

WRITTEN STATEMENT SUBMITTED FOR CONSIDERATION TO:
SUBCOMMITTEE ON HUMAN RESOURCES
COMMITTEE ON WAYS AND MEANS
UNITED STATES HOUSE OF REPRESENTATIVES

TANF REAUTHORIZATION:
Improving Work and Other Welfare Reform Goals

Hearing date: September 8, 2011
Statement submitted: September 22, 2011
Prepared by the Women of Color Policy Network
New York University's Robert F. Wagner Graduate School of Public Service
295 Lafayette Street, 3rd Floor • NYU Puck Building • New York, NY • 10012

The Women of Color Policy Network welcomes the opportunity to submit a statement to the Subcommittee on Human Resources of the Committee on Ways and Means for inclusion in the printed record of the September 8, 2011 hearing on “Improving Work and Other Welfare Reform Goals.” Founded in 2000, the Women of Color Policy Network is the country’s only research and policy institute focused on women of color, their families, and communities at a nationally ranked top ten public policy school. The Network conducts original research and collects critical data used to inform public policy outcomes at the local, state, and national levels.

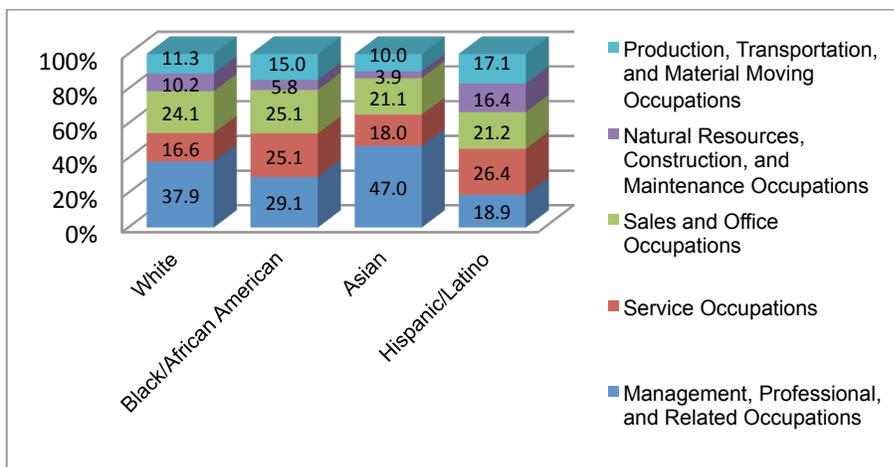
Fifteen years ago, Congress reformed the U.S. welfare system with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), replacing the Aid to Families with Dependent Children (AFDC) entitlement program with Temporary Assistance to Needy Families (TANF). Although TANF intended to help families in need transition from poverty to self-sufficiency, the program introduced additional barriers to economic security for many parents receiving assistance, 90 percent of whom are single mothers.¹ The consequences of ineffective TANF policies have been especially devastating for racial and ethnic minority women, who are disproportionately poor and vulnerable to changes in the economic landscape. To ensure that TANF is positioned to support all Americans, the needs of women of color must be specifically considered and addressed.

TANF’s Flawed “Work First” Policy

Since TANF’s inception, it has prioritized immediate employment in any available job. As a result, states are mandated to keep a specified proportion of their TANF caseload engaged in federally qualifying employment-related activities or face a penalty. Although education is a key predictor of employment stability and increases access to quality jobs that lead to self-sufficiency, TANF’s “work first” approach undervalues its importance. GED programs do not always count as a federally qualifying activity, and recipients hoping to pursue a college education are often deferred to federally qualifying vocational programs.

In practice, TANF’s “work first” policy reinforces deleterious trends in the labor force by directing vulnerable populations towards low-quality jobs, thereby impeding their likelihood of attaining long-term economic security. Racial and ethnic minorities remain on the margins of the U.S. economy and labor markets, with Black and Hispanic workers disproportionately likely to hold jobs that are temporary in nature, offer few benefits, pay low wages, and provide minimal opportunities for upward mobility. As illustrated in Figure 1, over one quarter of all Black and Hispanic workers are currently employed in service occupations—a sector that employs less than 17 percent of whites. Conversely, only 29 percent of Black workers and 19 percent of Hispanic workers hold management and professional occupations, such as business and financial operations, whereas approximately 38 percent of white workers are employed in this sector.

Figure 1. Occupational Segmentation by Race and Ethnicity, 2010



Source: Bureau of Labor Statistics, Current Population Survey, *Employed Persons by Occupation, Race, Hispanic or Latino Ethnicity, and Sex. Tabulations by the Women of Color Policy Network, NYU Wagner.*

For women of color, opportunities to succeed economically are also mired by historic patterns of discrimination and labor segmentation that relegate them to low-wage occupations. Black and Hispanic women are nearly twice as likely as white women to be employed in the service industry.² Women of color are also underrepresented in management-level or professional positions and face significant barriers in transitioning from low-wage jobs to professional occupations due to low education levels, lack of training, and unclear pathways to career advancement. By promoting low-quality jobs, TANF fails to protect the long-term economic security of women of color.

TANF's Insufficient Work Support Measures

Although TANF emphasizes employment, the program lacks the work support mechanisms necessary to adequately assist low-income workers in the labor force. Like all working parents in America, TANF recipients—many of whom are single mothers—depend on child care to secure and maintain employment as well as attend education and/or training programs. However, without sufficient child care assistance, many TANF recipients find securing and retaining employment to be extremely challenging.

In the absence of sufficient and graduated work support measures, TANF fails to help recipients move from poverty to economic security. As benefit recipients work more hours and earn more income, their likelihood of becoming ineligible for public assistance rises, leaving many feeling trapped by the welfare system. Work support measures are particularly important for low-income women of color, single mothers, and disconnected women who have historically faced barriers to economic security.

TANF's Inability to Adapt to Fluctuations in the Labor Market

TANF's requirement that public assistance be conditioned upon work and withdrawn within five years was designed to function in a robust economy where employment opportunities abound. In periods of high unemployment, as is the case in the current economic climate, TANF's work mandate is overly restrictive. In August 2011, 14 million, or 9.1 percent, of all workers were unemployed, 6 million of whom were jobless for 27 weeks or longer.³ The median unemployment rate for Black and Hispanic workers surpassed all other racial and ethnic groups at 16.7 percent and 11.3 percent, respectively. Perhaps most strikingly, nonfarm payroll enrollment remained unchanged in August 2011, further widening the deep jobs deficit plaguing the nation. An estimated 11 million jobs must be added to the economy to recoup losses from the Great Recession of 2007-2009 and account for working-age population growth

in recent years.⁴ In the absence of available jobs, TANF work restrictions place unrealistic demands on TANF recipients to secure employment.

TANF time limits also neglect the impact of an economic recession on the economic security of families in need. As a result of TANF time limits, many vulnerable families are thrown from the safety net before they are equipped to achieve long-term economic security, placing them at risk of extended periods of poverty. Federal guidelines impose a 60 month ceiling on TANF benefits, with few exceptions, and some states have established even shorter time limits. Lifetime limits arbitrarily bar access to TANF assistance without regard for an individual's explicit need or broader economic trends, and only a small percentage of families qualify for extensions that allow them to continue receiving benefits after reaching the federal or state limit. TANF time limits should be abolished completely or, at the very least, be expanded to accommodate persistent or increased need, especially during an economic downturn.

Conclusion and Recommendations

The enactment of PRWORA and subsequent adoption of TANF in 1996 resulted in several changes that have had reverberating effects on the economic security of low-income women of color. Underscoring the shift from AFDC to TANF was the redefinition of public assistance as a privilege, rather than an entitlement, to be granted on the condition of work and withdrawn after a period of five years. As states began diverting growing numbers of their caseloads into work programs and imposing financial penalties on TANF recipients, the welfare rolls declined even as poverty was on the rise. Rather than providing clear pathways out of poverty, TANF policies have created additional obstacles to self-sufficiency for low-income women of color, their families, and communities.

As a critical part of the social safety net, TANF must be revised and restructured to become more effective at alleviating poverty and meeting the needs of American families. Reauthorization legislation should include the following:

1. **Make Poverty Reduction a Central Goal of TANF:** A reduction in the number of TANF recipients within a state's caseload is currently not a measure of TANF's ability to reduce poverty and increase economic security. A reauthorization of TANF should include a clear commitment and strategy for alleviating poverty, with special attention paid to vulnerable populations.
2. **Eliminate TANF Time Limits:** To ensure that recipients are responsibly transitioned off TANF, particularly during an economic climate in which jobs are scarce, it is crucial that the current time limits be lifted. This would protect individuals from being phased out of the system and deemed ineligible for further assistance before stable jobs or educational opportunities are established.
3. **Provide Comprehensive, Graduated Work Supports:** Increased funding for child care and related work support programs will help TANF beneficiaries meet TANF work requirements. In the absence of child care, single mothers encounter notable difficulties re-entering the workforce. Graduated work supports will help recipients successfully transition off TANF and ensure that they are not penalized for re-entering the labor force.
4. **Offer Meaningful Workforce Development and Education Opportunities:** TANF's "work first" policy created structural barriers to educational opportunities for many beneficiaries. Education is inextricably linked to attaining quality jobs that provide critical benefits and livable wages. Work provisions should embrace educational and training opportunities that maximize participants' employment potential and contribute to their long-term self-sufficiency and economic security.

5. **Offer Aid Amounts That Reflect the Cost of Living:** TANF support should take into account the true cost of living for families, factoring in case-specific variables that shape household expenses, such as geographic location, number and age of children, transportation requirements, and health care needs.
6. **Provide Comprehensive Oversight and Data Collection:** In order to fully evaluate TANF's effectiveness, comprehensive data on low-income families and communities must be collected and reviewed. To evaluate the long-term impact of the program and understand what happens to TANF recipients after benefits cease, mechanisms must be put in place to track recipients beyond the 5 year window of the program.
7. **Eliminate Sanctions:** Financial penalties have become a mechanism for tapering state caseloads and preventing individuals from accessing TANF benefits. Many sanctions are applied erroneously and/or disproportionately to the offense and reduce the assistance families ultimately receive. Reducing or withdrawing cash assistance to low-income families only serves to push them deeper into poverty and away from TANF's mission of self-sufficiency.

TANF's pending reauthorization is an opportunity to reconfigure our nation's welfare system as a mechanism for truly reducing poverty and moving low-income women and families toward self-sufficiency. In order to accomplish this, the economic security and well-being of women of color and their families must be a top priority. Women of color and their families face unique challenges in the process of securing quality jobs and accruing personal wealth to help them weather economic storms, which increase their likelihood of enrolling in TANF and impede their economic stability after TANF. It is imperative that TANF address the particular needs of this population and provide an adequate and sufficient safety net for all American families.

The Network thanks the Committee for its consideration of the barriers to self-sufficiency for low-income families and the recommended strategies to enhance TANF's effectiveness outlined in this statement.

¹ Legal Momentum, *The Sanction Epidemic in the Temporary Assistance for Needy Families Program*, available at <http://www.legalmomentum.org/assets/pdfs/sanction-epidemic-in-tanf.pdf> (last accessed September 22, 2011).

² U.S. Census Bureau, *2007 American Community Survey*, as cited in Women of Color Policy Network, *Race, Gender, and the Recession: The American Recovery and Reinvestment Act of 2009 and its Impact on Women of Color, Their Families and Communities*, available at http://wagner.nyu.edu/wocpn/reports/Race_Gender_and_the_Recession_Job_Creation (last accessed September 22, 2011).

³ U.S. Department of Labor, Bureau of Labor Statistics, *The Employment Situation—August 2011*, available at http://www.bls.gov/news.release/archives/empsit_09022011.pdf (last accessed September 22, 2011).

⁴ National Employment Law Project, *Jobs Uptick Encouraging, But Concerns of Deepening Downturn Persist*, available at http://www.nelp.org/page/-/Press%20Releases/2011/PR_July_2011_Jobs_Statement.pdf?nocdn=1 (last accessed September 22, 2011).