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## **SOUTH CAROLINA WILL BE UNABLE TO CONTINUE SUCCESSFUL JOBS PROGRAM IF U.S. SENATE FAILS TO EXTEND TANF EMERGENCY FUND**

### **Local Business Owner, Employee, Speak to Importance of Program**

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A new South Carolina subsidized employment program (known as the STEP program), which has provided jobs for 650 parents, will stop placing South Carolinians in jobs on September 30 unless Congress this fall extends the federal program that funded it, according to a new report from the Center on Budget and Policy Priorities.

The STEP program uses federal dollars provided through the federal Temporary Assistance for Needy Families Program (TANF) Emergency Fund, which President Obama and Congress created in last year's Recovery Act, to subsidize jobs for parents who would otherwise have received cash assistance through the state's TANF program.

Most of the job placements are with private-sector businesses and nearly all have led to permanent, unsubsidized jobs. South Carolina pays an individual's wages up to the minimum wage for 20 hours per week for up to six months and employers agree to keep them on their payroll at the end of the subsidy period.

One worker who has benefited from the program is Jennifer Price, a single mother who had been seeking work for seven months until she was hired by a nonprofit health center. The organization, Eau Claire Cooperative Health Care, was in dire need of a referral specialist when it hired Price through the STEP program to help patients gain access to further treatment.

"The program allowed us to hire the right person at the right time," said Gloria Warner, the health center's chief operating officer. "Jennifer came with a good deal of information and knowledge that enabled her to put her head down and get the work done."

Through participation in the STEP program, Price has developed valuable job skills and increased financial independence. "The program has changed my life," said Price. "I was living with a family member at the time, and I was able to move and get my own apartment. I have a six-year old, so it has helped me a lot."

But unless Congress extends funding for the program, organizations like Eau Claire Cooperative Health Care will lose the support that has made hiring additional workers like Price possible.

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## Effective Job-Creation Program Set to End September 30 Unless Congress Acts

The federal TANF Emergency Fund that pays for the subsidized employment program is set to expire on September 30 unless Congress extends it. South Carolina did not start their program until February of this year and they would very much like to continue it.

“Participants have told us the program has been life-changing,” said Linda Martin, director of South Carolina’s Division of Family Assistance. “Even a part-time, minimum wage job gives them more money than being on TANF. Providing the subsidy has allowed us to attract employers we haven’t been able to attract to our welfare employment program before. And just about all the participating employers are in the private sector.”

Unemployment in South Carolina remains significantly above the national average at 10.8 percent and another bleak national monthly employment report is due out tomorrow from the U.S. Department of Labor. State officials credit the subsidized employment program with helping to bring down their TANF cash assistance caseload and they worry that it will begin to rise again if the subsidized employment program cannot continue.

“It makes no sense to shut down an effective jobs program and put more people out of work right now,” said LaDonna Pavetti co-author of the report. “It’s the *opposite* of what the country needs: jobs will evaporate, unemployed mothers and fathers will struggle to make ends meet, and it will add more strain to the already fragile economic recovery.”

## Congress Can Extend Program, Save Tens of Thousands of Jobs Nationwide

The House has voted twice to extend the Fund, which has placed an estimated 250,000 low-income parents and youth in subsidized private- or public-sector jobs nationwide. But, the Senate has yet to act. The costs of the House extensions were fully offset and would not add to the deficit.

The Emergency Fund was included in last year’s Recovery Act with the purpose of providing states with extra resources to meet the increased need for assistance during a recession. The Fund gives states the ability to put money in the hands of people who will spend it, which helps lessen the damage that the recession would have otherwise done to the economy and especially to vulnerable populations.

Thirty-seven states operate subsidized employment programs using these funds. Yet many of the programs — including most of the largest ones — will have to close their doors on September 30 if Congress doesn’t extend the fund; others plan to greatly scale back operations.

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Note to reporters: Please contact Shannon Spillane, Center on Budget and Policy Priorities to schedule interviews with program participant Jennifer Price and/or her employer, Eau Claire Cooperative Health Care.

The full report, featuring state-by-state data, is available at:  
<http://www.cbpp.org/cms/index.cfm?fa=view&id=3274>.

**The Center on Budget and Policy Priorities** is a nonprofit, nonpartisan research organization and policy institute that conducts research and analysis on a range of government policies and programs. It is supported primarily by foundation grants.

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