
November 19, 2020

Most Parents Leaving TANF Work, But in Low-Paying, Unstable Jobs, Recent Studies Find

By Ali Safawi and LaDonna Pavetti¹

A central tenet of Temporary Assistance for Needy Families (TANF), the primary cash assistance program for families with children, is that TANF should provide temporary support while parents engage in required activities to help them find or prepare for work — the so-called “welfare-to-work” strategy. While employment that pays sufficient wages and provides regular hours can be a path from poverty towards financial stability, *most TANF recipients are not on that path*, our analysis of studies of parents leaving TANF shows. (See the Appendix for a list of the studies.) Instead, most recipients leave TANF for low-paying, unstable jobs that leave many of them with significant periods of joblessness and with annual incomes far below the federal poverty line.

TANF’s focus on work requirements reinforces the racist stereotype that parents receiving assistance, who are disproportionately people of color, do not work and do not wish to work,² but the data tell a different story: the majority of TANF “leavers” work before entering TANF and again after leaving. Although states have flexibility under TANF to help recipients gain education, skills, and work experience to prepare them for better-paying jobs, most have not taken advantage of this flexibility. Instead, states rely mainly on low-cost job search programs that direct TANF recipients back to the same low-paying, unstable jobs that led many of them to TANF in the first place; meanwhile, the limited resources that states devote to work activities go primarily to monitoring compliance with work requirements.³

Key findings from studies that examine the employment outcomes of recipients that have left TANF include:

- **Most parents work both before and after leaving TANF, in spite of labor market disadvantages.** Employment rates were modestly higher after exit than before exit, most

¹ The authors would like to thank Nick McFaden for his assistance.

² Elisa Minoff, “The Racist Roots of Work Requirements,” Center for the Study of Social Policy, February 2020, <https://cssp.org/resource/racist-roots-of-work-requirements/>.

³ Liz Schott and LaDonna Pavetti, “Changes in TANF Work Requirements Could Make Them More Effective in Promoting Employment,” CBPP, February 26, 2013, <https://www.cbpp.org/research/family-income-support/changes-in-tanf-work-requirements-could-make-them-more-effective-in->

studies show, with at least 6 in 10 and up to 8 in 10 leavers working during the first year after exit. But few worked steadily throughout that year; many TANF recipients are among the millions of workers in the low-wage labor market, which is characterized by high income volatility and job turnover. In addition, parents who left TANF due to sanctions or time limits, who often face significant physical or mental health challenges that reduce their employment prospects, had lower employment rates than other leavers. Employment rates among TANF leavers improved as the economy slowly recovered from the Great Recession, but only modestly.

- **Most TANF leavers did not earn enough to afford the basics.** The majority who found work took jobs in low-paying sectors such as food service and child care. For most leavers who had earnings in their first year after leaving TANF, those earnings were too low to lift their family out of poverty. (A study of Georgia leavers, for example, found that only 9 percent had sufficient earnings in the first year after exit to lift their families above the federal poverty line.⁴) Leavers continued to utilize other safety net programs, such as the Supplemental Nutrition Assistance Program (SNAP) and Medicaid, to help meet their basic needs, but most still faced significant hardship.
- **Lack of work supports and significant health challenges limit many TANF leavers' employment opportunities.** Parents leaving TANF report that lack of access to transportation and child care hinders their ability to find high-quality employment. TANF recipients also report physical and mental health disabilities at higher rates than the general population, both of which significantly limit their employment prospects. For example, 46 percent of leavers in a Washington State study screened positive for needing mental health treatment, 19 percent screened positive for needing substance use disorder treatment, and 16 percent screened positive for a probable chronic health condition.⁵

Given that the COVID-19 pandemic's impact on the labor market will last for years,⁶ this is a critical time for states to retool their TANF employment programs to prepare recipients for high-quality jobs that can lead them out of poverty. Figure 1 outlines several steps they can take.

⁴ Carolyn Bourdeaux and Lakshmi Pandey, "Report on the Outcomes and Characteristics of TANF Leavers," Center for State and Local Finance, Georgia State University Andrew Young School, March 15, 2017, <https://cslf.gsu.edu/download/outcomes-and-characteristics-of-tanf-leavers/?wpdmdl=6494571&refresh=5f7852f89a8bc1601721080>.

⁵ CBPP calculations based on data in Deleena Patton *et al.*, "The Well-Being of Parents and Children Leaving WorkFirst in Washington State," Research and Data Analysis Division, Washington State Department of Social and Health Services, November 2016, <https://www.dshs.wa.gov/sites/default/files/rda/reports/research-11-216.pdf>. Data are for parents who received TANF in state fiscal year 2011 and subsequently left and did not return during the 36-month observation period.

⁶ Andrew Van Dam, "As permanent economic damage piles up, the Covid Crisis is looking more like the Great Recession," *Washington Post*, August 25, 2020, <https://www.washingtonpost.com/business/2020/08/25/permanent-economic-damage-piles-up-covid-crisis-is-looking-more-like-great-recession/>.

FIGURE 1

4 Steps States Can Take to Retool Their TANF Employment Programs



1. Focus work programs on building skills.

Shift focus away from counting hours spent in mandatory work activities, and instead invest TANF funds in training programs that prepare participants for in-demand, high-quality jobs.



2. Create or expand subsidized employment programs.

Subsidized jobs are a proven strategy for providing employment opportunities when jobs are in short supply.



3. Provide individualized, goal-oriented services.

Recognize families' individual circumstances and work with them to set goals and expectations that respond to their needs.



4. Measure employment outcomes.

Develop performance management systems that routinely measure employment outcomes and use the data to make program improvements.

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It is important to understand that while significant changes in TANF work programs could improve recipients' employment prospects, they cannot undo the employment discrimination and structural racism that reduce those prospects — issues that COVID-19 has laid bare and exacerbated.⁷ TANF recipients face a labor market rife with disparities that limit their ability to find work and to get paid enough to lift their families out of poverty. Black and Latina women, who make up a majority of adult TANF recipients, experience the dual burden of racial and gender disparities in the labor market. They are paid less than white women (or men) despite being more likely to be their family's primary breadwinner.⁸ They also face longer stints of joblessness than their

⁷ Chad Stone, "Jobs Report: Improvements Slowing, Jobs Hole Remains Deep," CBPP, October, 2, 2020, <https://www.cbpp.org/blog/jobs-report-improvements-slowing-jobs-hole-remains-deep>; Andrew Van Dam and Heather Long, "Moms, Black Americans and educators are in trouble as economic recovery slows," *Washington Post*, October 2, 2020, <https://www.washingtonpost.com/business/2020/10/02/september-jobs-inequality/>; Jocelyn Frye, "On the Frontlines at Work and at Home: The Disproportionate Economic Effects of the Coronavirus Pandemic on Women of Color," Center for American Progress (CAP), April 23, 2020, <https://www.americanprogress.org/issues/women/reports/2020/04/23/483846/frontlines-work-home/>.

⁸ Sarah Jane Glynn, "Breadwinning Mothers Continue To Be the Norm," CAP, May 10, 2019, <https://www.americanprogress.org/issues/women/reports/2019/05/10/469739/breadwinning-mothers-continue-u-s-norm/>.

white counterparts.⁹ Other factors such as education, age (48 percent of adults on TANF are under 30),¹⁰ health and disability issues, and lack of access to transportation and child care further limit TANF recipients' labor market prospects.¹¹

13 Studies Examine How Parents Fare in Labor Market After Leaving TANF

This report is based on an analysis of 13 descriptive studies, conducted in nine states,* that investigated the outcomes and characteristics of recipients who left TANF at various times between 2007 and 2019.

Eleven of the studies examined the employment experiences of parents leaving TANF. The other two, in Utah and in Washington State, examine outcomes and characteristics for parents both when they were participating in the program and during a follow-up period of two or three years. In Utah, new TANF recipients were surveyed upon entry into TANF; follow-up surveys were conducted one and two years later, by which time most of them had left the program. The Washington State study examined outcomes and characteristics of parents that received TANF in state fiscal years 2007 or 2011 and subsequently left and did not return within a 36-month observation window. This paper uses data on the 2011 cohort because they were subject to a time limit policy that the earlier cohort was not. Quarterly reports produced in Washington State are considered together as one study. (See the Appendix for short summary of each study.)

All 13 studies analyzed the employment experiences of TANF recipients or former recipients over a specified period of time. Ten studies linked TANF administrative data with quarterly wage data; the other three gathered information through surveys or interviews. Five of the studies compared employment outcomes for two or more cohorts that left TANF in different years, including at different points before, during, and after the Great Recession. Four of the studies contain especially rich information on the obstacles parents encountered while trying to find work or working.

Although all the studies analyzed employment experiences, they did not all gather the same information. Some gathered employment both within the last year and at a point in time (usually for a specified quarter), while others only gathered data for one of these measures. Some provided data on median earnings, while others used average earnings. We sought to maximize the data we have, recognizing the limitations due to the differences among the studies.

* Colorado, Georgia, Kansas, Maine, Maryland, Mississippi, Utah, Vermont, and Washington State.

Most TANF Recipients Work Before and After Leaving TANF

Although TANF recipients face significant labor market disadvantages, most of them work before turning to TANF and return to work after they leave. The studies included in this analysis provide evidence that work is common among TANF recipients. But few parents who leave TANF work consistently during the year. Many TANF recipients are among the millions of workers in jobs that provide low pay, can have shifting schedules, and often lack key benefits such as paid sick leave.

⁹ Frye, *op. cit.*

¹⁰ Office of Family Assistance, Administration for Children and Families, Department of Health and Human Services, "Characteristics and Financial Circumstances of TANF Recipients, Fiscal Year 2019," November 5, 2020, <https://www.acf.hhs.gov/ofa/resource/characteristics-and-financial-circumstances-of-tanf-recipients-fiscal-year-2019>.

¹¹ Glynn, *op. cit.*; Van Dam and Long, *op. cit.*

These features can contribute to income volatility and job turnover: low-wage workers are more likely than other workers to experience periods when they are out of work or when their monthly earnings drop, at least temporarily.¹²

Majority of TANF Recipients Worked in First Year After Leaving TANF

At least 6 in 10 and as many as 8 in 10 TANF leavers were employed at some time during the year after exit, studies with available data show.

- In both Kansas¹³ and Mississippi,¹⁴ 71 percent of leavers were employed at some point during the year after exit.
- In Vermont, 75 and 81 percent of households that left TANF in 2013 and 2017, respectively, had at least one parent employed at some point in the year after exit.¹⁵
- In Georgia, 69 percent of leavers in a six-year study worked at some point during the average year after leaving TANF.¹⁶
- In Maryland, 64 percent of parents who left TANF between October 2012 and September 2013 were employed at some point during the year after exit.¹⁷ Employment rates were lower for those without a high school education (58 percent) than for those with a high school education (67 percent) or beyond (69 percent).¹⁸

These high employment rates, however, do not mean that most TANF recipients left the program *because* they found employment. In Colorado, for example, only 37 percent of leavers reported employment or increased earnings as a reason for exiting TANF; 36 percent reported they were

¹² Brynne Keith-Jennings and Raheem Chaudhry, “Most Working-Age SNAP Participants Work, But Often in Unstable Jobs,” CBPP, March 15, 2018, <https://www.cbpp.org/research/food-assistance/most-working-age-snap-participants-work-but-often-in-unstable-jobs>.

¹³ Tazra Mitchell, LaDonna Pavetti, and Yixuan Huang, “Life After TANF in Kansas: For Most, Unsteady Work and Earnings Below Half the Poverty Line,” CBPP, February 20, 2018, <https://www.cbpp.org/research/family-income-support/life-after-tanf-in-kansas-for-most-unsteady-work-and-earnings-below>.

¹⁴ National Strategic Planning and Analysis Research Center (NSPARC), “Programmatic and Labor Market Outcomes: SNAP/TANF Participants,” Mississippi State University, 2018, https://www.mdhs.ms.gov/wp-content/uploads/2018/03/SNAP_TANF-Report.pdf.

¹⁵ Leslie Black-Plumeau and Robert McIntyre, “Leaving Reach Up: How did the experiences of Vermont’s welfare leavers compare to earlier leavers?” Black-Plumeau Consulting, LLC, July 13, 2015, <https://dcf.vermont.gov/sites/dcf/files/ESD/Report/2013%20Reach%20Up%20Leavers%20Report%20-%20July%2013%2C%202015%20%28Final%29.pdf>; Black-Plumeau and McIntyre, “2017 Reach Up Leavers,” October 1, 2019, <https://dcf.vermont.gov/sites/dcf/files/2017%20Reach%20Up%20Leavers%20Report>. These studies gathered data on employment for households rather than individuals. They included single and two-parent households; employment rates are comparable for both groups.

¹⁶ CBPP calculations based on data in Bourdeaux and Pandey, *op. cit.*

¹⁷ CBPP calculations based on data in Rebecca McColl and Letitia Logan Passarella, “The Role of Education in Outcomes for Former TCA Recipients,” Ruth H. Young Center for Families and Children, University of Maryland School of Social Work, 2019, <https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/work-supports-and-initiatives/The-Role-of-Education.pdf>.

¹⁸ McColl and Passarella, “The Role of Education in Outcomes for Former TCA Recipients,” *op. cit.*

sanctioned, reached a time limit, or no longer had a child in the household.¹⁹ National data show similar patterns.²⁰ Studies linking TANF administrative and quarterly earnings data often find higher employment rates than the data on exit reasons would suggest, because many recipients work after leaving TANF even if that is not why they left.

Parents who leave TANF because of sanctions and time limits do not do so by choice, and they often face significant physical or mental health challenges that reduce their employment prospects. In Kansas, those terminated due to sanctions and time limits had lower employment rates in the average quarter of the year after exit (49 and 47 percent, respectively) than leavers overall (55 percent).²¹ In Maine, 36 percent of parents terminated in the second quarter of 2012 under a newly implemented time limit had zero earnings from employment during the entire five-year observation period, which lasted from the year before termination to four years after. In the average quarter of the last year of the observation period, about two-thirds of parents were not working.²²

Steady Work Was the Exception, Not the Norm

While most parents worked, their employment was unsteady. Many experienced periods of joblessness that left them with annual earnings far too low to support a family. Because work was unsteady, the share of TANF leavers working in any single quarter was substantially lower than the share that worked at any point in a year; very few leavers worked for all quarters of the year.

- In Georgia, 52 percent of leavers were employed in an average quarter in the year after exit²³ and 69 percent were employed at some point during the year, but only 34 percent worked for all four quarters.²⁴
- In Maryland, 62 percent of leaver parents were employed at some point in the year after exit but only 28 percent were employed for all four quarters.²⁵ For parents who left between October 2012 and September 2013, 23 percent of those with less than a high school education were employed for all four quarters, well below the rates for those with a high school education (33 percent) or beyond (39 percent).²⁶

¹⁹ Shelly Osborn *et al.*, “Colorado Works Exit Survey Project Summary of Fiscal Year 2016/2017 Data Collection – Waves 1, 2, and 3,” ICF, November 1, 2017.

²⁰ Nationally, states report that 22 percent of cases close due to employment or excess income or resources, 21 percent due to inability to complete requirements, 13 percent due to sanctions or time limits, and 33 percent for unspecified reasons. See Office of Family Assistance, *op. cit.*

²¹ Mitchell, Pavetti, and Huang, *op. cit.*

²² Tazra Mitchell, “Research Note: Contrary to Maine Officials’ Claims, TANF Time Limit Leaves Most Families Without Work or Cash Assistance,” CBPP, August, 15, 2017, <https://www.cbpp.org/research/family-income-support/research-note-contrary-to-maine-officials-claims-tanf-time-limit>.

²³ CBPP calculations based on data in Bourdeaux and Pandey, *op. cit.*

²⁴ Bourdeaux and Pandey, *op. cit.*

²⁵ Rebecca McColl and Letita Logan Passarella, “Life After Welfare: 2019 Annual Update,” Ruth H. Young Center for Families and Children, University of Maryland School of Social Work, 2019, <https://www.ssw.umaryland.edu/media/ssw/fvrtg/welfare-research/life-after-welfare/life2019.pdf>.

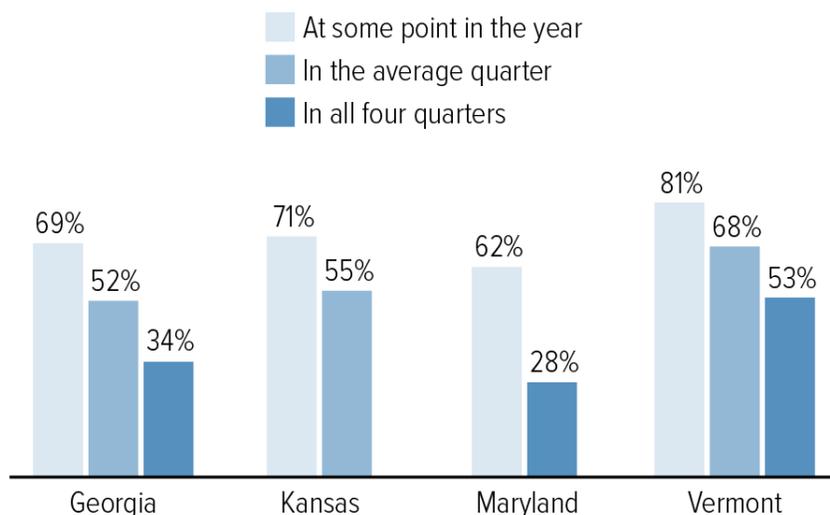
²⁶ McColl and Passarella, “The Role of Education in Outcomes for Former TCA Recipients,” *op. cit.*

- In Vermont, 68 percent of households had a parent working in the average quarter in the year after exit²⁷ and 81 percent had a parent employed at some point during the year, but only 53 percent had a parent employed for all four quarters.²⁸
- In Kansas, 55 percent of parents worked in the average quarter in the year after exit and 71 percent worked at some point during the year.²⁹
- In Utah, 50 percent of TANF recipients surveyed two years after initially receiving TANF were employed at the time of the interview, compared to 74 percent at some point during the prior year.³⁰ (Three-quarters of those surveyed had not received any TANF benefits in the prior year.)

FIGURE 2

Work Was Common But Unsteady In Parents' First Year After Leaving TANF

Share of parents employed in year after exit:



Note: TANF=Temporary Assistance for Needy Families. Average quarter=average rate of employment across four quarters of leavers' first year after exit. Vermont study addressed employment for households, not individuals; single and two-parent households had similar employment rates. Kansas and Maryland studies did not include information for all three data points shown in figure.

Source: CBPP calculations based on data in Bourdeaux and Pandey, "Report on the Outcomes & Characteristics of TANF Leavers," 2017; Black-Plumeau and McIntyre, "2017 Reach Up Leavers," 2019; Mitchell, Pavetti, and Huang, "Life After TANF In Kansas: For Most, Unsteady Work and Earnings Below Half the Poverty Line," 2018; McColl and Passarella, "Life After Welfare 2019 Annual Update," 2019.

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²⁷ CBPP calculations based on data in Black-Plumeau and McIntyre, 2019, *op. cit.*

²⁸ Black-Plumeau and McIntyre, 2019, *op. cit.*

²⁹ Mitchell, Pavetti, and Huang, *op. cit.*

³⁰ 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.

Most Studies Show Modest Increases in Employment Rates After Leaving TANF

The studies that compare employment rates before and after parents leave TANF find that most parents work in both periods, but some of the studies measure employment in the year before *entering* TANF, while others measure employment in the quarter or year before *leaving*, which includes time while families are on TANF — when fewer parents work. In all but one study, employment rates were higher after exit than in the earlier time period. These studies are descriptive and do not provide any insight into which factors contributed to the increase, but changes in family circumstances, an improved economy, and employment services or an education or training program may all contribute.

- In Vermont, 58 percent of households that left TANF in 2017 worked in the quarter before exit, compared to 68 percent in the average quarter in the year after exit.³¹
- In Maryland, 56 percent of parents worked in the year before entering TANF, compared to 62 percent in the year after leaving. “Recovery leavers,” who left TANF between 2012 and 2014, were less likely than “recession leavers” (who left between 2007 and 2011) or “recent leavers” (who left between 2015 and 2019) to have worked in the year before entering TANF; this suggests that many parents turned to TANF because they could not find suitable employment in the still-struggling economy.³²
- In Kansas, an equal share of parents (71 percent) worked in the year before and the year after the quarter of their exit from TANF.³³

Employment Rates Were Higher When Economic Conditions Were Better

The Great Recession, which began in December 2007, severely affected the labor market and the effects persisted long after its official end in June 2009. The national unemployment rate began improving markedly in 2010, but not until December 2017 did it recover to pre-recession levels for people of all age, gender, racial/ethnic, and education categories.³⁴ As the economy improved, so did employment rates among TANF leavers, but only modestly.

- In Georgia, the share of leavers employed in at least one quarter in the year after exit rose from 65 percent for those leaving in 2009 to 77 percent for those leaving in 2014.³⁵
- In Maryland, 60 percent of recession leavers were employed during the year after exit, compared to 62 percent of recovery leavers and 67 percent of recent leavers.³⁶

³¹ Black-Plumeau and McIntyre, 2019, *op. cit.*

³² McColl and Passarella, “Life After Welfare,” *op. cit.*

³³ Mitchell, Pavetti, and Huang, *op. cit.*

³⁴ U.S. Bureau of Labor Statistics, “Great Recession, great recovery? Trends from the Current Population Survey,” *Monthly Labor Review*, April 2018, <https://www.bls.gov/opub/mlr/2018/article/great-recession-great-recovery.htm>.

³⁵ Bourdeaux and Pandey, *op. cit.*

³⁶ McColl and Passarella, “Life After Welfare,” *op. cit.*

- In Vermont, the share of households with earnings from employment in the year after leaving TANF rose from 69 percent for 2008 leavers to 75 percent for 2013 leavers³⁷ and 81 percent for 2017 leavers.³⁸

Few TANF Leavers Earned Enough to Afford the Basics

Parents who leave TANF for employment often do so for jobs that only offer low pay, unpredictable hours, and few benefits. Such jobs provide insufficient income to meet families' basic needs. Research has shown that increasing parents' employment without lifting their incomes does not improve outcomes for children.³⁹ Two studies that looked at the type of work done by leavers in Georgia and Maryland found that they primarily worked in the low-wage service sector, such as food service and child care. Only a small fraction of leavers can find employment in sectors that provide higher wages, such as health care.

Earnings From Employment Insufficient to Lift Families out of Poverty

The combination of low wages, limited hours, and intermittent periods of joblessness leaves many TANF recipients with very low earnings. As a result, few parents leaving TANF earn enough to lift their families out of poverty.

- In Georgia, only 9 percent of parents leaving TANF had sufficient earnings in the first year after exit to lift their families above the federal poverty line. Leavers who worked during their first year after exit earned just above half of the poverty line for a family of three, on average, in each of the six leaver cohorts the study considered.⁴⁰ For the last cohort, who left TANF in 2014, average annual earnings for leavers who worked during their first year were \$10,890, or 54 percent of the poverty line for a family of three.⁴¹
- In Kansas, more than 60 percent of leavers had either no earnings or “deep poverty” earnings (below half the poverty line) in both the first and fourth year after exit; only 24 percent of sanctioned leavers and 19 percent of time-limited leavers earned enough to escape deep poverty. While sanctioned and time-limited leavers' situations improved somewhat by their fourth year after exit, more than two-thirds of both groups earned below half of the poverty line. (See Figure 3.) For leavers who were employed, median earnings in the year after leaving TANF were \$9,602, or 48 percent of the federal poverty line for a family of three. Among sanctioned and time-limited leavers who were employed, median earnings were even lower: \$6,199 and \$5,940, respectively, or about 30 percent of poverty.⁴²

³⁷ Black-Plumeau and McIntyre, 2015, *op. cit.*

³⁸ Black-Plumeau and McIntyre, 2019 *op. cit.*

³⁹ Pamela A. Morris, Lisa A. Gennetian, and Greg J. Duncan, “Effects of Welfare and Employment Policies on Young Children: New Findings on Policy Experiments Conducted in the Early 1990s,” *Social Policy Report*, Vol. 19, No. 2, 2005, pp. 3-17, <http://www.srcd.org/sites/default/files/documents/spr19-2.pdf>.

⁴⁰ Bourdeaux and Pandey, *op. cit.*

⁴¹ CBPP calculations based on Bourdeaux and Pandey, *op. cit.* and HHS Poverty Guidelines. Calculations used the federal poverty line for a family of three in 2015, which was \$20,090.

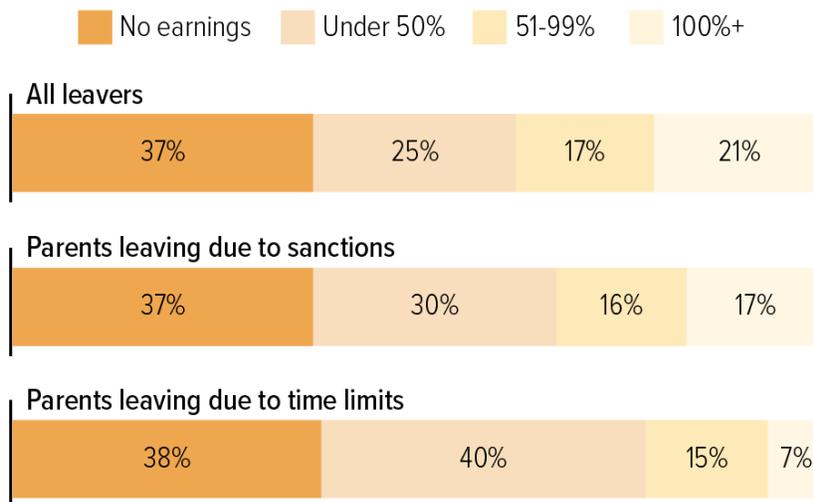
⁴² Mitchell, Pavetti, and Huang, *op. cit.*

- In Maryland, median earnings for those with earnings in the year after exit were \$8,135 for recession leavers, \$8,401 for recovery leavers, and \$9,121 for recent leavers.⁴³ Another study found that among those who left between October 2012 and September 2013, median earnings were 23 percent of poverty for parents with less than a high school education, compared to 38 and 50 percent, respectively, for those with a high school education or beyond.⁴⁴
- In Vermont, those who left TANF in 2017 and were employed in the first year after exit had median earnings of \$15,120⁴⁵ — highest among the studies examined here but still only enough for a family of three to reach 73 percent of the federal poverty line.⁴⁶

FIGURE 3

In Kansas, Most Parents Below Half of Poverty Line Four Years After Leaving TANF

Earnings as share of poverty



Note: TANF=Temporary Assistance for Needy Families. Parents sometimes leave TANF due to sanctions that take away their benefits if they do not meet work requirements or because they have reached the time limit on their benefits. Data are for those who left TANF in 2012. Earnings adjusted to 2016 dollars. The federal poverty line in 2016 was \$20,160 for a family of three.

Source: Mitchell, Pavetti, and Huang, “Life After TANF In Kansas: For Most, Unsteady Work and Earnings Below Half the Poverty Line,” 2018.

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⁴³ McColl and Passarella, “Life After Welfare,” *op. cit.*

⁴⁴ CBPP calculations based on data in McColl and Passarella, “The Role of Education in Outcomes for Former TCA Recipients,” *op. cit.* and HHS Poverty Guidelines. Calculations used the federal poverty line for a family of three in 2013, which was \$19,530.

⁴⁵ Black-Plumeau and McIntyre, 2019, *op. cit.*

⁴⁶ CBPP calculations based on Black-Plumeau and McIntyre, 2019, *op. cit.* and HHS Poverty Guidelines. Calculations used the federal poverty line for a family of three in 2018, which was \$20,780.

The few longitudinal studies that provide information on earnings show modest increases over time. These increases can reflect higher wages, more work hours, or fewer periods of unemployment, but they also can represent higher starting wages and better wage growth among those who remain employed for long periods. In states where leavers' employment rates fell over time, the increase in earnings may reflect "selection bias"; in other words, parents who were still employed in later months or years may have had higher earnings in earlier years.

- In Maryland, median earnings for those with earnings rose 53 percent between the first and fifth years after exit;⁴⁷ however, the share of leavers with earnings fell from 62 percent to 57 percent over this period.⁴⁸
- In Washington State, between 46 and 48 percent of parents who left TANF during the last quarter of 2016 were employed during the fourth quarter of each of the three following years; their quarterly median earnings rose by a modest 19 percent over that period, from \$5,400 to \$6,400 per quarter between 12 and 36 months after leaving TANF.⁴⁹ Hourly median wages increased from an average of \$14 to \$16 per hour.⁵⁰

Low Earnings Mean Continued Hardship for Most Families Leaving TANF

Facing low wages, unpredictable hours, and periods of joblessness, many former TANF recipients struggle to make ends meet. The combination of debt accumulated over time and low current earnings makes it especially hard to meet ongoing expenses and save for times when their job ends or their work hours are cut.

- A study based on in-depth interviews with Georgia leavers (separate from the quantitative study of Georgia leavers cited above) revealed that they carried an average of \$18,709 in debt, mostly student loan, medical, credit card, and utility debt. While 70 percent reported that they could pay their monthly bills, only 31 percent could do so solely with their own income; the others — who faced a \$781-per-month average shortfall between their income and their bills — received help from a significant other or family member. Leavers also had trouble affording necessities like food and housing: 42 percent reported low food security and 25 percent reported experiencing homelessness since exiting TANF.⁵¹

⁴⁷ Calculations based on data in McColl and Passarella, "Life After Welfare," *op. cit.*

⁴⁸ McColl and Passarella, "Life After Welfare," *op. cit.*

⁴⁹ Calculations based on data in Economic Services Administration, Washington State Department of Social and Health Services, "WorkFirst Wage Progression Report – 2019 Fourth Quarter," October 1, 2020, https://apps.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=WF%20Wage%20Progression%20Report_2019Q4%20Final_07445ffb-8f17-496c-8f34-83cac15bac57.pdf.

⁵⁰ Economic Services Administration (WA), 2020, *op. cit.*

⁵¹ 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>.

- In Utah, 61 percent of parents interviewed two years after entering TANF (most of whom had by that point left the program) reported cutting back on purchasing necessities to make ends meet. Also, 61 percent reported they had delayed or stopped paying bills, 36 percent reported pawning belongings, and 27 percent reported moving into cheaper housing or doubling up with others.⁵²
- In Washington State, 16 percent of parents who were receiving TANF and subsequently left within a 36-month observation window were homeless at the 36-month observation point. Among parents who left because they reached a time limit, 20 percent were homeless at the same observation point.⁵³

Other Economic Security Programs Reduced But Did Not Eliminate Hardship

Families' hardship would have been even worse if they had not been able to continue receiving other benefits to help them meet basic needs. Nearly all families that left TANF continued receiving nutrition assistance through SNAP and health coverage through Medicaid or the Children's Health Insurance Program (CHIP).

- In the Georgia quantitative study, approximately 8 in 10 leavers received SNAP benefits 12 months after leaving TANF.⁵⁴ These and other benefits had important but limited impact, the Georgia interview study found. When counting income from employment and tax credits, 52 percent of leavers had incomes below the poverty line and 24 percent were in deep poverty. When counting all sources of income — including public benefits and support from family and friends — 36 percent of leavers had incomes below poverty but only 6 percent remained in deep poverty.⁵⁵
- In Maryland, 86 percent of leaver families received SNAP benefits in the first year after exit and 68 percent of families in the fifth year.⁵⁶
- In Vermont, 75 percent of households that exited in 2013 included an individual receiving health coverage through Medicaid or CHIP 12 months after leaving; 63 percent included an individual receiving SNAP.⁵⁷
- In Washington State, 69 percent of parents who were receiving TANF and subsequently left within a 36-month observation window were receiving SNAP at the 36-month observation point and 59 percent were receiving Medicaid. Among parents who left because they reached a time limit, 90 percent were receiving SNAP and 84 percent were receiving Medicaid at the same observation point.⁵⁸ Many families that leave TANF eventually return to the program. In

⁵² Vogel-Ferguson, *op. cit.*

⁵³ Calculations based on data in Patton *et al.*, *op. cit.* Data are for parents who received TANF in state fiscal year 2011 and subsequently left and did not return during the 36-month observation period.

⁵⁴ Bourdeaux and Pandey, *op. cit.*

⁵⁵ Brooks, Chaney, and Mack, *op. cit.*

⁵⁶ McColl and Passarella, "Life After Welfare," *op. cit.*

⁵⁷ Black-Plumeau and McIntyre, 2015, *op. cit.*

⁵⁸ Calculations based on data in Patton *et al.*, *op. cit.* Data are for parents who received TANF in state fiscal year 2011 and subsequently left and did not return during the 36-month observation period.

Maryland, 14 percent returned within two to three months, 32 percent within a year, and 49 percent within five years.⁵⁹ Similarly, among Mississippi recipients (including children) who left TANF between October 2013 and September 2014, the share that returned to the program grew from 15 percent in the first year to 28 percent in the third.⁶⁰ In Washington State, the share of leavers returning to TANF fell after the economy improved: 18 percent of those who left TANF in the first quarter of 2010 returned within a year, compared to 10 percent of those who left during the fourth quarter of 2018.⁶¹

Job Opportunities Limited by Lack of Work Supports, Health Challenges

Child Care and Transportation Assistance Are Special Challenges

Lack of access to transportation and child care makes it difficult to find high-quality employment, parents leaving TANF explain. Public transportation is unreliable in many metropolitan areas and absent in many rural communities. The costs of a car — such as insurance premiums and gasoline — can substantially burden a family’s finances, and an accident or breakdown can threaten their ability to work. Child care, a concern for all working parents, is especially challenging for low-income single mothers, who make up the vast majority of the TANF caseload.

- In the Georgia interview study, 29 percent of parents cited access to child care subsidies as their primary reason for turning to TANF, more than the share that cited help finding employment and equal to the share that cited cash assistance. Additionally, when asked how to improve TANF, several leavers suggested increasing transportation assistance, such as bus passes or vouchers for private ride-share services.⁶²
- In Colorado, transportation was the most commonly cited barrier both to employment (35 percent) and to working more hours (24 percent) among leavers surveyed within six months after exiting TANF. They also commonly cited lack of child care as a barrier to working more hours, especially in single-parent households. One quarter of the single parents surveyed reported that finding child care at times when more work hours were available was a significant problem.⁶³
- In Utah, 37 percent of parents new to TANF cited transportation barriers as a barrier to taking advantage of employment or educational opportunities in the past year, while 35 percent cited lack of child care. Cost was the most commonly cited barrier to accessing adequate child care.⁶⁴

⁵⁹ McColl and Passarella, “Life After Welfare,” *op. cit.*

⁶⁰ NSPARC, *op. cit.*

⁶¹ Economic Services Administration (WA), 2020, *op. cit.*; Economic Services Administration (WA), “WorkFirst Wage Progression and Return Report Through First Quarter 2012,” October 2012, https://apps.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Wage%20Progression%20Report%202012Q1_1c0960f9-9be1-4e2c-b2ac-802bcf08d705.pdf.

⁶² Brooks, Chaney, and Mack, *op. cit.*

⁶³ Osborn *et al.*, *op. cit.*

⁶⁴ Vogel-Ferguson, *op. cit.*

Health Issues Are Common Among Current and Former TANF Recipients

The studies in this analysis that collected data on health conditions and disability find that rates are high among TANF recipients and leavers. People with mental health conditions and substance use disorders are more likely to be out of the workforce and may still face barriers even after recovering, including discrimination by employers.⁶⁵ They also are more likely to be economically insecure.⁶⁶

- In Washington State, 46 percent of parents who were receiving TANF and left within a 36-month observation window screened positive for needing mental health treatment, 19 percent screened positive for needing substance use disorder treatment, and 16 percent screened positive for a probable chronic illness. The rates were substantially higher among TANF recipients who left because of time limits: 64 percent screened positive for needing mental health treatment, 25 percent for needing substance use disorder treatment, and 23 percent for a probable chronic illness.⁶⁷
- In Utah, 38 percent of parents who were unemployed for a full year after entering TANF cited a physical or behavioral health issue as the main reason. The study also gathered data on adverse childhood experiences, which a robust body of research links to long-term negative health outcomes;⁶⁸ it found that 46 percent of TANF recipients experienced five or more adverse childhood experiences, compared to just 10 percent of the state's general population. The most common such experiences were verbal abuse (64 percent), parents' separation or divorce (61 percent), a household member with a mental health condition (51 percent), and physical abuse (46 percent).⁶⁹

Retooling, Expanding TANF Work Programs Can Improve Recipients' Employment and Earnings

TANF recipients face a labor market rife with discrimination and disparities that limit their ability to find work and to get paid enough to lift their families out of poverty. Yet TANF work programs

⁶⁵ Marjorie L. Baldwin, Steven C. Marcus, and Jeffrey DeSimone, "Job Loss Discrimination and Former Substance Use Disorders," *Drug and Alcohol Dependence*, Vol. 110, July 1, 2011, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2885482/pdf/nihms192940.pdf>; Alison Luciano and Ellen Meara, "The employment status of people with mental illness: National survey data from 2009 and 2010," *Psychiatric Services*, Vol. 65, October, 1, 2015, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4182106/pdf/nihms614853.pdf>; Substance Abuse and Mental Health Services Administration, Department of Health and Human Services, "10.8 Million Full-Time Workers Have a Substance Use Disorder," *The NSDUH Report*, August 7, 2014, <https://www.samhsa.gov/data/sites/default/files/NSDUH-SP132-FullTime-2014/NSDUH-SP132-FullTime-2014.pdf>.

⁶⁶ Abigail Langston, "100 Million and Counting: A Portrait of Economic Insecurity in the United States," Policy Link and the Program for Environmental and Regional Equity at the University of Southern California, 2018, https://www.policylink.org/sites/default/files/100_million_and_counting_FINAL.PDF.

⁶⁷ Calculations based on data in Patton *et al.*, *op. cit.* Data are for parents who received TANF in state fiscal year 2011 and subsequently left and did not return during the 36-month observation period.

⁶⁸ Kaitlyn Petruccelli, Joshua Davis, and Tara Berman, "Adverse childhood experiences and associated health outcomes: A systematic review and meta-analysis," *Child Abuse & Neglect*, Vol. 97, August 24, 2019, <https://doi.org/10.1016/j.chiabu.2019.104127>.

⁶⁹ Vogel-Ferguson, *op. cit.*

focus primarily on ensuring that TANF recipients comply with work requirements, while doing little to improve long term employment prospects.⁷⁰

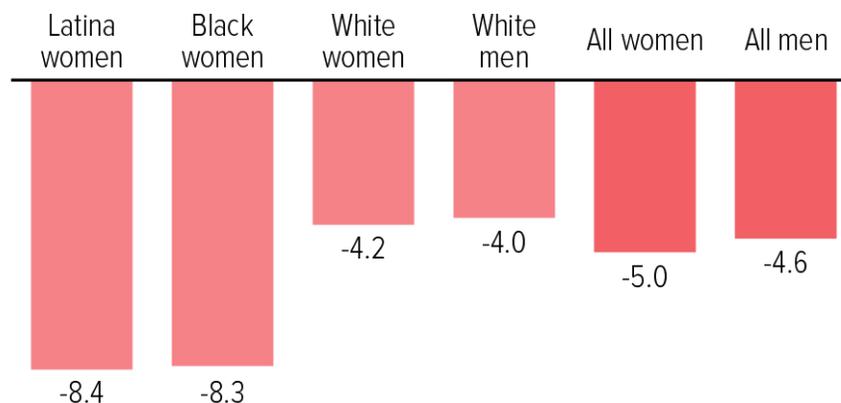
TANF recipients looking for work in the current pandemic face even worse prospects than parents in the studies reported here, so it is even more important that states consider ways to improve their TANF work programs. Women, people of color, and lower-income workers make up disproportionate shares of the employment sectors most deeply harmed by the pandemic. According to data compiled by the Economic Policy Institute, the employment decline in the pandemic was twice as large for Black and Latina women as for white women and men.⁷¹ (See Figure 4.)

Moreover, by August, Black women had recovered just 34 percent of jobs lost since the start of the pandemic, compared to 61 percent for white women. (It took Black women until 2018 to recover from the lost employment in the Great Recession, and experts predict that the pandemic’s long-term impacts could be even worse.⁷²) Similarly, workers with a high school diploma had recovered just 40 percent of lost jobs as of August, compared to 55 percent for workers with a college degree.

FIGURE 4

COVID-19 Recession’s Job Losses Greater Among Women of Color

Percentage-point change in share of population age 20 and over with a job, February-September 2020



Note: Latina can be of any race.

Source: Economic Policy Institute, “A more comprehensive look at employment losses among women,” 2020.

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⁷⁰ Schott and Pavetti, *op. cit.*

⁷¹ Economic Policy Institute, “Chart: A more comprehensive look at employment losses among women,” October 20, 2020, https://www.epi.org/chart/gender-disparities-figure-a-a-more-comprehensive-look-at-employment-losses-among-women-change-in-employment-population-ratio-by-gender-race-ethnicity-feb-to-sept-2020/?utm_source=Economic+Policy+Institute&utm_campaign=a9e285a531-

⁷² Van Dam and Long, *op. cit.*

States can improve TANF recipients' employment prospects by:

- **Shifting their program's focus from measuring compliance with work requirements to encouraging preparation for high-quality jobs.** To avoid a fiscal penalty, states must meet federally mandated work participation rates⁷³ (WPR): 50 percent of families receiving TANF cash assistance, and 90 percent of two-parent families, must be engaged in a work activity for at least 30 hours a week. State work programs generally focus on activities that count toward a state's WPR, which are primarily low-cost activities such as job search or unpaid work experience.

However, because of credits they receive for their declining caseloads, two-thirds of the states have a target WPR below 25 percent and almost half have a target rate of zero. This means most states have room to give greater emphasis to activities that do not count toward the WPR but better support recipients' efforts to prepare for high-quality jobs, such as education and training programs for jobs that offer higher wages, growth potential, and benefits.⁷⁴ To prepare recipients for high-quality jobs, TANF agencies also need to invest more in their work programs; states spend just 11 percent of their state and federal TANF funds on work activities, on average.⁷⁵

- **Investing in effective training programs.** To prepare TANF recipients for high-quality jobs, states should expand training programs that have a track record of preparing participants for in-demand jobs and increasing employment and earnings.⁷⁶ While no single approach is a good fit for all recipients, evidence shows that individuals with limited skills and education generally benefit from strategies that combine education, training, and support services.⁷⁷

One promising model is sectoral job training, which offers customized training and placement and supportive services to help prepare low-skilled individuals for high-quality jobs in sectors that have strong local demand and advancement opportunities. Similarly, career pathway programs offer a defined set of high-quality education coursework and/or training credentials for growing occupations as well as supportive services that are integrated and tailored to meet individual needs. Work-based learning models allow workers to learn and earn on the job — through an apprenticeship program, for example — and develop skills that can lead to a

⁷³ For more information on the work participation rate see Elizabeth Lower-Basch and Ashley Burnside, "TANF 101: Work Participation Rate," Center for Law and Social Policy (CLASP), revised October 16, 2020, www.clasp.org/sites/default/files/publications/2019/08/Oct%202020_TANF%20101%20Work%20Participation%20Rate.pdf.

⁷⁴ Schott and Pavetti, *op. cit.*

⁷⁵ CBPP, "Policy Basics: Temporary Assistance for Needy Families," updated February 6, 2020, <https://www.cbpp.org/research/family-income-support/temporary-assistance-for-needy-families>.

⁷⁶ Mitchell, *op. cit.*

⁷⁷ "Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Best Practices Study: Final Report," U.S. Department of Agriculture, November 2016, <https://fns-prod.azureedge.net/sites/default/files/ops/SNAPEandTBestPractices.pdf>; "What Works in Job Training: A Synthesis of the Evidence," U.S. Department of Labor, Department of Commerce, Department of Education, and Department of Health and Human Services, July 22, 2014, <https://www.dol.gov/asp/evaluation/jdt/jdt.pdf>.

credential. There are also comprehensive education programs designed to help students lacking the basic skills needed to succeed in postsecondary education and training.

- **Creating or expanding subsidized employment programs.** The pandemic is projected to wipe out years of employment gains, particularly among people of color as noted above. We know that subsidized employment works and is especially valuable to people of color, who recover more slowly from economic downturns due to continuing labor market discrimination. Decades of evidence show that subsidized employment programs can dramatically improve participants' employment and wages,⁷⁸ and recent evaluations have found that they can improve employment outcomes long after they end.⁷⁹ In addition, evidence from the TANF Emergency Fund, which funded 260,000 subsidized jobs during the Great Recession, shows that states can scale up programs quickly to respond to an economic downturn.⁸⁰
- **Providing individualized, goal-oriented services.** TANF recipients differ in important ways. Some have significant work experience and are between jobs, while others are facing an immediate crisis or dealing with significant personal and family challenges, often stemming from trauma early in their lives or from living in unsafe neighborhoods. States should recognize families' unique circumstances and work with them to set goals and expectations that respond to their individual needs. A decade ago, Nebraska implemented such a model, which had significant success for recipients with the biggest challenges.⁸¹

Also, while nearly all families that turn to TANF for assistance have worked and want to return to work, it is important to recognize that each family's path to work will depend on its circumstances and aspirations. Some will want to return to work as quickly as possible; others will want to participate in a training program or advance their education to improve their long-term employment prospects.

- **Measuring employment outcomes.** All states should develop performance management systems that routinely measure employment outcomes. Studies like those included here should be the norm, not the exception. Measuring employment outcomes on a regular basis would enable states to focus less on process — that is, getting people into activities that count toward meeting the work participation rate — and more on helping parents with diverse needs find and maintain quality employment. Ideally, states should build on work by several states, such as Maryland and Washington State, which regularly measure and report employment

⁷⁸ Indivar Dutta-Gupta *et al.*, "Lessons Learned from 40 Years of Subsidized Employment Programs," Georgetown Law Center on Poverty and Inequality, 2016, <https://www.georgetownpoverty.org/wp-content/uploads/2016/07/GCPI-Subsidized-Employment-Paper-20160413.pdf>.

⁷⁹ Danielle Cummings and Dan Bloom, "Can Subsidized Employment Programs Help Disadvantaged Job Seekers? A Synthesis of Findings from Evaluations of 13 Programs," MDRC, February 2020, <https://www.mdrc.org/publication/can-subsidized-employment-programs-help-disadvantaged-job-seekers>.

⁸⁰ LaDonna Pavetti, Liz Schott, and Elizabeth Lower-Basch, "Creating Subsidized Employment Opportunities for Low-Income Parents: The Legacy of the TANF Emergency Fund," CBPP and CLASP, February 16, 2011, <https://www.cbpp.org/sites/default/files/atoms/files/2-16-11tanf.pdf>.

⁸¹ Alicia Meckstroth *et al.*, "Teaching Self-Sufficiency Through Home Visitation and Life Skills Education," Mathematica Policy Research, July 30, 2009, <https://www.mathematica.org/our-publications-and-findings/publications/teaching-self-sufficiency-through-home-visitation-and-life-skills-education>.

outcomes. States should also consider aligning their outcome methodologies with Workforce Innovation Opportunity Act (WIOA) and SNAP Education and Training (E & T) programs.⁸²

When developing performance management systems based on employment outcomes, states should take account of differences in recipients' characteristics to avoid penalizing recipients with more limited employment opportunities. These systems also should focus on continuous improvement rather than arbitrary targets that may not be achievable.

Although states can take these steps within TANF's current structure, broader federal changes are also needed and would encourage states to do more to prepare recipients for high-quality jobs. Changes that would make a difference include replacing the WPR with an employment outcome measure, requiring states to spend more of their TANF funds on cash assistance and work activities, and requiring states to implement work programs that take into account families' individual circumstances and support participation in programs that will prepare recipients for high-quality jobs. Federal policymakers also should allocate additional funds that encourage states to invest in effective programs, recognizing that those programs will not be replicated if funding is not adequate.

⁸² Heather Hahn, Teresa Derrick-Mills, and Shayne Spaulding, "Measuring Employment Outcomes in TANF," Urban Institute, August 28, 2020, <https://www.urban.org/research/publication/measuring-employment-outcomes-tanf>.

Appendix

Studies Analyzed for This Paper

- **Colorado:** “Colorado Works Exit Survey Project: Summary of Fiscal Year 2016/2017 Data Collection – Waves 1, 2, and 3.” This study, commissioned by the Colorado Department of Human Services, is based on a survey of a sample of 2,793 adults who left TANF between August 2016 and January 2017. The survey was administered five to six months after parents had left TANF. Data from this study include reasons for exiting TANF and barriers to employment.
- **Georgia:** “Report on the Outcomes and Characteristics of TANF Leavers.” This study, by researchers at Georgia State University, uses TANF and quarterly employment administrative data to examine employment and related outcomes for adults who left TANF between 2009 and 2015. (Data on employment outcomes are for adults who left between 2009 and 2014.) Data from this study include employment and earnings outcomes in the first year after exit, participation in other public benefits, and return to TANF.
- **Georgia:** “Georgia’s TANF Leavers 2009-15: How Are They Faring? Final Report from the Interview Portion of the Study.” This qualitative study used data from interviews with a subsample of 87 adults who were included in the larger quantitative study. Data include sources of income, hardship, and barriers to employment.
- **Kansas:** “Life After TANF in Kansas: For Most, Unsteady Work and Earnings Below Half the Poverty Line.” This CBPP report used administrative data on parents who left TANF between October 2011 and March 2015. Data include employment and earnings outcomes broken down by reason for leaving TANF over nine quarters.
- **Maine:** “Contrary to Maine Officials’ Claims, TANF Time Limit Leaves Most Families Without Work or Cash Assistance.” This CBPP report used administrative data on 1,856 families who were immediately terminated from TANF in the second quarter of 2012 after a new time-limit policy was imposed. Data include employment and earnings outcomes over a five-year window.
- **Maryland:** “Life After Welfare 2019 Annual Update.” This study, part of an annual series by researchers at the University of Maryland, used administrative data on parents who left TANF between April 2007 and March 2019. Data include employment and earnings outcomes, participation in other public benefits, and return to TANF.
- **Maryland:** “The Role of Education in Outcomes for Former TCA Recipients.” This study, by researchers at the University of Maryland, used administrative data on parents who left TANF between October 2012 and September 2013. Data include employment and earnings outcomes broken down by educational attainment.
- **Mississippi:** “Programmatic and Labor Market Outcomes: SNAP/TANF Participants.” This study, by researchers at Mississippi State University, used administrative data on both participants and those who left TANF between October 2012 and September 2017. Data include employment and earnings outcomes and return to TANF.
- **Utah:** “Family Employment Program (FEP) Redesign Study of Utah 2014: Final Report.” This study, by researchers at the University of Utah, surveyed a sample of parents who entered TANF for the first time between August 2011 and May 2012, followed by interviews in two

subsequent waves each one year apart. Data include employment outcomes, hardship, and barriers to employment.

- **Washington State:** “The Well-Being of Parents and Children Leaving WorkFirst in Washington State.” This study used administrative data for parents who received TANF in state fiscal years 2007 (July 2006-June 2007) and 2011 (July 2010-June 2011) and subsequently left and did not return within the 36-month observation window. The 2011 cohort was subject to a time limit that the 2007 cohort was not. Data were collected at several discrete points and are not cumulative over the entire study period. Data include employment outcomes, participation in other public benefits, and the health status of leavers.
- **Washington State:** “WorkFirst Wage Progression and Returns Reports.” These quarterly reports are published by the Washington State Economic Services Administration. We use data from the first quarter of 2010 and the fourth quarter of 2018 (the latest available data). Data include employment and earnings outcomes and return to TANF.
- **Vermont:** “Leaving Reach Up.” These two studies used administrative data on the parents who left TANF in 2013 and 2017, respectively. Data include employment and earnings outcomes and participation in other public benefits.