

*October 7 2004*

## **HHS AGAIN TOUTS DECLINE IN WELFARE CASELOADS DESPITE RECENT INCREASE IN POVERTY**

The U.S. Department of Health and Human Services announced today that caseloads in the Temporary Assistance for Needy Families (TANF) program fell below 2 million during the first quarter of 2004. Echoing similar past press releases, Assistant Secretary Wade Horn claimed that “more Americans are leaving welfare, entering the workforce and becoming part of the economic mainstream.”

“Contrary to HHS’s assertions, falling TANF caseloads in recent years have not meant that more families are working or out of poverty,” noted Sharon Parrott, the Center’s director of welfare reform policy. “Earlier this year, shortly before the Census Bureau released data showing a marked rise in child poverty in the United States in 2003, HHS issued a similar press release that trumpeted TANF caseload declines in 2003.” (Data on poverty are only available through 2003.)

“While poverty did fall in the 1990s — as a result of a growing economy, increased supports for working poor families, and welfare reform efforts — poverty and joblessness among single mothers increased significantly between 2000 and 2003, data noticeably absent from the HHS press release,” said Parrott. “Contrary to Horn’s claim, rising poverty rates in recent years show that more families have left the economic mainstream rather than joined it.”

“HHS is once again touting declining caseloads absent any research or data showing that this decline is the result of improving economic prospects for poor families,” said Parrott. “Effective welfare reform should help families join the economic mainstream by providing temporary income support, help finding and keeping jobs, and child care. But to accomplish these goals, welfare programs have to respond to increases in the number of families who need help,” said Parrott. “The decline in the number of families being helped by TANF, despite the increase in the number of families living in poverty in recent years, suggests that steps need to be taken to reduce barriers that keep needy families from benefiting from the benefits and services the TANF program can provide.”