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TANF Can Be a Critical Tool to Address Family Housing Instability and Homelessness

By Ali Zane, Cindy Reyes, and LaDonna Pavetti, Ph.D.[1]

Families and communities thrive when children have access to safe and stable housing. However, high housing costs can leave low-income families with children vulnerable to housing instability, overcrowded living arrangements, eviction, and homelessness. Reducing housing instability and homelessness helps to improve children's health, development, and education.[2]

Temporary Assistance for Needy Families (TANF), the nation's main program that provides cash assistance to families with the lowest incomes, helps families with children pay for rent, utilities, and other necessities. TANF assists parents who aren't currently able to work for pay or have very low incomes — many of whom are susceptible to housing instability, especially during periods of crises such as when they lose a job or flee from domestic violence.

Rental assistance programs such as Housing Choice Vouchers are highly effective at promoting better housing outcomes for low-income families with children. Most TANF participants would benefit greatly from receiving rental assistance along with cash benefits that they can use for other basic needs.[3] But inadequate funding for such programs leaves 3 in 4 families with children in need without any assistance.[4] Federal policymakers should provide vouchers to a much larger share of families who need them, but states can also help families who are struggling to afford housing. While some states have used TANF as part of their response to address family housing instability and homelessness, more states can leverage TANF funds to help low-income families experiencing or at risk of housing instability or homelessness.

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[1] Cindy Reyes was an intern with CBPP from June 2021 to April 2022.

[2] Will Fischer, Douglas Rice, and Alicia Mazzara, "Research Shows Rental Assistance Reduces Hardship and Provides Platform to Expand Opportunity for Low-Income Families," CBPP, December 5, 2019, https://www.cbpp.org/research/housing/research-shows-rental-assistance-reduces-hardship-and-provides-platform-to-expand.

[3] Sonya Acosta, "Investing in Housing Vouchers Critical to Protecting Children From Hardship, Building More Equitable Future," CBPP, November 16, 2021, https://www.cbpp.org/research/housing/investing-in-housing-vouchers-critical-to-protecting-children-from-hardship.

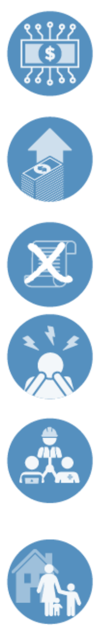
[4] CBPP, "76% of Low-Income Renters Needing Federal Rental Assistance Don't Receive It," https://www.cbpp.org/research/housing/three-out-of-four-low-income-at-risk-renters-do-not-receive-federal-rental-assistance.

Improving TANF to better promote housing stability can also advance racial equity. Housing insecurity among families with low incomes is concentrated among Black families and other families of color. More than half (53 percent) of all families with children experiencing homelessness on a single night in January 2020 were Black, reflecting long-standing discrimination in housing, employment, and more. This has resulted in Black people and other people of color being more likely to rent their homes, to pay more than half of their incomes on rent, and to experience homelessness.[5] Before and during the COVID-19 pandemic, Black and Latino children and their families faced higher rates of housing insecurity and eviction filing.[6]

Promoting safe and stable housing is foundational to children's well-being and is consistent with TANF's stated purpose to assist families in need so children can be cared for and thrive in their homes. This report discusses six ways TANF can address housing instability and homelessness. (See Figure 1.)

FIGURE 1

6 Ways States Can Use TANF to Address Housing Instability and Homelessness



- **Improve access to TANF cash assistance** so that more families have the financial resources to afford housing
- **Provide more cash assistance** so families can better afford rent and other necessities, including through increasing TANF benefit levels and providing housing supplements
- **End punitive policies** that take away families' cash benefits and lead to greater risk of homelessness
- **Leverage short-term TANF benefits** to meet families' immediate needs in times of crisis
- **Improve TANF work programs** so parents can succeed in their work or education efforts, helping them find stable, well-paid jobs that support housing stability
- **Connect TANF families to rental assistance** and provide supports to help them move to low-poverty neighborhoods to ensure long-term housing stability

For more information, see cbpp.org: "TANF Can Be a Critical Tool to Address Family Housing Instability and Homelessness"

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[5] Acosta, *op. cit.*

[6] Arloc Sherman *et al.*, "Widespread Economic Insecurity Pre-Pandemic Shows Need for Strong Recovery Package," CBPP, July 14, 2021, https://www.cbpp.org/research/poverty-and-inequality/widespread-economic-insecurity-pre-pandemic-shows-need-for-strong; Emily Lemmerman *et al.*, "Preliminary Analysis: Who is being filed against during the pandemic?" The Eviction Lab, December 21, 2020, https://evictionlab.org/pandemic-filing-demographics/.

Improve Access to TANF Cash Assistance

TANF can play a critical role in addressing housing needs, yet too few families with low incomes can currently access the program. TANF's ability to reach families with the lowest incomes has declined significantly since it was first signed into law in 1996, when for every 100 families in poverty nationwide, 68 families received TANF benefits. In 2020, only 21 such families received TANF cash assistance.[7] The program's greatly diminished reach means that most families experiencing or at risk of homelessness do not receive cash benefits that they could use to pay for housing. For example, the Department of Housing and Urban Development's (HUD) multi-city Family Options Study conducted between 2010 and 2012 found that 6 in 10 families experiencing homelessness were *not receiving* TANF, despite having extremely low incomes.[8] TANF's reach has declined even further since 2012.

Recent research has shown an association between TANF assistance and declines in family homelessness, underscoring the important role TANF can play in reducing the number of families experiencing homelessness. For example, a 2015 study of the TANF caseload in Washington State found that TANF families were 56 percent less likely to experience homelessness if they received cash assistance in the month prior to the index month, compared to TANF families who did not receive assistance in the month prior (such as those who had their benefits taken away for non-compliance with program requirements.)[9]

Other studies have shown an association between TANF's decline and rising homelessness. A 2019 study from poverty scholars H. Luke Shaefer and Kathryn Edin found that the marked decline of cash assistance across states was significantly associated with increased household food insecurity and homelessness among public school students. Between 2001 and 2015, every 1,000 fewer families receiving TANF was associated with 149 additional children experiencing homelessness, when controlling for trends in poverty and child population overall.[10]

A 2021 study by Zachary Parolin showed an association between greater *access* to cash assistance and reduced levels of family homelessness, and that these effects were particularly strong in majority Black and Native American school districts.[11] The study suggests that increasing the share of families in poverty who have access to TANF in a state by 10 percentage points could result in a 22 percent reduction in families in unsheltered homelessness, a 16 percent reduction in the number of families living in hotels/motels, and a 9 percent reduction in families living doubled up with other families.

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[7] Aditi Shrivastava and Gina Azito Thompson, "TANF Cash Assistance Should Reach Millions More Families to Lessen Hardship," CBPP, February 18, 2022, https://www.cbpp.org/research/family-income-support/tanf-cash-assistance-should-reach-millions-more-families-to-lessen.

[8] Daniel Gubits *et al.*, "Family Options Study: Short-Term Impacts of Housing and Services Interventions for Homeless Families," prepared for Department of Housing and Urban Development (HUD) Office of Policy Development and Research, July 2015, http://www.huduser.org/portal/sites/default/files/pdf/FamilyOptionsStudy_final.pdf.

[9] Melissa Ford Shah *et al.*, "Predicting Homelessness among Low-Income Parents on TANF," prepared for the Vulnerable Families Partnership, August 2015, https://www.dshs.wa.gov/sites/default/files/rda/reports/research-11-224.pdf.

[10] H. Luke Shaefer *et al.*, "The Decline of Cash Assistance and the Well-Being of Poor Households with Children," *Social Forces*, Vol. 98, No. 3, March 19, 2019, https://doi.org/10.1093/sf/soz020.

[11] Zachary Parolin, "Income Support Policies and the Rise of Student and Family Homelessness," *ANNALS of the American Academy of Political and Social Science*, Vol. 693, No. 1, January 2021, https://doi.org/10.1177/0002716220981847.

States can improve access to TANF to support families experiencing housing instability and homelessness in a few ways. They can remove upfront application requirements such as job search requirements, which deter families from applying and are not reasonable to expect from families struggling to stay housed. States can also raise eligibility thresholds and asset limits (usually very low) to grant eligibility to more low-income families and expand eligibility by fully opting out of the federal drug felony ban; grant eligibility to pregnant people with no other children; and use state funds to provide assistance to recent immigrants with lawful status who are subject to the five-year bar for receiving federally funded TANF.

Provide Families With More Cash to Help With Housing Costs

Federal standards define rent (including utilities) as affordable when it composes no more than 30 percent of a household's income. Families whose rents exceed this threshold are "cost-burdened." These families often cut back on purchasing necessities and are at higher risk of housing instability and homelessness.[12]

TANF benefit levels in every state are too low to enable families to afford stable housing. In 2021, maximum monthly benefit levels for a family of three ranged from $204 in Arkansas to $1,098 in New Hampshire. Fifty-two percent of Black children live in states with the lowest benefits, compared to 41 percent of Latino children and 37 percent of white children.[13]

Meanwhile, the state average estimated rent for a modest two-bedroom apartment, based on HUD Fair Market Rents (FMRs), ranged from $759 to $2,030.[14] For families whose sole source of income is TANF, FMRs are well over 30 percent of the monthly maximum TANF benefit in every state. In fact, a family of three receiving the maximum TANF benefit in the median state could only afford a rent that is 14 percent of the average FMR for a two-bedroom apartment. (See Figure 2.) Nine Southern states have benefit levels so low that the rent TANF families could afford is less than 10 percent of the FMRs. This includes states with higher FMRs, like Florida ($1,290), and states with lower FMRs, like Arkansas ($759). Even in states with relatively high benefit levels, rents in cities like Los Angeles and New York City can make modest housing even more unaffordable than in areas where TANF benefits and FMRs are lower.

[12] Andrew Aurand *et al.*, "The Gap: A Shortage of Affordable Homes," National Low Income Housing Coalition (NLIHC), updated April 2022, https://nlihc.org/sites/default/files/gap/Gap-Report_2022.pdf.

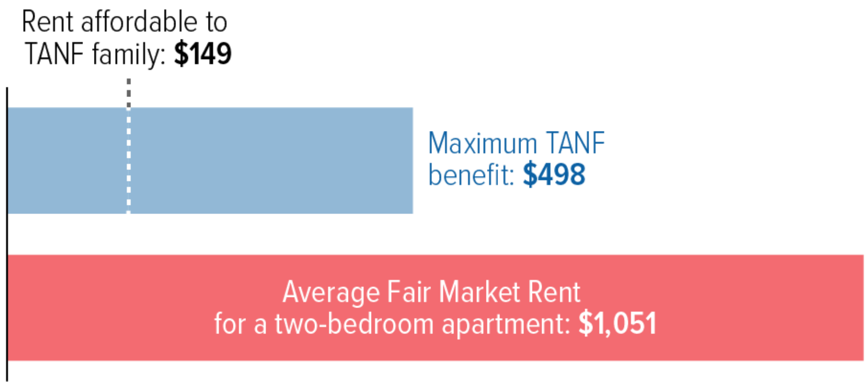
[13] Ali Safawi and Cindy Reyes, "States Must Continue Recent Momentum to Improve TANF Benefit Levels," CBPP, updated December 2, 2021, https://www.cbpp.org/research/family-income-support/states-must-continue-recent-momentum-to-further-improve-tanf-benefit.

[14] Aurand *et al.,* "Out of Reach 2021," NLIHC, 2021, https://nlihc.org/sites/default/files/oor/2021/Out-of-Reach_2021.pdf. HUD's FMRs are gross rent estimates of what a family that include the shelter rent plus the cost of all utilities except phone and internet. FMRs are usually tied to the 40th percentile of rents in a HUD Metro FMR Area (HMFA) or Metropolitan Statistical Area (MSA). FMRs used here are statewide weighted averages calculated by NLIHC.

FIGURE 2

Families Cannot Afford Modest Rent With TANF

For the state with the median maximum TANF benefit level, 2021



Note: TANF = Temporary Assistance for Needy Families. Federal standards define rent (including utilities) as affordable when it is no more than 30 percent of a household's gross monthly income. Hypothetical family has no other source of income other than TANF benefit. Fair Market Rents (FMRs) are the Department of Housing and Urban Development's estimate of what a family moving today would pay for modest housing. The National Low Income Housing Coalition (NLIHC) creates weighted statewide average FMRs based on HUD FMRs for various sub-regions in the state.

Source: Aurand *et al.*, "Out of Reach 2021," NLIHC; 2021 TANF benefit levels for single-parent families of three were compiled by CBPP from various state sources and are current as of July 1, 2021

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In all but six states, TANF benefits have declined in value — sometimes dramatically — since the program was created. Rents have continued to rise in almost every state, after adjusting for inflation.[15] More than half of states have increased their TANF benefit level in recent years, with 20 states and the District of Columbia doing so between July 2020 and July 2021. A small number of states have policies to set TANF benefits high enough to ensure that no family receiving benefits is living in deep poverty (income below 50 percent of the poverty line). While benefits at that level are not sufficient to cover modest rents in most states, they would go a long way toward helping families to afford stable housing.

States can also help families responsible for their own housing costs by providing a housing supplement. Six states provide such supplements, but in three states — Massachusetts, North Dakota, and Vermont — the supplements are very low, less than $50, and likely provide little meaningful assistance with families' housing costs. Three other states — Maine, Minnesota, and Hawai'i — provide larger supplements that increase a family's ability to pay for housing without rental assistance.

- In **Maine**, TANF families can receive a housing supplement of up to $300 per month. Families are automatically considered for the supplement upon application or

[15] CBPP, "Federal Rental Assistance Fact Sheets," updated January 19, 2022, https://www.cbpp.org/research/housing/federal-rental-assistance-fact-sheets/.

redetermination of their eligibility. To be eligible, families must have housing costs that exceed 50 percent of their countable income plus their TANF benefit and any child support payments they receive. Families can also receive the supplement if they do not receive TANF cash assistance, so long as their countable income is below the state's standard of need. Families where only the child receives TANF assistance (known as a child-only case) are also eligible for the supplement.

- In **Minnesota,** TANF families are eligible for a flat $110 per month housing supplement, so long as the family does not receive HUD rental assistance and is not a child-only case. All eligible families receive the supplement. While Minnesota's supplement is smaller than Maine's, its flat amount means that all families receive the maximum value of the supplement.
- In **Hawai'i**, lawmakers passed a bill in 2022 that authorized the state TANF agency to provide housing supplements of up to $500 per month. These supplements will be available to families in both the TANF and Temporary Assistance for Other Needy Families (TAONF), a state-funded program for families that include immigrants who do not qualify for benefits funded with federal TANF dollars. To be eligible, families must be participants in the state's TANF work program. Before the legislation was passed, Hawai'i provided families in the work program with a one-time housing supplement to cover no more than two months of rent. The new policy will ensure ongoing support to help families meet their housing needs.

Housing supplements that are large enough can make a meaningful dent in TANF families' housing costs. For example, families in Hawai'i receiving the $500 housing supplement could afford a rent that is 35 percent of FMR,[16] compared to 9 percent without the supplement. More states should adopt such supplements and make them easily accessible to as many TANF families as possible to ensure the greatest reduction in housing instability.

Reduce or Eliminate Sanctions and Time Limits That Take Away Families' Benefits

Two major drivers of the decline in the number of families receiving TANF are full-family sanctions, which take away families' entire TANF benefit when a parent doesn't meet a requirement, and arbitrary time limits that take away a families' benefit based on how long they have received assistance. Studies have shown that both policies can lead to housing instability.

In the 2015 Washington study, families who had their benefits reduced or taken away due to a sanction in the prior month were 20 percent more likely to experience a new episode of homelessness in the following month. Other studies have shown that families who have their benefits taken away due to sanctions and time limits fare worse in the labor market and are more likely to live in deep poverty than families who left TANF for other reasons.[17]

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[16] Assumes that the family spends 100 percent of the housing supplement plus 30 percent of their TANF grant on rent.

[17] Ali Zane and LaDonna Pavetti, "Most Parents Leaving TANF Work, But in Low-Paying, Unstable Jobs, Recent Studies Find," CBPP, November 19, 2020, https://www.cbpp.org/research/family-income-support/most-parents-leaving-tanf-work-but-in-low-paying-unstable-jobs.

States have the flexibility to significantly curtail or end these punitive policies. Eight states and D.C. have eliminated full-family sanctions and reduce families' benefits by as little as 6 percent as the most severe sanction. States can also reduce the amount of benefits taken away from families when they are sanctioned. States can also extend their time limit to the federal 60-month time limit, provide hardship extensions beyond 60 months to families experiencing housing instability, and use state funds to provide assistance beyond 60 months, as D.C. and New York have done.

Use Short-Term Benefits to Meet Families' Immediate Housing Needs

States can also leverage TANF to cover the costs associated with moving into stable housing or into neighborhoods that better meet their needs. They can provide non-recurrent short-term (NRST) benefits to cover costs such as security deposits and moving fees, utility payments, back rent, and furniture purchases.

Per federal regulation, NRSTs are meant to address a specific crisis or episode of need, not ongoing or recurrent needs. NRSTs cannot extend beyond four months, though a state can provide families with multiple NRSTs for different episodes of need in a given year. Families receiving housing supports as NRSTs are not subject to TANF's work requirements or time limit,[18] giving states flexibility to support more families experiencing housing instability and homelessness. Additionally, TANF NRSTs do not count as income in the Supplemental Nutrition Assistance Program (SNAP), meaning that families will not have those benefits reduced, regardless of the size of the NRST benefit.

To address increased housing instability during the pandemic, several states either expanded their housing-related TANF short-term benefit programs or created new programs. For example, Ohio allocated some of its federal TANF funds to its long-standing Prevention, Retention, and Contingency program. Franklin County (where Columbus is located) used some of those funds to create an emergency rental assistance program. This program provided TANF families and other families with incomes below 80 percent of the area median income with a benefit of up to 100 percent of their rental arrears and up to three months of future rent.[19]

States and counties have flexibility in designing housing-related NRSTs. For example, they can either make payments directly to landlords or add the benefit to a family's EBT card, as Boulder County, Colorado has done.[20] TANF dollars can also be blended with other funding streams to connect families at risk of homelessness to wraparound supports. For example, Utah's largest shelter

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[18] If a family also receives TANF cash assistance, they would still be subject to work requirements and time limits.

[19] Franklin County Jobs and Family Services, "Franklin County's PRC Emergency Rental Assistance Program FAQs," updated November 4, 2021, https://jfs.franklincountyohio.gov/getattachment/Emergency-Assistance-(PRC)/PRC-ERA-FAQ_Updated-11-4-21.pdf.aspx?lang=en-US.

[20] Lauren Dunton and Cara Sierks, "Approaches to Assisting Families Experiencing or At Risk of Homelessness with TANF Funds," Abt Associates, OPRE Report #2021-192, September 2021, https://www.abtassociates.com/files/insights/reports/2021/tanf-assisting-families-experiencing-homelessness-oct-2021.pdf.

provider, The Road Home, combines TANF and HUD resources to provide both rental assistance and work supports, which are closely coordinated.[21]

TANF NRSTs can be used to help families in a variety of unstable housing situations and states should broadly define which families are eligible for this assistance. The most recent data show that a majority of families with children who enter the emergency shelter system were previously living "doubled up" in the same housing with friends or family.[22] However, some TANF agencies deny assistance to families who are doubled-up because the lease or utilities are not in their name, but there is nothing in federal law that restricts them from being able to provide assistance to these families. TANF agencies should not miss the opportunity to assist these families and prevent homelessness.

Similarly, states can use TANF NRSTs to help families facing eviction, such as by covering their past-due rents. Families with children, especially Black and Latino families, are also more likely to face eviction than families without children.[23] Providing support to families facing eviction can help children and their parents avoid the harmful, long-term effects of eviction on their health and well-being.[24]

Lastly, TANF-funded housing supports should be accessible to as many families as possible. States designing new programs should not include arbitrary restrictions on eligibility, and states with existing programs should remove barriers to access. For example, California's recently approved budget eliminated a policy that pregnant people who are experiencing homelessness must have a note from a medical provider in order to receive a TANF-funded hotel voucher.

Improve TANF Work Programs

Even in states that provide the highest TANF benefits, families do not receive enough cash assistance to afford modest rent. States can help families afford housing by redesigning their work programs to focus on helping parents find higher-paying jobs. TANF work programs and supports are underfunded and focus on getting participants into jobs as quickly as possible, regardless of job quality or fit. This can be counterproductive, leading families to jobs with unstable hours and low wages.

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[21] National Alliance to End Homelessness, "Ramping Up Rapid Re-Housing: Temporary Assistance for Needy Families," April 29, 2015, https://endhomelessness.org/resource/ramping-up-rapid-re-housing-temporary-assistance-for-needy-families/.

[22] See Exhibit 3.17 in Meghan Henry *et al.*, "The 2017 Annual Homeless Assessment Report (AHAR) to Congress Part 2: Estimates of Homelessness in the United States," prepared for HUD Office of Community Planning and Development, October 2018, https://www.huduser.gov/portal/sites/default/files/pdf/2017-AHAR-Part-2.pdf.

[23] Matthew Desmond *et al.*, "Evicting Children," *Social Forces,* Vol. 92, No. 1, May 17, 2013, https://scholar.harvard.edu/files/mdesmond/files/social_forces-2013-desmond-303-27.pdf; Peter Hepburn, Renee Louis, and Matthew Desmond, "Racial and Gender Disparities among Evicted Americans," The Eviction Lab, December 16, 2020, https://evictionlab.org/demographics-of-eviction/.

[24] Matthew Desmond and Rachel Tolbert Kimbro, "Eviction's Fallout: Housing, Hardship, and Health," *Social Forces,* Vol. 94, No. 1, September 2015, https://scholar.harvard.edu/files/mdesmond/files/desmondkimbro.evictions.fallout.sf2015_2.pdf.

Research on families who leave TANF find that most return to the same low-paid, unstable jobs that led them to TANF in the first place.[25] These poor employment outcomes can lead to housing instability. For example, in Utah, three-fourths of a sample of parents were employed two years after first entering TANF in 2011 and 2012, but one-quarter of the sample had moved into cheaper housing or doubled up with others to make ends meet.[26] In another study based on in-depth interviews with 87 parents who left TANF in Georgia between 2009 and 2015, 25 percent reported experiencing homelessness since leaving.[27]

Combining cash assistance with work supports, such as child care and transportation assistance, and effective work programs can help families maintain stable housing both during and after their time receiving TANF. States should focus TANF work programs on moving parents into well-paid, stable jobs that align with their goals and previous work experience, instead of just getting them into jobs quickly. This includes supporting parents who wish to attend post-secondary education, encouraging participation in effective short-term training programs, and maximizing work exemptions so that families can address housing and other needs before pursuing work or education. These efforts make it more likely that parents will remain stably housed and can succeed in their work or education efforts. States should also invest in subsidized employment and other programs that have successfully helped TANF parents find stable jobs.

Combine TANF With Long-Term Rental Assistance

TANF agencies can also connect families with long-term housing supports and provide assistance that helps them move to neighborhoods of their choice that best meet their needs. The 2015 Washington study found that families receiving housing assistance (such as public housing or tenant-based rental assistance) in the last two years were 47 percent less likely to experience homelessness, when compared to families who did not receive such assistance.[28] Similarly, HUD's six-city "Welfare to Work Voucher Study," which compared TANF families randomly selected to receive a housing voucher to a control group that did not use a voucher, found that vouchers reduced homelessness by three-fourths, reduced the number of families living in crowded housing by half, and reduced the average number of times that families moved over five years by close to 40 percent.[29] (See Figure 3.)

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[25] Zane and Pavetti, *op. cit.*

[26] Mary Beth Vogel-Ferguson, "Family Employment Program (FEP) Redesign Study of Utah 2014: Final Report," Social Research Institute, University of Utah College of Social Work, September 2015, https://socialwork.utah.edu/_resources/documents/dws-reports/wave-3-report_final.pdf.

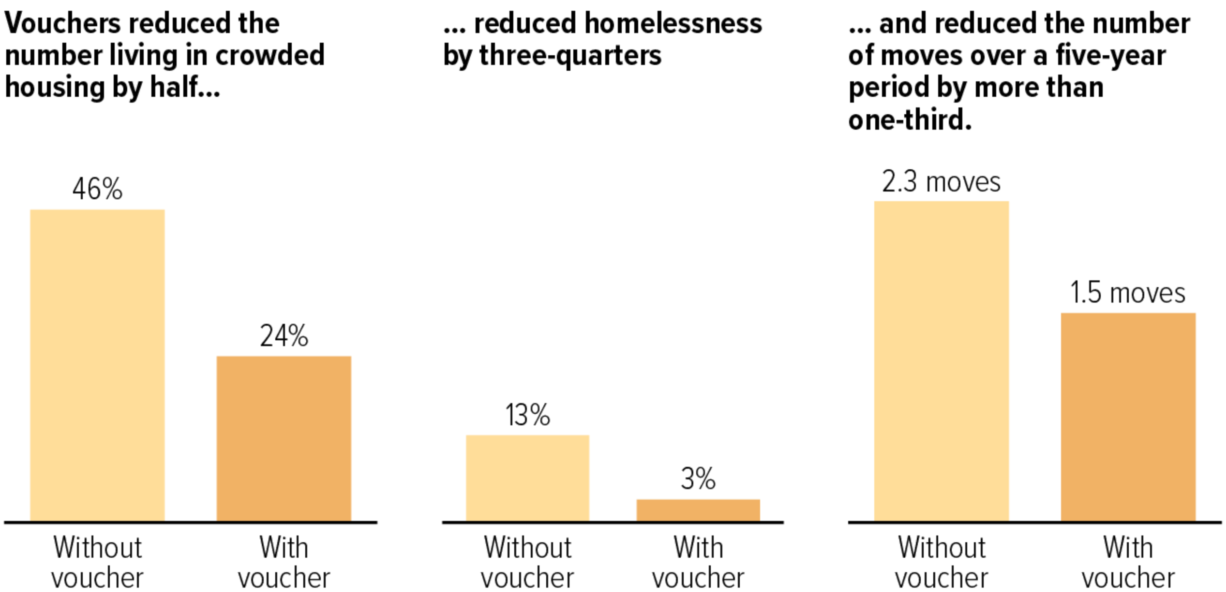
[27] Fred Brooks, Anna Elizabeth Chaney, and Sara Elizabeth Mack, "Georgia's TANF Leavers 2009-15: How Are They Faring?" Center for State and Local Finance, Georgia State University Andrew Young School of Policy Studies, February 13, 2018, https://cslf.gsu.edu/download/georgias-tanf-leavers-2009-15-how-are-they-faring/?wpdmdl=6494562&ind=1526058317130.

[28] Ford Shah *et al.*, *op. cit.*

[29] Michelle Wood, Jennifer Turnham, and Gregory Mills, "Housing Affordability and Family Well-Being: Results from the Housing Voucher Evaluation," *Housing Policy Debate*, Vol. 19, No. 2, 2009, https://www.tandfonline.com/doi/abs/10.1080/10511482.2008.9521639.

FIGURE 3

Housing Choice Vouchers Sharply Reduced Crowded Housing, Homelessness, and Frequent Moves, Study Shows



Note: The chart compares the housing status of low-income families in six U.S. cities who were randomly selected to receive a voucher and used it for at least part of the previous year to families in a control group who did not use vouchers. Families experiencing "crowded housing" were living in housing that has less than one room per household member. Number of moves reflects the average moves over a 4.5- to 5-year period since random assignment.

Source: Michelle Wood, Jennifer Turnham, and Gregory Mills, "Housing Affordability and Family Well-Being: Results from the Housing Voucher Evaluation," Housing Policy Debate, 2008.

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However, fewer than 1 in 5 TANF families receive housing assistance funded by HUD, with access varying across states.[30] In recent years, Vermont has been successful in connecting TANF families with state and federal housing assistance, increasing the share of families who receive such assistance from 25 to 40 percent.[31] Vermont also used federal emergency rental assistance funds to create the Reach Up Emergency Rental Assistance (RUERA) program in 2021. RUERA aims to greatly simplify the application process for TANF families by using data the TANF agency already had; the program reached over 1,500 families by January 2022. While federal emergency rental assistance funds are temporary, states should consider following Vermont's example and target new and existing housing funds to TANF families.

Connecting families with housing vouchers would be complementary to TANF. By significantly reducing their housing costs, families would be able to use TANF cash assistance for other basic

[30] CBPP analysis of HUD administrative data and TANF caseload data collected from states.

[31] Erin Oalican, "Reach Up Annual Report 2022," Vermont Agency of Human Services, Department for Children and Families, prepared for the Vermont Legislature, January 31, 2022, https://legislature.vermont.gov/assets/Legislative-Reports/Evaluation-of-Reach-Up.pdf.

needs. With stable housing, parents can focus on raising their children and, when they are ready and able, pursue work or education.

Federal housing vouchers fund rent and utility bills but are generally not able to cover other costs, which TANF NRSTs can cover. Using TANF funds for items such as security deposits and moving costs could help families use vouchers even in tight rental markets and enable them to choose housing in a wider range of neighborhoods.

States can also use TANF funds to provide upfront assistance to help families use vouchers and wraparound supports, such as navigation services to help families find housing in neighborhoods that they want to live in. Rental assistance also significantly benefits children when it enables their families to move to neighborhoods with less poverty and crime and better-performing schools. A 2015 paper using data from a rigorous long-term study (the Moving to Opportunity demonstration) found that children whose families chose to use vouchers to move to low-poverty neighborhoods had substantially higher adult earnings and rates of college attendance, and lower rates of single parenthood, than similar children whose families didn't move to low-poverty neighborhoods.[32]

[32] Raj Chetty, Nathaniel Hendren, and Lawrence Katz, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Project," *American Economic Review*, Vol. 106, No. 4, 2016, https://scholar.harvard.edu/hendren/publications/effects-exposure-better-neighborhoods-children-new-evidence-moving-opportunity.