

Statement of Legal Momentum

*Submitted to the Senate Finance Committee to be included in the record of the Committee's
September 21, 2010 Hearing on
"Regarding Welfare Reform: A New Conversation on Women and Poverty"*

We applaud the Committee for holding a hearing on the Temporary Assistance for Needy Families (TANF) program. TANF is especially important for single mother families for whom the poverty rate is almost forty per cent. About ninety per cent of adult recipients of TANF are single mothers, over half with a child below age 6 and over a quarter with a child below age 2. A third of adult recipients have a disability, a substantial portion are domestic violence victims, and 40% lack a high school degree.

TANF is a deeply flawed program. It barely functions as a safety net, aids only about one fifth of poor children, and provides grossly inadequate benefits to the relatively few families who are aided. In many states and localities, the TANF program is administered in a fashion that seems intended to exclude as many families as possible from eligibility or receipt of benefits.¹ In all states, the benefit levels are so low as to condemn millions of women and children to the most extreme poverty, leaving many to experience hunger, eviction, and other serious material and social deprivations. Such hardship in a country as rich as ours violates basic principles of social justice and human rights.

We urge Congress and the Obama Administration to move forward with comprehensive reauthorization legislation that will increase federal funding and raise participation rates and benefit levels in TANF. Any increase in federal funding for TANF, and any TANF emergency fund, must be accompanied by a requirement that the new funding be used to provide cash assistance or employment to poor families and not be diverted to other purposes.

FAR TOO FEW POOR FAMILIES RECEIVE TANF

TANF was created in 1996 to replace AFDC. In 1995, AFDC's last full year, AFDC aided 84% of eligible families and the monthly number of child recipients averaged 62% of the number of poor children. In 2009, TANF aided at most 40%² of eligible families and the monthly number of child recipients averaged only 21% of the number of poor children. By contrast, in 2008 Food Stamps aided 86% of eligible children.

TANF BENEFITS ARE MUCH TOO LOW

In every state, TANF benefit levels are far below the official poverty line, currently \$1,526 a month for a family of three.³ In a majority of states, the TANF benefit level is below 30% of the poverty standard. Under TANF, the real value of the benefit has declined in all but four states, with a decline since 1996 of 20% or more in twenty eight states, and a decline of 17% in the median state benefit. In July 2008, for a family of three, the daily benefit per person was less than \$8.00 in all but one state, less than \$5.00 in thirty states, and as low as \$1.86 in one state.

THE TANF PROGRAM HAS BEEN WOEFULLY UNRESPONSIVE TO THE 'GREAT RECESSION'

In March 2010, the most recent month for which data are available, the national TANF caseload was only 12% greater than at the beginning of the recession in December of 2007. The national Food Stamp caseload increased 51% over this same period.

The national TANF caseload *declined* in 34 states and nationally by about 1.3% between December 2009 and March 2010. By contrast, over this same period, the national Food Stamp caseload *increased* by about 3.6%.

TANF REAUTHORIZATION MUST INCREASE PROGRAM RESPONSIVENESS AND STATE ACCOUNTABILITY FOR AIDING NEEDY FAMILIES

TANF reauthorization must result in new accountability mechanisms to halt and reverse the continued decline in TANF participation among poor and eligible families. There should be access protections like those in the Food Stamp program and a financial bonus system like that in Food Stamps that rewards states achieving high participation rates.

New federal policies are also needed to halt and reverse the continued erosion in the inflation-adjusted value of TANF benefit levels. There should be requirements, incentives, and new funding sufficient to assure families a minimum income from direct assistance or from subsidized employment that, when combined with Food Stamps, will bring family income at least to the official poverty standard.

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¹ See Legal Momentum (2010), *The Sanction Epidemic in the Temporary Assistance for Needy Families Program*, <http://www.legalmomentum.org/assets/pdfs/sanction-epidemic-in-tanf.pdf>; Legal Momentum & National Resource Center on Domestic Violence (2010), *Not Enough: What TANF Offers Family Violence Victims*, <http://www.legalmomentum.org/assets/pdfs/not-enough-what-tanf-offers.pdf>; Legal Momentum (2009), *The Bitter Fruit Of Welfare Reform: A Sharp Drop In The Percentage Of Eligible Women And Children Receiving Welfare*, <http://www.legalmomentum.org/assets/pdfs/lm-tanf-bitter-fruit.pdf>.

² The most recent participation data from the U.S. Department of Health and Human Services (HHS) indicate that TANF aided 40% of eligible families in 2005. The eligible family participation rate has likely fallen significantly below 40% since 2005. Although the average monthly unemployment rate was almost twice as high in 2009 (9.3%) as in 2005 (5.1%), fewer families received TANF in 2009 (1.84 million a month) than in 2005 (2.06 million a month).

³ See Legal Momentum (2009), *Meager And Diminishing Welfare Benefits Perpetuate Widespread Material Hardship For Poor Women And Children*, <http://www.legalmomentum.org/assets/pdfs/tanf-meager-benefits.pdf>.