

SUPPLEMENTING TANF'S WORK REQUIREMENT: A COMPROMISE

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The first point to make about the Danziger et al.'s balanced and fair assessment of TANF on its 20th anniversary is that they focus largely on the work-based safety net. This fact in itself shows how much things have changed for progressives since TANF was enacted in 1996. Now nearly everyone agrees that work should be the major emphasis of the TANF program and that a major role of government is to supplement the income of low-skilled mothers who work but usually earn low wages. Since creation of the Earned Income Tax Credit (EITC) in 1975, Congress has enacted numerous pieces of legislation to strengthen the work-based safety net. The result is that low-income working families with children are eligible for SNAP (food stamps) and other nutrition benefits, the EITC, the Additional Child Tax Credit and their children are covered by Medicaid. In addition, these families are eligible for housing benefits, Head Start, state preschool programs, and day care subsidies, although not all families receive these benefits because Congress and the states do not appropriate enough money to cover all eligible families. Although there's a gap between coverage and need, the work-based safety net still provides an impressive array of benefits to working families with children. Low-income working families with children receive more help from government than ever before—and there is bipartisan agreement that this is good policy.

As I presented in Figure 1 of my original paper, these benefits cut the poverty rate among low-income working families with children, mostly headed by females, by a little less than half. Although the work rate of single mothers has fluctuated since reaching its peak in the booming economy of the 1990s, the recessions of 2001 and 2007 to 2009 temporarily lowered work rates. Still, just as would be expected from adults who are attached to the work force, the work rate among single mothers with children has tracked broader macroeconomic performance. Even when work rates decline during tough economic times, they are still higher than during the pre-welfare reform era and, equally important, poverty rates among black children and all children in female-headed families are lower. The emphasis on work from welfare reform and the work-based safety net both contribute to the increase in work and the decline in poverty over the last two decades.

Danziger et al. would not necessarily disagree with this analysis, but they would argue that TANF could be greatly improved if more poor families received TANF cash benefits. Their main criticism of welfare reform is that TANF is no longer an entitlement under which everyone who meets the income and assets standards is guaranteed a cash benefit. They hold that the end of entitlement cash benefits means that the work-based safety net is "incomplete." This criticism goes to the heart of what Republicans did with the 1996 welfare reform law. Their explicit intent was to end the entitlement, as stated flatly in Section 401 of the Social Security Act, which established the TANF program. The primary reason Republicans ended the entitlement was that they believed too many able-bodied adults were dependent on welfare. The most controversial features of their bill—the end of entitlement, the work requirements, and the sanctions—were all intended to encourage, cajole,

or even force adults to live up to their responsibility to support their children through their own efforts. But Danziger et al., along with most progressive critics of welfare reform, think TANF should guarantee cash to more parents who do not work.

There are two substantive and one political reasons this recommendation is unlikely to be accepted by Congress. The first substantive reason is that guaranteed cash would reduce the motivation of mothers on welfare to work. This conclusion has been a mainstay of the critiques of welfare since at least the 16th Century Elizabethan Poor laws (Himmelfarb, 1983). Danziger, Haveman, and Plotnik (1981) surveyed the early literature and concluded that welfare did indeed reduce work incentive; many subsequent empirical studies and reviews have reached the same conclusion (e.g., Burtless, 1986). It may be that loosening the TANF work requirement and time limit would allow more of the poor to get the cash benefit while having only a minor impact on work, but it is undeniable that more low-income and poorly educated mothers work now than before welfare reform and the package of provisions designed to increase work. The second substantive reason is that families that lose their TANF cash benefits still qualify for a wide range of both entitlement and nonentitlement welfare programs such as SNAP, school lunch, Medicaid, housing assistance, and so forth. The nation spends over \$1 trillion on these means-tested programs annually. Further, as shown by consumption data (Meyer & Sullivan, 2012), families have access to more resources than they report on surveys so they are not as destitute as they are often portrayed.

The political reason that TANF is unlikely to change into a program that guarantees cash to nonworking mothers (as in the pre-TANF period) is that Republicans are in virtually unanimous agreement that we have been down that path and we are not going back. In short, the political feasibility of making it easier to get TANF cash is a nonstarter as long as there are at least 41 Republicans in the Senate who could vote to sustain a filibuster.

Even so, it is reasonable and appropriate to worry about mothers and children in families with no earnings and no cash welfare. As I pointed out in my original article, there is now a substantial literature about these “disconnected” mothers. Among other findings, the number of single mothers in this hazardous situation is growing. Danziger et al. and many progressives apparently would be satisfied if more were done to guarantee jobs rather than cash. Thus, if TANF applicants or recipients cannot find work, the states would sponsor programs that provide them with a job. The authors laud the \$5 billion Emergency Fund established for states during the Great Recession, which could be used to pay cash benefits or subsidize jobs for those who could not find work. To everyone’s surprise, 39 states and the District of Columbia spent \$1.3 billion of the \$5 billion to establish jobs programs that created 260,000 subsidized jobs (Pavetti, Schott, & Lower-Basch, 2011).

Republicans do not want to revisit the days of providing cash payments to nonworking parents; progressives want to reform TANF to provide greater support to disconnected mothers. A politically acceptable solution that has some empirical support is to provide states with funds to subsidize jobs. One approach would be to provide the Secretary of Health and Human Services with a pot of perhaps \$50 million a year for 10 years to conduct a competitive grant program for states or local governments that pledge to spend the money on subsidizing jobs or training unemployed parents for jobs available in the local market. The applications for funds would have to give the details of the job subsidy or job training program and a detailed description of how the program would be evaluated. Applicants that featured random assignment in their evaluation would receive priority. This proposal shows that it is possible to retain the strong work requirements, sanctions, and time limits that are the central features of TANF

while nonetheless responding to one of the major and most justified critiques of the program.

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