Activation and reform in the United States: What time has told

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Abstract

The American “Personal Responsibility and Work Opportunity Reform Act” of 1996 (PRWORA) promoted “work over welfare” and included significant work and other activation requirements for adult recipients of Temporary Assistance for Needy Families (TANF), the safety net for poor families with children. Wiseman’s 1999 review of work-related requirements in TANF emphasized that states were still adjusting policy to various requirements of the law and that only “time would tell” what the ultimate consequences might be and what role activation would play. Time has now told. States have developed creative ways to meet the strict federal activation requirements without paying for workfare. Less than 40 percent of the TANF adult work-eligible caseload is “activated”—meaning that benefit receipt is conditional on some self-support incentive or obligation—and only about 12 percent of those persons engage in workfare. At the same time, mostly as a result of states’ efforts, access to the TANF safety net has contracted, inequities in federal support have increased, real benefits have declined, and fiscal responsibility for general social assistance has shifted upward from states to the federal government without significant rationale. States’ strategy of shifting funding from income support to more broadly-targeted services reduced the capacity of the TANF system to respond to the Great Recession of 2007-2009. The Supplemental Nutritional Assistance Program (formerly the Food Stamp Program) now provides what is *de facto* the national minimum income. Despite TANF’s shortcomings, the Obama administration reasonably chose to focus domestic policy on health care, rather than welfare reform. A national health insurance scheme was introduced in 2010 and gradual implementation is under way despite political opposition. Little change has occurred in TANF; keeping the program small eases states’ difficulties with achieving required work activity participation rates. And the highly partisan political struggle over taxes and the federal deficit precludes significant change in TANF outreach or activation requirements.

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The 1990s produced sweeping changes in basic income support in the United States. The showpiece of the transformation was the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). PRWORA ended the prevailing structure of public assistance—Aid to Families with Dependent Children (AFDC)—as it had evolved since the 1930s, and replaced it with something that was claimed to "end welfare as we know it". States began implementing the new programme, called Temporary Assistance for Needy Families (TANF), in October 1996, completing the transition in 1998. A central feature of PRWORA-related reforms was an increase in activation requirements associated with social assistance receipt. While few states required that recipients work for benefits, most began requiring effort at finding work or participating in work-related activity as a condition for both initial qualification for assistance and continued eligibility. Thus, the new welfare was in a sense *workfare*, the "Job You Can't Refuse" (Lødemel and Trickey 2001).

In 1999, Wiseman wrote a review of the incidence and character of workfare obligations in the US as of the end of the decade (Wiseman 2001). That review, "Making Work for Welfare in the United States" (hereafter referred to as *Making Work*), emphasised the diversity of state responses to PRWORA reform and the fact that, despite much sound and fury, in the first year of TANF only about 4 percent of adult recipients engaged in "workfare" jobs, meaning employment in publicly provided jobs in return for assistance. Instead, states increasingly began to apply activation-oriented obligations, which began with meetings with caseworkers. In the US, Wiseman claimed, "it is not the 'job you can't refuse', it's the *appointment* you can't refuse"

(Wiseman 2001, 243). However, it was clear in 1999 that the assistance system was transitioning, and states had yet to fully adjust to the new relationship PRWORA created between the federal and state governments. The US economy was at the peak of the longest post-World War II expansion, and state governments were awash in revenues from the buoyant economy and federal assistance. Despite such bounty, Wiseman argued that "the strongest incentives in PRWORA appear to be all in the direction of reducing caseloads", and recession had yet to test the new system. Only time would tell where TANF would end up and what role activation policy would play as a result.

This chapter diverges from *Making Work* in that the focus has broadened from workfare to "activation" generally. "Activation" is not a common term in the United States, but much of the debate around reform of the welfare system has centred on the development and promotion of what would elsewhere be called activation policies. Essentially, activation is the opposite of passive income maintenance. Activation moves beyond minimum income support to focus on changing the status of public assistance recipients. That is, it attempts to increase the degree of recipient self-support. This activation can take the form of an incentive or an obligation; it can be a "pull", such as tax credits for workers, or a "push", such as job search requirements. Although the United States has both forms, in reality the activation features of social assistance are often weak or inefficient, ultimately failing to require, inspire, or accomplish economic engagement.

This present chapter, written almost a decade and a half after *Making Work*, investigates what has happened to public assistance in the United States between 1997 and 2012, particularly focusing on features designed to activate potential and actual recipients. We survey just what time has told—a decade's revelations about TANF and its consequences for those in need. We begin with a review of the American public assistance system as a whole and the roles federal and state governments play in each component. We use four states—New York, Oklahoma, South Carolina, and Wisconsin—as examples and provide data on policy choices for each. In Section 2, we discuss landmarks in policy development since 1996, emphasizing changes between 2000 and 2012. In Section 3, we argue that the most recent decade has seen massive shifts in social assistance. While most have occurred outside TANF, much of this development is arguably a consequence of the 1996 reforms. Of all the components of the US social safety net, TANF offers states the greatest discretion; as a result, it is impossible to assess activation reforms without delving into what specific states have done and are doing with TANF. In Section 4, we provide more details for our example states. In Section 5 we return to the US as a whole and describe general patterns of change in activation policies for TANF recipients and the dynamics that produced these at the state and federal levels. This is Time's Tale: a summary of just how much has changed in the years since the first Wiseman review was written.

As is widely appreciated, the US political landscape changed dramatically in 2008 with Barack Obama's election to the presidency and the shift of control of Congress from the Republican to the Democratic Party. As important as this transformation was, it had little immediate consequence for welfare policy, although the new administration did use TANF as one vehicle for promoting economic stimulus. The Obama administration's priorities lay with health reform, economic stabilisation, and war strategy. Since 2009, welfare policy has remained largely on hold, with TANF annually sustained but little changed. We conclude this chapter in Section 7, with a review of problems that need to be addressed if and when American welfare policy is itself again "activated".

1. Situating TANF in the landscape of public assistance

We are interested in activation as a feature of American social assistance generally, and in TANF specifically. To start, we lay out the major programmes that make up the US safety net. We then review the meaning of a "minimum income" and consider whether TANF is it.

The major programmes

The Congressional Research Service (a branch of the US Library of Congress) identified 82 "means-tested" federal programmes in operation in 2009 (Spar 2011). Eligibility for a means-tested programme depends upon a lack of financial resources. Among means-tested programmes, entitlement programmes are those in which all persons who qualify have a legal right to claim a benefit. For non-entitlement programmes and assistance, eligible persons are not legally "entitled", and assistance is often apportioned on a first-come, first-served basis. Most of the 82 federal programmes are small, non-entitlement programmes, so budgeted outlays are often insufficient to meet the demand by all who are nominally eligible.

There are six major means-tested programmes in the US, including TANF. Each of the "Big 6" has its own important features:

- Temporary Assistance for Needy Families (TANF) is a means-tested cash benefit for families with children. Many more details about the TANF program are forthcoming later in the chapter.

- The Earned Income Tax Credit (EITC) is an earnings subsidy available to low-income workers. It is generally calculated and collected annually, with the amount dependent upon family composition. In 2012, the maximum federal EITC payment available to a single-parent family with two children (our referent family) was $5,236, paid for annual earnings of $13,090–$17,090. For a two-parent family with two children, the benefit was the same, but it was paid for annual earnings of $13,090–$22,300 (Scott 2013).

- The Supplemental Nutrition Assistance Program (SNAP) is a means-tested benefit available to all persons, regardless of family composition or living arrangements. SNAP most closely resembles a national benefit system, except that its core benefit is ostensibly intended to support only food expenditures. Our referent single parent family was eligible in 2011 for up to $526 per month in SNAP benefits (FNS 2009b), collected by use of a dedicated debit card when purchasing unprepared food in grocery stores and supermarkets. Since the programme reduces the benefit amount if the recipient has other income, benefits received are typically less than $526. The taper is modest: Benefits fall by $0.24 for every dollar of monthly earnings in excess of (in 2012) $134, and by $0.30 for every dollar of income from other sources (FNS 2009b). Benefits are automatically adjusted annually for inflation. There is no work requirement except for non-elderly "able-bodied adults without dependents" in states with low unemployment rates. In addition to its nominal in-kind character, SNAP differs from minimum income support in that eligibility depends on assets as well as income. Households can have no more than $2,000 in liquid assets ($3,250 if a member is over 60 years old or disabled). As discussed in more detail later, certain households are "categorically" eligible by virtue of receiving benefits and other services from TANF or Supplemental Security Income (the next programme on this list), in which case the SNAP assets restrictions do not apply. SNAP was known as the Food Stamp Program (FSP) until October 2008. We use the contemporary name for all time-specific data, FSP/SNAP for references spanning the renaming, and SNAP for general programme discussion.

- Supplemental Security Income (SSI), an individual benefit for adults incapable of "substantial gainful activity", is paid to poor families who have children with major disabilities. In 2012, the base SSI benefit was $698 per month per eligible individual (SSA 2013). An individual who receives SSI cannot also receive TANF, but others in the household may qualify for TANF benefits.

- Health insurance, provided through the federal/state Medicaid and Child Health Insurance Program (CHIP), is generally available for low-income families with children.

- Housing subsidies exist in various forms. None are entitlements, and the number of beneficiaries is limited. As a result, most areas have a substantial queue of eligible families seeking a housing benefit.

The EITC, SNAP, SSI, and TANF all provide cash or (in the case of SNAP) near-cash benefits. But within the general picture of the major US income support programmes for non-elderly (i.e., age less than 65) persons, TANF is a minor player (Table 1). TANF actually involves considerably more than $11.1 billion because the major portion of TANF money goes for purposes other than income support. Even when all funds are considered, however, TANF is still the smallest of the four.

Table MAJPROGS Here

Table 1: Comparative income support outlays, major means-tested programmes

At this point, puzzled European readers will probably ask, "Where's the unemployment benefit?" The answer is that there is none, or at least no means-tested income maintenance programme specifically for the jobless. Unemployment benefits in the US are all insurance-based and limited in duration to 26 weeks unless—as occurs in most recessions—extended by federal subsidy. In an average month, less than half the unemployed are receiving UI benefits.[1]

The American "Social Minimum Income"

Lødemel and Moreira (2011) define a nation's minimum income (MI) as the programme or programmes that "provide a financial safety net for work-capable unemployed individuals whose personal/household income is below the national social minimum". "Financial" implies a cash benefit. "Work-capable" differentiates an MI from disability benefits or support in old age. "Unemployed" suggests the scheme is applicable in situations in which beneficiaries are not currently contributing to their own support. "Personal/household" constitutes acknowledgement that an individual's resources may include the income of others. And finally, "below the national social minimum" indicates that both the MI is means-tested and there exists a standard of need.

None of the Big Six is available to the entire population in need. SSI is only available to those who are disabled. The EITC violates Lødemel and Moreira's requirement that an MI programme be available to those who are not contributing to their own support. SNAP has near-universal availability to needy households, but it is a near-cash (or "in-kind") benefit that can be used only for specific purposes. Housing assistance has very limited availability and, like SNAP, is only a near-cash benefit. Medicaid/CHIP is not cash assistance and is offered primarily to low-income families with children. The only other major means-tested social assistance programme is TANF, which meets all Lødemel and Moreira's requirements except that it is not universal, since the programme is only available to individuals with dependent children.

[1] Based on analysis of data from the Bureau of Labor Statistics (http://www.bls.gov/data/#unemployment) and Employment and Training Administration, U.S. Department of Labor (http://workforcesecurity.doleta.gov/unemploy/claims_arch.asp).

The TANF programme goes hand in hand with SNAP and Medicaid. Almost all TANF recipients are automatically eligible for SNAP, and all TANF recipients are enrolled in Medicaid. Thus, it is perhaps most appropriate to understand MI in the US as a combination of TANF + SNAP + Medicaid. To simplify, we will refer to TANF alone throughout much of this chapter, particularly because the activation debate has centred on TANF. By itself, SNAP plays an important role in the public assistance landscape, particularly for those who do not qualify or choose not to apply for TANF. But TANF recipients are in virtually all cases SNAP recipients as well.

A brief note on poverty

A benchmark for comparison of outcomes is useful for evaluating an MI scheme. In the United States, the federal poverty line is the standard usually used to evaluate the sufficiency of social assistance programmes. The official US measure is an "absolute" standard adjusted annually for changes in the general price level, rather than the relative income measure commonly used in European poverty assessment by, for example, the Organisation for Economic Cooperation and Development (OECD). Furthermore, the US standard counts only cash income pre-tax, post-transfer, meaning it does not encompass benefits from near-cash programmes or income tax credits. In contrast, the OECD uses 50 percent of the national median income as a poverty threshold, adjusted for household size by an equivalence scale, and counts income post-tax, post-transfer as well as near-cash benefits. At $17,346 for our referent family of three, the value of the US official poverty standard amounted to only 83 percent of the OECD standard for the US (for the same family composition) in 2008.[2]

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[2] These thresholds are computed for 2008 using a tool developed by the U.S. Census Bureau called Table Creator II, which can be found at http://www.census.gov/cps/data/cpstablecreator.html.

The role of federalism

The United States is a federal system, and many of the benefits available to low-income persons are the product of both federal policy and state choices, with the state role differing substantially across states (Table 2). The EITC, operated through the federal tax code, is nationally uniform; states vary only to the extent that they operate an add-on earnings subsidy. The same is true for SSI. SNAP has a nationally uniform benefit structure, but states have been granted increasing authority to override some federal restrictions related to household resources. States also differ in management proficiency. Contractors for the administering agency (the U.S. Department of Agriculture's Food and Nutrition Service) estimate that only 75 percent of eligible households nationwide actually receive the SNAP benefit. Estimated rates of participation vary widely across states: On the low end, the California estimate is 42 percent; on the high end, participation in Maine and Oregon is judged about 100 percent (Cunnyngham 2012).

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Table 2: The states' role in social assistance

TANF exhibits the greatest variation among states. The diversity is so great that the administering federal agency contracts with a non-governmental organisation, the Urban Institute, to collect and publish information on TANF's state eligibility requirements and benefit computation procedures. The results are available on the Institute's web site and published annually in the *Welfare Rules Databook* (Kassabian et al. 2012).

In this chapter, we use four example states to demonstrate different models of the TANF programme in the US—New York, Oklahoma, South Carolina, and Wisconsin—with occasional reference to other states when pertinent.[3] Where program details vary within states, we use information for the largest city. This is most important for New York.

New York (state population 19.6 million in 2012) is the largest of the four examples, with 50 percent of the state's TANF caseload located in New York City in 2011 (NYC HRA 2011, OFA 2011).[4] Oklahoma (3.8 million) is a small, rural state that has concentrated its TANF expenditures on service provision rather than income support. South Carolina (4.7 million) is a relatively poor southern state that has struggled to maintain benefits. Finally, Wisconsin (5.7 million), a bellwether of reform in the 1990s, retains a highly idiosyncratic TANF system.

Table 2 illustrates TANF's diversity with two programme features—the basic monthly benefit for our referent family and the benefit taper for earnings—and an outcome—the "work participation" rate. Work participation is the proportion of adult recipients meeting federal activation requirements during an average month. Note that work participation in the four example states varies by 22 percentage points, and the difference between the TANF benefits in New York City and South Carolina exceeds $400.

In 2011, the national mean state TANF benefit for the referent family of three was $431 per month, with benefits ranging from a low of $170 in Mississippi to $723 in California.[5] The same family receiving the mean benefit of $431 and no other income would have been eligible for a maximum SNAP benefit of $526. SNAP partially offsets interstate variation in TANF benefits. In 2011, a TANF single parent family of three in Mississippi was eligible for up to $526

[3] Here and elsewhere in the chapter, we treat the District of Columbia as a state.
[4] Population estimates are from the U.S. Census Bureau's Population Estimates program.. Data can be found at http://www.census.gov/popest/data/state/totals/2012/index.htmlaccessed April 3, 2013..
[5] All average state benefits in this chapter are weighted by estimates of the number of children in the state judged to be poor, based on the federal poverty standard. Both TANF and SNAP benefits are higher than the top of this range in Hawaii and Alaska.

in SNAP benefit, in California only up to $483. Note that in Mississippi, the SNAP benefit was more than twice the TANF cash benefit.

As explored in more detail later, the combined mean TANF and corresponding SNAP benefit is less than the US official and OECD poverty standards. In 2011, the official poverty standard for the referent family of three was $18,530; the OECD standard was $20,280. Annualised, the mean TANF benefit combined with the SNAP benefit (on the assumption of maximum permitted deduction for housing costs) comes to just $11,460. This is 58 percent of the US official poverty standard and only half the 50 percent-of-median OECD threshold.

2. Policy landmarks

Referring to benefits in 2011 puts us ahead of the story, since state TANF generosity fifteen+ years after PRWORA is the outcome of various developments that have moved the country to the present policy configuration from the situation on the eve of the reforms of the 1990s. Table 3 summarises major welfare policy milestones, beginning with the Family Support Act of 1988 and ending, two decades later, with the anticipated second reauthorisation of TANF.

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Table 3: US welfare policy timeline, 1988-2013

The timeline, inside and out

There are important "outside TANF" and "inside TANF" stories here. The outside stories involve the economy, politics, and policy; the inside stories concern changes in TANF regulations and law. Looking first to the outside, we see that three recessions punctuated the economic story and directly influenced political developments (NBER 2011). The first downturn occurred between July 1990 and March 1991, during the presidency of Republican George H. W.

Bush. While moderate, this contraction contributed to the Democratic Party's victory in November 1992. The second recession occurred between March and November 2001, shortly after the election of George W. Bush. The third began in December 2007, continued well into 2009, and contributed in part to the election of Barack Obama in November 2008.

We flag three of the numerous policy developments over this period. One is a substantial expansion in the EITC in 1993, judged by most analysts to be a major factor in increasing labour force participation by single parents during the mid- to late 1990s (Eissa and Hoynes 2006). The second important policy development involves FSP, which spans several years of administrative and legislative changes, beginning in 1998 and culminating with the 2002 Farm Bill. These changes restored FSP eligibility to persons denied it by PRWORA and allowed states to extend categorical eligibility to families receiving, or *certified as eligible to receive,* benefits or services funded by TANF (FNS 2009a). When implemented, the new rules effectively removed the FSP assets test for families with children. The 2002 Farm Bill reduced recipient income reporting requirements and softened penalties imposed on states for errors in eligibility assessment (FNS 2008). These developments set the stage for making FSP/SNAP into the mainstay of American social assistance. The third reform, provision of universal health insurance access through the Patient Protection and Affordable Care Act (ACA), is in early stages of implementation, as discussed later in the chapter.

The inside stories concern TANF. *Making Work* focused on a three-part story in the run-up to TANF and immediate aftermath. The first was the apparent failure of the Family Support Act of 1988 to significantly change AFDC operations and the subsequent increase in the AFDC caseload. The second was the growing diversity in state AFDC programmes fostered by federal waivers of AFDC rules. The third was the actual change from AFDC to TANF. In the early

1960s, the Social Security Act (the supporting legislation for AFDC) was amended to grant authority to the Secretary of what was then called the Department of Health, Education, and Welfare to waive certain federal programme requirements if so doing would "in the judgment of the Secretary…assist in promoting the objectives of [said programs]" (42 U.S.C. § 1315). Waiver-based innovations attracted considerable policymaker attention in the 1980s and influenced the design and passage of the Family Support Act. Just before the 1992 election, the first Bush administration substantially increased the number of waivers granted to states, a policy that broadened and accelerated under President Clinton. By 1996, 43 of the 51 states had waivers in place (Committee on Ways and Means 1996), the content of which varied substantially.[6] Most commonly, states tightened work requirements for assistance, but waivers were also granted for experimentation with other social requirements (such as linking benefits to child school attendance or denying benefits for additional children conceived by mothers already on assistance). Not all such alterations were punitive; more than half the states used waivers to treat earnings more generously in benefit computation. Waiver-based welfare reform became very popular politically, and was credited with contributing to the turnaround in AFDC caseload growth that began in the spring of 1994 (Blank 2001).

Wisconsin was generally acknowledged as the leader in waiver-based initiatives. That state's welfare experimentation culminated in a radical TANF-based programme, called Wisconsin Works or W-2, which came to be recognised as the most ambitious state reform (Wiseman 2001). One of the guiding principles of W-2—"For those who can work, only work should pay"—implied that welfare assistance should be work-based for persons capable of working. That seems to meet the formal definition of workfare, of course, which literally

[6] For details, see the Committee on Ways and Means (1996), p. 435.

requires work in return for assistance; and W-2 was promoted using workfare language. In practice, W-2 encompassed more general activation. Wisconsin's initiatives attracted considerable national and international attention and ultimately led to the appointment in 2001 of the state's governor, Tommy Thompson, as President George W. Bush's Secretary of what had become the Department of Health and Human Services.

What PRWORA did

The third and largest component of the welfare policy story in the 1990s was the reform that replaced AFDC with TANF. Much has been written about the politics of welfare reform and passage of PRWORA.[7] PRWORA was motivated by four goals stated explicitly in the legislation: (1) to provide assistance to needy families so children can be cared for in their own homes or in the homes of relatives; (2) to end dependence of needy parents on government benefits through work, and through promoting job preparation and marriage; (3) to reduce the incidence of out-of-wedlock pregnancies; and (4) to promote the formation and maintenance of two-parent families (42 U.S.C. § 601).

Making Work pointed to four TANF innovations as potentially important: (1) block grants, (2) time limits, (3) work requirements, and (4) loss of entitlement. Since the "story that time tells" is largely about the consequences of these elements, we review them and the issues they raised.

AFDC was funded with a matching grant. The federal government paid for half the administrative costs and a proportion of the benefit costs that varied with state per capita income

[7] The best account, written from the perspective of a Republican insider, is Haskins (2006), which is critically summarised in Wiseman (2007) (see also DeParle (2004)). The appendix to Haskins' book provides a detailed description of the contents of PRWORA (see also Committee on Ways and Means (2004), Chapter 7).

but was never less than 50 percent. The 1996 law changed funding to a block grant, fixing each state's apportionment at the maximum amount the federal government paid that state for AFDC in fiscal year (FY) 1992–FY1995. Additionally, states were required to continue spending from their own resources an amount equal to 75 percent of state costs in FY1994;[8] this "maintenance of effort" (MOE) requirement could of course be exceeded.

Both the federal TANF block grant and the state MOE were set in nominal terms. At the time of passage, the outcome of the change was unclear. On one hand, reductions in caseloads meant the status quo would satisfy MOE requirements and the amount of federal money was substantially enhanced. This "income effect" gave states the resources to do much more with welfare than was possible with AFDC funding. On the other hand, the change from a matching to a block grant altered the price to states of additional dollars spent on assistance. Before PRWORA, an additional dollar spent on benefits cost state taxpayers at most $0.50 and in some states less than $0.25. With TANF, an additional $1 spent cost the state $1. Perhaps more importantly, $1 saved by reducing the caseload or benefits—or both—was $1 available for other types of expenditure. This "price effect" encouraged state stinginess.

PRWORA famously placed a five-year lifetime limit on federal funding for benefits for adult recipients. This TANF "clock" began ticking for state recipients when the state filed its TANF plan with the federal government.

Moreover, PRWORA set activation requirements for individuals and states, mostly in the form of workfare. Individually, adult recipients of federally funded assistance were required to be engaged in work or other approved activities after two years on assistance. States were

[8] Details on the TANF program presented in this section are from Committee on Ways and Means (2004), chapter 7.

charged with achieving progressively higher rates of activity participation. Countable activities were extensively categorised and included unsubsidised employment, community service programmes, and certain types of education and training. Separate work participation rates were applied to single parents and to adults in two-parent households. For single parents the requirement reached 50 percent by 2002; for two-parent families the requirement reached 90 percent (42 U.S.C. § 607).

PRWORA's "entitlement" statement was quite explicit: "[The Social Security Law amendments that replaced AFDC with TANF] shall not be interpreted to entitle any individual or family to assistance under any State programme funded under this part" (42 U.S.C. § 601). Before PRWORA, persons satisfying eligibility criteria contained in a state's approved plan could sue their state in federal court if a claim for assistance was denied. Denial of entitlement took away this federal legal option, although in some states access to support—or at least to due process—is also protected by state law. Generally speaking, loss of entitlement did not close the door to assistance for families with children, but the new language certainly did not make that door any easier to open.

Reauthorisation

By the early 2000s, the regulatory environment had stabilised and states had accustomed their bureaucracies to meeting federal reporting requirements. At the national level, TANF administration and welfare reform were in the hands of a new Republican administration under George W. Bush.

TANF was itself originally time-limited, with review and "reauthorisation" scheduled for 2002. Much pundit attention and large amounts of philanthropic resources focused on reauthorisation as an opportunity to correct the programme's perceived shortcomings (Blank and Haskins 2001). An important contributor to development of the 1996 reforms, Ron Haskins, was brought to the White House to work on reauthorisation plans. The September 11, 2001 terrorist attacks dramatically changed administration priorities; but a reauthorisation "blueprint" was nonetheless issued in 2001, with a detailed proposal published in February 2002 (White House 2002). Among other things, the White House proposed creation of "super-waivers" that would offer block grant funding for programmes beyond TANF to increase state autonomy. At the same time, the administration pushed for substantial increases in TANF work participation rates and for restricting the types of activities that counted as work. While state governors generally liked the waiver expansion, proposals for increasing activation were judged costly and administratively onerous (NGA 2002).

Given pressure from the governors and the distraction of two wars, the White House ceased to press its agenda. TANF was continued through a series of annual extensions until reauthorisation in early 2006. The super-waiver idea was dropped, and, to the governors' relief, little change was made to state block grant allocations. Reauthorisation did raise participation requirements and extend them to certain adults previously not included. States failing to meet the new standards were subject to a modest (1–5 percent) reduction in the federal TANF block grant (Pavetti et al. 2009). A small amount of money was diverted from support of job placement performance awards to "healthy marriage promotion activity" and the creation of "responsible fatherhood initiatives".

3. The transformation of public assistance

Major changes in institutions do not happen overnight. We have set the stage for the playing out of TANF consequences, including activation. We now review what has taken place since

PRWORA. The story in a nutshell is that TANF's funding structure contributed to an increasingly unequal distribution of resources as well as new spending patterns, whereby states "banked" unspent resources and transferred funds from benefits to other types of assistance. Benefits have fallen and access has been curtailed. Even the recent recession had little effect on the caseload. But there is more to tell. In telling more, we refer to both trends in aggregate and among our example states. We concentrate on changes that occurred between PRWORA and 2008, the first year of the Great Recession, but where useful we extend our analysis.

What counted and what did not

First, we set aside the features of TANF that proved inconsequential—the five-year lifetime limit and the two-year activation requirement. Through 2008, very few cases were closed due to the time limit (Bloom et al. 2002, OFA 2008, Table 46) for several reasons. The first was a misperception by PRWORA's architects of how many cases actually involved long-term dependency. By the time the federal limit became effective—for some states not until 2003—virtually no adult recipients were at risk. Moreover, the new law allowed states to exempt up to 20 percent of cases from the limit. In addition, until the loophole was closed in 2006, states could create "separate state programmes" wholly paid for out of state funds, with no requirements that adults meet either work test. Moneys spent on such programmes counted toward the TANF MOE requirement.

The participation rate requirement could have had a major impact, because the target level of activation of the caseload in 2002 substantially exceeded anything previously achieved by states. However, a PRWORA provision called the "caseload reduction credit" served to vitiate this requirement, as it reduced states' obligation for activation by one percentage point for every percentage point reduction in the caseload relative to average levels established in

FY1992–FY1994. Since the TANF caseload was falling in almost every state by 1996, the required participation rate amounted to less than the 50 percent specified by law for 2002. In contrast, the required 90 percent participation rate for non-disabled, two-parent households remained far beyond what most states could accomplish. Always a small proportion of the caseload, this group tended to be short-duration, high-turnover cases, often with serious problems. Engaging them within TANF proved problematic, certainly at the levels dreamed of by the legislation's architects. By 2001, only *two* of the 51 states had met the requirement; the others strategically avoided it by moving all two-parent families to a separate state programme or by eliminating assistance altogether for non-disabled, two-parent families (Committee on Ways and Means 2004, Table 7-23). The penalty for non-compliance was an increase in the MOE from 75 percent to 80 percent; and in many cases the states that were penalised were spending this much anyway. For other states, given the difficulty of engaging adults in countable activities, a simple cost-benefit calculation showed it to be cheaper to accept the penalty. Nonetheless, even when not immediately binding, the activation requirement posed a threat and created an incentive to keep caseloads down, since it worked in both directions: A rise in caseloads would also increase the effective participation requirement.

The effect of loss of entitlement is difficult to quantify. To the best of our knowledge, no families were expelled from the caseload on the day their state's TANF plan was approved, though many states introduced or expanded efforts to divert applicants from benefit receipt. By 2000, 16 states required applicants for TANF to demonstrate that they were searching for a job before entering the programme; in 2008, that number was 19. In 2000, 27 states offered applicants alternatives that typically featured one-off payments in return for withdrawing their application; by 2008, that number had increased to 37 (Rowe and Murphy 2009). Since such applicants were often the most job-ready and most easily engaged in work-related activities upon beginning TANF, diversion policies tended to make it more difficult to activate the remaining caseload. But given the caseload reduction credit, it actually made no difference.

Benefits

States could have directed the growth in resources initially produced by TANF to expanded benefits, though in general they did not. The mean state TANF benefit for the reference family of three—in real (2008) dollars for comparability—was $515 per month in 1996, the year of PRWORA's debut, and decreased to $493 by 2000, $481 by 2004, and $417 by 2008.[9] Over the entire period from 1996 to 2011, benefits fell by about one-fifth in real terms. As with the distribution of resources per poor child, while the mean fell the variance among states in TANF benefits increased: The ratio of the weighted standard deviation of benefits available to families with poor children to the mean benefit increased by over 7 percent. As already discussed in this chapter and in *Making Work*, because of the block grant's nature, the incentives for reducing benefits are strong. Any increase in benefits had to be funded wholly from state revenues or by reducing outlays on other services. Moreover, 30 percent of any decline was offset for families by increases in FSP benefits. However, since the decline in TANF benefits predates PRWORA, the new incentives can hardly have been the only influences at work.

While no state increased TANF benefits at a rate equal to inflation, the shortfall varied. Some states, such as Wisconsin and Oklahoma, did not change nominal benefits at all, thereby resulting in a 23 percent decrease in the real value of benefits between 2000 and 2011. Others, such as New York, adjusted benefits upward at irregular intervals. South Carolina and a few others made more regular adjustments. Figure 1 depicts the maximum real TANF and

[9] Calculations in this paragraph are based on data in Rowe and Murphy (2009).

FSP/SNAP benefits in the four example states and in the US over the 2000–2011 period, compared with the official US poverty standard and the OECD relative poverty threshold (at 50 percent of the median).[10] The generosity of benefits varies, but in no state would TANF and FSP/SNAP ever lift a person with no other income out of poverty as officially defined.

Figure REALTANFSNAP Here

Figure 1: Maximum benefit levels in example states and the US compared to official US and OECD poverty thresholds, 2000-2011 (2011 dollars)

Caseload

Resource, expenditure, and benefit developments influence and are influenced by the number of families receiving assistance. The solid lines in Figure 2 show the AFDC/TANF and FSP/SNAP caseload for the US and the example states since before the Family Support Act, normalised on the caseload from 1996. The shaded areas mark peak-to-trough periods of economic recession. Three stories are important here. The first is the contraction of the AFDC/TANF caseload. As discussed in *Making Work*, the caseload decline began before PRWORA, with state reforms, but accelerated thereafter in the context of a steady decline in unemployment rates. Of the four example states, Wisconsin's caseload decline was most dramatic during the early years, shrinking by 84 percent. Over the entire period, however, Oklahoma experienced the largest percentage decline. Nationally, the number of TANF recipients fell by 69 percent between 1993 and 2011.

Figure NYOKSCWICaseloads Here

Figure 2: TANF and FSP/SNAP recipient caseloads in example states and the US, 1990-2010 (normalised; 1996 = 100)

[10] The OECD thresholds for 2004, 2008, and 2011 were computed using Table Creator II (see note 2 above). Estimates for years prior to 2004 are not available.

The second Figure 2 story involves recession. Since its creation, TANF has encountered two recession tests. The first, in 2001, was sharp but short-lived, and the caseload stabilised through 2005, when decline set in again. The second comes at the very end of the time period we address, beginning in December 2007. Despite a downturn with precedent only during the Great Depression, the caseload numbers changed little. What is now commonly called the Great Recession technically ended in June 2009, but by December 2009 the national unemployment rate had reached 10 percent, and less than 3 percent of US families were receiving TANF benefits. Despite modest supplemental federal funding (discussed later), TANF appears to have played virtually no role in the counter-cyclical safety net in the downturn.

A third story is FSP/SNAP. While TANF caseloads declined, FSP/SNAP caseloads rose steadily, especially after FSP asset eligibility rules were relaxed in 2000. From 2000-2008, the national FSP/SNAP caseload more than doubled; in Wisconsin it nearly tripled (shown by dashed lines in Figure 2). As will be explored in the next section, it appears that SNAP has now replaced TANF as the prime social assistance programme in the US.

Expenditures

As previously mentioned, PRWORA shifted the federal TANF contribution from a matching grant to a block grant for each state based on the highest federal contribution over the FY1992–FY1995 interval. Since the AFDC caseload began to decline nationally in 1993, fixing the grant at this level led to a substantial increase in per-case resources by the end of the 1990s. While the MOE requirements specified mandatory state expenditures for each fiscal year, the annual block grant entitlement was retained even when the funds were not expended. In other words, part of the surfeit could be saved. Initially, this is what happened. By 2000, states had accumulated $7 billion in unspent resources from the FY1997–FY1999 grants, the equivalent of over 40 percent of that year's block grant (ACF 2010). States responded by greatly increasing funding of services, which arguably served the four TANF goals but were targeted not towards actual TANF recipients but to other low-income families with children. Over time, states discovered that many activities, some very remote from income maintenance, could be linked to these goals.

Figure 3 plots TANF outlays over time, adjusted to 2008 prices. Outlays are divided among expenditures on cash benefits, other assistance, and all other expenditures. "Other assistance" is money spent on services specifically for unemployed persons receiving TANF benefits. "Other services" refers to spending on services to families other than TANF recipients, including work-related activities and expenses, work subsidies, child care, transportation, and the state EITC supplements shown in Table 2.

Figure SPEND9708 Here

Figure 3: Evolution of assistance spending in example states and the US, 1997-2011

Clearly, states shifted money from benefits to services over the first five TANF years, and the backlog of unspent funds allowed growth in real spending, which supported a dramatic expansion in general social services focused on low-income families. Between 2001 and 2006, expenditures declined in real terms. After 2006, service outlays, fuelled by reauthorisation, resumed modest growth while benefits continued to fall. As is evident from Figure 3, Oklahoma is an extreme case: Relative to other states, by 2008 Oklahoma was spending the largest proportion of its assistance on services rather than income support. In 2008, Oklahoma allocated only 12 percent of all outlays to income support, down from 64 percent in 1997. In 2008, it had the second-lowest allocation of spending to cash assistance in the country.

Between 1997 and 2008, spending on cash benefits fell from 73 percent of total outlays to 31 percent, whereas services increased from 23 percent to 64 percent (ACF 2010). These trends have both structural and political consequences. Cash benefits go to poor people. Services, in contrast, are often provided for persons slightly better off by producers who are much better off. In this situation, states could respond to an economic downturn—and the consequent increased demand for income support—only by increasing overall expenditures (and remember how welfare reform changed the cost to the state of doing so) or by reducing spending on services, which is a sector with a large voting constituency. Thus, diverting resources to benefits was politically unviable. At the same time, many of the recipients of these services were made categorically eligible for FSP/SNAP, and government and advocacy groups aggressively encouraged enrolment (Glickman 2000, Shahin 2009). Rather than receiving increased TANF benefits, people were pointed toward FSP/SNAP for income support.

Resources

PRWORA, as noted, fixed the TANF block grant and MOE requirements in nominal terms based on AFDC spending and population levels in the first half of the 1990s. Over time, not only have prices changed but so has the geographic dispersion of need. Figure 4 illustrates the distribution of the block grant and MOE requirement across states in 2008, normalised by an estimate of the number of poor children in each state, with the example states highlighted. In 2008, MOE requirements plus the aggregate block grant came to $2,036 per poor child nationally, with the actual amount available from both the block grant and the MOE requirement varying widely across states. States could spend more than the MOE required, but most states reported no excess. The law requires only that MOE expenditures meet the nominal requirement, so most states did not bother to count beyond this point.

Figure 2008RESOURCE Here

Figure 4: TANF-MOE resources per poor child, 2008

From 1998 to 2008, the number of officially poor children increased by 13 percent, while consumer prices increased by approximately one-third. The consequence of both increases was that the real value of the combination of block grant and MOE per child fell by 28 percent. As the mean value fell, the dispersion of resources across states grew. Based on the same weighting scheme, the ratio of the standard deviation of resources per poor child to the mean increased by 24 percent over the decade. Because of the shifting distribution of poverty across states, rankings do change somewhat; even so, the correlation between 1998 and 2008 amounts by state is quite high (0.91).

The resource differences are a happenstance of history, not the consequences of any federal redistribution across states based on fiscal capacity or need. The correlation between state per capita income (a rough measure of state fiscal resources) and the federal TANF block grant per poor child is only 0.08.[11]

Work participation and activation

Finally, we reach activation. As discussed at length earlier in this chapter, states must meet work participation requirements, although a caseload reduction can offset much of this obligation. Nonetheless, many TANF recipients are actually activated, though not through workfare. Figure 5, which illustrates changes in activation between FY2000 and FY2008 for our example states, reveals several things. First, the total percentage of each column represents the percentage of work-eligible adults with at least one hour of work-related activity per month as a percentage of

[11] These numbers are not adjusted for regional variations in the cost of living. Such adjustments would not affect the conclusion that resources have contracted, and the inequality in their distribution compared to the distribution of poor children has grown.

the total number of work-eligible adults receiving TANF assistance in an average month of that year. We shall call this the “activation rate” to distinguish it from the official participation rate. Second, the subcategories indicate the types of activities in which these engaged adults are participating. Third, the figure differentiates between activities that can be considered workfare and other types of activities, with workfare comprising the bottom five activity classifications. Finally, the diamond marker within each bar indicates the overall participation rate, i.e., the percentage of families who met the federal participation definition.

Figure STATEACT Here

Figure 5: Activation in the example states, 2000 and 2008

In three of the four states, workfare comprises a relatively small portion of all activity within the TANF caseload, with subsidised jobs playing almost no role whatsoever in activation in any of the four. In Wisconsin, which has the highest activation rate, workfare is somewhat more prominent, but still accounts for less than 20 percent of work activity in 2008. Unsubsidised employment looms large in three of the four states, where its role within TANF has grown throughout the decade. This is not entirely coincidental. As states began enforcing activation requirements within TANF, more recipients returned to work. In many instances, states became more generous in their “disregard” of earnings in TANF benefit computations than in eligibility determination. As a result, the maximum level of earnings consistent with initial TANF eligibility can be substantially lower than the level of earnings that disqualifies a family from ongoing receipt. Obviously, this differential creates inequities, since at earnings levels between the initial and ongoing eligibility cut-offs, it is possible for parents in the same situation to receive or not receive TANF benefits depending upon their histories. The advantage of this arrangement to states is that such work counts toward the TANF participation rate; the small benefits provided working recipients cost less than providing the activities required to reach target participation rates in other ways.[12]

4. Behind the numbers[13]

Variation across states reflects local institutions and politics. Before returning to general themes, we point to the influence of such factors in our example states.

New York

New York is one of the most generous states in benefits for those in need. The state ensures that low-income persons not eligible for TANF due to citizenship status,[14] family composition, or time limits are provided roughly equivalent cash assistance from a solely state-funded programme (meaning that no funds for this assistance come from federal TANF or state MOE monies). Much of the reason for the state's relative generosity can be traced to the state Constitution, which mandates that "[t]he aid, care and support of the needy are public concerns and shall be provided by the state and by such of its subdivisions, and in such manner and by such means, as the legislature may from time to time determine" (N.Y. Constitution, Article VII § 8.2). New York is the only state obligated by its *own* law to assist all persons in need.

New York runs two programmes: Family Assistance (FA) and Safety Net Assistance (SNA). FA includes TANF recipients who are not undergoing substance abuse treatment and two-parent families who received TANF benefits for less than five years. SNA includes TANF

[12] In 2008, 22 of 51 states had ongoing (i.e., after six months of assistance) TANF income eligibility cut-offs that were higher than those applied in assessing initial TANF eligibility; four states had ongoing cut-offs that were lower than the initial cut-offs; and one state (Wisconsin) did not have a cut-off because this state did not combine unsubsidised work and benefits (Rowe and Murphy, 2009).

[13] Much of the information in this section was garnered from personal interviews with administrators in each state's human services agency.

[14] Legal immigrants are barred by federal law from receipt of TANF benefits during their first five years in the country.

recipients who are receiving substance abuse treatment, former TANF recipients who have passed the five-year limit, two-parent families who have received TANF assistance for more than five years, and general assistance cases. Counties administer the programmes—except the five counties included in New York City itself, where the programmes are administered by the city's Human Resources Administration (HRA).

New York City has arguably the most completely realised, activation-focused welfare system in the country, and its public assistance programmes contain features that have attracted broad national and international interest.[15] One is the operation of intake and case management through a network of 29 "Job Centers" modelled after the reorganization of welfare offices as part of welfare reform in Wisconsin. The scale and relative compactness of the city's TANF operation allows for a differentiation of service tracks based on client issues: Applicants and recipients with disabilities receive special case management through a program called WeCARE, and domestic abuse victims and persons with symptoms of alcohol and/or drug abuse are also granted extra services targeted to their special needs.

While HRA handles core eligibility determination, payments, and general Job Center management functions, contractors deliver virtually all services (including WeCARE), with remuneration based on performance (Desai et al. 2012). Job Center operations are monitored using a management information system called "JobStat", used to monitor the proportion of adult recipients activated and to compare performance across Job Centers. Vendor performance is monitored using a parallel system, "VendorStat". The city also has a host of small, not-for-profit organizations that serve specific demographic groups or neighborhoods. These organizations are

[15] For detail on the structure of New York City's public assistance programmes at the beginning of the current millennium, see Nightingale (2005). The activation and contracting systems are assessed in Feldman (2011).

funded through umbrella contracts to larger organizations responsible for fiscal and operations oversight.

The New York City model is the product of work by Jason Turner, an architect of the Wisconsin Works programme, who came to the city in 1998 at the behest of Mayor Rudy Giuliani to become HRA commissioner. Because of New York state constitutional and other limitations, the latitude for system modification in New York City was far less than that enjoyed in Wisconsin. Nevertheless, Turner managed a substantial reorientation of the system towards activation and obligation, in some ways demonstrating that an emphasis on activation was as much a matter of management determination as statutory reform.

Turner lost his position with the transition from Giuliani to Mayor Michael Bloomberg in 2003. In general, the Bloomberg administration and subsequent HRA commissioners have adopted a more liberal public policy stance, refining but not replacing the essential features of the system. The Bloomberg administration has focused public and media attention on demonstration initiatives that do not require large-scale investment or significant management alteration. Examples include experimentation with "Conditional Cash Transfer" programmes (Riccio et al. 2010) and promotion of alternatives to the federal poverty standard for measuring the city's poverty alleviation achievements (CEO 2012).

Oklahoma

Oklahoma's TANF strategy has been to reduce its caseload by maintaining a constant nominal benefit level and to concentrate its resources on work supports for those who remain. Caseworkers and "Career Development Specialists" at the local offices of the Oklahoma Department of Human Services offer basic case management and employment services; most other services are contracted. Transportation assistance is particularly important for low-income persons attempting to enter the job market in this geographically large, rural state. Beginning in the late 1990s, the state developed an extensive network of contracted transportation providers to shuttle TANF clients to activities and employment. Community colleges and technical schools provide one-year training programmes for TANF recipients. Moreover, TANF recipients engaged in work or work preparation receive free child care.

While benefits are low, Oklahoma enhances work incentives by providing TANF recipients with the opportunity to increase their cash income through “participation allowances”. In 2008, for each day a recipient attended work-oriented activities, the state augmented his/her cash benefit by $13.[16] This participation allowance is considered a reimbursement, so it does not count as income and does not affect the recipient’s SNAP benefit. The state also has one of the most generous earned income disregard policies in the country, allowing working TANF recipients to exempt the first $240 of earned income per month and 50 percent of the remainder when computing benefits (Rowe and Murphy 2009). With the steepest caseload decline over the decade of any of the four example states, as well as a low cash grant and a large amount of resources going into work support activities, Oklahoma has begun to shift resources away from services for TANF recipients towards services for low-income non-recipient families.

As in New York City, significant changes in political leadership have produced little reorientation of TANF policy. Oklahoma had a Republican governor, Frank Keating, throughout the entire period of TANF implementation. Keating was succeeded by Democrat Brad Henry in 2003, but operation of the Oklahoma Department of Human Services remained in the hands of a

[16] As of 2010; previously, the allowance was $8 (26 Ok Reg 15; OAC 340:10-2-8).

Republican Keating appointee. The direction of Oklahoma’s TANF policy has not been an issue of major political contention.

South Carolina

Like Oklahoma, South Carolina has one of the least generous TANF cash benefit levels in the country, although South Carolina has not put the same emphasis on services and participation allowances. Instead, the state has adopted exceptionally strict sanction policies for families not meeting work requirements, focusing on “pushing” TANF recipients into work activities. Failure to comply with work obligations leads to case closure. This hard-line approach began before PRWORA in the mid-1990s under Republican Governor David Beasley, when South Carolina obtained a waiver to introduce a work-first approach to AFDC. After welfare reform, a separate state programme called Specialized Training and Rehabilitation (STAR) was created for families with serious barriers to work, while families considered work-capable were enrolled in the state’s TANF programme, called Family Independence (FI).

Beasley was followed in 1999 by Governor James Hodges, a Democrat. Hodges promoted the expansion of federal assistance, questioned inequity in TANF state grants and attempted to improve child protective services. State politics then swung to the right, and Hodges was succeeded in 2003 by Mark Sanford, a Republican who had previously supported two-year time limits on welfare as a member of Congress. Once in office, Sanford pursued other affairs, paying little attention to TANF policy. Despite Sanford’s highly publicised opposition to the Obama Administration’s 2009 fiscal stimulus package, the state benefitted substantially from the additional funds for TANF.

In the early 2000s, South Carolina adopted a duel approach to service delivery. While the South Carolina Department of Social Services (SC DSS) delivered core welfare-to-work services to FI participants using in-house staff, it also set up contracts for additional services to at-risk populations. The state used private and non-profit organisations to deliver child and youth services, adult literacy, and substance abuse treatment. However, the contracts were granted on a "no bid" basis, meaning that they were not awarded through a competitive process. In 2002, South Carolina's state audit authority issued a report criticising SC DSS for inefficiencies in FI contracting (Snider et al. 2002), after which SC DSS modified its procedures and cancelled many contracts (Simpson et al. 2004). Though some contract relationships were maintained, the state took on most of the responsibilities previously entrusted to private and non-profit firms. At the same time, the number of state caseworkers was decreasing, falling by over 20 percent from 2000 to 2008 (SC Legislature 2011). To alleviate the burden, SC DSS gave offices at the county level substantial autonomy to set up local partnerships with outside organisations to assist with participant services. As the latest recession reduced state revenues, many of the remaining state-level contracts were cancelled to save money, and the size of the SC DSS staff was further reduced. The few contracts that remain on the state level are for transportation and child care, and the state maintains formal relationships with other state agencies, such as the SC Department of Labor, that provide services sometimes used by TANF families.

Wisconsin

Wisconsin's early lead in waiver-based welfare innovation culminated with implementation of Wisconsin Works (W-2) in 1997. Unlike every other TANF programme in the country, W-2 does not accommodate combining unsubsidised work and cash assistance. The state emphasised the transition from welfare to work by organising assistance around a "ladder" representing the progression from aid to independence. The bottom tier, W-2 Transitions, is for families with adults who have significant barriers to employment. The next tier is Community Service Jobs, meaning unpaid jobs in exchange for TANF benefits. The third tier, Trial Jobs, involves employment for wages in private sector jobs subsidised to the employer with TANF funds. The highest tier, unsubsidised employment, is for persons working without any TANF wage subsidy or cash benefit—self-sufficient but receiving SNAP, EITC, and subsidised child care. Both Transitions and Community Service Jobs participants are obligated to work, although work for persons in the Transitions tier can involve programmes for addressing employment barriers. W-2 sanctions were designed to simulate consequences for workers in the private sector who fail to appear as required: Benefits are reduced at an hourly rate for failure to participate in scheduled work activities.

W-2's benefit structure was not the programme's only radical element. The state shifted administrative responsibility from the Department of Social Services to the state employment service agency, the Department of Workforce Development (DWD), which contracted with local agencies, both private and public. Unlike the supporting services contracts common in other states, Wisconsin contracted with single organisations for case management, benefits payments, and supporting services in specified areas. In the initial contracting process, the state's 72 counties were given the "right of first selection" for W-2 operations within their boundaries based upon caseload reduction achieved during prior waiver-based management reform. Some counties, most notably Milwaukee, opted out. Milwaukee was subdivided into six districts, and a competitive process was employed by the state to award operating responsibilities for each district. Ultimately, Wisconsin distributed responsibility for W-2 operation over a diverse combination of county government and non-profit and for-profit organisations (Turner 2008).

The initial W-2 contracts involved contractor commitment to provide the W-2 ladder for all eligible families in their areas. Like the federal block grant, the budget was fixed. In principle, contractors assumed the risk of greater-than-anticipated demand, while achieving a profit if demand for the programme and the costs of services proved less than forecasted. In fact, the caseloads did decline rapidly, and the subsequent contractor surpluses provided resources for a wide range of questionable expenditures. A 2000–2001 investigation of contractor performance by the state legislature led to the departure of some agencies from W-2 provision and a jail term for a legislator closely connected to one Milwaukee W-2 agency (United States v. George, 403 F.3d 470). Problems multiplied as time passed: The W-2 information management system (CARES) proved inadequate for the real-time case management required by W-2, the subsidised employment tier was rarely used, and significant numbers of women used W-2 transitions during late-stage pregnancy and early months following childbirth—when they were exempted from work—but then left the benefit rolls altogether rather than engage in W-2 services.[17]

Over time, Wisconsin used better financial controls and addressed various operating problems. The transition in 2003 from Governor Thompson's successor, Governor Scott McCallum, to Democratic Governor James Doyle did not produce a major redirection in policy. As in other states, TANF funds released by caseload reduction were redirected to services for other low-income families. As a result, the responsibility for W-2 reverted to the state social services agency, now named the Wisconsin Department of Children and Families. By the end of 2008, over half the state's counties had fewer than 15 TANF recipients and two had none (WI

[17] This problems list is based on the experience of Michael Wiseman, who served by Governor's appointment as consultant on W-2 evaluation for the Wisconsin Department of Workforce Development from 1997-1999. Heinrich and Choi (2007) review Wisconsin's contracting travails. Problems with CARES are also described in DeParle (2004). Supporting data on W-2 component utilization from 2000 to the present are posted on the Wisconsin Department of Children and Families website (http://dcf.wi.gov/reports_data.htm).

DCF 2011). All counties had SNAP recipients (WI DHS 2011), and this disparity prompted the state to use the SNAP rolls to look for instances in which access to W-2 services was restricted by local policies.

Summary

This short review illustrates a number of general issues. The first is the diversity of state policy, which reflects not only disparity in resources but also local politics. The second is the impact of the block grant. Benefits have declined, even during the period of budgetary surplus at the turn of the millennium. The third is the spread of resources beyond payments and supporting services for recipients to payments, justified by TANF goals, for other families. Services require service providers. These activities created both producer and consumer constituencies that made the reallocation of funds to benefits difficult when recessions created new demands. Reticence in promoting TANF access is not paralleled in SNAP—neither Republican nor Democratic administrations in these states have attempted to curtail SNAP growth. Finally, while there are examples of administrative refinement, the states generally continue to celebrate contraction. Activation may be the nominal goal states pursue for those actually receiving TANF benefits, but the primary objective seems to be to reduce the rolls.

5. Looking back at the past decade

At the beginning of this chapter, we stated that “Only time would tell where TANF would end up and what the role of activation policy would be as a result”. Given our state stories and broader national data, we can now say more about time’s story. There are three parts: The closing door, the enduring absence of true activation, and the federalisation of assistance.

The closing door

Evidence is very strong that TANF has done an increasingly poor job of responding to economic need. Based on estimates from the Urban Institute's Transfer Income Model (TRIM), from 1981 through 1996, the average monthly AFDC caseload equalled about 80 percent of estimated AFDC-eligible families. Over the period from 1996 to 1998, the time of the immediate post-PRWORA caseload contraction, this ratio fell to about 50 percent. Thereafter, it declined steadily through the latest year available, 2006, falling below 40 percent. More recent evidence corroborates the story: From 2006 to 2008, the estimated number of children in the US living below the official poverty threshold *grew* by about 370,000, whereas the number of children receiving federal TANF or MOE cash assistance *fell* by 462,000.[18]

Where is the activation?

We have seen that the prevalence of activation varied substantially among the example states. But were TANF recipients more activated generally? Figure 6 provides activation data aggregated to national totals for the period 2000 to 2008. By 2008, just under 40 percent of eligible adults were spending at least one hour in an activity, with 4.5 percent of eligible adults engaged in workfare. The percentage of families meeting the work participation requirement declined slightly over the decade, from 34 percent in 2000 to 29 percent in 2008. Activation rates also apparently declined.[19]

Figure WORKACT Here

Figure 6: National activation, workfare, and participation rates, 2000-2008

[18] Caseload statistics represent the total number of child TANF and MOE cash recipients in March 2006 and March 2008. Data are from Table Creator II (see note 2, supra) and OFA (2011).
[19] "Apparent" is an appropriate modifier here. These assessments are based on state records that were not audited until late in the period. There are known problems with the state implementation of OFA sampling protocols.

By 2008, over half of the 39.5 percent activation rate and nearly three-quarters of the 29 percent participation rate were attributable to unsubsidised employment, an artefact of state earnings "disregard" policies discussed earlier. Moreover, in 2008 only 50 percent of cases nationwide had a work-eligible individual. Hence, the 29 percent of families meeting the participation requirement only represents 14 percent of all cases, and the nearly 40 percent of "activated" individuals only involves 21 percent of TANF families. Finally, the 5 percent incidence of workfare among adult recipients involves less than 3 percent of cases. *That's all there was in 2008*. Things have not changed much since.

Where is the welfare?

So the real question is not "where is the activation?" but rather "where is the welfare?" What is the last resort for families in need? The answer appears to be SNAP. While designed and described as a supplemental income support during the current recession, SNAP has become the primary source, and in some cases the *only* source, of support for a significant group of people. For those whose incomes have fallen, SNAP has cushioned the fall. Access is easy, and unlike TANF, take-up is aggressively promoted. In the context of recession, SNAP receipt seems to lack the stigma of welfare. And practically speaking, SNAP lacks a work requirement.

The numbers tell this new segment of the story. Figure 7 shows the national unemployment rate, TANF caseload and FSP/SNAP caseloads from 1989 through mid-2009.[20] FSP/SNAP has involved far more households than TANF throughout the period, and the gap between the two has grown steadily since 2000. Virtually all TANF families reside in FSP/SNAP recipient households, but most SNAP households do not receive TANF. By 2008, despite the

[20] The sudden increase in the FSP caseload in 2005 is the result of short-term emergency assistance following Hurricane Katrina.

"supplement" label, 12.4 percent of SNAP households with children reported no cash income at all—up from 5.8 percent in 1998 (FNS 2000, FNS 2009b).

Figure SNAPTANF Here

Figure 7: FSP/SNAP and TANF, then and now

From a state's standpoint, the motivation for this change is clear. FSP/SNAP benefits are paid by the federal government, while states must contribute TANF benefits. The federal government gives cash awards to states for successful outreach to unserved FSP/SNAP eligible families (Wandner and Wiseman 2010). Federal tolerance for errors in eligibility assessment has grown, and administration is a matter of applying rules. No casework required.

The consequences are clear as well. Even as a last resort, welfare is now largely the province of the federal government, and most transfers (notably, SNAP benefits and the EITC) are delivered electronically. The US did indeed end welfare as it was known before 1996, but the demise was brought about by federalisation, not by a care- or even work-oriented transformation of operations at the state level. States appear to have closed the door, in part because serious intervention—activation-oriented casework—is difficult for even the best of public agencies. Wisconsin—touted as late as 2004 as the state that "led the nation toward the transformation of welfare" (Mead 2004)—proved incapable of delivering the W-2 workfare scheme (Heinrich and Choi 2007, Benish 2010). In fact, Wisconsin Works hardly worked at all. The state could not deliver, and public assistance proved no more politically viable in Wisconsin than in other states that never enjoyed the policy tourism benefits of Wisconsin's exaggerated national and international profile.

6. Challenges for the new decade

The economic expansion that began in late 2001 ended in late 2007. After a presidential election in which welfare policy was rarely mentioned, let alone debated,[21] the Obama administration inherited two wars, a financial system on the brink of collapse, and an economy in which (in the absence of action) the unemployment rate was expected to rise by one-third over the following year and to reach double-digits by 2010. Under these circumstances, the domestic focus had to be upon economic stimulus and little more. However, the new administration was committed to health care reform, and that became the major social policy priority. We discuss the economic stimulus, then health reform, TANF reauthorization, and curiosities of welfare politics.

The ARRA

The economic downturn was addressed with an economic stimulus package called the American Recovery and Reinvestment Act of 2009 (ARRA). TANF did play a role in the stimulus, and the political response is revealing.

Among other things, ARRA used major means-tested transfer programmes as vehicles for cash injection. All Social Security recipients received $250 each, and the basic SNAP benefit was increased by 13.6 percent (White House 2010). For TANF, ARRA created an "Emergency Contingency Fund", providing federal payment of 80 percent of recession-related increases in costs for basic assistance (i.e., income support) in FY2009 and FY2010 (Parrott 2007). The total funding a state could receive under this provision was capped at 50 percent of the TANF block grant. The programme essentially re-established, for recession-related additional expenditure increases, a matching federal grant but with a common rate for all states up to the cap.

[21] In an August 2008 interview, candidate Obama was asked to identify some aspect of policy about which he had changed his mind. Obama cited welfare, stating that the 1996 reforms "worked better than, I think, a lot of people anticipated" (DeParle 2009).

The ARRA modified the caseload reduction credit, freezing it at the greater of caseload reduction from FY2007 or FY2008. Thus, state efforts to provide TANF assistance to more families in response to the recession would not incur the penalty of having to meet a higher participation standard. The response to this requirement from the political right was immediate. Journalist Mickey Kaus blogged about “the liberal conspiracy to expand welfare rolls” (Kaus 2009). Robert Rector, a Senior Fellow at the Heritage Foundation, pronounced: “Welfare reform in the mid-1990s was a major public policy success, leading to a dramatic reduction in welfare dependency and child poverty. Little-noted provisions in the just-passed stimulus bill will actually abolish this historic reform” (Rector 2009). Others, including Republican architects of the 1996 reforms, challenged the notion that responding to recession constituted a significant compromise of reform principles (Parrott 2009).

The Patient Protection and Affordable Care Act

After a protracted political struggle in which Democrats took advantage of being in control of both houses of Congress, a national system of health insurance was established by what was formally named the “Patient Protection and Affordable Care Act” (ACA) of 2010. The ACA envisioned a national system of health insurance provided through a combination of public and private agency. The Medicaid program was to be expanded to cover all persons under age 65 who are not otherwise insured and who live in families with incomes less than 133 percent of the official poverty standard. (Persons with incomes above this level were to be guaranteed access to health insurance from other sources with premiums determined by income.) By removing loss of health insurance as a barrier for employment, the ACA could facilitate activation. However, the roll-out of the Medicaid portion, originally scheduled for 2014, is complicated by subsequent political developments and a burgeoning federal debt.

2010-2013: Reauthorisation and the Tea Party

The federal deficit grew from $459 billion to $1.4 trillion—equivalent to a record-breaking 10 percent of GDP—between FY2008 and FY2009 and then fell only slightly, to $1.3 trillion in FY2010. About one-third of the 2010 deficit was generated by stimulus and other recovery measures; 41 percent was arguably attributable to Bush administration tax cuts and the costs of the wars in Afghanistan and Iraq (Ruffing and Friedman 2013). Discontent over the deficit, health reform, the bail-out of major financial institutions and, possibly, the novelty of a non-white president (Campbell and Putnam 2011) produced a backlash symbolized by a loosely-organized but largely Republican grassroots movement called the “Tea Party” (a reference to an iconic event in American colonial history). The movement was a significant factor in returning the House of Representatives to Republican control in the autumn 2010 elections. The result was a virtual legislative stalemate that continued through the presidential election of 2012.

Congress was scheduled to debate TANF reauthorisation again in 2010. However, the debate was postponed and TANF funding has continued at the same nominal level through to this (2013) writing. Supplemental funding provided through ARRA lasted only through FY2010. By 2013, federal funding from all sources had returned to pre-recession nominal levels, with the consequence that between the last pre-recession year (FY2006) and FY2013, the constant-dollar level of federal funding has fallen by roughly 11 percent (Falk 2013, 2). The consequence is evident in Figure 7; by constraining benefits and access and promoting reliance on federally-funded SNAP, states managed to forestall significant caseload growth.

Reference to social assistance during the 2012 presidential campaign generally concentrated on either SNAP or general issues of welfare dependence. In his run for the Republican nomination former Georgia congressman Newt Gingrich, an important figure in the welfare reform debate of the 1990s, repeatedly referred to President Obama as the "Food Stamp President." The eventual Republican candidate, Mitt Romney, was secretly videotaped at a fundraising meeting describing 47 percent of Americans as "dependent on government". The most significant reference to TANF arose in response to an "information memorandum" distributed by the Administration for Children and Families (part of HHS) to state TANF agencies in July (Office of Family Assistance 2012). The memorandum simply reiterated federal policy allowing waiver of TANF requirements in support of experimental efforts "which, in the Secretary's judgment, are likely to assist in promoting" TANF objectives. The memorandum was apparently prompted by state requests for more flexibility in strategies for engaging the residual TANF caseload in efforts to gain employment. The evaluation requirements were detailed and rigorous, emphasizing random assignment. Regarding the TANF work requirements, the memorandum was quite explicit: "HHS will only consider approving waivers relating to the work participation requirements that make changes intended to lead to more effective means of meeting the work goals of TANF."

The Republican response, led by the Heritage Foundation, was immediate, vociferous, and patently dishonest. Robert Rector, again the lead spokesman for the Foundation on welfare matters, claimed the Obama Administration had "waived the core work requirements of the historic welfare reform law of 1996" (Rector 2012). Citing the Heritage Foundation's assessment, the Romney campaign released a television advertisement in early August entitled "Obama GUTS Welfare Reform" that claimed "Under Obama's plan, you wouldn't have to work and you wouldn't have to train for a job. They just send you your welfare check." Despite having been refuted by all news media fact-checkers (cf. Kessler 2012), the Romney campaign repeated the claim that Obama "gutted the work requirement for welfare" in an advertisement broadcast in selected "battleground" states in the final days of the campaign.

While Romney lost, Republicans in Congress did not give up on restoring what they perceived as the alimentary canal of welfare reform: In March 2013 the House of Representatives—still under Republican control—passed the "Preserving the Welfare Work Requirement and TANF Extension Act of 2013" (H.R. 890) to "prohibit waivers relating to compliance with the work requirements for the program of block grants to States for temporary assistance for needy families". Oddly, the Republican opposition to waivers appeared to ignore both the role of waivers in the reform movement that led to the hallowed 1996 reforms and the party's eagerness to promote state competence in other spheres.

The Outlook and the Challenges

While H.R 890 was unlikely to gain Senate approval, the persistence of misrepresentation of administrative efforts to "build the evidence base" for system improvement reflects the poisonous character of contemporary debate on social assistance. Given the situation, little substantive social assistance reform is likely until at least 2015. "Activation" is on hold.

But the problems will not go away. Accepting for argument's sake that the overriding objective of TANF is to provide "Temporary Assistance for Needy Families" and to do this efficiently and effectively, our analysis identifies the following four challenges:

(1) Rationalising the distribution of resources across states in an anti-poverty effort,

(2) Extending performance assessment in TANF to include access,

(3) Increasing the transparency of state operations to support meaningful comparisons of administrative competence and service achievement, and

(4) Raising the floor, the minimum income, for families with no other resources.

Without levelling the fiscal playing field across states, it will be impossible to promote better performance in addressing poverty. Without attention to access, the current system promotes only caseload reduction, regardless of need. PRWORA created an atmosphere of “don’t ask, don’t tell” regarding state procedures and accomplishments. Without more openness, it is impossible for the state “laboratories of democracy” to provide reliable information on promising methods and accomplishments. By America’s own poverty standard, the present minimum income is woefully inadequate, both for meeting basic needs and as a basis for moving towards self-support.

As in so many others, creativity in this sphere will be constrained by the monumental federal debt that is the legacy of both policy and the economic meltdown. Significant achievement will require a new political coalition and an effort comparable to that used for health reform, but on behalf of far fewer beneficiaries. It is conceivable that a major federal initiative to recover a safety net could involve more activation obligations (including workfare), as a means of both ensuring a focus on activation and gaining political support for raising and extending benefits. But promoting more rigorous work requirements without addressing the structural and managerial shortcomings of the system would perpetuate the hoax that welfare reform in the US has been competent in execution and successful in accomplishment.

How American government will eventually respond is a story yet to be told. For the time being, the “Activating America” story is this: Efforts to promote activation through TANF have been limited at best. Devolution of more responsibility for TANF to the states produced little novelty. States responded to fiscal incentives created by TANF by reducing access to cash assistance, while promoting the take-up of FSP/SNAP. The paradox is that devolution actually increased federal control and financing of the American safety net, while opening up holes for those out of work. As the end of the second decade of life with TANF approaches, no clear vision for the future has materialized.

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Table 1: Comparative income support outlays, major means-tested programmes

Comparative Income Support Outlays, Major Means-Tested Programmes (FY 2011; Non-Elderly Population)				
Program	**Eligible group**	**Total outlays (in billions)**	**Total recipients (in millions)**	**Share of population**
Temporary Assistance for Needy Families (TANF)	Families with children	$11.1	4.6	1.5%
Supplemental Nutrition Assistance Program (SNAP)	Individuals and families	$75.7	44.7	14.3%
Supplemental Security Income (SSI)	Individuals with disabilities	$44.1	7.0	2.2%
Earned Income Tax Credit (EITC)	Individuals and families	$54.3	25.2	17.7%

Notes: TANF recipients are all individuals. EITC data are for calendar 2010, recipient count is tax returns with a refundable amount, population is all filers, including the elderly.
Table MAJPROJS Last Update 13 May 2013

Table 2: The states' role in social assistance

The States' Role in Social Assistance
(Data for 2011 unless otherwise noted)

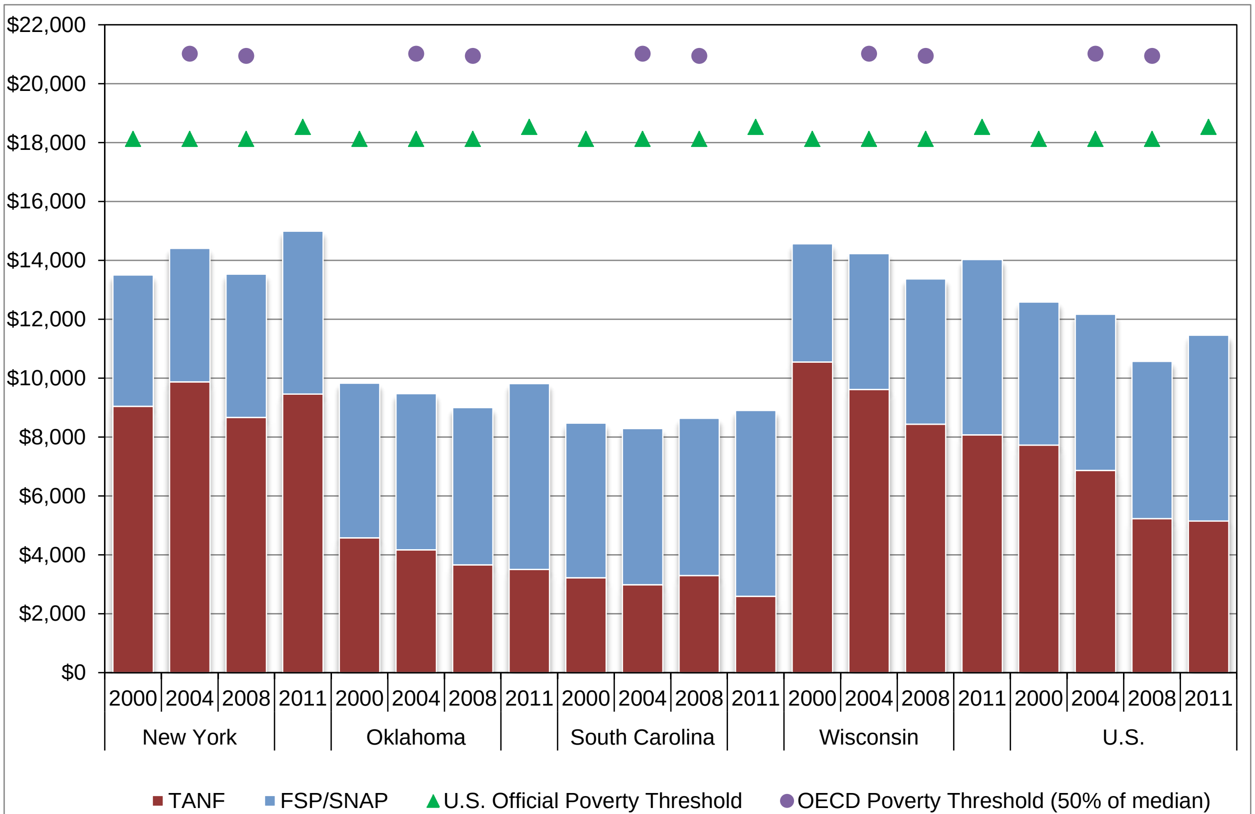
Program	Funding	Administration	State Discretion	Example States: New York	Oklahoma	South Carolina	Wisconsin
Temporary Assistance for Needy Families (TANF)	**Fixed federal grant based on expenditures in 1994-96; required state contribution fixed in nominal terms**	**Local offices of state social services department; county operated in some states. Some states contract for management**	**Substantial latitude in eligibility requirements, benefits. Federal assistance time limited, but application of limits is infrequent**	**Basic Benefit: $788 Benefit Reduction Rate: 0.54 Work participation (2009): 33%**	**Basic Benefit: $292 Benefit Reduction Rate: 0.35 Work participation (2009): 23%**	**Basic Benefit: $216 Benefit Reduction Rate: 0.25 Work participation (2009): 45%**	**Basic Benefit: $673 Benefit Reduction Rate: * Work participation (2009): 40%**
Earned Income Tax Credit (EITC)	Federal	Internal Revenue Service	Some states provide additional credits, not always refundable for persons without tax liability	State EITC adds 30 percent to federal benefit	State EITC adds 5 percent to federal benefit	No state EITC	State EITC adds 4 percent to federal benefit for families with one child, 14 percent for families with two children, and 43 percent for families with three or more children
Supplemental Nutrition Assistance Program (SNAP; formerly Food Stamp Program)	All benefits federal; states pay for administration	Local offices of state social services department; county operated in some states	Benefit schedule, eligibility standard federally determined, but states can extend categorical eligibility to households with income less than 200% of federal poverty standard	Has expanded categorical eligibility. Estimated New York participation rate (2010): 76 percent of all eligibles, 65 percent of all eligibles with earnings	Has expanded categorical eligibility. Estimated Oklahoma participation rate (2010): 80 percent of all eligibles, 68 percent of all eligibles with earnings	Has expanded categorical eligibility. Estimated South Carolina participation rate (2010): 82 percent of all eligibles, 79 percent of all eligibles with earnings	Has expanded categorical eligibility. Estimated Wisconsin participation rate (2010): 84 percent of all eligibles, 83 percent of all eligibles with earnings
Supplemental Security Income (SSI)	Core benefits federal, state supplements, if provided, from state revenues	Local offices of Social Security Administration	Can add supplement, but must conform to federal structure	State supplements federal benefit for all recipients based on living arrangements	State supplements federal benefit for all recipients based on living arrangements	State supplements federal benefit for recipients living in licensed community residential care facilities	State supplements federal benefit for institutionalized recipients and those with high support needs
Medicaid; State Child Health Insurance Program (SCHIP)	Federal matching grant covers half or more of costs; actual match depends on state income	Designated state agency	States required to provide core services, can exercise options	Federal match rate = 50.0%	Federal match rate = 64.9%	Federal match rate = 70.0%	Federal match rate = 57.1%
Housing vouchers (Section 8 rental assistance)	U.S. Department of Housing and Urban Development (HUD)	Local Public Housing Authorities	Fair market rent (FMR) established by HUD; local authorities set payment standard and have some discretion over procedure	New York City, two-bedroom apartment, $1,403/ month (FMR)	Oklahoma City, two-bedroom apartment, $701/month (FMR)	Greenville, two-bedroom apartment, $639/month (FMR)	Milwaukee, two-bedroom apartment, $866/month (FMR)

TANF benefit reduction rate is the rate at which benefits are reduced for each additional dollar earned, or the ratio of basic benefit to maximum earnings for ongoing eligibility. Work participation refers to one-parent households.
* In Wisconsin, units with full-time employment will not receive a cash benefit in the state. Recipients may have combined income of up to $1,687 and still be eligible for nonfinancial assistance.

Table 3: US welfare policy timeline, 1988-2013

US Welfare Policy Timeline, 1988-2013		
Date	**Event**	**Consequence**
Bill signed (October, 1988); implementation begins (October, 1989)	Family Support Act	Introduced activity requirements for AFDC
January, 1993	President William J. Clinton Inaugurated	Campaigned to "End Welfare as We Know It"; now obligated
Bill signed (August 1993), implemented for 1993 tax year	EITC Expansion	Substantially increased earnings subsidies for low-income workers
Bill signed August, 1996; first states implement October, 1996	Personal Responsibility and Work Opportunity Reconciliation Act	Replaced AFDC with TANF; increased federal financial role while broadening state discretion in program design and operation; made most immigrants ineligible for FSP
July 1998	Last State Implements TANF	TANF administrative changes fully realized
November 2000	Extension of FSP categorical eligibility	States allowed to confer categorical eligibility on families certified as eligible for TANF/MOE-funded services
January, 2001	President George W. Bush Inaugurated	
Bill signed (May, 2002); implementation begins (April 2003)	Farm Bill of 2002	Restored FSP eligibility to persons denied it by PRWORA; reduced recipient income reporting requirements; softened penalties imposed on states for errors in eligibility assessment
Bill signed (February 2006); implementation begins (January, 2007)	Deficit Reduction Act (DEFRA) of 2005	TANF reauthorized; federal requirements tightened
January, 2009	President Barack H. Obama Inaugurated	Priority assigned to health care reform
February, 2009	American Recovery and Reinvestment Act (ARRA)	Offered federal matching for recession-related costs; increased FSP benefits
March 2010	Patient Protection and Affordable Care Act (ACA)	Initiated national system supporting near universal health insurance access
2010-2013	TANF program annually extended continuing resolution	Contnued decline in real value of block grant, MOE requirements
June 2012	Supreme Court upholds constitutionality of most of PPACA	
January 2013	President Barack H. Obama begins second term	In face of Republican opposition, no significant welfare reforms proposed
Table TIMELINE 26 August 2013		

Figure 1: Maximum benefit levels in example states and the US compared to official US and OECD poverty thresholds, 2000-2011 (2011 dollars)



Wisconsin TANF benefit rates are for the Community Service Jobs tier. See text.
Sources: Welfare Rules Database, U.S. Census Bureau, U.S. Department of Agriculture.
Fig. REALTANFSNAP, 12 April 2013

Figure 2: TANF and FSP/SNAP recipient caseloads in example states and the US, 1990-2010 (normalised; 1996 = 100)

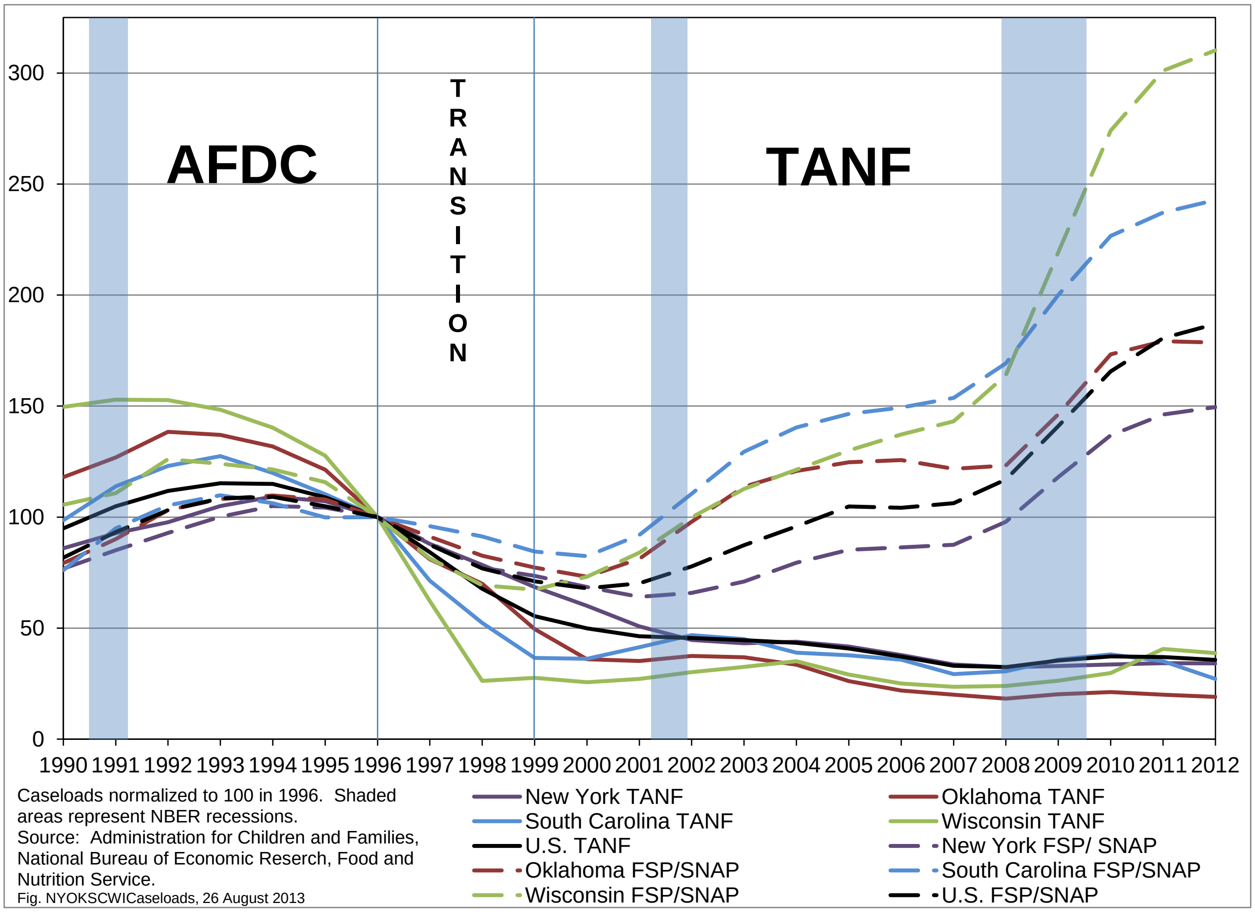
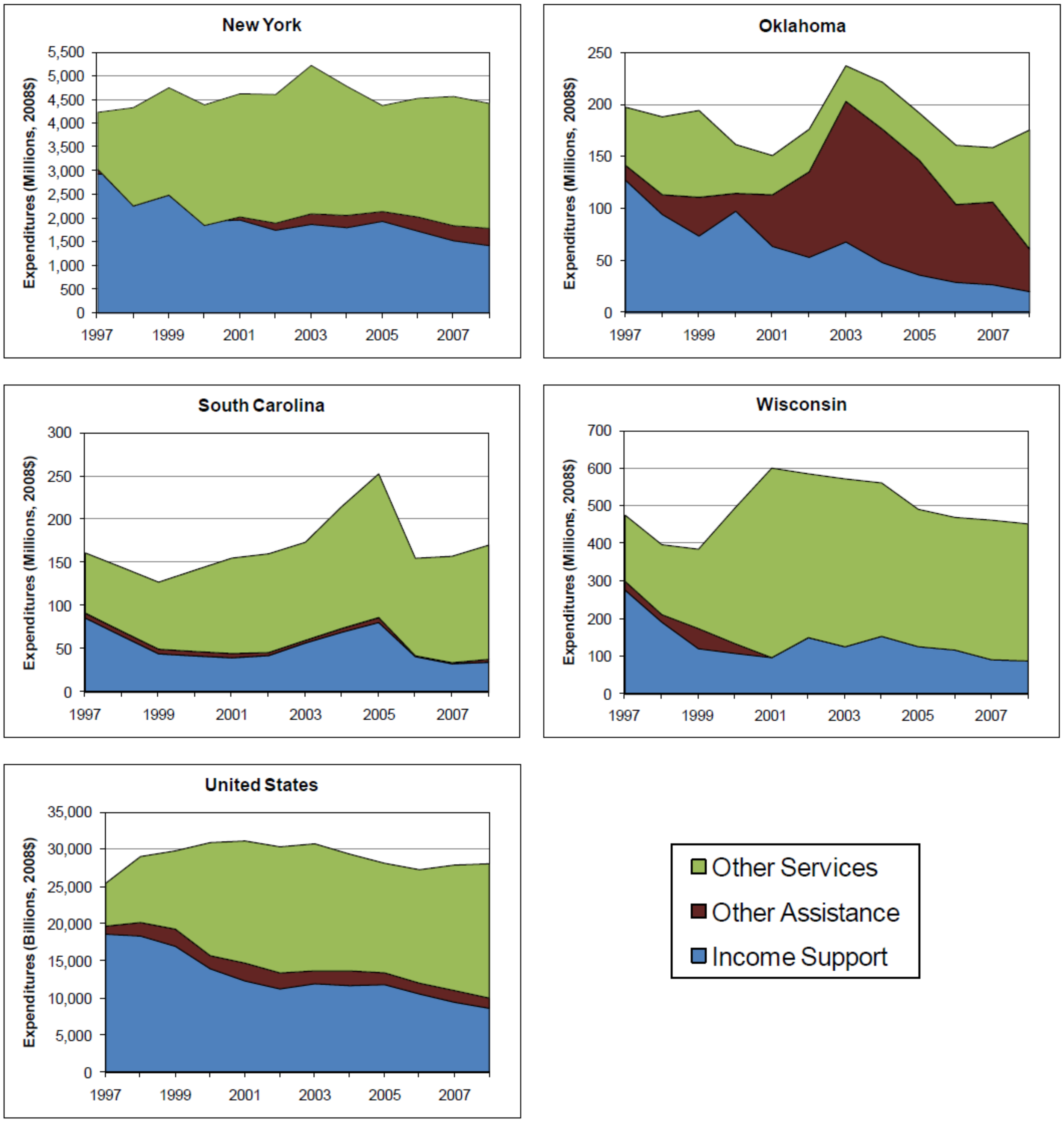


Figure 3: Evolution of assistance spending in example states and the US, 1997-2011



"Other services" include child care, transportation, and supports provided to employed families; Individual Development Account (IDA) benefits; refundable earned income tax credits; work subsidies to employers; short-term benefits designed to deal with individual crisis situations; and services such as education and training, case management, job search, and counselling.

"Other assistance" includes childcare, transportation, and support for unemployed families, as well as some services, such as foster care, that are authorized under prior state law.

Fig. SPEND9708, 13 April 2011

Figure 4: TANF-MOE resources per poor child, 2008

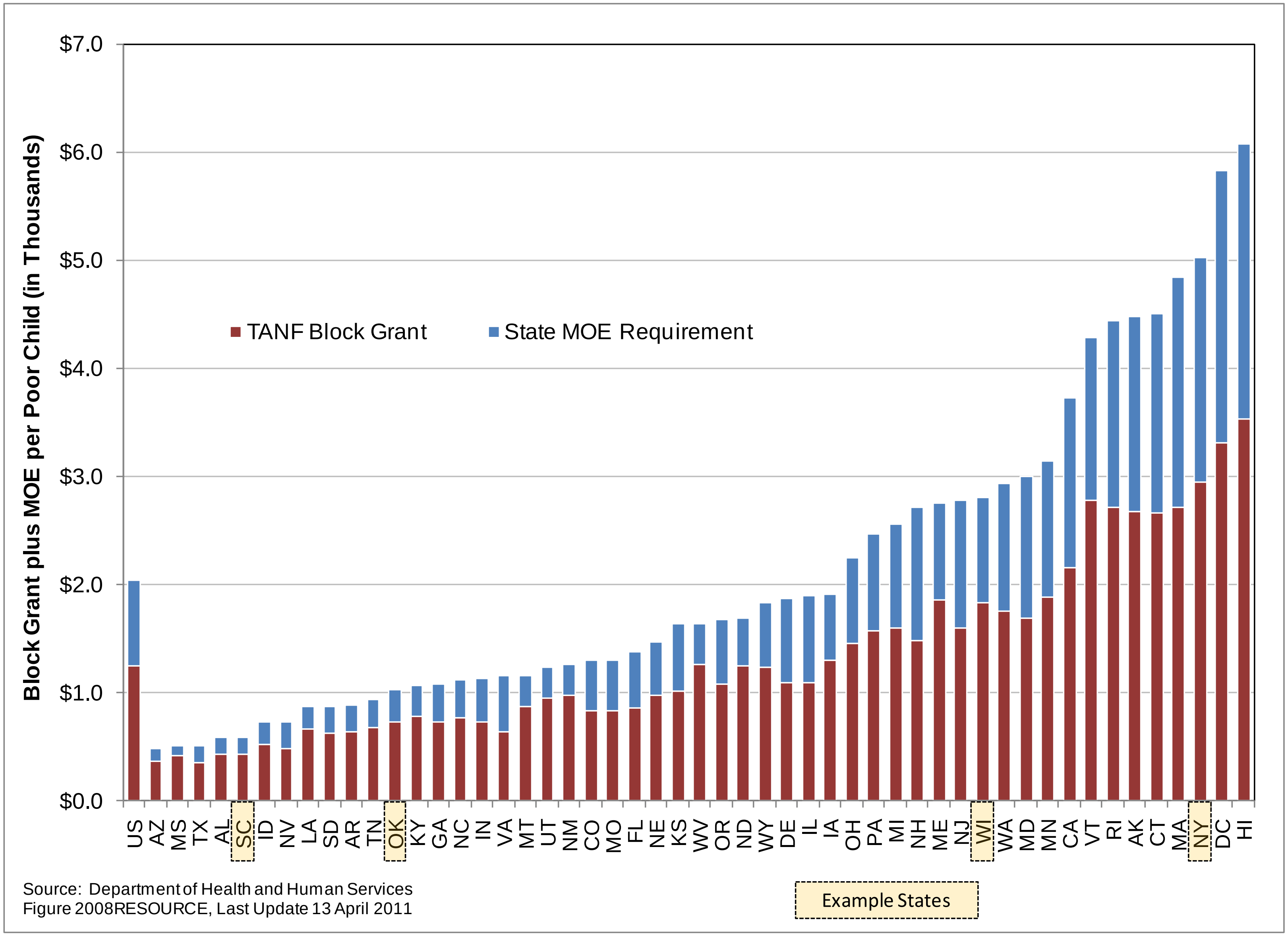
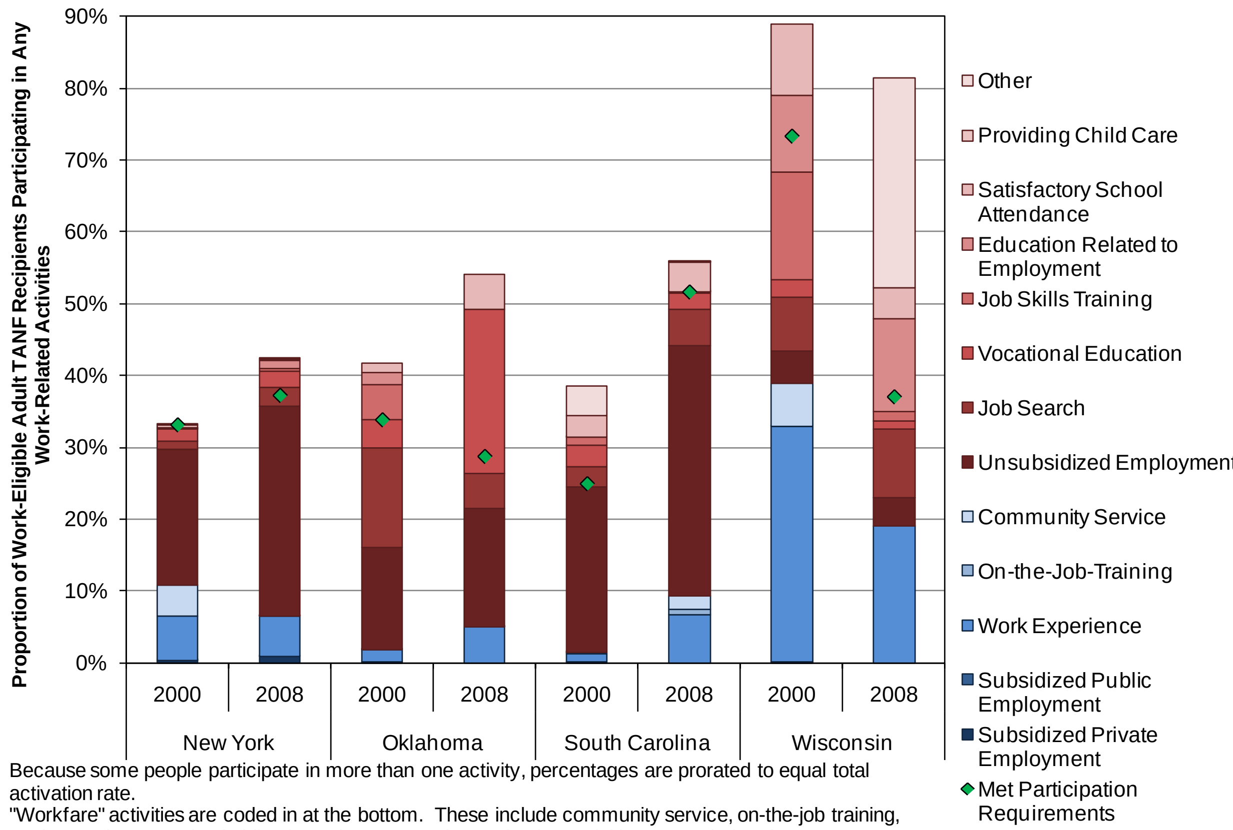
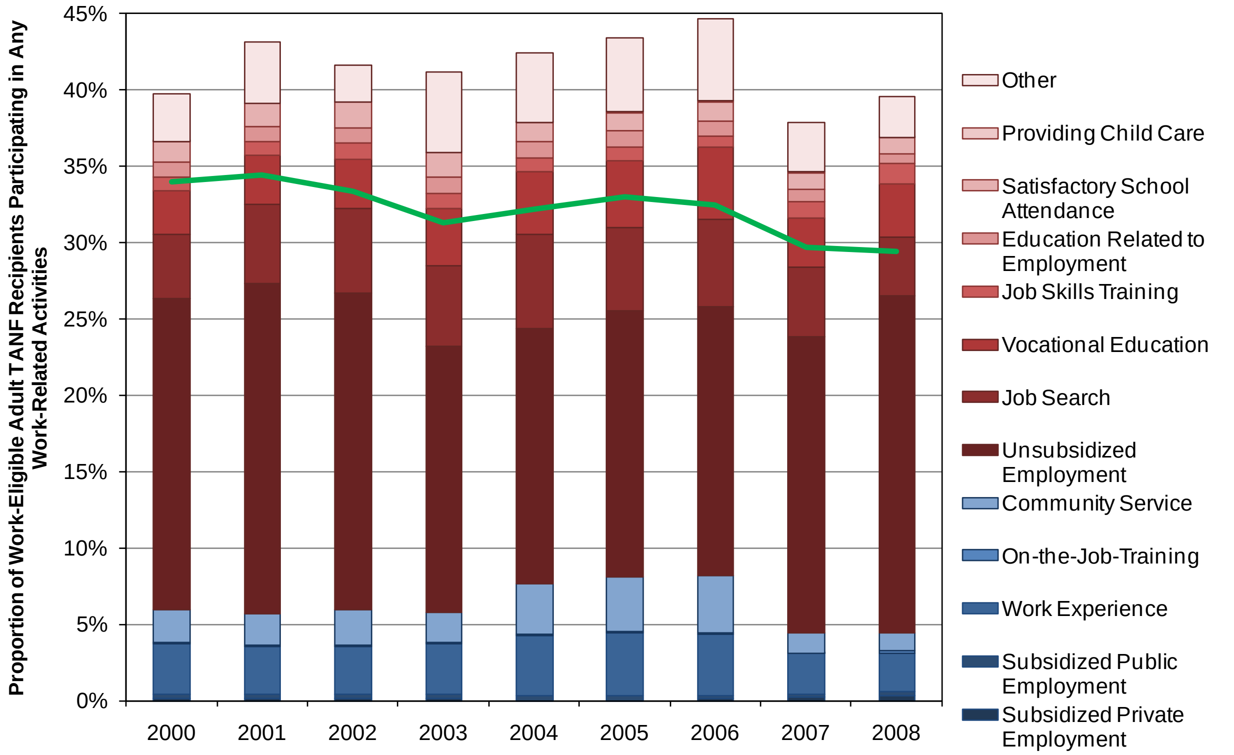


Figure 5: Activation in the example states, 2000 and 2008



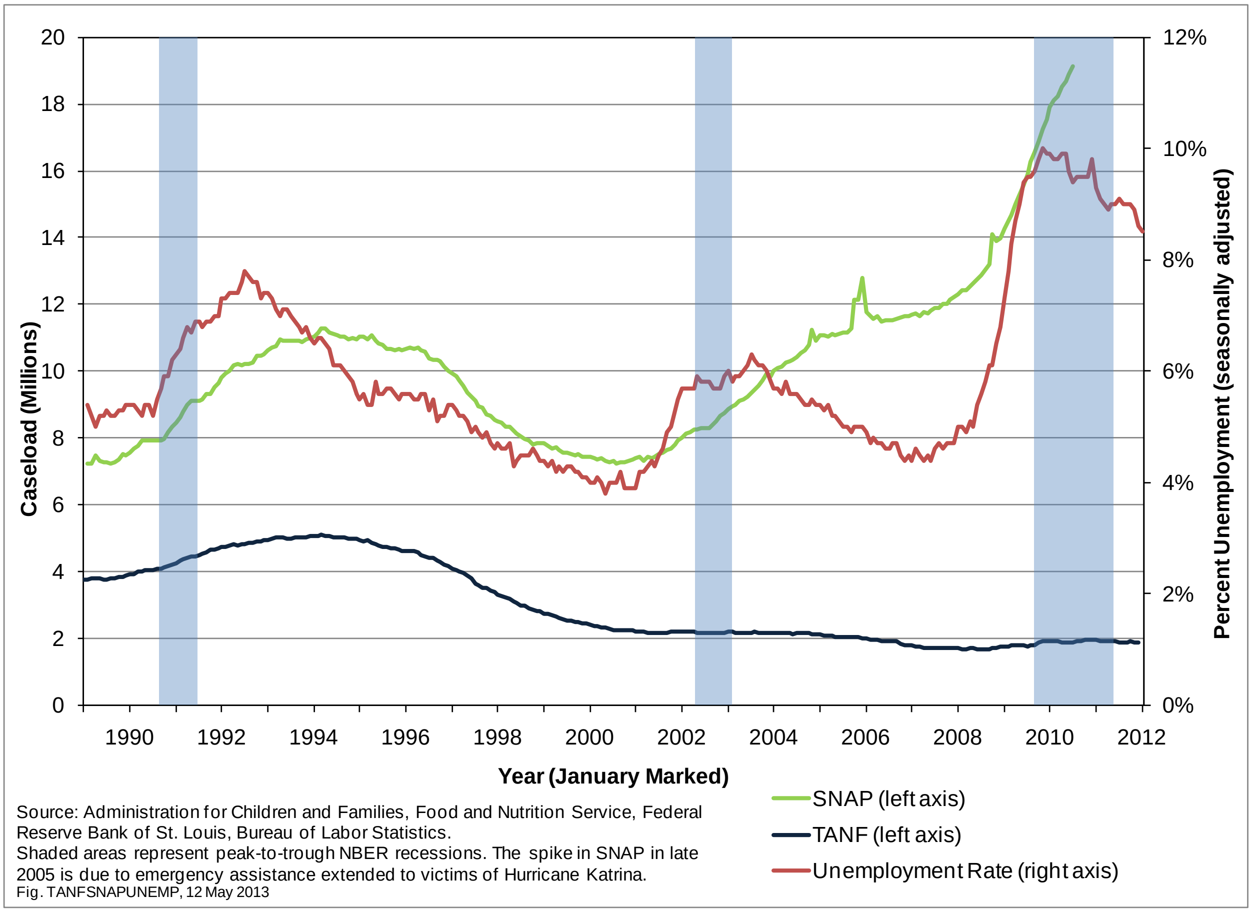
Because some people participate in more than one activity, percentages are prorated to equal total activation rate.
"Workfare" activities are coded in at the bottom. These include community service, on-the-job training, work experience, and subsidized employment. Other activation activities are coded at the top.
Source: Administration for Children and Families
Figure STATEACT, last update 28 March 2011

Figure 6: National activation, workfare and participation rates, 2000-2008



Because some people participate in more than one activity, percentages are prorated to equal total activation rate.
"Workfare" activities are coded in at the bottom. These include community service, on-the-job training, work experience, and subsidized employment. Other activation activities are coded at the top.
Source: Administration for Children and Families
Figure WORKACT, last update 28 March 2011

Figure 7: FSP/SNAP and TANF, then and now



(End)