

# **Providing a Safety Net for the Most Disadvantaged**

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## Population of concern

- Those on TANF who are facing difficulties in meeting the work requirements
- Those who have left TANF and find themselves ‘disconnected’ – neither working nor on welfare

These are women for whom economic self-sufficiency through work may not be possible, at least in the short run.

## Disconnected Mothers

	Disconnected: No significant TANF, SSI or Earnings	Disconnected and living w/out other adults or w/ other disconnected adults
1995	16.0%	10.0%
2000	19.9%	12.4%
2005	25.5%	17.3%

Based on Current Population data, single mothers whose family income is below 200% of the official Poverty Line. Similar results seen in the Survey of Income and Program Participation.

## Disconnected Mothers

Relative to other single mothers, a high share of this group face barriers to work:

- Low education/skills
- Health limitations, mental or physical
- Caring for those with health limitations
- Substance abuse history
- Domestic violence history

## **Disconnected Mothers**

These same barriers made participation in welfare-to-work programs challenging. Hence a disproportionate share of these women were sanctioned or time-limited off welfare.

These women work, but cycle in and out of jobs. They are unlikely to hold full-time and stable employment.

## Disconnected Mothers

These women are very poor (2005 CPS data)

	All single mothers, Income below 200% of Poverty Line	Disconnected single mothers	Disconnected single mothers living w/out other connected adults
Avg. no. of children	1.9	1.9	1.9
% white	41%	42%	41%
% less than High School	24%	32%	29%
Avg. family income	\$16,445	\$9,930	\$8,116
Poverty rate	54%	81%	84%

## Population of concern

- Estimates suggest that 40-45% of current TANF caseload is made up of longer-term welfare recipients, who are not working or working only sporadically
- Add this to estimates of disconnected women

Suggests that a little over 2 million women who face difficulties supporting themselves. If these women have 1.9 children each, there are almost 4 million children in these families

## Policy Response

Could revise SSI to allow for more partial disability. This would substantially change the nature of SSI, however. And the cost could be very large, less because of increased use by single mothers, but because this could make SSI available to many older persons who face health problems as they approach retirement.

## Temporary and Partial Work Waiver Program

- Demand as much work as possible, but w/ more flexibility than TANF (“Partial”)
- Reassess situation regularly, recognizing that work barriers change through time (“Temporary”)

## Temporary and Partial Work Waiver Program

States would refer women for whom welfare-to-work is not working to this program

- Serious assessment occurs

Two questions need to be answered:

- How much work can be expected. Benefits scaled to work expectations
- How long should benefits be provided before reassessment occurs?
- Referred to other services as needed

## Temporary and Partial Work Waiver Program

Can be set up as a separate funding & program stream from TANF, although could also be a separate 'track' inside TANF

- Clients are outside TANF caseload counts but may still be subject to work requirements, depending upon assessment.
- States can determine how much they want to sanction participants in this program if they do not participate in services or work as required

# Temporary and Partial Work Waiver Program

## Advantages

- Provides states with flexibility to respond to families for whom current welfare-to-work efforts are not adequate
- Recognizes that not all family heads are able to move into full-time and sustained employment; provides support when regular TANF funds not available
- Recognizes family circumstances change over time
- Recognizes disabilities that are less permanent and severe than those covered by SSI

# Temporary and Partial Work Waiver Program

## Disadvantages

- Establishes a new program with complex case management. (This could be created as an alternative ‘track’ in TANF, rather than an entirely separate program, but the complexity of assessment and case management will remain)
- Requires additional money and may require additional mental and physical health care services, more substance abuse treatment slots, etc.

## Cost Estimates

Costs will vary depending on what services states provide and how many women are brought into this program.

Assume program serves 550,000 women at a cost of \$5200/year. This is \$2.8 billion.

(Not all of these costs are additional spending)

## Other Policies Needed

- Increase take-up in non-TANF programs that help subsidize family income among low-wage workers, including Food Stamps, Medicaid and EITC.
- Make mental health services more broadly available to low-income populations. Expand programs to deal with domestic violence.
- Expand health insurance to non-Medicaid eligible
- Do not count months when women are working while receiving TANF against the TANF time limit.

## Conclusions

Although short-term job search assistance has been effective for many TANF recipients, it is not effective for all. Greater attention must be given to the needs of mothers who face serious barriers in entering the workforce and whose ability to achieve economic self-sufficiency through employment is limited.

## Conclusions

This need may become even greater in the next few years, as unemployment rises steeply.

Those with work limitations are likely to be the first fired as employment falls and the last hired when the recession is over. The number of mothers applying for TANF is rising, even as state budgets are more and more limited.