

**Testimony Presented by
Terry O'Neill, President,
National Organization for Women***

**Hearing on Reauthorization of the TANF Program
House Ways and Means Committee,
Subcommittee on Human Resources
September 22, 2011**

Chairman Davis and Ranking Member Doggett, thank you for the opportunity to provide our comments to the subcommittee during its consideration for reauthorization of the Temporary Assistance for Needy Family (TANF) program, of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PWRORA - P.L. 104-193). The National Organization for Women (NOW) is the grassroots arm of the women's movement in the United States with hundreds chapters and hundreds of thousands of supporters and members in every state and the District of Columbia.

NOW has advocated over many decades for improvements in government programs affecting poor women and is concerned that TANF's harsh policies have contributed to historically high poverty rates that the U.S. is currently experiencing. Poverty and extreme poverty among women, men and children increased significantly in 2010, with the overall poverty rate reaching 15.1 percent, according to the U.S. Census Bureau. Poverty among women rose from 13.9 percent in 2009 to 14.5 percent in 2010 -- the highest rate in 17 years. Poverty among children also reached a 17-year high, climbing from 20.7 percent in 2009 to 22.0 percent in 2010. That the richest country in the world has 46.2 million persons living in poverty is an unprecedented national tragedy.

The poverty rate of 42.2 percent for people living in single mother families is three times the rate for the population as a whole, and more than four times the 10.1 percent rate for people in married couple families. Over half of family poverty is single mother poverty and, in 2010, there were 14.2 million poor people in single mother families. Over one quarter of all children under age 18 reside with only one of their parents and as many as half of all U.S. children may reside in a single parent family at some point in their lives. A full 85 percent of single parents are single mothers. Single mother poverty in the U.S. in the mid-2000s was the highest found in 16 high income countries ranking at nearly twice the average rate in the other 15 countries!

As reported by Legal Momentum using U.S. Bureau of Labor Statistics data, the percentage of (all) single mothers employed in an average month fell from 76 percent in 2000 to 68 percent in 2009; the percent of single mothers employed full-time year-round fell from 51 percent in 2002 to 45 percent in 2009. We know that many unemployed single mothers are not represented in official unemployment numbers as they are sometimes no longer looking for work because of ill health, lack of affordable child care, or other reasons.

There is substantial evidence that millions of poverty-stricken families no longer eligible for TANF assistance and others newly made poor by the recession of 2007 - 2009 are struggling with unemployment, homelessness and hunger. According to an analysis by the National Women's Law Center, the vast majority are women, at 17 million in 2010, with nearly 44 percent of that number (7.5 million) living in extreme poverty at incomes less than half the federal poverty level (\$22,350 for a family of four in 2011). The poverty rate for black female-headed households with children rose from 44.9 percent in 2009 to 46.5 percent in 2010. Hispanic female-headed households with children also saw an increase in poverty, from 46.0 percent in 2009 to 50.3 percent in 2010. The desperate situation faced by so many millions of poor mothers and their children has been made much worse by policies enacted under the PWRORA.

From 1996 to 2009, the number of welfare recipients declined by almost two-thirds, falling from 4.8 million families with 9.0 million children in 1995 to 1.7 million families with 3 million -- due mostly to a decrease in enrollment. The percentage of poor children receiving welfare has declined steadily under TANF, falling from 62 percent (8 million) in 1995 to 24 percent (3.1 million) in 2007. No doubt that a healthy economy experienced in the mid- to late-1990s helped many poor women find employment in the initial years of TANF implementation; their continued employment was buoyed in the early 2000s by a booming housing industry. But as the financial meltdown of 2007 and resulting surge of unemployment occurred, the picture for poor women changed dramatically. State

governments who faced declining revenues trimmed state budgets by cutting back on social services like TANF and domestic violence services, among other programs.

No doubt that a healthy economy experienced in the mid- to late-1990s helped many poor women find employment in the initial years of TANF implementation; their continued employment was buoyed in the early 2000s by a booming housing industry. But as the financial meltdown of 2007 and resulting surge of unemployment occurred, the picture for poor women changed dramatically. State governments, facing declining revenues trimmed state budgets by cutting back on social programs, like TANF and domestic violence services, among others.

National unemployment rates hit the stratosphere: from 2000 through 2009, some 7.2 million jobs disappeared. In early 2011, the number of unemployed persons totaled 14.5 million, with another 8.9 who are involuntarily working part-time and another 2.7 million discouraged unemployed persons. Since then only a half-million persons have found work in this anemic recovery and many economists predict it will be several more years before there is a substantial reduction in unemployment. The Economic Policy Institute has predicted that more than 10 million persons will remain unemployed for the next two years and probably longer. It is obvious that TANF's 'Work First' goal is unrealistic in a time of massive unemployment. An interim policy should be crafted that recognizes continuing high unemployment and that responds to the critical income needs of poor families.

Despite high unemployment and increased poverty, TANF caseloads have dropped. In 2010, the percentage of single mother families receiving welfare benefits was 10 percent, having fallen from 16 percent in 2001. In 1995, 62 percent of poor children received Aid to Families with Dependent Children (AFDC), but just 21 percent of poor children received TANF benefits in 2009. In comparison, 86 percent of eligible children received Food Stamps in 2008. TANF benefits have dropped far below the federal poverty level, with the daily per person benefit for a family of three at less than \$8.00 in nearly all states, less than \$5.00 in 30 states and as low as \$1.86 in one state, according to a Legal Momentum report.

After reviewing numerous studies of the TANF program in various states, we are convinced that the program is not serving its intended purpose in helping poor families to become economically self-sufficient, and is in need of fundamental reform. In fact, as we feared in the early years following passage of the PWRORA, because of the perverse incentive for states to be rewarded for reducing caseloads, states have found many ways to limit the number, regardless of whether recipients remain eligible. Various states have been reported to send away prospective applicants by providing false information eligibility requirements for TANF; they have arbitrarily denied eligibility; they have applied full family sanctions on trivial and unsubstantiated grounds; they have closed cases on a substantial number of families who were still eligible for benefits at the time their cases were closed; many states did not properly screen for and provide timely services to survivors of family violence (even though as many as half of poor women have experienced family violence); some have used application processes designed to increase denials for procedural reasons not related to family need; and, there are undoubtedly other methods that have been used to reduce caseloads, irrespective of the number of potentially eligible recipients. To continue to do so in a period of high unemployment, record high poverty and extreme poverty rates is remarkably cruel. Instead of being rewarded for pushing eligible poor families off welfare roles, states need to be offered incentives to provide services to needy families and to assure their long-term economic well-being through additional education or training and stable employment which provides a living wage.

Among the features of TANF most in need of reform are its 60 month lifetime limit on benefits, its counter-productive restrictions on education and training (40 percent of recipients have not completed high school and only 5 percent have ever attended college), the woefully inadequate cash assistance, inadequate childcare subsidies, failure to assist poor families with disabled members, the imposition of a family cap denying additional support when a child is born to a recipient; failure to continue protection and support for survivors of domestic violence, its denial of assistance for poor immigrant families including those with children who are U.S. citizens, the unjustified and intrusive random drug testing and use of full family sanctions for often trivial or erroneous reasons -- but mainly used to throw recipients off the roles. Additionally, we have concerns about continued federal funding for marriage promotion in programs for poor families, noting that these efforts introduce a risk of increased domestic violence.

The National Organization for Women urgently recommends that a series of emergency actions be taken - regardless of whether the TANF program is reauthorized or extended by Sept. 30, 2010. We specifically urge Congress to direct the states to:

- 1) withdraw the sixty month and shorter time limitations on receipt of benefits for any current and future recipients and to retroactively apply this to all former TANF recipients, including those denied assistance by family sanctions;
- 2) make emergency appropriations sufficient for all states to provide adequate cash assistance to all potentially-eligible applicants and current recipients, encouraging the states to increase and adjust for inflation their benefit levels to bring family income to the federal poverty level, at minimum;
- 3) provide additional funding to support the creation of a substantial number of TANF-subsidized jobs in order to significantly reduce single mother unemployment;
- 4) adopt new accountability mechanisms to reverse the decline of participation in the TANF program, assuring that all eligible poor families are not denied assistance;
- 5) Require states to expand and improve the provision of family violence screening and support services in a timely manner;
- 6) require states to expand the length of time allowed for recipients to attain a high school diploma, acquire post-secondary education or vocational training while still receiving TANF assistance;
- 7) increase federal funds available for childcare, transportation and other support services;
- 8) prohibit states from imposing the family cap to deny additional assistance to recipients who give birth while receiving TANF benefits; and,
- 9) recognize the reality that a substantial proportion of low-income families have a disabled family member -- a situation that may not permit a care-giver to work full-time and that support services may need to be provided over the long-term.

The National Organization for Women looks forward to working with Congress to bring about these fundamental reforms that are desperately needed and will help put millions of families on a stable financial course.

Sources:

Center on Budget Policy and Priorities (2010), *TANF Benefits Are Low And Have Not Kept Pace With Inflation*, www.cbpp.org/files/10-14-10tanf.pdf;

Economic Policy Institute (2010) *Fifteen months since recession's official end, economy short of 11.5 million jobs*, www.epi.org/publication/september_jobs_picture/

Economic Policy Institute (2011), *The Great Recession's Long Tail: Third Anniversary Underscores Severity of Labor Market Woes*, http://epi.3cdn.net/7e79bc213a38f1afd4_6am6bhj3l.pdf

Legal Momentum (2011), *Reading Between The Lines Women's Poverty In The United States, 2010*, www.legalmomentum.org/our-work/women-and-poverty/resources--publications/reading-between-the-lines.pdf

Legal Momentum (2011), *Single Mother Poverty in the United States in 2010*, www.legalmomentum.org/our-work/women-and-poverty/resources--publications/single-motherpoverty-2010.pdf

Legal Momentum (2011), *Welfare Reform at Age 15: A Vanishing Safety Net for Women and Children*, www.legalmomentum.org/our-work/women-and-poverty/resources--publications/welfarereform-15.pdf

Legal Momentum (2010), *The Sanction Epidemic in the Temporary Assistance for Needy Families Program*, www.legalmomentum.org/assets/pdfs/sanction-epidemic-in-tanf.pdf;

Legal Momentum (2010), *Single Mothers Since 2000: Falling Farther Down*, www.legalmomentum.org/our-work/women-and-poverty/resources--publications/single-mothers-since-2000.pdf.

Legal Momentum and National Resource Center on Domestic Violence (2010), *Not Enough: What TANF offers Family Violence Victims*, www.legalmomentum.org/assets/pdfs/not-enough-what-tanf-offers.pdf

Legal Momentum (2010), *TANF "Work First" Policy Helps Perpetuate Single Mother Poverty and Employment in Low Wage "Women's Work,"* www.legalmomentum.org/our-work/women-and-poverty/resources--publications/tanf-work-first-helps.html

Legal Momentum (2009), *The Bitter Fruit Of Welfare Reform: A Sharp Drop In The Percentage Of Eligible Women And Children Receiving Welfare*, www.legalmomentum.org/assets/pdfs/lm-tanfbitter-fruit.pdf.

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

Legal Momentum (2009), *New Data Reveals TANF Caseload Declines in Twenty-Two States Over the First Sixteen Months of the Recession*, www.legalmomentum.org/our-work/women-and-poverty/resources--publications/new-data-reveals-tanf.html

National Women's Law Center (2011), *Poverty Among Women and Families, 2000-2010: Extreme Poverty Reaches Record Levels As Congress Faces Critical Choices, September, 2011*, www.nwlc.org/sites/default/files/povertyamongwomenandfamilies2010final.pdf