



**U.S. House of Representatives Committee on Ways and Means
Subcommittee on Work & Welfare
Written Comments for Hearing, “Welfare is Broken: Restoring Work Requirements to Lift
Americans Out of Poverty”**

Chairman Smith, Ranking Member Neal, Subcommittee Chairman LaHood, Subcommittee Ranking Member Davis, and Members of the House Committee on Ways and Means, thank you for the opportunity to submit this statement for the record.

First Focus on 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 committed to ensuring that all our nation’s children have equal opportunity to reach their full potential.

The Temporary Assistance for Needy Families (TANF) program is a children’s program. The vast majority — over 70 percent — of TANF recipients are children.¹ TANF provides critical assistance to millions of children and families, but it falls short in promoting lasting economic mobility for recipients and fails to reach many kids in need. In 2019, for every 100 families in poverty, just 23 families received TANF assistance.² About half of TANF caseloads are “child-only” caseloads, where children in the household can receive assistance even when a parent or caretaker is ineligible.

Due to its racist design intended to limit assistance to Black mothers and children, states with larger percentages of Black residents offer lower levels of cash assistance,³ contributing to Black children experiencing disproportionately high rates of poverty compared to white children. As a fixed block grant that is not indexed to inflation, TANF has not been effective at adjusting to meet increased need during times of economic crisis, and its value has fallen significantly over time.⁴

Rather than providing cash assistance, states use a significant amount of TANF dollars for “non-core” services and programs that have been historically funded by the state, such as child welfare services, pre-kindergarten programs, state Earned Income Tax Credits, and more. These funds often supplant state dollars for these services rather than providing additional assistance to families with children, and in more egregious

¹ Falk, Gene. “The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions.” Congressional Research Service. Updated February 27, 2023. <https://sgp.fas.org/crs/misc/RI32760.pdf>.

² Scott, Liz, Floyd, Ife, and Pavetti, LaDonna. “Cash Assistance Should Promote Equity.” Center on Budget and Policy Priorities. August 4, 2021. <https://www.cbpp.org/research/family-income-support/cash-assistance-should-promote-equity>.

³ Parolin, Zachary. “Temporary Assistance for Needy Families and the Black-White Child Poverty Gap in the United States. Socio-Economic Review 19(3). May 2019. https://www.researchgate.net/publication/322715782_Temporary_Assistance_for_Needy_Families_and_the_Black-White_Child_Poverty_Gap_in_the_United_States.

⁴ Falk, Gene. “The Temporary Assistance for Needy Families (TANF) Block Grant: Responses to Frequently Asked Questions.” Congressional Research Service. Updated February 27, 2023. <https://sgp.fas.org/crs/misc/RI32760.pdf>.

examples, states have used funds to serve upper-middle-class families⁵ and even fraudulently diverted funds to benefit wealthy individuals.⁶

This is to the detriment of children, who greatly benefit in the short- and long-term from cash assistance. A 2019 landmark study from the nonpartisan National Academy of Sciences⁷ finds that cash transfers reduce child poverty and improve children's long-term health, educational, and economic outcomes, both by increasing access to resources that support children's healthy development as well as reducing household stress, giving parents and caregivers more mental and emotional bandwidth for their children. Cash assistance has a two-generation effect in promoting economic mobility — in addition to supporting children, the assistance helps adults in the household afford childcare, transportation to work, higher education, or job training programs that lead to steady employment and higher-paying jobs.

Lessons Learned from the Child Tax Credit

We have a recent, real-world example that confirms the positive impacts of cash assistance for children and families. Expansions to the Child Tax Credit in 2021 delivered dramatic results for children, nearly cutting child poverty in the U.S. in half and narrowing the racial child poverty gap.⁸ It is hard to overstate the impact, for the Child Tax Credit payments transformed the lives of tens of millions of children.

Improvements to the Child Tax Credit greatly increased the amount of the credit, made payments available monthly for half of the year, and allowed children in families with little or no income to be eligible for the full credit for the first time. Analysis from Columbia University's Center on Poverty and Social Policy⁹ finds that children in the lowest income households who were ineligible for the Child Tax Credit prior to the 2021 enhancements — Black and Hispanic children, young children, and children in single-parent, rural or large families — all experienced significant declines in child poverty in 2021.

Expanding the Child Tax Credit also significantly reduced material hardship and household food insecurity with “no significant differences in the changes in employment between December 2020 and December 2021 for adults who received the payments and adults who did not receive the payments.”¹⁰ In fact, the Child Tax Credit is found to help mothers, especially single mothers, increase their labor force participation by allowing them to afford childcare, transportation, and other necessities that help them get to work.¹¹

With the expiration of the improvements to the Child Tax Credit at the end of 2021, nearly 4 million children immediately fell back into poverty in January 2022.¹² By July 2022, the percentage of households with children that reported they could not afford enough food had increased by 25%.¹³

⁵ Clark, Krissy, Esch, Caitlin, and Delvac, Gina. “How Welfare Money Funds College Scholarships.” NPR Marketplace. June 10, 2016. <https://www.marketplace.org/2016/06/10/how-welfare-money-funds-college-scholarships/>.

⁶ Chappell, Bill. “Mississippi's Ex-Welfare Director, 5 Others Arrested Over 'Massive' Fraud.” NPR. February 6, 2020. <https://www.npr.org/2020/02/06/803399172/mississippi-ex-welfare-director-5-others-arrested-in-massive-fraud>.

⁷ “A Roadmap to Reducing Child Poverty.” National Academies of Sciences, Engineering, and Medicine. National Academies Press. 2019. <https://nap.nationalacademies.org/catalog/25246/a-roadmap-to-reducing-child-poverty>.

⁸ Baldari, Cara. “U.S. Child Poverty in 2021.” First Focus on Children. Fact Sheet. September 21, 2022. <https://firstfocus.org/resources/fact-sheet/u-s-child-poverty-in-2021>.

⁹ Wimer, Christopher, Collyer, Sophie, Harris, David, and Lee, Jiwan. “The 2021 Child Tax Credit Expansion: Child Poverty Reduction and the Children Formerly Left Behind.” Columbia University Center on Poverty and Social Policy. Poverty & Social Policy Brief. Vol. 6 No. 8. November 2, 2022. <https://static1.squarespace.com/static/610831a16c95260dbd68934a/t/63629828229a175d3864e0a1/1667405865381/Expanded-CTC-and-Child-Poverty-in-2021-CPSP.pdf>.

¹⁰ Karpman, Michael, Maag, Elaine, Zuckerman, Stephen, and Wissoker, Doug. “Child Tax Credit Recipients Experienced a Larger Decline in Food Insecurity and a Similar Change in Employment as Nonrecipients between 2020 and 2021.” Urban Institute. Brief. May 9, 2022. <https://www.urban.org/research/publication/child-tax-credit-recipients-experienced-larger-decline-food-insecurity-and>.

¹¹ Hammond, Samuel. “New research finds the Child Tax Credit promotes work.” December 10, 2020. Niskanen Center. <https://www.niskanencenter.org/new-research-finds-the-child-tax-credit-promotes-work/>.

¹² “Absence of Monthly Child Tax Credit Leads to 3.7 Million More Children in Poverty in January 2022.” Columbia Center on Poverty and Social Policy. Policy Brief. February 17, 2022. <https://www.povertycenter.columbia.edu/publication/monthly-poverty-january-2022>.

¹³ Bovell-Ammon, Allison, C. McCann, Nicole, Mulugeta, Martha, Ettinger de Cuba, Stephanie, Raifman, Julia, and Shafer, Paul. “Association of the Expiration of Child Tax Credit Advance Payments with Food Insufficiency in US Households.” Children's HealthWatch. Journal of American Medical Association Network Open. October 21, 2022. <https://childrenshealthwatch.org/association-of-the-expiration-of-child-tax-credit-advance-payments-with-food-insufficiency-in-us-households/>.

The lesson from 2021 shows us that the best way to help children in need is through cash assistance that is delivered to families monthly and without any employment or earnings requirements, thereby ensuring that all households have a steady source of income to provide for children as they are undergoing critical stages of brain development.

First Focus on Children urges you to look to the example of the Child Tax Credit for guidance in improving TANF and pass reforms that require states to redirect more funds towards cash assistance to families.

Negative Implications of Work Requirements for Child Well-Being

Nearly 30 years of evidence show that TANF's work requirements have failed to improve employment outcomes for program participants.¹⁴ Documenting work is especially onerous for low-wage workers who often have no control over their schedules and whose hours may vary from week to week. Workers in immigrant households are more likely to be paid in cash and to lack pay stubs or paychecks, making employment verification difficult. Certain employers may be unwilling to provide a letter of employment verification.¹⁵ Furthermore, some parents are self-employed and may not have an employer available to provide verification. Work requirements also do not account for uncompensated child rearing and caretaking of family members, work that produces large benefits to the collective whole. Grandparents caring for grandchildren, or parents caring for children with disabilities or special health care needs face particular barriers to economic security.

Rather than fostering economic mobility, work requirements prevent parents and caretakers from accessing assistance programs and family support and have a negative impact on children and their families, hindering healthy child development and causing additional burdens on struggling families. The National Academy of Sciences sums it up by finding that “that work requirements are at least as likely to increase as to decrease poverty.”¹⁶

As we heard from Ms. Gray's testimony during last week's hearing, work requirements and other bureaucratic hurdles are particularly onerous for the millions of grandparents and older relatives who are caring for children, and often prevent these families from accessing TANF. Some households headed by grandparents or older caretakers can receive TANF assistance for child(ren) in the home as a “child-only” case, but the number of these caseloads vary greatly across states, and the level of cash assistance provided is often small and includes no wraparound support.¹⁷

Recommendations for TANF Reform

In closing, we urge you to improve TANF's effectiveness at reducing child poverty and promoting family economic mobility by:

- Adding child poverty reduction as the overarching goal of TANF;
- Requiring states to report on how TANF spending impacted their state child poverty rate;
- Mandating that states spend a significant amount of TANF funds on basic cash assistance for families with children with very low incomes;

¹⁴ Safawi, Ali and Pavetti, LaDonna. “Most Parents Leaving TANF Work, But in Low-Paying, Unstable Jobs, Recent Studies Find.” Center on Budget and Policy Priorities. November 19, 2020. <https://www.cbpp.org/research/family-income-support/most-parents-leaving-tanf-work-but-in-low-paying-unstable-jobs>.

¹⁵ Gelatt, Julia and Koball, Heather. “Immigrant Access to Health and Human Services.” Urban Institute. October 2014. <http://www.urban.org/sites/default/files/publication/33551/2000012-Immigrant-Access-to-Health-and-Human-Services.pdf>.

¹⁶ “A Roadmap to Reducing Child Poverty.” National Academies of Sciences, Engineering, and Medicine. National Academies Press. 2019. <https://nap.nationalacademies.org/catalog/25246/a-roadmap-to-reducing-child-poverty>.

¹⁷ Joyce, Kristen. “TANF Child-Only Cases: Characteristics, needs, services, and service delivery challenges.” Office of Family Assistance, Administration for Children and Families, U.S. Department of Health and Human Services. https://peerta.acf.hhs.gov/sites/default/files/public/uploaded_files/TANF_Child-Only-Brief-091919-508.pdf. Last accessed March 30, 2023.

- Increasing program funding, indexing funds to inflation, and allocating additional funds to states with high rates of child poverty;
- Improving the program's ability to respond during times of increased need by eliminating its block grant structure;
- Eliminating work requirements for assistance and instead funding trained providers to help parents and caregivers pursue higher education or skills training by guaranteeing quality childcare, transportation assistance, and other supports;
- Using funds to prevent children from entering foster care and increasing support for relatives, including grandparents and older relatives, who care for children when their parents are unable;
- Getting rid of family caps, asset tests, family sanctions, arbitrary work requirements, and other policies that either block or reduce benefits to families with children and deepen racial economic disparities;
- Requiring that all states pass through all child support collected on behalf of households receiving TANF, rather than reimbursing themselves, and disregard any income received through child support for the purposes of TANF eligibility.