

RESEARCH SUPPORTS CAUTION ON TANF WORK REQUIREMENTS

Newly synthesized research indicates that federal policymakers should exercise caution before increasing work requirements under the Temporary Assistance for Needy Families (TANF) block grant.¹ The synthesis, based on results of 29 rigorous evaluations of welfare programs in the 1980s and 1990s by the Manpower Demonstration Research Corporation (MDRC), also indicates that augmenting welfare recipients' earnings with supplemental grants, as California does, is the only welfare policy that has been demonstrated to improve child well-being.

WORK PARTICIPATION RATES: MORE IS NOT NECESSARILY BETTER

States must currently meet a work participation rate of 50 percent, while most TANF reauthorization proposals, including the House-passed bill (HR 4737), gradually increase the rate to 70 percent. While a higher rate has political appeal, "achieving high rates of participation in program services will be a challenge because a significant percentage of recipients will be unable to participate in any given period" due to illness or other reasons.² MDRC believes states would need to engage "nearly everyone on the caseload" in order to ensure that half the adults participate at least 20 hours per week.³ Higher rates may in fact have the "consequence of undermining the very success that is now being celebrated."⁴ If Congress greatly increases participation rates, "states may become preoccupied with keeping everyone busy" instead of focusing on helping recipients acquire the skills to find stable employment.⁵

WORK ACTIVITIES: ONE SIZE DOES NOT FIT ALL

The President's proposal and the House bill greatly restrict what activities count toward the core 24-hour component of the work requirement. MDRC's research indicates that a more flexible approach works better to help recipients succeed in the workforce. "Programs that tailored services to the needs of individual recipients...led to larger increases in employment and earnings."⁶

Many recipients face substantial barriers, including mental health, domestic violence, and substance abuse problems, which impede them from obtaining and maintaining stable employment. The three-month period allowed by HR 4737 to overcome these issues may not be sufficient. For example, one study found that recipients remaining in treatment for more than one year were nearly twice as likely to work than those who remained in treatment for only three months. "Between 6 and 12 months in treatment are necessary to give these women the resiliency skills they need to prepare them for remaining in recovery, holding a job, and being a parent," according to MDRC.⁷

INCREASED FAMILY INCOME IMPROVES CHILD WELL-BEING

The House bill makes increased child well-being a purpose of TANF. According to MDRC research, the only welfare policy that is known to increase child well-being is to increase family income with earnings supplements. Without generous earnings supplements, welfare reform policies may increase

employment and earnings, but those earnings do not translate into higher income because cash grants decline simultaneously. Programs that supplement earnings, such as California's "earnings disregard" policy, also reduce poverty. Adequate TANF block grant funding is necessary for states to begin, maintain, or expand these earnings supplement policies.

INCREASED PARENTAL EMPLOYMENT MAY HARM ADOLESCENTS

While some welfare policies can improve child well-being, they appear to cause negative effects for adolescents. According to MDRC's evaluations, programs that increased parents' employment tended to adversely affect adolescents' progress in school, including academic performance as reported by their mothers and grade repetition. Adolescents with younger siblings fared especially poorly. MDRC researchers hypothesize that, as adults work more, adolescents may receive less supervision and have to take care of siblings, thus reducing study time. These results suggest that stricter work requirements will further strain adults' abilities to juggle work and family responsibilities, to the detriment of adolescents' academic performance.

CONCLUSION

MDRC's research indicates that increased participation requirements are not the key to ensuring welfare reform's future success. Increased requirements threaten the positive results achieved to date and may heighten the negative results for adolescents. MDRC's research speaks to the need for Congress to adequately fund the TANF block grant and give states sufficient flexibility to meet the diverse needs and skills of the recipients they serve.

ENDNOTES

¹ Gordon L. Berlin, *What Works in Welfare Reform: Evidence and Lessons to Guide TANF Reauthorization* (Manpower Demonstration Research Corporation, June 2002).

² *Ibid.*, p. 13.

³ HR 4737 increases the weekly participation requirement to 40 hours per week for all recipients from the current level of 20 hours per week for single parents with preschool-aged children and 30 hours per week for other single parents.

⁴ Gordon L. Berlin, *What Works in Welfare Reform: Evidence and Lessons to Guide TANF Reauthorization* (Manpower Demonstration Research Corporation, June 2002), p. 46.

⁵ *Ibid.*, p. 42.

⁶ *Ibid.*, p. 16.

⁷ *Ibid.*, p. 39.

David Carroll prepared this paper. The California Budget Project (CBP) was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP is committed to improving public policies that influence the economic and social well-being of Californians and their communities. Publication of this paper was supported by grants from the David and Lucile Packard, William and Flora Hewlett, and Streisand Foundations. General operating support for the California Budget Project is provided by grants from the James Irvine, Ford, Charles Stewart Mott, Friedman Family, David and Lucile Packard, and California Wellness Foundations, the Penney Family Fund, and individual donations and subscriptions. Visit the CBP web site at www.cbp.org.
