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Temporary Assistance for Needy Families (TANF): Size and Characteristics of the Cash Assistance Caseload

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Summary

The Temporary Assistance for Needy Families (TANF) block grant provides states, territories, and Indian tribes with federal grants for benefits and services intended to ameliorate the effects, and address the root causes, of child poverty. It was created in the 1996 welfare reform law, and is most associated with policies such as time limits and work requirements that sought to address concerns about "welfare dependency" of single mothers who received cash assistance. This report examines the characteristics of the TANF cash assistance caseload in FY2013, and compares it with selected post-welfare reform years (FY2001 and FY2006) and pre-welfare reform years (FY1988 and FY1994). The size of the caseload first increased, from 3.7 million families per month in FY1988 to 5.0 million families per month in FY1994, and then declined to 2.2 million families in FY2001 and 1.7 million families in FY2013. Over this period, some of the characteristics of the TANF cash assistance caseload have remained fairly stable, and other characteristics have changed.

Most cash assistance families are small; 51.0% of all TANF cash assistance families in FY2013 had one child. Cash assistance families also frequently have young children; 56.6% in FY2013 had a pre-school-aged child. The majority of the cash assistance caseload has also been composed of racial and ethnic minorities. By FY2013, the largest racial/ethnic group of TANF cash assistance children was Hispanic. In that year, of all TANF assistance child recipients, 36.3% were Hispanic, 29.9% were African American, and 25.8% were non-Hispanic white. The growth in Hispanic children as a percent of all TANF assistance children is due entirely to their population growth—not an increase in the rate at which Hispanic children receive TANF.

Additionally, the majority of adult recipients today, as in the past, are women—specifically, single mothers. However, the share of the caseload comprised of families with an adult recipient has declined substantially in the post-welfare reform period. In FY2013, 38.1% of all families receiving TANF cash assistance represented "child-only" families, in which benefits are paid on behalf of the child in the family but the adult caretaker is ineligible for TANF. The three main components of the "child-only" caseload are (1) families with a disabled parent receiving federal Supplemental Security Income (SSI); (2) families with an ineligible, immigrant parent but with eligible citizen children; and (3) families with children being cared for by a nonparent relative, such as a grandparent, aunt, or uncle. Each of the three categories of families differs in their characteristics from TANF cash assistance families with an adult recipient; there are also differences in characteristics among families in the three major "child-only" categories.

TANF policies generally date back to the 1996 welfare law and the welfare reform debates of the 1980s and 1990s, and do not necessarily address the current composition of the cash assistance caseload. The major performance measure used to evaluate TANF is the work participation rate, a measure not relevant to TANF "child-only" families. Many of TANF's child-only families are affected by social policies other than TANF (i.e., federal disability, immigration, and child protection policies). However, these families are also affected by TANF, and there are currently no federal rules for assessing how TANF funds are used to improve their well-being. Options that have been raised include requiring states to provide more information to the federal government and public on benefits and services afforded to "child-only" families. Congress could also either establish performance goals and measures, or, alternatively, require states to establish such goals and measures for "child-only" families.

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Introduction

The Temporary Assistance for Needy Families (TANF) block grant provides states, territories, and Indian tribes with federal grants for benefits and services intended to ameliorate the effects, and address the root causes, of child poverty. TANF funds can be used in any manner a state can reasonably calculate helps it achieve the goals of (1) providing assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) ending the dependence of needy parents on government benefits through work, job preparation, and marriage; (3) preventing and reducing the incidence of out-of-wedlock births; and (4) encouraging the formation and maintenance of two-parent families. Thus, TANF truly is a broad-based block grant with broad discretion for the states to spend funds to meet federal goals.

TANF was created in the 1996 welfare reform law and is typically thought of as the federal program that helps states fund their cash assistance programs for needy families with children. Moreover, TANF is also most associated with the 1996 welfare reform policies imposing work requirements and time limits on families receiving assistance. Most of TANF's federal rules and requirements relate to families receiving assistance.[1] TANF's performance is measured on state welfare-to-work efforts, with states assessed based on numerical work participation standards.

However, basic assistance—what many call "cash welfare"—accounted for only 27.6% of all TANF funding in FY2013.[2] Additionally, many of the families that received TANF cash assistance in FY2013 represented family types that were not the focus of debate in 1996, and are not subject to TANF work requirements and time limits. These are families with children cared for by adults who are not themselves recipients of TANF: disabled parents receiving Supplemental Security Income (SSI); immigrant parents who are ineligible for TANF assistance but have citizen children who are eligible; and nonparent relative caregivers, such as grandparents, aunts, and uncles. In FY2013, 38.1% of families receiving TANF were composed of children in families cared for by adults who themselves were not recipients of TANF or did not come under TANF work rules.

This report examines the TANF cash assistance caseload,[3] focusing on how the composition and characteristics of families receiving assistance have changed over time. It first provides a brief history of cash assistance for needy families with children, discussing how policy became focused on moving the predominately single parents who headed these families from welfare to work. It then traces the changes in the caseload composition since the 1996 welfare reform law, from a caseload dominated by unemployed single parents to a diverse caseload that had different routes to the benefit rolls as well as different circumstances on the rolls. It provides detail on caseload characteristics in FY2013, using data that states are required to report to the federal government. The report is intended to complement tabulations of these data already released by the Department of Health and Human Services (HHS).[4]

This report does not describe TANF rules or provide current statistics on the TANF caseload or expenditures. For an overview of TANF, see CRS In Focus IF10036, *The Temporary Assistance*

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[1] CRS Report RL32748, *The Temporary Assistance for Needy Families (TANF) Block Grant: A Primer on TANF Financing and Federal Requirements*, by Gene Falk.

[2] For a discussion of the implications of a large share of TANF funding for "noncash benefits and services," see U.S. Government Accountability Office, *Temporary Assistance for Needy Families. Potential Options to Improve Performance and Oversight*, 13-431, May 2013, pp. 25-26, http://www.gao.gov/assets/660/654614.pdf.

[3] See http://www.acf.hhs.gov/programs/ofa/resource/tanf-financial-data-fy-2013.

[4] For HHS tabulations of the TANF national data files for FY2013 and earlier years, see http://www.acf.hhs.gov/programs/ofa/resource-library/search?area[2377]=2377&topic[2353]=2353.

for Needy Families (TANF) Block Grant, by Gene Falk. It also does not describe individuals and families who receive TANF benefits and services other than cash assistance. Federal law does not require states to report on their numbers or characteristics.

Brief History of Cash Assistance

The modern form of assistance for needy families with children has its origins in the early-1900s "mothers' pension programs," established by state and local governments. These programs provided economic aid to needy families headed by a mother so that children could be cared for in homes rather than in institutions. Federal involvement in funding these programs dates back to the Great Depression, and the creation of the Aid to Dependent Children (ADC) program as part of the Social Security Act of 1935. ADC provided grants to states to help them aid families with "dependent children," who were deprived of the economic support of one parent because of his death, absence, or incapacitation. The legislative history of the 1935 act explicitly stated that the purpose of ADC payments was to permit mothers to stay at home, rather than work:

> The very phrases "mothers' aid" and "mothers' pensions" place an emphasis equivalent to misconstruction of the intention of these laws. These are not primarily aids to mothers but defense measures for children. They are designed to release from the wage-earning role the person whose natural function is to give her children the physical and affectionate guardianship necessary not alone to keep them from falling into social misfortune, but more affirmatively to rear them into citizens capable of contributing to society.[5]

Over time, a combination of changes in social policy and changes in economic and social circumstances made cash assistance to needy families (often called "welfare") among the most controversial of federal programs. The Social Security Act was amended to provide social insurance protection for families headed by widows (survivors' benefits, added in 1939) and those with disabled members (disability benefits, added in 1956). This left families headed by a single mother with the father alive, but absent, as the primary group aided by ADC, later renamed Aid to Families with Dependent Children (AFDC). The cash assistance caseload also became increasingly nonwhite. States were first given the option to aid two-parent families beginning in 1961, but were not required to extend such aid until the enactment of the Family Support Act in 1988. Even with the extension of aid to two-parent families, this group never became a large part of the caseload, and most adult TANF cash assistance recipients continue to be single mothers.

The issue of whether lone mothers should work was also much debated. The intent of ADC to allow single mothers to stay home and raise their children was often met with resistance at the state and local level. It was also contrary to the reality that low-income women, particularly women of color, were sometimes expected to, and often did, work.[6] Further, the increase in women's labor force participation in the second half of the 20th century—particularly among married white women—eroded support for payments that permitted mothers to remain at home and out of the workforce. Beginning in 1967, federal policy changes were made to encourage, and then require, work among AFDC mothers.

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[5] See the Report of the Committee on Economic Security to the President, transmitted to the President on January 15, 1935.

[6] Historically, nonwhite women had a higher labor force participation rate than did white women. This especially held true for married women. For documentation of the increase in women's labor force participation by marital status and race, see Claudia Golden, "The Evolution of the Female Labor Force," in *Understanding the Gender Gap, An Economic History of American Women* (New York: Oxford University Press, 1990), pp. 10-57. For a discussion of nonfinancial restrictions to cash assistance, including those related to work, in the earlier years of ADC, see Winifred Bell, *Aid to Dependent Children* (New York: Columbia University Press, 1965).

In 1974, children surpassed the elderly as the age group with the highest poverty rate.[7] Poverty rates for children in families headed by a single mother were particularly high—and over time an increasing share of children were being raised in such families. In the 1980s, there was increasing attention to "welfare dependency." Research at that time showed that while many mothers were on cash assistance for a short period of time, a substantial minority of mothers remained on the rolls for long periods of time.[8] Additionally, experimentation on "welfare-to-work" initiatives found that requiring participation in work or job preparation activities could effectively move single mothers off the benefit rolls and into jobs.[9]

"Welfare reform," aiming to replace AFDC with new programs and policies for needy families with children, was debated over a period of four decades (the 1960s through the 1990s). These debates culminated in a number of changes in providing aid to low-income families with children in the mid-1990s, creating a system of expanded aid to working families (e.g., increases in the Earned Income Tax Credit and funding for child care subsidies) and the creation of TANF, which established time limits and revamped work requirements for the cash assistance programs for needy families with children.

Most TANF policy today reflects the history of cash aid to needy families with children headed by a single mother and the policy debates of the 1980s and early- to-mid 1990s. Some things remain the same from that period—children remain the age group most likely to be poor, and children living with single mothers have very high poverty rates. However, some things are very different from the period when TANF was created, including the size and composition of the cash assistance caseload.

Trends in the Number of Families Receiving Cash Assistance

Figure 1 shows the trend in the average monthly number of families receiving cash assistance from TANF and its predecessor program (AFDC, ADC) from 1959 through 2013. The figure shows two distinct periods of rapid caseload growth. The first occurred from the mid-1960s to the mid-1970s. The second followed a period of relative stability in the caseload (around 3.5 million families) and occurred from 1989 to 1994. Following 1994, the caseload declined. It declined rapidly in the late 1990s, with continuing declines, albeit at a slower rate, from 2001 to 2008. The caseload increased again from 2008 through 2010 coincident with the economic slump associated with the 2007-2009 recession. That latest period of caseload increase was far less rapid and much smaller than the two earlier periods of caseload growth.

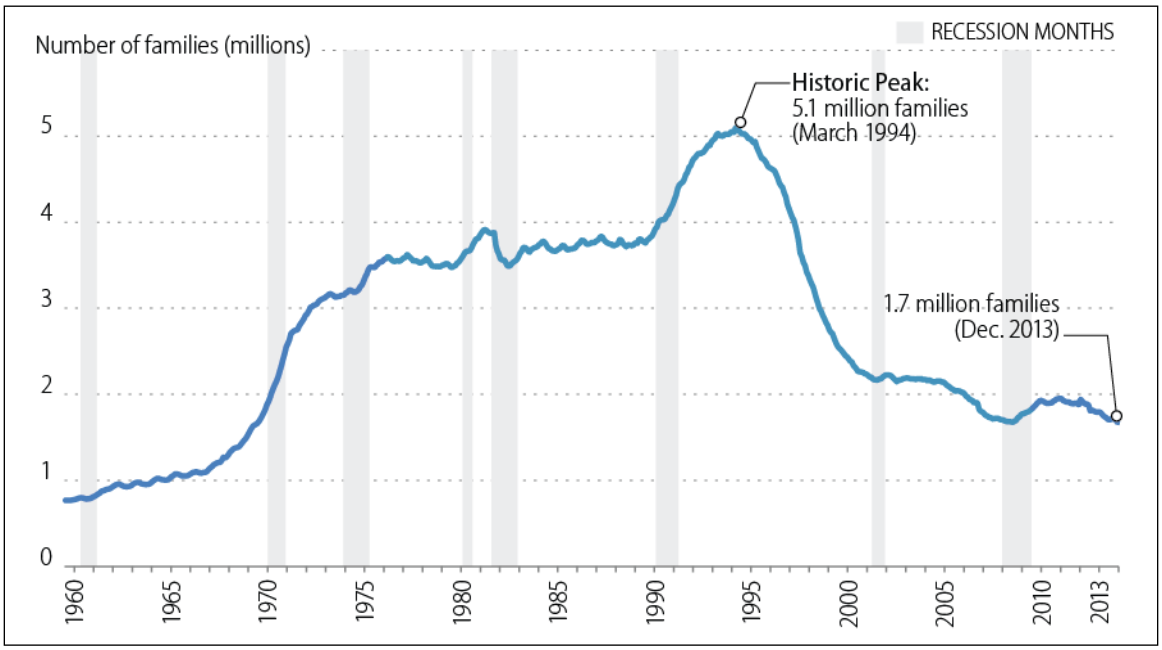
[7] This is based on the Census Bureau's categorization of people by age: under 18, age 18 to 64, and age 65 and older. See Carmen DeNavas-Walt and Bernadette D. Proctor, *Income and Poverty in the United States: 2014*, U.S. Department of Commerce, Bureau of the Census, Current Population Reports, P60-252, September, 2015.

[8] See Mary Jo Bane and David T. Ellwood, *Transitions from Welfare to Work*, Urban Systems and Engineering Inc., Cambridge, MA, 1983; and David T. Ellwood, *Targeting "Would-Be" Long-Term Recipients of AFDC*, Mathematica Policy Research, Princeton, NJ, 1986.

[9] For a discussion of this research, see CRS Report R42767, *Temporary Assistance for Needy Families (TANF): Welfare-to-Work Revisited*, by Gene Falk.

Figure 1. Number of Families Receiving AFDC/TANF Cash Assistance, 1959-2013

(Families in millions)



Source: Congressional Research Service (CRS), based on data from the U.S. Department of Health and Human Services (HHS).

Notes: Shaded areas represent recessionary periods. Families receiving TANF cash assistance since October 1, 1999, include families receiving cash assistance from separate state programs (SSPs) with expenditures countable toward the TANF maintenance of effort requirement (MOE).

Trends in Caseload Characteristics: FY1988 to FY2013

The increases in the cash assistance caseload from 1989 to 1994, and its decline thereafter, were also associated with changes in the character of the caseload. **Table 1** provides an overview of the characteristics of the family cash assistance caseload for selected years: FY1988, FY1994, FY2001, FY2006, and FY2013.[10] The most dramatic change in caseload characteristics is the growth in the share of families with no adult recipients. In FY2013, 38.1% of TANF assistance families had no adult recipient; in contrast, in FY1988 only 9.8% of all cash assistance families had no adult recipient. These are families with ineligible adults (sometimes parents, sometimes other relatives) but whose children are eligible and receive benefits.

[10] Caseload characteristic data in this report are based on information states are required to report to HHS under their AFDC and TANF programs. Efforts were made to make the data comparable across the years, but some changes in reporting as well as other program requirements affect the comparability of the data. The major difference is that for FY2013, TANF families "with an adult recipient" include those families where the adult has been time-limited or sanctioned but the family continues to receive a reduced benefit. These are technically "child-only" cases, because the adult does not receive a benefit. However, since FY2007 such families have been subject to TANF work participation standards and thus the policy affecting them is more comparable to that of a family with an adult recipient than a "child-only" family. For years before FY2007, these families were not subject to work participation standards and are classified together with other "child-only" families. The data to identify them separately prior to FY2007 are not comparable to data for FY2007 and subsequent years.

Some other notable characteristics of the caseload include the following:

- **Most families receiving assistance are small.** The average number of recipients in a family stood at 2.5 recipients per family in FY2013. In that year, just over half (51.0%) of all families had only one child.
- **The vast majority of adult recipients are women.** In FY2013, 85.7% of adult recipients were women. As discussed, family cash assistance has historically been provided to families with children headed by a single mother. The FY2013 percentage is lower than in previous years examined in the table. Men slowly increased as a share of the caseload over time, but still remain a relatively small share of the total adult caseload.
- **The families tend to have young children.** In FY2013, 56.6% of all families had a child under the age of six, with 12.0% of all families having an infant.
- **The majority of the caseload is racial or ethnic minorities.** This was the case for all years shown in the table. Examining the racial/ethnic makeup of children, Hispanic children became the largest group of recipient children by FY2013. In FY2013, the share of child recipients who were Hispanic was 36.3%, compared with 29.9% who were African American, and 25.8% who were non-Hispanic white. The share of the child caseload that is Hispanic has grown over time. This reflects their growth as a share of all children in the general population and of all poor children. The incidence of TANF cash assistance receipt among Hispanic children and poor Hispanic children—like that of children in other racial and ethnic groups—has actually declined over time (see **Table A-3**).

Table 1. Summary Characteristics of AFDC/TANF Cash Assistance Families, Selected Years FY1988 to FY2013

	1988	1994	2001	2006	2013
Number of Families (in millions)	3.748	5.046	2.202	1.957	1.749
Average Number of Recipient in Family (Adults and Children)	2.9	2.8	2.6	2.4	2.5
Average Number of Child Recipients	1.8	1.9	1.9	1.8	1.8
Sex of Adult Recipients					
Male	11.2%	12.7%	13.2%	13.8%	14.3%
Female	88.8	87.3	86.8	86.2	85.7
Number of Adult Recipients					
None	9.8	17.2	35.8	44.6	38.1
One	81.1	74.5	57.6	49.8	56.1
Two or More	9.1	8.3	6.6	5.6	5.9
Number of Child Recipients					
One	43.2	43.5	45.1	50.1	51.0
Two	30.7	30.7	29.2	28.0	28.2

	1988	1994	2001	2006	2013
Three	16.1	16.0	15.2	13.7	13.1
Four or More	10.1	9.8	10.5	8.1	7.7
Age of Youngest Child					
Infant	NA	11.2	12.7	13.2	12.0
One through Five	NA	51.5	40.5	40.2	44.6
Six through Twelve	NA	26.4	32.1	29.1	28.2
Thirteen and Older	NA	10.9	14.7	17.5	15.2
Race/Ethnicity of Adult Recipients					
White Non-Hispanic	41.7	40.6	32.6	37.5	33.2
African-American Non-Hispanic	37.0	33.8	35.6	35.6	31.3
Hispanic	15.2	18.7	23.3	20.7	28.5
Other and Multi-racial	4.3	5.0	7.6	5.3	5.9
Unknown	1.8	1.9	0.9	0.9	1.1
Race Ethnicity of Child Recipients					
White Non-Hispanic	33.8	33.0	25.7	28.7	25.8
African-American Non-Hispanic	41.3	37.9	38.8	36.1	29.9
Hispanic	17.4	21.2	27.4	28.6	36.3
Other and Multi-racial	4.3	5.0	6.9	5.6	5.9
Unknown	3.2	2.9	1.1	1.0	2.0

Source: Congressional Research Service (CRS) tabulations of the FY1988 and FY1994 AFDC Quality Control (QC) data files and the FY2001, FY2006, and FY2013 TANF National Data Files.

Notes: FY2001 through FY2013 data include families receiving assistance from separate state programs (SSPs) with expenditures countable toward the TANF maintenance of effort (MOE) requirement. NA denotes not available.

a. For FY2013, includes non-recipient parents who are "work-eligible." These include non-recipient parents who have been time-limited or sanctioned, with their families continuing to receive a reduced benefit.

TANF Families by Category

The increase in the share of TANF families with no adult recipient over the FY1988 to FY2013 period represents a major change in the character of the caseload. This section focuses on that change, classifying TANF families by the circumstances of the adults in the household.

The classification in this report divides the TANF assistance caseload into six categories. There are two main categories of families where there is an adult recipient or an adult who is considered "work-eligible" and hence represent the traditional concerns of cash assistance policies:

- **Families with TANF adult(s), not employed.** This group dominated the cash assistance caseload in FY1988, but by FY2013 represented less than half of all cash assistance families.

- **Families with TANF adult(s), employed.** These are families with adult recipients or work-eligible parents, and at least one of these adults is employed. However, their employment is at low enough wages, or has been of short enough duration, that their family remains eligible for TANF cash assistance.

The remaining four categories shown in the figure are considered "child-only" families. In these families, the adults caring for the children are not considered TANF cash assistance recipients themselves, but they receive benefits on behalf of the children. There are three main categories of "child-only" families:

- **Parent is a Supplemental Security Income (SSI) recipient.** These families are usually headed by a parent or couple who receives Supplemental Security Income. In general, they receive SSI on the basis of disability, meeting the federal law's criterion of being "unable to perform substantial gainful activity in the economy." SSI is paid only to individuals and couples and there is no federal funding for extra benefits if they have children. Therefore, states use TANF funds to provide benefits for children of SSI parents.
- **Parent is an ineligible noncitizen.** Federal law makes certain noncitizens ineligible for federally funded benefits. States have the option to use state funds to aid federally ineligible noncitizens who are lawfully present in the United States. Unauthorized immigrants are not eligible for either federally or state-funded TANF aid. However, there is a class of families known as "mixed status" families, with parents who are immigrants and children who are citizens because they were born in the United States. In these families, the children may be eligible for TANF regardless of the immigration status of their parents.
- **Child (or children) in the care of a nonparent, caretaker relative.** The first statutory goal of TANF is to provide assistance to needy families so that children can be cared for in their own homes or in the homes of relatives. If a nonparent relative cares for a child for whom they are not legally responsible financially, they can receive financial assistance from the state on behalf of the child. Some of these children are living with nonparent relatives because they have been removed from the home of their parents due to abuse or neglect. However, some are in these homes for other reasons.[11]

The additional "child-only" category comprises families where the parent is in the home but for reasons other than those listed above is not a recipient or work-eligible adult or the family lives in a state that fails to provide information on non-recipient adults in the household.

Figure 2 shows the change in both the size and composition of the cash assistance caseload. As noted previously, from FY1988 to FY1994 the number of families receiving assistance increased from 3.7 million to 5.0 million per month, a 35% increase. In terms of numbers, the majority of that caseload growth was attributable to families with an adult recipient. However, also important in this period was the emergence of the "child-only" categories. In FY1988, the "child-only" categories represented about 10% of the overall caseload, a share that grew to 17% in FY1994.

From FY1994 to FY2001, the cash welfare caseload declined rapidly, from 5.0 million families to 2.2 million families per month, a 56% decline. Over this period of time, the TANF caseload's

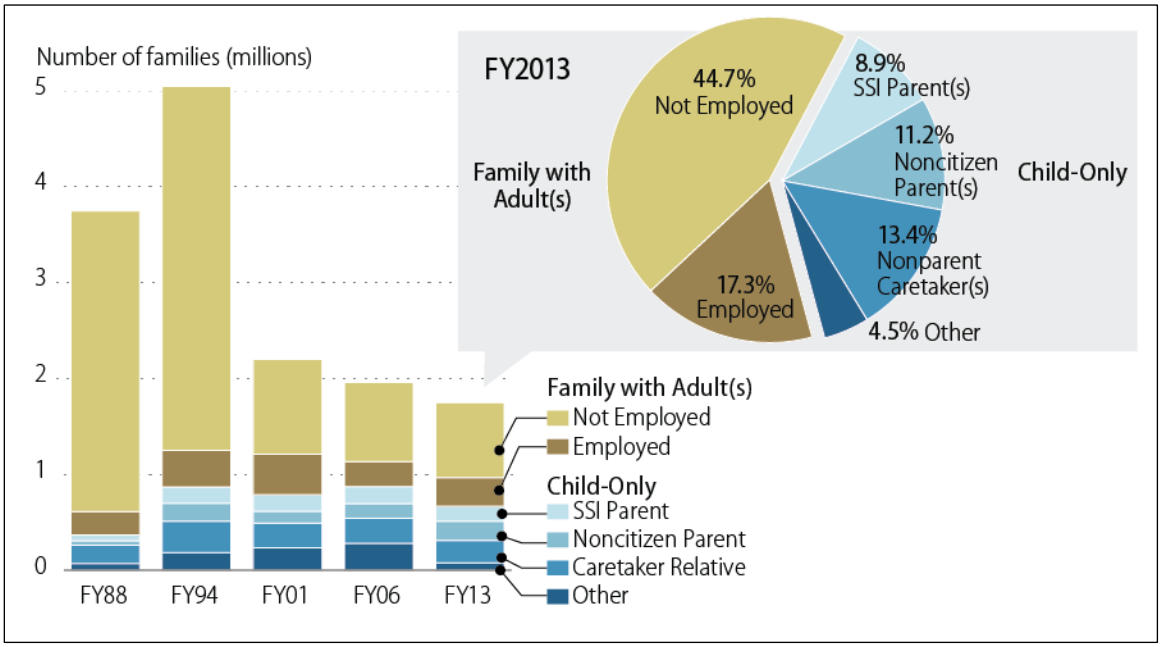
[11] For a more detailed look at the relationship between TANF families headed by a relative caregiver and the child welfare system, see U.S. Government Accountability Office, *TANF and Child Welfare Programs: Increased Data Sharing Could Improve Access to Benefits and Services*, GAO-12-2, October 2011, http://www.gao.gov/assets/590/585649.pdf.

character changed dramatically. The number of families with an adult recipient and no employment fell from a monthly average of close to 3.8 million to less than 1 million (992,000). This represented a 74% decline in this population, substantially greater than the overall caseload decline. It was this group that was most closely identified with welfare dependency during the welfare reform debates of the 1980s and 1990s. In contrast, the total number of families in the child-only category declined by a comparatively small amount, from 869,000 per month in FY1994 to 789,000 in FY2001, a decline of 9%. Thus, "child-only" families—a population not discussed much during the welfare reform debates of the 1980s and 1990s—became a greater share of the overall caseload.

The FY2001 to FY2013 period also saw some declines in the overall caseload and continued changes in its composition, but the changes were far less dramatic than in the late 1990s. In FY2013, the TANF cash assistance caseload was very diverse.

- Families with an adult recipient or work-eligible individual who was unemployed—the group that welfare-to-work policies have traditionally focused on—represented less than half of the caseload (44.7%). Another 17.3% of the caseload reflected families with employed adult recipients or work-eligible parents.
- The figure shows the three main groups of "child-only" families. (The groups of "child-only" families are shaded in blue.) The largest of the "child-only" categories represents children with nonparent relative caretakers (13.4%). The other two major categories of "child-only" families are where the parent is an ineligible noncitizen (11.2% of the total caseload) and child-only families where the parent is an SSI recipient (8.9% of the total caseload).

Figure 2. Families Receiving AFDC/TANF Cash Assistance, by Category, Selected Years FY1988 to FY2013



Source: Congressional Research Service (CRS) tabulations of the FY1988 and FY1994 AFDC Quality Control (QC) data files and the FY2001, FY2006, and FY2013 TANF National Data Files.

Notes: FY2001 through FY2013 data include families receiving assistance from separate state programs (SSPs) with expenditures countable toward the TANF maintenance of effort (MOE) requirement. For FY2013, TANF families with an adult recipient include those families with "work-eligible" non-recipient parents. These include non-recipient parents who have been time-limited or sanctioned off the rolls, but the family continues to receive a reduced benefit. For FY2001 and FY2006, such families cannot be identified and are classified as "child-only" families. For a tabular display of this information, see **Table A-1**.

The composition of the TANF cash assistance caseload by family categories varies substantially by state. The variation reflects differences among states in both their demographic characteristics and policies. For TANF families by category and state in FY2013, see **Table A-2**.

Characteristics of TANF Families, By Family Category: FY2013

The different categories of TANF families reflect different circumstances that either led or contributed to their remaining on the assistance rolls. Additionally, differences in the typical characteristics across the family categories highlight the diversity of the cash assistance caseload.

This section will focus on the five major categories of TANF families: (1) families with an adult recipient who is not employed; (2) families with an adult recipient, employed; (3) "child-only" families with an SSI parent; (4) "child-only" families with a nonparent, relative caretaker; and (5) "child-only families" with an ineligible immigrant parent. The data for the "child-only/other" category are missing important information for identifying these families' characteristics, and thus are not included in this section's analysis.

Number of Children

TANF families tend to be small, with the most typical family having only one child. However, there are some differences in family size among the different categories of families.

Table 2 shows TANF families by number of children and family size. Families with an employed adult tend to be slightly larger than those with adult(s) who are not employed. This is because TANF cash assistance eligibility thresholds and benefit amounts are higher for larger families; thus, larger families with earnings are more likely than smaller families with earnings to retain eligibility for TANF assistance.

TANF families with ineligible noncitizen parents are also somewhat larger than the average TANF family. In FY2013, 20.7% of families with an ineligible noncitizen parent reported earnings. (This percentage is not shown on the table.) Though the noncitizen parent is not in the assistance unit receiving benefits, the parent's earnings are typically deemed available to the family and count in determining both eligibility and benefits. Like other families with earnings, larger families with earnings are more likely to retain eligibility for benefits than are smaller families. Two-thirds of TANF child-only families with caretaker relatives were reported as single child cases in FY2013.

Table 2. Families Receiving TANF Cash Assistance by Family Category and Number of Child Recipients, FY2013

(As a percent of all families in the category)

	One	Two	Three	Four or More	Totals
Family with Adult(s)/Not Employed	50.1%	28.4%	13.3%	8.1%	100.0%
Family with Adult(s)/Employed	45.7	30.0	15.3	9.0	100.0

	One	Two	Three	Four or More	Totals
Child-Only, SSI Parent(s)	56.5	26.3	10.4	6.8	100.0
Child-Only, Noncitizen Parents	31.9	35.9	20.3	11.9	100.0
Child-Only, Caretaker Relatives	67.7	22.5	6.8	3.0	100.0
Totals	51.0	28.2	13.1	7.7	100.0

Source: Congressional Research Service (CRS) tabulations of the FY2013 TANF National Data Files.

Notes: Data include families receiving assistance from separate state programs (SSPs) with expenditures countable toward the TANF maintenance of effort (MOE) requirement. TANF families with an adult recipient include those families with "work-eligible" non-recipient parents. These include non-recipient parents who have been time-limited or sanctioned off the rolls, but the family continues to receive a reduced benefit.

Age of Children

The majority of TANF families have young children. However, the age of the youngest child in the family also varies by family category.

Table 3 shows TANF families by family category and age of the youngest child. Families with an adult who is not employed are the focus of TANF welfare-to-work policies. These families often have pre-school children. In FY2013, two-thirds of TANF families with an adult who was not employed had a pre-school child (under the age of 6). Some of these families can be exempted from TANF work requirements. For example, TANF law allows single parents with a child under the age of 1 to be exempted from work and disregarded from the TANF work participation standards. In FY2013, close to one-fifth (18.2%) of TANF families with an adult who was not employed had an infant (under the age of 1).

In contrast, "child-only" families headed by an SSI parent or a nonparent relative tended to have older children. In FY2013, 30.5% of TANF child-only families headed by an SSI parent had a teenager as their youngest child. In FY2013, 28.9% of families with children cared for by a nonparent relative had a teen as their youngest child.

Table 3. Families Receiving TANF Cash Assistance by Family Category and Age of Youngest Child, FY2013

(As a percent of all families in the category)

	Infant	Age 1	Ages 2 through 5	Ages 6 through 12	Age 13 and Older	Total
Family with Adult(s)/Not Employed	18.2%	13.9%	35.0%	22.7%	10.3%	100.0%
Family with Adult(s)/Employed	12.0	14.1	41.6	23.8	8.5	100.0
Child-Only, SSI Parent(s)	5.7	6.7	23.9	33.3	30.5	100.0
Child-Only, Noncitizen Parents	8.2	10.4	38.4	32.5	10.5	100.0
Child-Only, Caretaker Relatives	2.3	3.8	23.3	41.7	28.9	100.0
Totals	12.0	11.2	33.4	28.2	15.2	100.0

Source: Congressional Research Service (CRS) tabulations of the FY2013 TANF National Data Files.

Notes: Data include families receiving assistance from separate state programs (SSPs) with expenditures countable toward the TANF maintenance of effort (MOE) requirement. TANF families with an adult recipient include those families with "work-eligible" non-recipient parents. These include non-recipient parents who have been time-limited or sanctioned off the rolls, but the family continues to receive a reduced benefit.

Race and Ethnicity of Child Recipients

The majority of the TANF cash assistance caseload is composed of racial and ethnic minorities. Among child recipients, the largest group is Hispanic children—36.3% of all child recipients in FY2013. There are differences in the racial/ethnic make-up of child recipients by family category.

Table 4 shows children receiving TANF cash assistance, by the category of their family and their race/ethnicity. African American children represent the largest group of children in two family categories that include TANF adults, as well as in child-only families with SSI parents.

Hispanic children make up most of children with ineligible noncitizen parents. The table also shows that the largest group of children in child-only families cared for by nonparent relatives is non-Hispanic white. Historically, children in families receiving cash assistance that are cared for by nonparent relatives have been more likely to be African American than other racial/ethnic groups. As late as FY2001, African American children accounted for a majority (52.6%) of all children in TANF child-only families cared for by a nonparent relative. However, throughout the 2000s, the share of TANF children in such families who were African American declined. This reflected a decline in the number of African American children who were cared for by nonparent relatives in the overall population.[12]

Table 4. TANF Child Recipients, by Family Category and Race/Ethnicity, FY2013

(As a percent of all children in the family category)

	White/Non-Hispanic	African-American/ Non-Hispanic	Hispanic	Other or Multi-racial	Unknown	Totals
Family with Adult(s)/Not Employed	24.9%	34.2%	32.2%	6.3%	2.4%	100.0%
Family with Adult(s)/Employed	30.7	29.7	29.5	7.5	2.6	100.0
Child-Only, SSI Parent(s)	30.1	44.1	17.6	6.1	2.1	100.0
Child-Only, Noncitizen Parents	2.1	3.0	91.5	2.4	1.0	100.0
Child-Only, Caretaker Relatives	42.2	33.3	17.4	5.7	1.4	100.0
Totals	25.8	29.9	36.3	5.9	2.0	100.0

Source: Congressional Research Service (CRS) tabulations of the FY2013 TANF National Data Files.

Notes: Data include families receiving assistance from separate state programs (SSPs) with expenditures countable toward the TANF maintenance of effort (MOE) requirement. TANF families with an adult recipient include those families with "work-eligible" non-recipient parents. These include non-recipient parents who have been time-limited or sanctioned off the rolls, but the family continues to receive a reduced benefit.

[12] See information on living arrangements of children at http://www.census.gov/hhes/families/data/children.html.

Considerations

TANF was created in the 1996 welfare reform law (P.L. 104-193), the culmination of decades of debate over the roles of low-income, single mothers in the home and in the workforce. The policies created within TANF reflect a primary outcome of that debate: that is, the expectation that single mothers should work to support their families, with TANF being at most temporary assistance rather than a long-term support they would depend on for themselves and their children.

In 2016, the TANF law turns 20 years old, with most policies the same as when the block grant was created. However, much has changed since 1996. States have used TANF as a broad-based block grant to fund a wide range of benefits and services addressing conditions and causes of economic and social disadvantage of children, in addition to providing cash assistance or traditional "welfare." Additionally, both the size and the composition of the TANF cash assistance caseload have changed markedly since welfare reform legislation was debated in the mid-1990s. The caseload is much smaller—1.7 million families in FY2013 versus 5.0 million families in FY1994. The type of family receiving assistance that was the focus of the welfare reform debates—families with an unemployed adult recipient, which accounted for three out of four families pre-reform—now accounts for less than half of all families on the rolls. Therefore, the majority of the caseload today represents families with characteristics that are different from those who are the focus of current TANF welfare-to-work policies.

TANF Families with Employed Adults

TANF cash assistance families with an adult reported as working represented 17.3% of the cash assistance caseload in FY2013—more than double the 7.5% share in FY1994. These often are families either in transition from welfare to work or are families with very low earnings. They also sometimes represent families in "earnings supplement" programs, which provide a TANF benefit (sometimes a small TANF benefit) to working parents who left traditional TANF cash assistance when they worked and/or received food assistance from the Supplemental Nutrition Assistance Program (SNAP). There was some attention to transitional benefits during the welfare reform debates. A series of welfare reform experiments showed that, without earnings supplements through continued assistance for working families, welfare-to-work initiatives tended to increase work and decrease receipt of welfare, but not increase family income. The experiments that showed increased family income were those that provided continued welfare assistance to families with earnings. TANF's work participation standards give states credit for providing cash assistance to families with earnings, so that states have the incentive to provide at least some earnings supplements to families who find work while on the rolls.

The welfare reform experiments discussed above were conducted in the late 1980s and early 1990s. Since then, there have been expansions of earnings supplements and aid to working families through refundable tax credits (the Earned Income Tax Credit and the Additional Child Tax Credit), subsidized child care, and expanded health insurance coverage. However, little attention has been paid to how cash assistance to working families fits together with other earnings supplements, such as the EITC, to achieve TANF goals.

TANF Policies for "Nontraditional" Cash Assistance Families?

Many of the "child-only" TANF assistance families are affected not only by TANF policy, but other social policies as well.

- The child welfare system (child protective services, foster care, guardianship) could be involved with some of the children who are in the care of nonparent relatives because of, or risk of, abuse or neglect.
- Families with ineligible noncitizen parents are affected by immigration policies.
- Families with disabled parents who receive Supplemental Security Income (SSI) are affected by disability determination and redetermination policies.

Congress has focused on relative caregiving through child welfare legislation, specifically creating a program to help states reimburse kin who take legal guardianship of children who would otherwise be eligible for federal foster care assistance under Title IV-E of the Social Security Act.[13]

Congress has shown interest in promoting coordination between TANF and other federal and state programs serving TANF families, including the "non-traditional" families. This has especially been true in terms of coordinating information between TANF and child welfare programs.[14] P.L. 112-96 requires the Department of Health and Human Services (HHS) to develop standards of data reporting to facilitate the sharing of information between TANF and other programs. Earlier legislation (P.L. 112-34) added similar language to facilitate data sharing between child welfare and other programs. In addition, a May 2013 Government Accountability Office (GAO) report said Congress could opt to require states to include in TANF state plans how they will coordinate services between TANF and child welfare programs.[15]

Questions remain about whether and what policies within TANF should apply to "child-only" families. A 2012 report on "child-only" families from Chapin Hall at the University of Chicago, funded by HHS, raised concerns about each major group: whether TANF assistance to relative caregivers might be an inadequate replacement for foster care, and whether low rates of TANF receipt among potentially eligible families headed by SSI parents or ineligible immigrant parents might not be assuring a minimal standard of living for children in these families. The report did recommend that "explicit attention" be given to each component of the TANF caseload, including separate attention to each of the three major groups of "child-only" families.[16]

The May 2013 GAO report said a potential option to better understand TANF's role in helping its "child-only" families would be to require states to provide additional information to the federal government about the status and needs of "child-only" families.[17] This information could be provided, for example, in TANF state plans.

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[13] CRS Report R42792, *Child Welfare: A Detailed Overview of Program Eligibility and Funding for Foster Care, Adoption Assistance and Kinship Guardianship Assistance under Title IV-E of the Social Security Act*, by Emilie Stoltzfus.

[14] For example, see U.S. Government Accountability Office, *TANF and Child Welfare Programs. Increased Data Sharing Could Improve Access to Benefits and Services*, GAO-12-2, October 2011.

[15] U.S. Government Accountability Office, *Temporary Assistance for Needy Families, Potential Options to Improve Performance and Oversight*, GAO-13-431, May 2013, p. 15, http://www.gao.gov/assets/660/654614.pdf. Note that child welfare services state plans require coordination between services and assistance provided under the plan and those provided under TANF. However, there is no reciprocal requirement in the TANF plan requiring coordination with child welfare agencies.

[16] Jane Mauldon, Richard Speiglman, and Christina Sogar, et al., *TANF Child-Only Cases: Who Are They? What Policies Affect Them? What is Being Done?*, Chapin Hall at the University of Chicago, December 11, 2012. This project was funded by HHS, but the opinions expressed in the report do not necessarily reflect the views of the department.

[17] U.S. Government Accountability Office, *Temporary Assistance for Needy Families, Potential Options to Improve Performance and Oversight*, GAO-13-431, May 2013, p. 15, http://www.gao.gov/assets/660/654614.pdf.

Congress could also establish—or require states to establish—goals and performance measures related to the well-being of children in "child-only" families. Congress could also require that annual reporting by states to HHS include a statement about how the goals related to "child-only" families are being met, and report on such performance measures that relate to these goals.[18]

[18] Performance measurement would require data to assess the effectiveness of state strategies. For example, if Congress sought to assess state programs for "child-only" families on the basis of their economic circumstances (e.g., poverty), information would be needed on the income of members of their households. However, an examination of the financial well-being of TANF households was omitted from this report because of concerns about data quality. The financial circumstances of TANF "child-only" families were not estimated because of concerns that the information on income of some adults in households with such families was not accurately reported. Congress could require additional reporting by states that would help it better understand the financial circumstances of each component of the TANF caseload, including detailed reporting on all adults in households where a TANF benefit is paid on behalf of a child.

Appendix.

Table A-1. Families Receiving AFDC/TANF Cash Assistance by Family Category, Selected Years FY1988 to FY2013

	1988	1994	2001	2006	2013
Monthly Average Number of Families					
Total Families	3,747,952	5,046,263	2,202,356	1,957,402	1,749,424
Family with Adult(s)/Not Employed	3,136,566	3,798,997	992,445	825,490	781,473
Family with Adult(s)/Employed	243,573	378,620	420,794	259,001	302,079
Child-Only/SSI Parents(s)	59,988	171,391	171,951	176,670	156,215
Child-Only/Noncitizen Parent(s)	47,566	184,397	125,900	153,445	196,103
Child-Only/Caretaker Relative	188,598	328,290	255,984	261,944	234,499
Child-Only/Other	71,661	184,567	235,282	280,851	79,054
Percentage of Total Cash Assistance Families					
Total Families	100.0%	100.0%	100.0%	100.0%	100.0%
Family with Adult(s)/Not Employed	83.7	75.3	45.1	42.2	44.7
Family with Adult(s)/Employed	6.5	7.5	19.1	13.2	17.3
Child-Only/SSI Parents(s)	1.6	3.4	7.8	9.0	8.9
Child-Only/Noncitizen Parent(s)	1.3	3.7	5.7	7.8	11.2
Child-Only/Caretaker Relative	5.0	6.5	11.6	13.4	13.4
Child-Only/Other	1.9	3.7	10.7	14.3	4.5

Source: Congressional Research Service (CRS) tabulations of the FY1988 and FY1994 AFDC Quality Control (QC) data files and the FY2001, FY2006, and FY2013 TANF National Data Files.

Notes: FY2001 through FY2013 data include families receiving assistance from separate state programs (SSPs) with expenditures countable toward the TANF maintenance of effort (MOE) requirement. For FY2013, TANF families with an adult recipient include those families with "work-eligible" non-recipient parents. These include non-recipient parents who have been time-limited or sanctioned off the rolls, but the family continues to receive a reduced benefit. For FY2001 and FY2006, such families cannot be identified and are classified as "child-only" families.

Table A-2. TANF Cash Assistance Caseload by Family Category and State, FY2013

State	Family with Adult(s), Not Employed	Family with Adult(s), Employed	Child-Only, SSI Parent(s)	Child-Only, Noncitizen Parent(s)	Child-Only, Non-parent Caretaker(s)	Other Child Only	Totals
Alabama	39.8%	22.8%	14.1%	1.3%	22.0%	0.0%	100.0%
Alaska	50.3	24.7	0.0	1.0	24.0	0.1	100.0
Arizona	51.2	10.5	0.0	6.9	0.1	31.4	100.0
Arkansas	43.6	18.8	14.9	3.5	19.2	0.0	100.0
California	51.9	14.8	4.3	21.9	6.0	1.1	100.0
Colorado	41.0	29.7	0.0	1.9	22.8	4.7	100.0
Connecticut	43.7	16.6	11.0	2.1	24.9	1.7	100.0

State	Family with Adult(s), Not Employed	Family with Adult(s), Employed	Child-Only, SSI Parent(s)	Child-Only, Noncitizen Parent(s)	Child-Only, Non-parent Caretaker(s)	Other Child Only	Totals
Delaware	28.7	10.6	6.2	6.4	47.4	0.7	100.0
District of Columbia	52.4	13.0	15.2	7.6	11.8	0.0	100.0
Florida	26.8	3.8	10.3	6.0	52.5	0.6	100.0
Georgia	21.9	3.1	14.0	2.6	56.2	2.2	100.0
Hawaii	39.2	37.0	7.2	0.3	1.5	14.9	100.0
Idaho	9.2	0.5	0.0	1.5	88.6	0.2	100.0
Illinois	20.5	18.7	23.7	5.1	29.5	2.5	100.0
Indiana	25.0	11.6	15.7	10.8	29.4	7.5	100.0
Iowa	44.7	25.1	8.6	3.9	17.3	0.4	100.0
Kansas	37.6	23.8	11.2	5.7	21.4	0.4	100.0
Kentucky	27.7	11.7	14.5	1.3	44.7	0.1	100.0
Louisiana	24.6	6.4	19.8	0.4	40.0	8.8	100.0
Maine	17.6	73.9	5.0	0.1	2.6	0.8	100.0
Maryland	48.2	9.9	9.0	0.0	0.9	32.0	100.0
Massachussets	44.0	33.0	10.6	5.3	7.1	0.1	100.0
Michigan	37.1	20.4	23.7	3.1	15.3	0.5	100.0
Minnesota	32.6	22.2	18.0	8.5	18.6	0.2	100.0
Mississippi	46.9	9.9	20.7	0.5	21.5	0.5	100.0
Missouri	63.7	15.2	9.1	2.1	9.3	0.7	100.0
Montana	44.9	14.7	5.1	0.1	31.7	3.4	100.0
Nebraska	25.1	21.2	12.4	17.4	20.1	3.8	100.0
Nevada	33.7	23.7	8.8	18.6	14.9	0.3	100.0
New Hampshire	31.0	48.2	0.8	0.9	18.9	0.1	100.0
New Jersey	67.5	8.8	7.2	7.3	9.2	0.0	100.0
New Mexico	45.3	14.6	8.4	18.4	12.9	0.5	100.0
New York	43.0	23.0	11.0	11.4	8.1	3.4	100.0
North Carolina	25.5	4.4	13.1	10.3	46.7	0.0	100.0
North Dakota	38.2	26.0	8.8	0.3	26.5	0.2	100.0
Ohio	27.0	7.2	17.9	4.6	1.2	42.0	100.0
Oklahoma	34.2	2.2	0.0	0.0	0.0	63.6	100.0
Oregon	49.1	39.1	4.1	4.4	3.2	0.1	100.0
Pennslyvania	57.4	15.5	15.5	1.1	10.0	0.5	100.0
Rhode Island	57.9	11.2	16.1	0.0	6.5	8.2	100.0
South Carolina	35.5	11.2	14.6	2.6	35.9	0.3	100.0
South Dakota	24.2	5.1	8.1	0.4	62.1	0.2	100.0

State	Family with Adult(s), Not Employed	Family with Adult(s), Employed	Child-Only, SSI Parent(s)	Child-Only, Noncitizen Parent(s)	Child-Only, Non-parent Caretaker(s)	Other Child Only	Totals
Tennessee	45.8	18.8	0.1	1.2	34.2	0.0	100.0
Texas	24.3	8.1	8.5	32.0	17.0	10.2	100.0
Utah	29.2	13.9	10.2	8.7	37.2	0.9	100.0
Vermont	38.5	23.5	18.5	0.2	19.3	0.0	100.0
Virginia	42.4	21.6	9.4	3.7	0.5	22.4	100.0
Washington	55.1	9.8	7.3	8.7	16.5	2.7	100.0
West Virginia	37.2	9.3	14.6	0.0	20.4	18.5	100.0
Wisonsin	43.1	15.0	24.2	0.0	17.7	0.0	100.0
Wyoming	34.7	3.7	1.0	0.0	60.2	0.5	100.0
Guam	41.7	1.9	0.0	54.6	1.5	0.4	100.0
Puerto Rico	90.3	1.5	0.0	0.7	7.4	0.2	100.0
Virgin Islands	86.6	2.8	2.7	0.0	6.9	1.2	100.0
Total	44.7	17.3	8.9	11.2	13.4	4.5	100.0

Source: Congressional Research Service (CRS) tabulations of the FY2013 TANF National Data Files.

Notes: Data include families receiving assistance from separate state programs (SSPs) with expenditures countable toward the TANF maintenance of effort (MOE) requirement. TANF families with an adult recipient include those families with "work-eligible" non-recipient parents. These include non-recipient parents who have been time-limited or sanctioned off the rolls, but the family continues to receive a reduced benefit.

Table A-3. Ratio of TANF Child Recipients to All Children and Poor Children by Race/Ethnicity, Selected Years

	1988	1994	2001	2006	2013
Percentage of All Children					
White/Non-Hispanic	5.6%	6.9%	2.5%	2.4%	2.1%
African American/Non-Hispanic	31.1	33.5	14.9	11.7	9.2
Hispanic	18.2	21.0	9.2	6.7	6.3
Percentage of Poor Children					
White/Non-Hispanic	50.7	55.3	26.2	24.1	19.6
African American/Non-Hispanic	71.4	76.7	49.9	35.2	23.7
Hispanic	48.4	50.6	32.7	24.8	20.8

Source: Congressional Research Service (CRS), based on tabulations from the Annual Social and Economic (ASEC) Supplements to the Current Population Survey of March 1989, 1995, 2002, 2006, and 2014; the FY1988 and FY1994 Aid to Families with Dependent Children (AFDC) Quality Control Data Files; and the FY2001, FY2006, and FY2013 TANF National Data Files.

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