Responding to Increasing Need: Assessing TANF’s Responsiveness During Hard Economic Times

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Nationally, TANF Was Only Modestly Responsive to Rising Unemployment

Percent Increase
December 2007 – December 2009

- Unemployed Persons: 103%
- Food Stamp Cases: 45%
- TANF Cases: 13%

Note: This graph is based on data we collected for 50 states + DC.
Between December 2007 – Dec. 2009, number of states whose caseloads…

- Increased by more than 20%: 15
- Increased by 11-20%: 13
- Increased by 5-10%: 7
- Incr. < 5 % or declined: 16
Substantial variation exists even among states with higher than average unemployment rates

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>California</td>
<td>12.0%</td>
<td>20.4%</td>
</tr>
<tr>
<td>Florida</td>
<td>11.1%</td>
<td>25.7%</td>
</tr>
<tr>
<td>Georgia</td>
<td>10.0%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Kentucky</td>
<td>10.2%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Michigan</td>
<td>10.3%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Mississippi</td>
<td>10.2%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Nevada</td>
<td>13.2%</td>
<td>30.3%</td>
</tr>
<tr>
<td>Oregon</td>
<td>10.0%</td>
<td>39.1%</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>11.0%</td>
<td>-28.8%</td>
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</tbody>
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Note: The TANF data in this chart is collected directly from the 50 states + DC. Our data includes solely state-funded programs and excludes worker supplement cases.
Nationally, TANF caseloads have risen gradually since the official start of the recession.

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California: Steady and sustained higher than average increase (25% increase between 12/07 and 11/10)

Changes in TANF cases, SNAP cases, and the number of Unemployed Persons

Base Month December 2007 = 100 (Start of Recession)

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Georgia: Caseload continued to decline throughout the recession (9 percent decline at lowest point in 4/2009)

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Michigan: Initial decline followed by modest increase  (11% at peak in November 2010)

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Oregon: Early and substantial increase, with small short-lived decline  
(57% increase from 12/07 to 12/10)

Note: The TANF data in this chart is collected directly from the 50 states + DC. Our data includes solely state-funded programs and excludes worker supplement cases.
Rhode Island: Steady and substantial decline; new shorter time limit in 2008 (32% decline from 12/07 to 4/10)

Note: The TANF data in this chart is collected directly from the 50 states + DC. Our data includes solely state-funded programs and excludes worker supplement cases.
Arizona: A preview of what is to come – shorter time limits, fewer exemptions, fewer families on TANF

Note: The TANF data in this chart is collected directly from the 50 states + DC. Our data includes solely state-funded programs and excludes worker supplement cases.
Since 2000 the number of families receiving TANF has declined while the number of families in poverty and deep poverty have increased. Caseloads provide a safety net for a declining share of families in poverty or deep poverty.

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Georgia as an Example:
1994-95: 98 families on TANF for every 100 in poverty
2008-09: 8 families on TANF for every 100 in poverty

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By 2009, employment among single mothers with less than a high school education had declined to the same level as in 1997 and was substantially below 1997 levels for those with more education.
The share of single mothers who are disconnected reached a high of 9.3 percent in 2009.

Disconnected is defined as: Household had no one working for at least 3 months during the year; Household had no TANF, SSI, or SS for the entire year; Single mother did not list "going to school" as reason for not working during the year; Single mother's family was below the poverty line.
Even before the recession: Declining effectiveness of TANF was a major factor in the declining effectiveness of the safety net for very poor children.

Children In Deep Poverty Before and After Considering TANF Benefits

<table>
<thead>
<tr>
<th>Year</th>
<th>Not counting TANF</th>
<th>Counting TANF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>3,600,000</td>
<td>1,400,000</td>
</tr>
<tr>
<td>2000</td>
<td>2,400,000</td>
<td>1,700,000</td>
</tr>
<tr>
<td>2005</td>
<td>3,000,000</td>
<td>2,400,000</td>
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Source: CBPP analysis of the Current Population Survey; additional data from HHS TRIM model.
Restricted Access Results from Many Different Factors Including Key Features of TANF Structure

**Key Problematic Structural Features of TANF**
- Work participation rate and one size fits all work requirements
- Caseload reduction credit
- Fixed, flexible funding with broad purposes

**State Policies That Restrict Access**
- Pre-TANF work requirements (diversion)
- Full family sanctions

**Low Participation**
- Families unable to meet work requirements
- Families don’t think they are eligible
- Program doesn’t address immediate need
- Stigma associated with receipt
Unanswered Questions

- Why did some states respond while others did not?
- What would have happened without the TANF Emergency Fund?
- Without structural changes, can access be improved?
- What are the long-term implications for children in deeply poor families?