on the Programs within the Jurisdiction of the Committee on Ways and Means 2008* (popular name "Greenbook"), at 7-59 – 7-80 (2008), available at <http://waysandmeans.house.gov/Documents.asp?section=2168>.

³ HHS TANF table available at <http://www.acf.hhs.gov/programs/ofa/particip/2008/tab6a.htm>

⁴ U.S. Department of Health and Human Services (HHS), *Temporary Assistance For Needy Families, Eighth Annual Report To Congress*, at Table 10-25, (2009), available at <http://www.acf.hhs.gov/programs/ofa/data-reports/annualreport8/ar8index.htm>. This HHS report indicates that 4.6% of adult recipients had "more than 12 years" education but does not indicate how many had obtained either a two year or four year degree. About 90% of parents receiving TANF are single mothers.

⁵ Poverty rates calculated by Legal Momentum using the U.S. Census Bureau Current Population Survey Table Creator at http://www.census.gov/hhes/www/cpssc/cps_table_creator.html. The poverty rates are those for "female-headed primary families, no spouse present."

⁶ Elizabeth Lower-Basch & Mark Greenberg, *Single Mothers in the Era of Welfare Reform*, at 175-6 (2008), available at <http://www.clasp.org/admin/site/publications/files/0490.pdf>.

⁷ *Greenbook*, *supra* n. 2, at 7-85 – 7-86.

⁸ *Single Mothers in the Era of Welfare Reform*, *supra* n.6; see also, Christine Devere, *Welfare Reform Research: What Do We Know About Those Who Leave Welfare*, at 12, (2001), a Congressional Research Service report for Congress, available at https://www.policyarchive.org/bitstream/handle/10207/1165/RL30882_20010313.pdf?sequence=1.

⁹ *Id.* at 14.

¹⁰ *Id.* at Table 2.

¹¹ Employment rates and average earnings calculated by Legal Momentum using the U.S. Census Bureau Current Population Survey Table Creator at http://www.census.gov/hhes/www/cpssc/cps_table_creator.html.