



**FIRST FOCUS CAMPAIGN FOR CHILDREN  
STATEMENT FOR THE RECORD  
By Megan Curran, Senior Director, Family Economics**

**WAYS AND MEANS SUBCOMMITTEE ON HUMAN RESOURCES HEARING:  
“IMPROVING WORK AND OTHER WELFARE REFORM GOALS”**

**SEPTEMBER 8, 2011**

Chairman Davis, Ranking Member Doggett, and Members of the House Ways and Means Subcommittee on Human Resources, thank you for the opportunity to submit this statement on reauthorization goals for the Temporary Assistance for Needy Families (TANF) program.

The First Focus Campaign for Children is a bipartisan children’s advocacy organization dedicated to making children and families a priority in federal policy and budget decisions. Our organization is also committed to ensuring that our nation’s safety net promotes both the economic security and well-being of our nation’s children and families.

The creation of TANF in the mid-1990s dramatically changed the cash assistance program for low-income families with children in America, placing a primary emphasis on employment. Fifteen years later, however, on the heels of the deepest and most prolonged recession since the Great Depression, TANF must also change with the times. Jobs are much more scarce. Cutbacks at the state and local level are affecting the accessibility of public services important to families. Children comprise a larger percentage of TANF recipients, and child poverty has been on a steady rise for much of the past decade. Under these circumstances, TANF must place an increasing emphasis on the well-being outcomes of children and families.

This statement focuses on two particular issues in the context of reauthorization: addressing the nation’s unemployment crisis and tackling the rise in child poverty.

**Utilizing Lessons from the TANF Emergency Contingency Fund**

While ideally, quality employment is the first path to a family’s economic security and well-being, there are times when work alone does not generate enough income, jobs become scarce, or employment is not an option. In these instances, families require additional support to meet their basic needs.

Economic data clearly shows that the U.S. continues to face an employment crisis. And this crisis has taken a significant toll on our nation's children. By the end of 2010, more than 1 in 10 American children – 7.7 million nationwide – had at least one parent who was out of work. Indeed, the Great Recession has effectively doubled the number of children with an unemployed parent.

Adult TANF recipients tend to be among the more vulnerable participants in the labor market, often possessing lower levels of education and formal skills and facing barriers to essential work supports such as affordable, quality child care. When a recession hits, these individuals face even stiffer competition within a shrinking labor market. The American Recovery and Reinvestment Act (ARRA) created an Emergency Contingency Fund that provided significant levels of reimbursement to states for additional cash assistance, short-term services, and subsidized employment. Regarding subsidized employment, TANF emergency funding was successfully utilized to create over a quarter of a million jobs around the country in just under two years, specifically targeting low-income families with children and TANF cash assistance recipients and applicants.

A recent evaluation of the TANF ECF, conducted by the Center on Law and Social Policy and the Center on Budget Policies and Priorities, found that the benefits of this job creation went far beyond the families of the newly employed. Many ECF participants in communities throughout the U.S. were placed in private sector positions, to the significant benefit of local businesses and economies.

Given this experience, a redesigned Contingency Fund that can be activated in times of future economic downturns to provide real opportunities for TANF recipients to stay connected to employment would be a useful tool. Many states now have the experience of rapidly deploying funds for such a purpose, which combined with existing federal guidance, would undoubtedly result in even more sophisticated employment programs in the future.

Presently, however, the economy continues to be weak – particularly in terms of job creation and persistently high unemployment. In addition to expanding the definition of work activities to ensure opportunities are available for individuals to access training and higher education, it may be useful to explore how regular TANF funding can play a role in direct job creation or subsidized employment in industries that can provide family-sustaining wages and opportunities for training and advancement.

### **Tackling Child Poverty & Improving Child Well-Being**

The importance of sustainable employment, notwithstanding, it is also important to remember that TANF is a program specifically designed for families with children. From the start, much of the public discussion and debate around TANF's program design and implementation has centered around its impact on child poverty. Yet strikingly, the four main program goals of the program<sup>1</sup> do not include an explicit goal around child poverty reduction.

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<sup>1</sup> “assisting needy families so that children can be cared for in their own homes; reducing the dependency of needy parents by promoting job preparation, work and marriage; preventing out-of-wedlock pregnancies; and encouraging the formation and maintenance of two-parent families” (U.S. Department of Health and Human Services)

### *Increasing Poverty Rates*

While the national child poverty rate was already beginning to decline by the time of TANF's inception in 1996, by 2001 it had begun a steady increase up to its current high of close to 21 percent, representing over 15 million children. This national trend is also evident in virtually every state across the country, as 46 states and the District of Columbia saw increases in the percentage of their children living in poverty from 2008-2009 alone. Given the increasing number of children living below the poverty line, evaluating the performance of state TANF programs primarily through the lens of work activities does not adequately take into account changes to child and family well-being over the same period, which research proves is significantly impacted by increases in poverty.

A continued focus on work activities as the primary means of achieving self-sufficiency also excludes consideration of the changing nature of the TANF caseload. In 2000, child-only TANF cases (where children receive TANF aid, but adults in the household do not) comprised 33 percent of the national TANF caseload<sup>2</sup>, numbering about 742,000 cases in nationally in the average month. However, by 2008, child-only cases increased to 47 percent of the national TANF caseload – though the average monthly number of cases rose only slightly to 771,000. Preliminary research has indeed found that from 1998 to the present, the number of child-only caseloads has remained relatively stable over time at the national level – rather, it is the number of adult TANF cases that have dropped significantly over the same period of time, thereby raising the percentage of child-only cases within the overall program.

Even though the number of child-only cases has not significantly increased, these cases now represent close to half of all TANF cases nationwide. As such, it may be appropriate to re-evaluate the TANF program's goals, emphasis, and definition of success. A more diverse caseload – and one heavily comprised of children – does not lend itself to a sole, or even primary, focus on work activity rates. The increased diversity of cases, combined also with continually rising child poverty rates (as well as rising rates of children living in extreme poverty, below 50 percent of the federal poverty level) requires a more comprehensive approach within federal TANF policy and state TANF programs to ensure the needs of this population are adequately addressed.

### *Targeting Child Poverty*

Reauthorization of TANF is an opportunity to more closely align the program's goals with specific child poverty reduction efforts. One way to accomplish this would be to develop a child poverty reduction target within TANF – establishing goals to cut the national child poverty rate in half within ten years and working with states to develop targets and strategies of their own within their TANF programs to meet these goals.

Expanding TANF's mission to specifically target child poverty would also serve the original TANF goals around the promotion of employment and stable families. Research has demonstrated the relationship between a parent's engagement in quality work and improvements in child well-being. Combining a focus on child poverty reduction with flexibility in funding for employment programs, building off states' experience with the ECF, may help spur innovation on the local level – such as dual generation strategies, which seek to break the cycle of family poverty by combining sector-based workforce development for parents with quality early care and education for children.

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<sup>2</sup> Based on average monthly caseload data from the Administration for Children and Families.

Poverty reduction targets have a history of success. In 1999, the United Kingdom established a national target to reduce child poverty, after which followed a successful decade-long campaign to reduce child poverty by half in absolute terms. And while the U.K. has also faced a serious recession and continuing economic downturn, the existence of the target has resulted in concrete steps taken by the government to maintain their commitment to reduce child poverty even in the midst of deficit reduction and a change in government. Indeed, even amidst shrinking public budgets, the U.K. has shown that it is possible to not only protect, but also invest, in their most vulnerable children and promote their social mobility.

## **Conclusion**

While the basic needs of America's low-income families have perhaps not changed significantly since 1996, the demographics of the TANF recipient population and the economic reality these families face, has. While it is important to maintain a program focus on employment, work activities should not come at the expense of a family's well-being. Building on the state and local successes in creating subsidized jobs with ECF funds and providing real and immediate employment opportunities for low-income parents is key. But so too is establishing a primary focus within TANF on improving child and family well-being and outcomes – a focus that may ultimately better serve the needs of our nation's very low-income families in the long-term.

The First Focus Campaign for Children looks forward to working with you to achieve these important goals. If you have any questions, please contact Megan Curran, Sr. Director for family economics policy, at 202-657-0684.