

How Well Do You Know TANF?

A Quiz

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The 1996 welfare reform law, particularly the creation of the Temporary Assistance for Needy Families (TANF) block grant with its work requirements, is seen by some as an unprecedented success and a model for reforming other safety net programs. Much of the current debate about welfare reform is based on misinformation about the law and how it has been implemented. How well do you know TANF? Take the quiz and find out – the answers are provided at the end.

Multiple Choice

1) TANF is one of about 80 means-tested public assistance programs. What percentage of total federal and state means-tested spending is represented by TANF cash assistance?

- 1 percent
- 5 percent
- 10 percent
- 20 percent
- 50 percent

2) The average monthly number of TANF *recipients* today is at its lowest point since:

- 1955
- 1970
- 1985
- 2000
- 2015

3) Between 1996 and 2015, the number of families receiving assistance fell by about 3.1 million. What was corresponding decline in the number of families with incomes low enough to be eligible for TANF?

- 600,000
- 1.2 million
- 1.8 million
- 2.4 million
- 3.0 million

4) For every 100 families living below the poverty level in 2017, how many received TANF cash assistance (aka, the TANF-to-poverty ratio)?

- 23
- 32
- 47
- 59
- 68

5) How many states have raised their maximum TANF benefit in *inflation-adjusted* (real) terms since 1996?

- 3
- 12
- 21
- 30
- 40

6) How many states have *not* raised TANF benefits at all since 1996?

- 4
- 8
- 12
- 16
- 20

7) What is the maximum TANF benefit for a family of three in the median state *as a percent of the poverty line*?

- 10 percent
- 25 percent
- 40 percent
- 55 percent
- 70 percent

8) The \$16.5 billion TANF block grant has not changed since 1996. To have the same buying power, how much would need to be appropriated today?

- \$18 billion
- \$20 billion
- \$22 billion
- \$26 billion
- \$30 billion

9) What percent of TANF/MOE spending is devoted to basic cash assistance?

- 23 percent
- 37 percent
- 50 percent
- 70 percent
- 90 percent

10) A state's TANF block grant was based on historic spending levels under the Aid to Families with Dependent Children (AFDC) program, which was a factor of the state's number of recipients, benefit levels, FMAP (federal match rate), and other factors. As a result, some states receive more per poor child than others. When TANF was created, New York and Texas were similar in terms of the number of poor families with children (550,562 and 552,220), but New York receives more than Texas per poor child by a factor of:

- 2 to 1
- 3 to 1
- 4 to 1
- 6 to 1
- 9 to 1

11) TANF's work participation rate targets were phased in, rising from 25 percent in FY 1997 to 50 percent FY 2002. These targets are reduced by a caseload reduction credit. What was the target work rate in the median state in FY 2002?

- 0 percent
- 10 percent
- 20 percent
- 30 percent
- 40 percent
- 50 percent

12) For a single parent with two school-age children, what is the effective reimbursement rate per hour of participation in an unpaid work activity if the family is to count in the state's work participation rate in the median state?

- \$3 per hour
- \$5 per hour
- \$7.25 per hour (the federal minimum wage)
- \$10 per hour

13) TANF’s overall work participation rate target is 50 percent. What percent of families subject to TANF’s work requirements meet them by participating in a work activity other than unsubsidized employment (i.e., in job search, work experience/community service, or vocational educational training) for enough hours to count in the work rate?

- 15
- 25
- 35
- 45
- 50

14) Which of the following is NOT a TANF purpose?

- Reduce poverty
- Provide assistance to needy families
- End the dependency of needy parents on government benefits through work, job preparation, and marriage
- Reduce out-of-wedlock pregnancies
- Promote the formation and maintenance of two-parent families

15) In commenting on TANF and the need for reform, who said the following: “Congress and the administration would be well advised to carefully consider ways TANF could be reformed to minimize the game playing that many states now use to avoid spending TANF dollars on core TANF purposes and to avoid the federal work requirement.”?

- Ron Haskins (aka, the “architect” of welfare reform)
- Robert Rector (aka, the “godfather” of welfare reform)
- Former Speaker Paul Ryan
- Peter the Citizen (TANF’s harshest critic)

Fill-in-the-Blank

16) Federal TANF funds may not be used for a family with an adult who has received assistance for 60 months. Name five ways states can circumvent this requirement.

1. _____
2. _____
3. _____
4. _____
5. _____

17) TANF's block grant is not adjusted for inflation and has declined in inflation-adjusted terms by 38 percent since 1996. Name two other factors about the block grant that have eroded its effectiveness as a safety net program and a welfare-to-work program?

1. _____
2. _____

18) Some contend that TANF is based on research. Name three major provisions that are a significant part of the law that have little or no basis in research.

1. _____
2. _____
3. _____

19) There are many *unintended* loopholes states have used to meet TANF's work requirements. Name as many as you can...up to 5. Do not list the caseload reduction credit, as it was an explicit provision of the 1996 law.

1. _____
2. _____
3. _____
4. _____
5. _____

20) In recent years, Congress has advanced several TANF reauthorization bills that attempt to strengthen work requirements, either by tightening the work participation rate and/or requiring that states meet new outcome-based measures. Peter the Citizen has claimed that these efforts, noble as they might be are doomed to fail because states can bypass them with a stroke of the pen. What loophole is he referring to?

1. _____

True or False

21) Under TANF, states are laboratories for testing new welfare reform models; we can learn what works and what doesn't.

22) TANF has strong accountability provisions.

23) TANF is limited to needy families with children.

24) TANF's work requirements are model for other safety net programs.

25) TANF has been an "unprecedented success." (This question must be answered correctly to pass the quiz.)

Answers

Multiple Choice

1) TANF is one of about 80 means-tested public assistance programs. What percentage of total federal and state means-tested spending is represented by TANF cash assistance?

- **1 percent**
- 5 percent
- 10 percent
- 20 percent
- 50 percent

Answer: In 2016, total federal-state spending on means-tested programs was \$1.126 trillion²; meanwhile, TANF cash assistance was just \$7 billion³ or 0.6 percent of the total. Expenditures on medical programs, especially Medicaid, are the single largest category. Total spending on non-medical programs was \$456 billion, with TANF cash assistance representing just 1.5 percent of the total.

2) The average monthly number of TANF *recipients* today is at its lowest point since:

- **1955**
- 1970
- 1985
- 2000
- 2015

Answer: In 2018, the average monthly TANF caseload was about 2.2 million recipients, the same as the average monthly Aid to Dependent Children (ADC) caseload in 1955.⁴ However, because the U.S. population nearly doubled during this period, the 2018 caseload is just 0.7 percent of the nation's population.⁵

3) Between 1996 and 2015, the number of families receiving assistance fell by about 3.1 million. What was corresponding decline in the number of families with incomes low enough to be eligible for TANF cash assistance?

- **600,000**
- 1.2 million
- 1.8 million
- 2.4 million
- 3.0 million

Answer: The decline in TANF's caseload between 1996 and 2015 was more than five times greater than the decline in the number of families eligible for assistance. Table 1 shows the

average monthly number of families eligible for assistance compared to the average monthly number receiving assistance for selected years from 1981 to 2015. Between 1981 and 1996, AFDC served about 80 percent of those eligible for assistance. In 1996 (before TANF), about 5.6 million families were eligible to receive benefits and about 4.4 million did so (79 percent of those eligible). In 2015, about 5.0 million families were eligible to receive assistance, but only about 1.3 million did so (26 percent of those eligible). In other words, the number of poor families eligible for assistance, but not receiving it, grew by 2.5 million, from 1.2 million in 1996 to 3.7 million in 2015.⁶ If TANF were really a success, one would expect the number eligible for assistance to decline as much as the caseload; the results aren't even close.

Year	TANF			
	Eligible (millions)	Participating (millions)	Eligible, Not Participating (millions)	Participation Rate (%)
1981	4.8	3.8	1.0	80.2
1987	4.9	3.8	1.1	76.7
1992	5.6	4.8	0.8	85.7
1996	5.6	4.4	1.2	78.9
2000	4.4	2.3	2.1	51.8
2004	5.1	2.2	2.9	42.0
2008	5.2	1.7	3.5	33.0
2012	5.7	1.9	3.8	32.4
2015	5.0	1.3	3.7	26.3

Source: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Welfare Indicators and Risk Factors: Seventeenth Report to Congress*, May 4, 2018, p. A-11, available at: <https://aspe.hhs.gov/system/files/pdf/259196/WELFAREINDICATORS17THREPORT.pdf>; 2015 data from Gene Falk, Congressional Research Service.

4) For every 100 families living below the poverty level in 2017, how many received TANF cash assistance (aka, the TANF-to-poverty ratio)?

- **23**
- 32
- 47
- 59
- 68

Answer: 22.7.⁷ Several notable points:

- Between 1996 and 2017, the TANF-to-poverty ratio fell from 68.4 to 22.7.
- If California is excluded, the national TANF-to-poverty ratio in 2017 would drop from 22.7 to 16.7.
- In 1996, the lowest TANF-to-poverty ratio across all states was 32.4; in 2017 40 states had a lower ratio.

- In 16 states, the TANF-to-poverty ratio in 2017 was under 10, with three states below 5 (Louisiana at 3.6, Texas at 4.4, and Arkansas at 4.6).

5) How many states have raised their maximum TANF benefit in *inflation-adjusted* (real) terms since 1996?

- **3**
- 12
- 21
- 30
- 40

Answer: Three (3) states raised their maximum benefit in real terms between 1996 and 2018. However, each of these states also sharply reduced access to benefits as reflected by the change in the TANF-to-poverty ratio between 1996 and 2017.⁸ The percent increase in the maximum benefit in *real* terms and the change in the TANF-to-poverty ratio for the three states are as follows: Maryland (+13.9 percent and 97.5 to 38.9); New Hampshire (+18.5 percent and 99.8 to 27.7); and Wyoming (+17.6 percent and 45.4 to 5.6).

6) How many states have *not* raised TANF benefits at all since 1996?

- 4
- 8
- 12
- 16
- **20**

Answer: Twenty (20) states; 16 states had the same *nominal* benefit level in 2018 as in 1996 (a reduction of 37.3 percent in real terms) and four lowered benefits in *nominal* terms, even as they reduced access to TANF benefits as reflected by the change in the TANF-to-poverty ratio between 1996 and 2017. For the four states that reduced benefits, the percent decrease in *real* terms and the change in their TANF-to-poverty ratios are as follows: Arizona (-49.7 percent and 42.3 to 6.1); Hawaii (-46.3 percent and 107.5 to 38.0); Idaho (-38.8 percent and 32.4 to 8.2); and Oklahoma (-40.3 percent and 40.9 to 8.6).⁹

7) What is the maximum TANF benefit for a family of three in the median state as a percent of the poverty line?

- 10
- **25**
- 40
- 55
- 70

Answer: 26 percent or \$450 per month in Nebraska, with a range of 9.8 percent (\$170/mo.) in Mississippi to 60 percent (\$1,039/mo.) in New Hampshire.¹⁰ New Hampshire is an outlier, as the state with the next highest benefit level is New York, at 45 percent (\$789/mo.). Even adding the value of SNAP benefits, the median is just 55 percent of the poverty line, with a range of 38.9 percent (Mississippi) to 79.1 percent (New Hampshire); and 73.0 percent in New York. Given the low take-up rate of TANF benefits, the main and often only source of meaningful support is SNAP.¹¹

8) The \$16.5 billion TANF block grant has not changed since 1996. To have the same buying power, how much would need to be appropriated today?

- \$18 billion
- \$20 billion
- \$22 billion
- **\$26 billion**
- \$30 billion

Answer: \$26.4 billion; the cost of living has increased by 60 percent since 1996. (Conversely, one could say the block grant has lost 37.5 percent of its value.) Adding in the full maintenance-of-effort (MOE) amount means total federal-state spending would have to be about \$48 billion to have the same buying power. In FY 2017, total federal-state spending (including transfers) was \$31.1 billion. However, the current spending figures are not comparable to the 1996 spending on AFDC and related programs or the inflation-adjusted estimate presented here, because a significant amount of FY 2017 spending represents supplantation and, for MOE, simply reporting more existing state expenditures to maximize state caseload reduction credits (due to “excess MOE” provision of that credit).

9) What percent of TANF/MOE spending is devoted to basic cash assistance?

- **23 percent**
- 37 percent
- 50 percent
- 70 percent
- 90 percent

Answer: 22.7 percent. Under AFDC (and the related programs that made up the block grant), states spent over 70 percent of their funds for cash assistance,¹² this percentage has declined steadily under TANF; 58.2 percent in FY 1998; 33.2 percent in FY 2002; 30.2 percent in FY 2007; 28.6 percent in FY 2012; and just 22.7 percent in FY 2017. And, these percentages are based on ever shrinking “pie” due to inflation. In FY 2017, nine states spent less than 10 percent on basic cash assistance.

10) A state's TANF block grant was based on historic spending levels under the Aid to Families with Dependent Children (AFDC) program, which was a factor of the state's number of recipients, benefit levels, FMAP (federal match rate), and other factors. As a result, some states receive more per poor child than others. As a result, some states receive more per poor child than others. When TANF was created, New York and Texas were similar in terms of the number of poor families with children (550,562 and 552,220), but New York receives more federal TANF funding than Texas per poor child by a factor of:

- 2 to 1
- 3 to 1
- 4 to 1
- 6 to 1
- **9 to 1**

Answer: In 2013, New York received \$2,555 per poor child *per year* while Texas received \$280 per poor child *per year*. Some of this disparity reflects the fact that TANF funding is not adjusted for demographic changes.¹³ Since 1996, the number of poor families declined in New York (to 462,525), but increased in Texas (to 749,024). In 1995, when the number of poor families with children was roughly the same, the difference was less than 7 to 1 – still a large difference. While permitting such wide variation in federal funding per poor child is questionable for a basic needs safety net program, TANF has become a form of revenue sharing and it makes no sense at all.

11) TANF's work participation rate targets were phased in, rising from 25 percent in FY 1997 to 50 percent FY 2002. These targets are reduced by a caseload reduction credit. What was the target work rate in the median state in FY 2002 (to the nearest percentage listed)?

- **0 percent**
- 10 percent
- 20 percent
- 30 percent
- 40 percent
- 50 percent

Answer: 0 percent; the actual median was 2.9 percent. Twenty (20) states had a 0 percent target and only 4 states had a target above 20 percent – the standard under AFDC-JOBS. In fact, throughout most of TANF's history about 15 to 30 states have faced a 0 percent target for their overall work rate, meaning they did not have to serve anyone to satisfy TANF's work requirements. (A similar story applies to the two-parent rate, where the target is 90 percent, but the main factor here is that many states have served such families with state funds where families were not subject to work requirements – separate state programs prior to FY 2007 and solely state funded programs thereafter.)

12) For a single parent with two school-age children, what is the effective reimbursement rate per hour of participation in an unpaid work activity if the family is to count in the state's work participation rate in the median state?

- **\$3 per hour**
- \$5 per hour
- \$7.25 per hour (the federal minimum wage)
- \$10 per hour

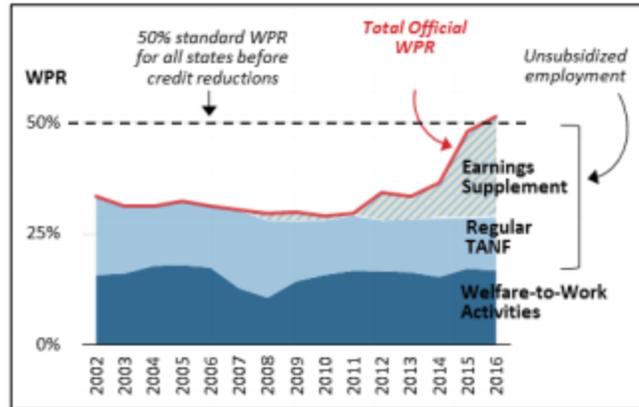
Answer: The maximum monthly benefit for a family of three with no income in the median state in 2017 was \$432.¹⁴ To count in the TANF work participation rate calculation, a work-eligible individual with school-age children must participate 130 hours per month – about \$3.30 per hour of participation. For a family with one school-age child, the median benefit was \$361, but the hourly work requirement is the same, so the return is only about \$2.75 per hour of participation. Benefit levels vary significantly across states. In Mississippi, the maximum benefit for a family of three is just \$170 per hour, so the return is just \$1.30 per hour of participation. In high benefit states failure to comply typically results in a partial sanction, so the hourly return is about the same. TANF's high hourly expectations relative to its low benefits are likely an important factor in the sharp decline in the take-up rate of benefits (see Table 1 above).¹⁵ Other factors would include front-end barriers, time limits, and full-family sanctions.

13) TANF's overall work participation rate target is 50 percent. What percent of families subject to TANF's work requirements meet them by participating in a work activity other than unsubsidized employment (i.e., in job search, work experience/community service, or vocational educational training) for enough hours to count in the work rate?

- **15**
- 25
- 35
- 45
- 50

Answer: In terms of engaging families in real work activities, TANF has largely been a failure since its inception, as illustrated in the CRS figure below.¹⁶ Throughout its history, only about 10 to 15 percent of those subject to work activities have been engaged in a work activity other than “unsubsidized employment” for enough hours to count in the rate; the most common such activity is job search – a low-cost activity requiring relatively little investment by the state. Most states meet TANF's work rate in ways other than engaging those needy families who really need help in order to move into work.

Figure 2. TANF Work Participation Rate, FY2002-FY2016



Source: Congressional Research Service (CRS) tabulations of the TANF National Data Files, 2002-2016.

As Gene Falk of the CRS observes:

The 50% and 90% targets are aspirational, rather than evidence-based. They were not selected based on success rates of past programs in moving recipients from assistance to work. They call for higher participation rates than what evaluated pre-1996 programs achieved, including the most successful of those programs. Even so, the standard has mostly been met, though usually by means other than engaging recipients in activities. That is, states might be “hitting the target, but missing the point.”¹⁷

14) Which of the following is NOT a TANF purpose?

- **Reduce poverty**
- Provide assistance to needy families
- End the dependency of needy parents on government benefits through work, job preparation, and marriage
- Reduce out-of-wedlock pregnancies
- Promote the formation and maintenance of two-parent families

Answer: Reduce poverty. Indeed, section 401(a) of the Social Security Act begins by stating, “The purpose of this part is to increase the flexibility of States in operating a program designed to...” and then lists the four goals listed above (beyond poverty). States determine what is “reasonably calculated” to advance a TANF purpose, many states now spend TANF/MOE dollars on activities that have little or no connection to welfare reform. In fact, TANF has become a blank check with no meaningful accountability. While some still defend this flexibility others now believe states have taken it too far. For example, Ron Haskins recently stated, “States did not uphold their end of the bargain. So, why do something like this again?”¹⁸

Several TANF reauthorization proposals have added “poverty reduction” as a goal. Unless state flexibility is constrained somehow to focus on core welfare reform purposes, this addition would have little practical effect.

15) In commenting on TANF and the need for reform, who said the following: “Congress and the administration would be well advised to carefully consider ways TANF could be reformed to minimize the game playing that many states now use to avoid spending TANF dollars on core TANF purposes and to avoid the federal work requirement.”¹⁹?

- **Ron Haskins (aka, the “architect” of welfare reform)**
- Robert Rector (aka, the “godfather” of welfare reform)
- Former Speaker Paul Ryan
- Peter the Citizen (TANF’s harshest critic)

Answer: Ron Haskins. Some still believe TANF is a success and a model for reforming other safety net programs. For example:

- Robert Rector: “No other social welfare reform has seen this kind of success.”²⁰
- Former Speaker Paul Ryan: “In 1996, we created a work requirement for welfare. But that was just one program. We have to fix all the others now.”²¹

Meanwhile, Peter the Citizen has a different view: “TANF cannot be fixed; it must be repealed and replaced.”²²

Fill-in-the-Blank

16) Federal TANF funds may not be used for a family with an adult who has received federally-funded assistance for 60 months. Name five ways states can circumvent this requirement.

Answer:

1. State funds (segregated, separate state, or solely state funded) to *exempt* families from the accumulation of months toward the time limit.
2. State funds (segregated, separate state, or solely state funded) to *extend* the time limit.
3. Benefits can be paid solely on behalf of children (and even adjusted upward to implicitly include an adult).
4. Federal TANF funds can be used to support up to 20 percent of the caseload beyond 60 months – the hardship exemption. This percentage is based on the entire caseload, not just those subject to the time limit, thus making the effective hardship exemption quite a bit larger.
5. States can adopt much shorter time limits to keep families from ever reaching the federal 60-month time limit.

Most federal requirements that apply to cash assistance, including the 60-month time limit, are more symbolic than real. Nevertheless, they complicate the administration of the program and when the federal requirements are gamed, they undermine its integrity.

Note: As with so many policies implemented under TANF, there is still no evidence about the effects of time limits on welfare receipt, employment, child well-being, and a range of other outcomes because under TANF states are no longer required to evaluate their policy changes, even when they mean terminating assistance entirely for very low-income families with children.

17) TANF's block grant is not adjusted for inflation and has declined in inflation-adjusted terms by 38 percent since 1996. Name two other factors about the block grant that have eroded its effectiveness as a safety net program and a welfare-to-work program?

Answer:

1. There are no adjustments for economic conditions (beyond inflation) or demographic changes, particularly related to changes in the number of needy families with children.
2. States have excessive flexibility to divert TANF funds to supplant existing state expenditures and otherwise fill budget holes.

18) Some contend that TANF is based on research. Name three major provisions that are a significant part of the law that have little or no basis in research.

Answer:

1. Work requirements
2. 60-month time limit
3. Block grant funding structure

When Speaker Ryan was Chairman of the House Budget Committee, his report, *Expanding Opportunity in America: A Discussion Draft from the House Budget Committee*, claimed that the welfare reforms of the 1990s were based on "learning from decades of experimentation."²³ Nothing could be further from the truth. The experiments of the 1990s built the political support for the 1996 law, but there was little evidence to support the specific changes written into the law.

With respect to work requirements, there was no evidence that: a 50 percent requirement was feasible or desirable; the 20- or 30-hour per week hourly requirements were appropriate; or the restrictions on countable work activities would result in more effective programming. As Gordon Berlin, president of MDRC – a firm with a long history in evaluating welfare-to-work programs – explains:

None of the welfare-to-work programs evaluated by MDRC to date – even the most effective ones – would have met the standards currently in place (that is, had states received no credit for caseload reductions), primarily because too few people participated in them for at least the minimum number of hours per week.²⁴

Similarly, TANF's work-first orientation was based on a limited number of research studies, mostly short-term findings of programs that operated over 20 years ago. Subsequent research suggests that more effective models could not be implemented under TANF's structure, at least if states want credit for counting all hours of participation toward TANF's work rate.

With respect to TANF's time limit, there was no evidence that would suggest 60 months was the optimal duration or that it should apply to all families with an adult receiving assistance. States were just beginning to experiment with time limits; the more prudent course of action would have been to let the experiments run their course and design a policy based on actual evidence. (Of course, states can easily game both work requirements and time limits, but then that raises the question – why bother?)

The block grant structure is unresponsive to economic, demographic, and other factors that can affect the need for assistance; and the vast flexibility afforded states along with the ability to manipulate funding streams has allowed states to game federal requirements, most notably the work requirement.

19) There are many *unintended* loopholes states have used to meet TANF's work requirements. Name as many as you can...up to 5. Do not list the caseload reduction credit, as it was an explicit provision of the 1996 law.

Answer:

1. Separate state programs (pre-DRA – the Deficit Reduction Act of 2005)
2. Creating child-only cases, even when an able-bodied parent is in the home (pre-DRA)
3. Broad work activity definitions (pre-DRA)
4. 1115 waiver exceptions carried over from AFDC (now expired)
5. Monthly cash diversion grants provided as a short-term non-recurrent benefit for the first four months of aid (*in theory*, now prohibited)
6. Solely state funded programs
7. Token payments
8. The “excess MOE” provision of the caseload reduction credit

There are other loopholes, but perhaps the most significant problem is the unreasonableness of the requirement itself – requiring recipients to value their time at a few dollars per hour of participation in a work activity leading many to simply leave (or not come on) and thus giving a state a larger caseload reduction credit.

20) In recent years, Congress has advanced several TANF reauthorization bills that attempt to strengthen work requirements, either by tightening the work participation rate and/or requiring that states meet new outcome-based measures. Peter the Citizen has claimed that these efforts, noble as they might be are doomed to fail because states can bypass them with a stroke of the pen. What loophole is he referring to?

Answer:

- Creating a solely state funded program by means of a “swap.”

TANF’s block grant structure has not only reduced funding that might otherwise have gone for basic assistance and work activities, but states have also used its flexibility to circumvent (i.e., to *game*) its work requirements. The most obvious way the block grant structure contributes to this problem is by allowing states to engage in what is known as a “funding swap,” whereby federal TANF funds used to provide assistance are diverted instead to supplant an existing (non-TANF) state expenditures (e.g., college scholarships).²⁵ This frees up state general revenue funds that can be used for any purpose, including to provide assistance outside the TANF structure in what is known as a “solely state funded” (SSF) program that is not subject to any of TANF’s rules. This “swap” does not involve more spending, only rearranging funding streams within a state to avoid the work requirement.²⁶ For example, only about half the states provide assistance to two-parent families under TANF because of the much steeper two-parent work requirement – instead, they serve them in a SSF program.

True of False

21) Under TANF, states are laboratories for testing new welfare reform models; we can learn what works and what doesn’t.

Answer: False. One of the arguments for the block-grant approach is that states would become laboratories for testing new approaches to promote self-sufficiency among welfare recipients. In fact, the opposite happened, as states were no longer required to rigorously evaluate their welfare reforms (as they were under the prior approach when seeking AFDC waivers) and we know little about the effects of most reform policies. Writing in 2015, Liz Schott, LaDonna Pavetti, and Ife Floyd of the Center on Budget and Policy Priorities observe:

The result is that, 19 years after TANF’s creation, we still have no rigorous evidence to inform debates about expanding work requirements to other programs. Similarly, because few states have implemented innovative employment strategies for families with substantial personal and family challenges, we still have very limited knowledge about how to significantly improve their employment outcomes. In short, states had an opportunity to innovate and rigorously evaluate new approaches to service delivery, but that is not the path they chose.²⁷

The knowledge gap is not limited to work requirements. There is little evidence regarding the impact of time limits, sanctions, family caps, diversion programs, and an array of other provisions. Some policies have undoubtedly helped families move toward self-sufficiency, others have just as surely pushed them deeper into poverty.

While TANF did not spur innovative new state welfare reforms, it did lead many states to find creative ways to: (1) manipulate TANF funding rules to maximize their own revenues; (2) eviscerate the cash assistance safety net by adopting very strict eligibility standards and erecting

barriers to accessing benefits; and (3) evade federal requirements, most notably work requirements and time limits.

There is a better conservative model of federalism – it is President Reagan’s waiver-based approach. It relied on a concept of cost neutrality (not a fixed block grant) and included a requirement for rigorous evaluation. The 1996 welfare reform should have built on this approach, expanding and refining the waiver process to other programs to promote evidence-based learning.²⁸

22) TANF has strong accountability provisions.

Answer: False. Conservatives often complain about the lack of accountability in programs, as reflected in the House Budget Committee’s FY 2017 budget recommendation to terminate the Social Services Block Grant (SSBG), which it characterizes it as a payment to states “without any matching, accountability, or evaluation requirements...”²⁹ These concerns pale in comparison to those of TANF – its main accountability measures are limited to “assistance” (about \$7 billion); leaving little accountability for the \$20+ billion in “non-assistance” expenditures. There are hundreds of different state programs funded as “non-assistance,” with little information on what they do, their cost, the number of families served, and their effectiveness. Even for assistance-related expenditures, work and other requirements intended to ensure accountability are regularly gamed by states. And, there is no requirement for states to evaluate their policy changes, even when they involve changes that terminate assistance altogether (e.g., time limits and full family sanctions).

23) TANF is limited to needy families with children.

Answer: False. TANF’s broad purposes combined with excessive state flexibility have allowed states to establish programs that have either no income limit or very high income limits. States can currently set income limits as high as they want as they determine the meaning of “needy”; and for some activities, there are no income limits, as purpose 3 and 4 activities funded with federal dollars are not limited to needy families. TANF provides assistance to only 23 families per 100 poor families with children; its welfare-to-work programs reach only a tiny fraction of families eligible for cash assistance. There is no reason funds should be diverted to those above poverty when the program does such a poor job serving the poor.

24) TANF’s work requirements are model for other safety net programs.

Answer: False. Today, there is a debate about expanding work requirements in non-cash welfare programs like Medicaid, SNAP (the Supplemental Nutrition Assistance Program, formerly known as “food stamps”), and housing assistance. Some have argued that TANF’s work requirements can serve as a model. This is troubling, because it does not reflect an understanding of TANF generally or how its work requirements have been implemented in practice. Moreover, the “evidence” used to support TANF’s putative success is limited to a cursory examination of broad data trends in the immediate years following TANF’s enactment and generalizations from random assignment experiments evaluating mandatory work programs that operated over 20 years ago that have little resemblance to TANF-like work requirements.

The case against TANF as a model cannot be summarized in a few paragraphs. For a detailed critique, see:

“Expanding Work Requirements in Non-Cash Welfare Programs: TANF is NOT a Model, but a Cautionary Tale,” October 22, 2018, available at:
<https://petergermanis.com/wp-content/uploads/2021/02/TANF-No-Model.pdf>

Given the limits of evidence, a more prudent approach would be to test a variety of welfare-to-work approaches and evaluate them rigorously (i.e., random assignment), before implementing them nationwide or even statewide.

25) TANF has been an “unprecedented success.” (This question must be answered correctly to pass the quiz.)

False. This should be obvious.

¹ The views in this document reflect my own as a citizen and do not reflect the views of any organization I am now or have ever been affiliated with. By way of background, I am a conservative and have worked on welfare issues for the Heritage Foundation, the American Enterprise Institute, and the White House under both President Reagan and President George H.W. Bush.

² Robert Rector and Vijay Menon, “Understanding the Hidden \$1.1 Trillion Welfare System and How to Reform It,” April 5, 2018, available at: <https://www.heritage.org/welfare/report/understanding-the-hidden-11-trillion-welfare-system-and-how-reform-it>.

³ U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, “TANF Financial Data – FY 2016,” February 1, 2018, available at: https://www.acf.hhs.gov/sites/default/files/ofa/tanf_financial_data_fy_2016_121817.pdf.

⁴ Aid to Dependent Children or ADC was Title IV of the Social Security Act of 1935. It was later renamed Aid to Families with Dependent Children (AFDC) and was replaced by TANF in 1996. The caseload figures for 1955 and 2018 are not directly comparable. The TANF caseload excludes cases funded in MOE-funded separate state programs and those receiving assistance in solely state funded programs. The former are primarily “token payment” cases and should not be considered real cases, and there is little data on the latter. A rough adjustment suggests that a true comparison might result in moving the 1955 date to 1960.

1955 ADC caseload data is available at: <https://www.ssa.gov/policy/docs/statcomps/supplement/2005/9g.html>.

2018 TANF caseload data is available at: <https://www.acf.hhs.gov/ofa/resource/tanf-caseload-data-2018>.

⁵ The AFDC caseload peaked in 1994 at about 14.2 million. 1994 AFDC caseload data is available at: <https://www.acf.hhs.gov/ofa/resource/caseload-data-1994>.

⁶ Similarly, Gene Falk of the Congressional Research Service explains:

The cash assistance caseload decline has been seen as one of the prime indicators that TANF made progress in achieving the goal of ending the dependence of needy families on government benefits. However, most of the caseload decline has resulted from a decline in the rate at which people eligible for assistance actually receive benefits, rather than a decline in the population in need. In 2015, 18.0 million people were eligible for TANF assistance, but 4.9 million (27%) received it.

See: Gene Falk, “Temporary Assistance for Needy Families,” Congressional Research Service, March 27, 2018.

⁷ Ife Floyd, Ashley Burnside, and Liz Schott, “TANF Reaching Few Poor Families,” Center on Budget and Policy Priorities, November 28, 2018, available at: <https://www.cbpp.org/research/family-income-support/tanf-reaching-few-poor-families>. The numerator reflects an average monthly caseload and the denominator is based on the number of families with children living below poverty for the year, but the difference does not materially affect conclusions about TANF’s declining effectiveness as a safety net program.

⁸ Ashley Burnside and Ife Floyd, “TANF Benefits Remain Low Despite Recent Increases in Some States,” Center on Budget and Policy Priorities, January 22, 2019, available at: <https://www.cbpp.org/research/family-income-support/tanf-benefits-remain-low-despite-recent-increases-in-some-states>; and Ife Floyd, Ashley Burnside, and Liz Schott, “TANF Reaching Few Poor Families,” Center on Budget and Policy Priorities, November 28, 2018, available at: <https://www.cbpp.org/research/family-income-support/tanf-reaching-few-poor-families>.

⁹ Ashley Burnside and Ife Floyd, “TANF Benefits Remain Low Despite Recent Increases in Some States,” Center on Budget and Policy Priorities, January 22, 2019, available at: <https://www.cbpp.org/research/family-income-support/tanf-benefits-remain-low-despite-recent-increases-in-some-states>; and Ife Floyd, Ashley Burnside, and Liz Schott, “TANF Reaching Few Poor Families,” Center on Budget and Policy Priorities, November 28, 2018, available at: <https://www.cbpp.org/research/family-income-support/tanf-reaching-few-poor-families>.

¹⁰ Ashley Burnside and Ife Floyd, “TANF Benefits Remain Low Despite Recent Increases in Some States,” Center on Budget and Policy Priorities, January 22, 2019, available at: <https://www.cbpp.org/research/family-income-support/tanf-benefits-remain-low-despite-recent-increases-in-some-states>; and Ife Floyd, Ashley Burnside, and Liz Schott, “TANF Reaching Few Poor Families,” Center on Budget and Policy Priorities, November 28, 2018, available at: <https://www.cbpp.org/research/family-income-support/tanf-reaching-few-poor-families>.

¹¹ Most of these families would qualify for Medicaid as well.

¹² U.S. Government Accountability Office, *Welfare Reform: States Provide TANF-Funded Work Support Services to Many Low-Income Families Who Do Not Receive Cash Assistance*, (Washington, DC: GAO, April 10, 2002), p. 7, available at: <https://www.gao.gov/new.items/d02615t.pdf>.

¹³ Gene Falk, “Temporary Assistance for Needy Families (TANF): Financing Issues,” Congressional Research Service, September 8, 2015, available at: <https://fas.org/sgp/crs/misc/R44188.pdf>.

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- ¹⁴ Urban Institute, Welfare Rules Data Base, July 2017 edition, available at: [https://wrds.urban.org/wrds/data/databooks/2017%20Welfare%20Rules%20Databook%20\(final%2010%2031%2018\).pdf](https://wrds.urban.org/wrds/data/databooks/2017%20Welfare%20Rules%20Databook%20(final%2010%2031%2018).pdf).
- ¹⁵ In many states, the initial sanction for failure to comply with work requirements is the entire benefit. In states with relatively high benefits, the sanction is often only a partial grant. In general, the expectation is that TANF families value their time at \$1 to \$4 an hour to receive a few hundred dollars. A better way to engage families might be to set the hourly requirements at the value of the grant divided by the minimum wage. Of course this, and a wide range of other policy options, should be evaluated rigorously to determine their effectiveness.
- ¹⁶ Gene Falk, “Temporary Assistance for Needy Families: Work Requirements,” Congressional Research Service, March 27, 2018.
- ¹⁷ Gene Falk, “Temporary Assistance for Needy Families,” Congressional Research Service, March 27, 2018.
- ¹⁸ Eduardo Porter, “The Republican Party’s Strategy to Ignore Poverty,” *The New York Times*, October 27, 2015, available at: <http://www.nytimes.com/2015/10/28/business/economy/a-strategy-to-ignore-poverty.html>.
- ¹⁹ Ron Haskins, “TANF at Age 20: Work Still Works,” *Journal of Policy Analysis and Management*, Winter 2015, available at: <https://petergermanis.com/wp-content/uploads/2020/09/Haskins2015Age.pdf>.
- ²⁰ Katharine Bradley and Robert Rector, “Work is the Key to Welfare Reform,” The Heritage Foundation, August 7, 2017, available at: <https://www.heritage.org/welfare/commentary/work-the-key-welfare-reform>.
- ²¹ Speaker Paul Ryan, “#ConfidentAmerica: Full Text of Speaker Ryan’s Remarks at the Library of Congress,” December 3, 2015, available at: <http://www.speaker.gov/press-release/full-text-speaker-ryans-remarks-library-congress>.
- ²² Peter Germanis, “TANF is Broken! Is Congress Fixing the Problems – or Just ‘Kicking the Can Down the Road’? A Response to Senator Steve Daines,” January 1, 2019, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Daines-Response.pdf>.
- ²³ House Budget Committee, Expanding Opportunity in America: A Discussion Draft from the House Budget Committee, July 24, 2014, available at: http://budget.house.gov/uploadedfiles/expanding_opportunity_in_america.pdf
- ²⁴ Gordon L. Berlin, “What Works in Welfare Reform: Evidence and Lessons to Guide TANF Reauthorization,” MDRC, June 2002, pp. 36-37, available at: http://www.mdrc.org/sites/default/files/TANFGuide_Full.pdf.
- ²⁵ For an example of a funding swap, see California Legislative Analyst’s Office, “The 2013-14 Budget: Analysis of the Health and Human Services Budget,” February 27, 2013, p. 50, available at: <http://www.lao.ca.gov/analysis/2013/ss/hhs/health-human-services-022713.pdf>.
- ²⁶ Some states use the funding swap to simply reduce their own contribution to TANF, using the freed up funds for purposes unrelated to TANF or welfare reform, e.g., to pay for tax cuts.
- ²⁷ Ife Floyd, LaDonna Pavetti, and Liz Schott, “TANF Continues to Weaken as a Safety Net,” October 27, 2015, available at: <http://www.cbpp.org/research/family-income-support/tanf-continues-to-weaken-as-a-safety-net>.
- ²⁸ Peter Germanis, “Making ‘Opportunity Grants’ Great Again: A Worthy but Challenging Prospect,” December 18, 2016, available at: <https://petergermanis.com/wp-content/uploads/2021/02/Making-OG-Great-Again.pdf>.
- ²⁹ U.S. House of Representatives, Committee on the Budget, *Concurrent Resolution on the Budget – Fiscal Year 2017*, March 2016, p. 67, available at: http://budget.house.gov/uploadedfiles/fy2017_budget_resolution.pdf.