

Women, Poverty, and Welfare Assistance

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The current welfare system operates under TANF (Temporary Assistance to Needy Families), created by the Welfare Reform Law (Personal Responsibility and Work Opportunity Act) of 1996. It replaced the AFDC (Aid to Families with Dependent Children), EA (Emergency Assistance), and JOBS (Job Opportunities and Basic Skills Training) programs. TANF was reauthorized, with minor changes, under the Deficit Reduction Act of 2005.

TANF ended federal entitlements to assistance by providing states with the federal funds to develop their own welfare programs. Its main features include requiring work in exchange for assistance and placing a 5-year lifetime limit on assistance. Its goals include reducing dependency, promoting work, encouraging 2-parent families, assisting needy families so that children can be cared for in their own homes, and preventing out-of-wedlock pregnancies. Given their unprecedented flexibility in designing welfare programs, states have implemented TANF in a variety of ways. Some established shorter time limits on welfare receipt and increased use of sanctions for noncompliance with work requirements. Many chose to transfer a larger portion of their grant toward child care, and nearly all states allowed greater mixing of earnings and welfare benefits (Berlin 2002).

The overall welfare caseload declined dramatically, and employment among recipients increased during the early period following welfare reform. The caseload continues to decline despite recent increases in unemployment and poverty. There appears to be an increasing number of women who are both jobless and not in receipt of TANF assistance (Parrott and Sherman 2006). Moreover, in many states, decreasing caseloads have been matched by an increasing homeless census (Coalition to End Homelessness 2008).

TANF will be up for reauthorization by Congress by September 30, 2010. The amount of the total TANF block grant (\$16.5 billion) will likely be a major source of debate, as concerns over possible long-term recession are pointing to a growing need for welfare assistance (Zedlewski 2008). Further, the 2005 reauthorization eliminated state credits, effectively increasing work participation requirements. In a recessionary economy, this has placed serious burden on states and TANF recipients. Expanding the definition of work participation and reducing barriers to college education while on welfare will also be important issues.

For women on TANF, wages are so low that they are offset by the loss in welfare benefits. Poverty did not decline for recipients in the late 1990s, and the rate has recently gone up

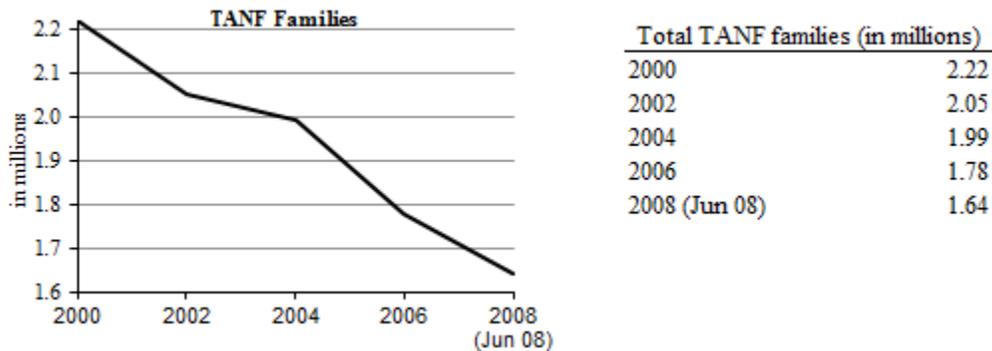
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for female-headed households. Reauthorization debates will have to engage TANF funding, work requirements, and child care assistance in order to strengthen the safety net for poor women in a time of potentially deep recession.

* Unless otherwise cited, all facts and statistics are from Department of Health and Human Services reports available on the HHS website.

1 Welfare Caseload

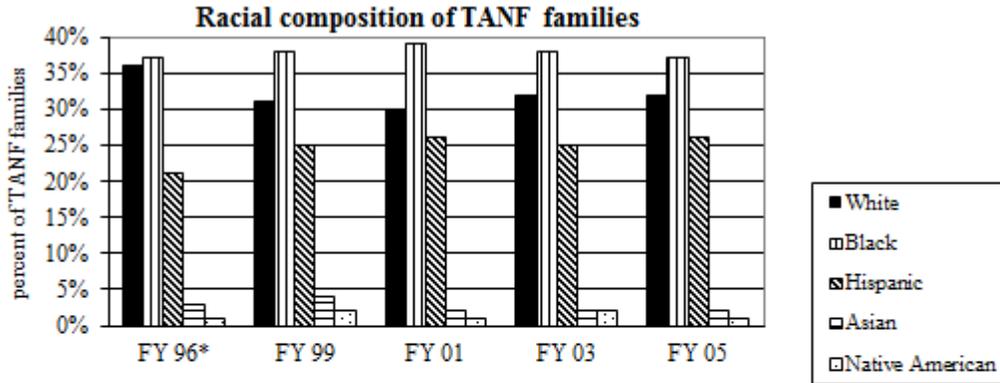
About 90% of TANF adult recipients are women. The welfare caseload has declined dramatically over nearly 15 years, to approximately 1.6 million families.



- In 1993 welfare recipients comprised over 5% of the U.S. population. In 2007 they were approximately 1% of the population (Census Bureau).
- In 2005, half of women recipients were in their 20s, and 8% were under age 20.
- Over half (60%) had a formal education of 12 years or more, 11% were married, and 6% were legal immigrants.
- California and New York have had the highest caseloads and together, continue to account for 1/2 of all TANF cash payments.

2 Race and Welfare

After the initial 1996 reform of welfare, the percentage of white recipients declined, while there has been a significant increase in Hispanic recipients. Evidence shows that discriminatory practices in welfare sanctioning and employment policy makes it harder for racial minorities to leave welfare.



	White	Black	Hispanic	Asian	American
FY 96*	36%	37%	21%	3%	1%
FY 99	31%	38%	25%	4%	2%
FY 01	30%	39%	26%	2%	1%
FY 03	32%	38%	25%	2%	2%
FY 05	32%	37%	26%	2%	1%

*Data for FY 97 are not available. FY=Fiscal Year. Ex: FY 01=Oct 00-Oct01.

- The fact that the percentage of white recipients declined, in contrast to that of minorities, may be consistent with the concern that minority single mothers face greater barriers to escaping poverty.
- Studies show that white TANF recipients are referred to educational programs in higher percentages than Black recipients. Employers also tend to allow more time for job interviews with white recipients than for Black recipients (Gooden 1998, 2000).
- Blacks are sanctioned at odds that are several times higher than those of white recipients. Black women have greater odds of a case closure sanction, and Latinas have greater odds of a benefit reduction sanction (Monnat 2008). More white recipients leave welfare due to increased income than due to sanctions—the opposite is true for Black recipients (Soss 2002).
- With economic setbacks, there are concerns that minority women will suffer the most, as they have fewer assets, non-citizen barriers, and face employer discrimination.

3 Domestic Violence

An estimated 30% of women on welfare, and nearly 50% of long-term recipients, suffer domestic violence (Tolman and Raphael 2000; Wilkins 2009). These rates are higher than for women of other socioeconomic groups. There are concerns that there is insufficient DV screening at welfare agencies (Ganow 2001; Wilkins 2009). The Family Violence Prevention

and Services Act, passed in 1984, made the federal government responsible for several domestic violence activities. It provides grants to states and tribes for shelter and counseling services. The Act has been continually reauthorized, however, funds have been cut to nearly \$53 million below the authorized amount (National Network to End Domestic Violence). The Violence Against Women Act of 1994 created 5 national resource centers with toll-free hotlines and provided \$1.6 billion over 5 years for DV training and prosecution. In recent fiscal years it has been funded at approximately \$500 million per year (Laney 2005). It will be up for reauthorization in 2010.

- DV survivors tend to cycle on and off welfare because of difficulties in maintaining employment. They frequently suffer from poor health and are prevented by their abusers from completing education and training programs (Ganow 2001).
- The Family Violence Option allows states to waive TANF work requirements, time limits, and immigration restrictions for DV survivors. However, states have the freedom to determine who is a "qualified alien" eligible for public services.
- There is a large discrepancy between the low rate of DV that caseworkers report of their clients and the high rates reported by researchers. This raises concerns over the carefulness of the DV screening process at welfare agencies (Wilkins 2009).

4 Federal Funding for TANF

The 2005 reauthorization did not increase the TANF budget. States are not able to keep pace with inflation, despite efforts to adjust benefits (Schott and Levinson 2008).

TANF provides a total of \$16.5 billion in federal funds to states and tribes each year through 2010. This covers both welfare services and administrative costs. The budget retained contingency funds and supplemental grants for 17 poor states. It eliminated loan provisions and state bonuses for increasing employment and reducing out-of-wedlock births. It instead added \$150 million per year toward family and marriage promotion and expanded states' abilities to meet their cost-sharing ("maintenance-of-effort") requirements. States increased their expenditures of TANF funds for assistance to low-income families and former welfare recipients, from \$13.3 billion in FY 98 to over \$18 billion in FY 08. This is despite the decline in the welfare caseload. However, they did so mainly by using unspent funds from previous years (Parrot and Neuberger 2002). Expenditures peaked in FY 2003 and have since declined slightly (Falk 2006), reflecting concerns that past reserves are dwindling and states will have to make program cuts.

5 Poverty

Poverty declined between 1993 and 2000, and has increased since 2000. The decline in poverty is attributed mainly to the EITC (Earned Income Tax Credit) program and to the economic

growth of the late 1990s (Parrot and Sherman 2006; U.S. Census Bureau). However, during this period, for women on welfare, increased earnings from work were offset by losses in public assistance (Peterson et al. 2002). The post-2000 increase in poverty has significantly impacted single mothers, especially Black and Hispanic.

2007 Poverty Statistics (U.S. Census Bureau, Current Population Survey)	
National rate	13%
non-metropolitan South	20%
Northeast principal cities	20%
principal cities	17%
Individuals	37 mil
Women	14 mil
Female-headed households	4 mil
Black	1.6 mil
White	1.5 mil
Hispanic	1 mil

- The poverty rate among Blacks was 24%, a slight increase from 2000. The gap between Black and white poverty narrowed during the 1990s and has increased since 2000.
- Almost 40% of Black and Hispanic female-headed households live in poverty compared to 21% of white female-headed households.
- Currently, 31% of female-headed households live in poverty. Since 1959 this rate has been at or above 30%.

6 Employment

Employment among low-income single mothers increased during the late 1990s and has declined since 2000. Most women are concentrated in service, administrative, and retail occupations, all industries that have suffered job losses since 2001 (Sherman et al. 2004). Moreover, although welfare recipients had employment gains in the 1990s, their access to health insurance declined.

2005 Women TANF recipients	
Employed	24%
Seeking work	50%
Not in labor force	25%

Figure 1: In 2005 work was mandatory for 60% of the welfare caseload. In the early 1990s, 11% of adult recipients were employed, compared to 23% in 2005.

- Employment among low-income single mother households increased from 59% to 68% between 1996 and 2000 (Peterson et al. 2002) and has decreased slightly since then (Sherman et. al 2004). Low-income single mothers experienced greater employment gains in the late 90s than men, but their incomes were less than those of low-income single fathers. Recent declines in employment among low-income single mothers has concurred with a rise in receipt of unemployment insurance or food stamps (HHS 2005).
- States must ensure that 50% of all TANF families are working. A single parent with a child under 6 must work for at least 20 hours per week, while all others must average 30 hours per week. States may exempt parents with children under age 1 and cannot penalize those with children under 6 who cannot afford child care.
- Welfare recipients did not gain greater access to health care. In fact, employed welfare recipients experienced a decline in access to work-based health insurance between 1996 and 2000. Only 14% of recipients received work-based health insurance (Peterson et al. 2002). Overall, over 40% of women below the poverty level are uninsured (Kaiser Family Foundation 2008).
- Women on welfare who struggle to meet work requirements may face difficulties acquiring education and necessary skills for economic independence. Welfare reform may have decreased the probability that young adult women will attend high school and college (Dave, Reichman, and Corman 2008).

7 Child Care

Funding for child care assistance increased significantly but remains insufficient for the numbers of families in need. Economic recession is forcing several states to institute cutbacks (National Women's Law Center 2008).

Due to inadequate funding, states have created stricter eligibility requirements for child care assistance. Many low-income women do not meet eligibility requirements, defined by incomes less than 50-85% of state median income. Even when eligible, families experience long waiting lists (National Women's Law Center 2008). Priority is given to parents on or leaving welfare (HHS).

Many states do not conduct enough outreach to eligible parents. Families with limited English proficiency are especially less able to access child care assistance programs (General Accounting Office 2006).

- In 2007 there were approximately 3 million children in TANF families. In 2002, women on welfare received child support averaging \$187/month.
- Many low-income single mothers spend nearly half their incomes on child care (Wertheimer 2003). Those living below poverty and receiving subsidies spend approximately 6% of their incomes on copayments.

- An estimated 1 million families benefit from subsidies. Federal and state child care assistance funds increased from \$2 billion in 1990 to \$11 billion in 2005 (includes over \$3 bil of transferred TANF funds) but still remain insufficient for the number of families in need.

8 Sources for further reading

8.1 Research and Policy Reports

- <http://www.cbpp.org>
- <http://www.clasp.org>
- <http://www.iwpr.org>
- <http://www.mdrc.org>
- <http://www.urbaninstitute.org>
- <http://www.welfareinfo.org>

8.2 Films

- Take it from Me: Life After Welfare. (New York: Filmmakers Library). Follows four welfare families over two years as they struggle to survive in the era of welfare reform. (2001, 79 minutes)
- Eating Welfare. (Bronx, NY: Leadership Project). Addresses the negative impact of welfare reform upon the Southeast Asian American communities in the Bronx. (2001, 58 minutes)
- A Day's Work, A Day's Pay. (New Day Films). Follows the struggles of welfare recipients in New York City. (57 min)
- Welfare as We Know It. Documentary film produced by Ted Alcorn for the Woodrow Wilson School of Public and International Affairs, Princeton University. (2006)

8.3 Community Organizations

- The National Resource Center on Domestic Violence - 800-537-2238
<http://www.nrcdv.org>
- National Welfare Rights Union - 313-964-0618
<http://www.nationalwru.org>

- 9to5 - 414-274-0925
<http://www.9to5.org>
- Lists organizations by state but was last updated in 1996
<http://www.echonyc.com/wham/welfareorgs.html>
- LIFETIME (Low-Income Families' Empowerment through Education), California - 510-352-5160
<http://www.geds-to-phds.org>
- POWER (People Organized to Win Employment Rights), California - 415-864-8372
<http://www.fairwork.org>
- Community Voices Heard, New York - 212-860-6001
<http://www.cvhaaction.org>
- Affirmative Options Coalition, Minnesota - 651-292-1568
<http://www.affirmativeoptions.org>
- Direct Action Welfare Group, W. Virginia - 304-539-3157
<http://www.wvdawg.org>
- Grass Roots Organizing of Missouri - 573-581-9595
<http://www.gromo.org>
- Just Harvest, Pennsylvania - 412-431-8960
<http://www.justharvest.org>
- Montana People's Action - 888-290-5711
<http://www.mtpaction.org>

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