TANF Reauthorization: Is Congress Acting on What We Have Learned?

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INTRODUCTION

There is only one sure way to make something happen in public policy and in politics, and that is to organize. Sometimes external events—the Great Depression, World War II, Vietnam, Watergate, September 11th, Enron, and MCI WorldCom—will make things happen of their own accord. But we can’t wait for events to create opportunity, and many such stimuli are in fact things we don’t want to happen. So it is up to us. And the time for organizing is not just when an issue is at the forefront. Organizing is needed to build interest and support on issues over a longer period of time. Citizens need a reason to participate in the political process, a reason to register to vote, and a reason to participate in electing better candidates to office. The challenge not only includes getting better people to run, but also getting those already in office to behave better (even if they are not better people). Thus an issue like Temporary Assistance for Needy Families (TANF) reauthorization is one part of a larger strategic agenda. We can not just show up on the day Congress is going to vote and expect that the response we want will magically occur.

People who care about policy can make a difference, but they have to organize. They have to express themselves. They have to participate. That is what people across the country did with regard to TANF from the day it went into effect in 1996. For example, the National Campaign for Jobs and Income Support (NCJIS)—a coalition of more than a thousand grass-roots organizations—was the result of a concerted organizational effort. The NCJIS has played an important role in the TANF reauthorization process and it will...
continue to play an important role, both nationally and at the state level on an array of issues important to lower-income people.

Organizing and advocacy have to be conducted within two frames simultaneously. One is the “vision” frame—over and over, economic justice, social justice, racial justice—stated loudly and clearly. The second is the “immediate” frame—engaging in smart, effective politics in the real world, right now. People have to be energized by the idealism and values associated with the bigger picture and simultaneously see the importance of the incremental, day-to-day work of the electoral and legislative processes. This is a difficult tension to bridge, but it must be bridged. People will be far less willing to push hard for what seem like small improvements in policy if they do not see how those improvements fit into the larger picture. Also, they need to understand that the kind of basic change they need and deserve typically does not occur in large doses and that, with some rare exceptions, the way change will occur is with a steady, sustained effort, while keeping in mind the big picture.

THE BROADER FRAMEWORK

The issue is not just about welfare and poverty. Our vision, our frame, our broader aim at all times should be about achieving an adequate income for all Americans. The vision should be about strengthening families, helping parents balance the demands of work and family, and assuring a bright future for all children. Welfare policy is just a small part of that vision. We cannot look at it separately. There is a great challenge here to educate America about how many people are not making it and why. The number of people goes far beyond those we say are “poor.” One reason is that the government’s defined poverty line—$14,255 for a family of three— is unrealistically low. But the problem is much larger. The number of people who have trouble making ends meet, month in and month out, includes millions who do not think of themselves as poor, more than twice the number we call poor. This is literally shocking in a country this wealthy. Why is this?

TANF REAUTHORIZATION
There is a tendency to say that if people cannot make enough to live decently, it is their fault; there must be something wrong with them; they do not try hard enough. That is simply incorrect. There is a structural problem in the American labor market. We need to understand the history and the reality of that problem in order to craft real solutions.

Since 1973, when the first Arab oil embargo occurred, there has been a radical change in the American economy. That year marked an acceleration in a trend that had already begun. Manufacturing jobs, which had initially moved to lower-wage locations in the South and small towns, started to move abroad in greater numbers and were lost at a faster pace to technological advance. They were replaced (it is fortunate that they were replaced, to be sure) by lower paying jobs. As a result, there has been a long-term deterioration in the income of people at the bottom. Something like half of the income spectrum lost ground. The worst losses were at the very bottom, and the worst losers were people of color, people with less than a high school education, people with many children, and single parents. Those having all of the listed characteristics lost the most. Half the jobs in the country paid less than $11.87 an hour in 1999, or less than $24,690 a year (assuming someone had such a job full-time, all year). In 1979, half the jobs paid less than $11.89 an hour, so wages have been stagnant for the bottom half of American workers. Despite the fact that the country’s income doubled over that period of time, the median wage is unchanged. This one set of facts speaks volumes. All the growth went to the people at the top.

The millions of people who do the low-wage jobs are subsidizing the rest of us. They perform all the things we need done—taking care of our children, cleaning our homes, tending our gardens, waiting on us in hotels and restaurants, cleaning our clothes, and serving us in stores. They are giving us a massive discount in our cost of living. While wages at the bottom have not risen, the cost of living has, as documented by Diana Pearce, with her Self-Sufficiency Index, and by Heather Boushey and the Economic Policy Institute.
The first question should always be: what can be done to raise wages? But—and this is a sad commentary on the state of things—the maximum wage achievable within the foreseeable future will not suffice to produce an adequate income from work. Public policy is necessary to complete the picture. Some steps in the right direction include raising the minimum wage, changing laws that impede union organizing, and organizing living wage campaigns; these will affect wages directly. Other initiatives, important in their own right, will also have the effect of adding to income. These include universal health coverage, assistance with the cost of child care for all of those who need it, sufficient help with the cost of college, and a National Housing Trust Fund along with other measures to increase the supply of affordable housing. Still other policies that now exist to supplement wages are in need of re-examination. The most important of these are the Earned Income Tax Credit (and state counterparts), and the partially refundable Child Tax Credit.

The cost of housing has risen in an especially dramatic way. The Fair Market Rent of a two-bedroom apartment in the D.C. metropolitan area is now $943 a month, or more than a month’s salary on minimum wage. Homeless shelters all over the country are overflowing. In Minneapolis, 70% of the adults seeking beds at shelters during the winter of 2002 were employed. They just could not find apartments at rents they could afford. On average, across the country the income necessary to meet the basic costs of living is more like twice the poverty line, about $28,000 for a family of three.

Starting with the last years of the Clinton Administration, Congress began increasing the available number of Section 8 housing vouchers to help low-income people pay for rental housing, after nearly two decades during which the number of vouchers had been frozen. President Bush proposed another 34,000 vouchers in his fiscal 2003 budget. The problem is that these increases do nothing to reduce the enormous shortage of affordable housing. People get a housing voucher and cannot find a place to use it. Sometimes, a person waits ten years for a voucher, gets it, goes out and looks, cannot find anything that fits within the purchasing power of the voucher.
and has to turn it back in.\textsuperscript{23} If we do not begin to invest again in increasing the supply of housing for low-income people, we will continue to have shockingly high rents for low-income people and homeless shelters that turn away people every night of the year.

TANF

Before I turn to the reauthorization process, four sets of facts about the experience under TANF need to be stated. First, it is true that welfare recipients have gone to work in large numbers. But why should this be surprising? Jobs have been available, and when jobs are available, people want to go to work. However, large numbers of those who have gone to work have not escaped poverty.\textsuperscript{24} Why? There are too many low-wage jobs and there is not enough wage supplementation. Now, despite official pronouncements that the recession is over, the welfare rolls are rising again. Arbitrary time limits seem even less sensible when viewed against the backdrop of recession. The 1996 law contemplates policies that are, at best, workable only in times of prosperity. As more time passes, the time limits will seem even more arbitrary. More and more families will hit lifetime limits simply because they sought help when they needed it.

Second, many women were forced off welfare by tough sanctioning policies, or not allowed on because of so-called diversion policies, and have no or only intermittent work.\textsuperscript{25} This group has actually lost economic ground, as they have lost more in benefits (primarily welfare and food stamps) than they have gained in earnings.\textsuperscript{26} The average income of the people who are in "extreme" poverty—the 40% of the poor (about 12 million people) who have incomes below half the poverty line (below about $7,000 for a family of three)—actually decreased over the last half of the nineties.\textsuperscript{27}

Third, state policies are very uneven. TANF is a block grant that affords states great flexibility.\textsuperscript{28} Some states are extremely punitive, utilizing short time limits and sanctions policies that are not only tough, but are often applied mistakenly or without any particular interest in the facts of the particular case.\textsuperscript{29}
Fourth, a few states—and this is a positive part of the story—have engaged in true welfare reform, treating people as individuals, helping them as such, and emphasizing work outside the home whenever it makes sense.

THE 2002 TANF DEBATE THUS FAR

As I write this in late October, Congress has not yet enacted legislation to extend TANF other than a brief extension through the end of 2002. The House of Representatives passed its version in mid-May, essentially the same as President Bush’s proposal (described below). The Senate Finance Committee reported a different and relatively more progressive bill in late June; however, the full Senate has not yet acted. It is now unlikely that a bill will be enacted in 2002, although a three-year extension with minimal changes remains a slim possibility. The White House and Senate Republicans on the Hill seem uninterested in finishing the job this year, apparently believing the likelihood of passing a more conservative bill will be enhanced by a combination of the fall election results and the certainty of a more negative fiscal situation in 2003 (which would make less money available to help low-income families). The Democrats are committed to completing the reauthorization process in 2002, but lack the power to accomplish that aim.

There are four sets of ideas in play on Capitol Hill. These are: 1) President Bush’s proposals as enacted by the House of Representatives; 2) the bill reported by the Senate Finance Committee, known as the “tripartisan” bill, because of the participation of the now independent Senator James Jeffords of Vermont in crafting it; 3) the conservative Democratic Senate bill, promoted by the Democratic Leadership Council and its policy arm, the Progressive Policy Institute, and introduced by Senators Thomas Carper of Delaware and Evan Bayh of Indiana on behalf of a group of Senators ultimately totaling nine; and 4) a liberal Senate Democratic package of proposals emanating from Senators Edward Kennedy of Massachusetts, the late Paul Wellstone of Minnesota, and Jon Corzine of New Jersey, that is endorsed by a total of 24 Senators.

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Although the Senate Committee bill is relatively constructive, there is great cause for concern because whatever package ultimately emerges from the Senate will have to go to a House-Senate conference committee to iron out the differences. Much of the good work done in the Senate is likely to end up on the conference committee’s floor, especially because the White House will be pushing hard for President Bush’s proposals, while the Senate Democrats are not unified.

The House-passed bill represents a hard turn to the right. It would increase to 70% the portion of current welfare recipients required to participate in work and work activities, and it would increase to 40 hours weekly the total time recipients are required to be away from their children. The Carper-Bayh bill is similar on the issue of required work, although different on other issues.

I was genuinely surprised when President Bush released his proposal in late February 2002. The public had been hearing for a long time that the “success” of the 1996 bill was the fact that women went to work in large numbers. They did exactly what was asked of them (although many policymakers have said for years that women on welfare would go to work if jobs were available). Yet that success seems not to have been enough for some. The rolls have been cut by more than half, but the President and conservative Democrats want to push still more people off. Those still on the rolls are disproportionately the harder to serve—people with less education, fewer skills, and more personal problems. What they need is a variety of individualized responses to help them make the transition to work. What is offered instead is a cookie-cutter work requirement that will hurt far more than it helps.

To understand how Draconian these proposals are you have to look at the fine print. One would think the policy (whether one agrees with the basic idea or not) would be that people working in “regular” jobs outside the welfare system, but still getting a welfare payment because their wages are so low, could be counted as satisfying the work requirement. Under the House bill, a state could only count such people for the first three months they get
the income supplement. 41 What this means is that "real" work does not count. In fact, what count as work activities are, in a number of other respects, defined much more narrowly than under existing law. 42 The bottom line is that the only way states could comply would be to create workfare programs—assignments where people work off their welfare checks, often in demeaning and even unsafe circumstances, or in places where regular employees make four or five times as much money. 43 Workfare would become a staple feature of welfare across the country.

The debate over workfare has been going on for more than three decades. Even under the 1996 law, few states used it, and none used it on a statewide basis. 44 Workfare is expensive and cumbersome to operate, and its track record is poor in terms of helping people move on to regular jobs. 45 President George W. Bush, in so many ways more the successor to President Reagan than to his father, would finally accomplish the conservatives' dream—national adoption of workfare.

The further irony is that the President's work proposals are a new federal mandate coming from the party that claims to champion states' rights. It is more than interesting to notice that not long after Mr. Bush's proposal was released, the nation's governors adopted a statement going exactly in the opposite direction. These leaders called for more flexibility, exceptions to time limits, and allowing women to pursue education through welfare as an avenue to a better job. 46 On top of everything else, the President proposes no new money for child care, even though major increases in the hours that mothers would have to be away from their children are contemplated. 47 To pay for the supervision entailed in the workfare programs, states will be forced to make major cuts in existing welfare-to-work programs that are demonstrably more effective. 48

The congruence of the President's proposal and the Carper-Bayh proposal has been a problem throughout the 2002 debate, especially in the Senate. The House Democrats largely stuck together and produced 197 votes against the President's bill, 49 but fragmentation among Democrats has been more the order of the day in the Senate. To say that what Mr. Bush and the Bayh-
Carper group are pushing is truly strange is an understatement. There was no political imperative to propose this and certainly no substantive reason to do so. Extensive polling data shows that tougher work requirements are not what the country wants. In fact, in contrast to 1996 when the public was angry with welfare recipients (having been whipped up by conservative activists, to be sure), at present the public is not especially interested in welfare politics. For five years everyone has sung a hymn of praise for the work ethic of welfare recipients. The turning of the page has brought an oddly different text.

AN AGENDA FOR TANF IMPROVEMENT

TANF should be a ladder of opportunity to help people succeed in the labor market and move up, and should offer a safety net to protect children. It should help parents balance the conflicting demands of work and family, and should be aimed explicitly at the bottom line of reducing poverty and contributing toward an adequate income for families with children. What follows are some of the specific issues that should have been addressed and remain an agenda for the future.

First, funding should be increased. The existing TANF program has had the same level of funding for the past five years, so it has already suffered an 11% cut when adjusted for inflation. Under the President’s proposal, the cut, given current projections of inflation, will likely total 22% after another five years. The funding should be increased. This should include enough funding to double the number of children getting child care with federal support. (Currently, only one eligible child in seven receives federal help with the cost of care.) Neither the House bill, nor the Senate Finance Committee bill contains any funding increase for TANF. Both contain some increased funding for child care, although not nearly enough. The House bill’s increase is $2 billion over five years, and the Senate Committee bill’s increase is $5.5 billion. The Democratic House bill and the progressive Senate group package propose an $11.25 billion increase.
Second, the rhetoric of the President’s proposals to promote marriage is a triumph of ideology over common sense. The substance of what is actually in the House-passed bill is not especially consequential. It contains a $300 million annual fund to promote healthy marriages, and $20 million for fatherhood programs. The implicit premise of the bill as a whole is more troubling—that the only way out of poverty, besides being lucky enough to find a high-paying job, is to get married. Good marriages are the hope and the desire of most people, but whatever policy we have about marriage should be based on choice, not on coercion of any kind. Any new policies should respect the millions of single mothers who are struggling to support their children on one income. Policymakers should be talking about an adequate income for all families. At the same time, society should help fathers toward responsible relationships with their children, and we should look at the real reason why many women are not married—their inability to find a “marriageable” partner, as William Julius Wilson has so aptly put it. Policymakers should be looking at jobs and opportunities for low income young men, especially young men of color, at sensible child support policies that get payments to the children who they are supposed to help, and at the barriers to employment that are faced by the hundreds of thousands of men being released from prison every year. A special transitional jobs block grant should be added to TANF (the Senate Committee bill provides a $200 million annual fund for transitional jobs), that would allow states to help both welfare recipients and non-custodial parents (in other words, fathers) make a more effective adjustment into the job market.

Third, time limit rules need to be rethought and adjusted to reflect the real-life situation of recipients. With each passing year, time limits are revealed more fully as an arbitrary policy. By definition, women raise children over the period of their childhood—18 years or more depending on how many children are in a household. That these women, married or not, may have more than five years of need over an 18 year period is obvious, and mothers will be more likely to have needs in excess of their means if they are...
coping by themselves. The time limits will crumble at some point. For now, some limited adjustments would help substantially.

Fourth, income supplements to low-wage workers should not count as "assistance" for purposes of the application of time limits. One of the most idiotic and irrational features of current law is that TANF payments to welfare recipients working in low-wage jobs cause their five-year federal clock to tick.60 This should be changed. When former President Clinton was asked about this issue in January 2002, he said, "I didn't know we were doing it when we did it. So if we did it—at least from my point of view—I can tell you we didn't mean to do it."61 Furthermore, recession should stop the clock. If a person cannot find work because none is available, receipt of welfare should not count against her lifetime limit. Under current law, recipients are penalized.62

Also, education should count as a work activity, and hence stop the clock. In many places women have been forced out of community colleges and required to participate in work programs instead.63 This is one of the unfair aspects of the current program—it simply tells women they are not supposed to make the most of their potential. The Senate Committee bill raises from one to two years the length of time women can count education and training toward their work requirements, and adds post-secondary education to the list of what counts.64 Equally important, a large part of the caseload everywhere, especially now, are women with severe literacy problems.65 They deserve far more attention than they have received.

The most punitive states should be reined in. There is no compelling policy reason to allow time limits shorter than five years, and states should at the very least be required to afford good-cause exceptions (like inability to find work) if they are going to have shorter time limits. Similarly, states should be required to have face-to-face meetings with each recipient whom they are going to terminate from the rolls, to explain the situation and develop a case plan for the person being sanctioned. The Senate Committee bill requires states to review parents' Individual Responsibility Plans before imposing sanctions for noncompliance.66

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In addition, care giving should stop the clock and count as work activity. States now require mothers to go to work when their children are as young as 12 weeks old. Many women face the demanding responsibilities of caring for chronically ill children and infirm relatives. The Senate Committee bill at least allows states to exempt parents caring for disabled children or other family members from work requirements.

There is serious hypocrisy afoot here. We tell mothers from higher income levels to stay home with infants and toddlers to bond with and help them during this important stage of brain development. We tell welfare mothers to go to work. Our welfare policy should be consistent with the broader message, and policy should be designed to help parents balance the demands of work and family.

An appropriate vision of an adequate income for all should include a floor of income protection for all Americans. The food stamp program and the more recent partially refundable Child Tax Credit are steps in the right direction.

Moreover, full eligibility of legal immigrants for Supplemental Security Income (SSI) and food stamps should be restored, as should an option for states to offer TANF and other federal means-tested public benefits to legal immigrants during the first five years they are in the country. These denials of eligibility were among the cruelest parts of the 1996 law. Participation in Medicaid and food stamps, both of which remain federal entitlements, has been a problem in many states. The Senate Committee bill takes partial action in this area, restoring state authority to extend TANF and Medicaid to all legal immigrants. Enforcement mechanisms are also needed to assure that people are not cut off illegally and that they know of their continuing eligibility for assistance.

Finally, child support remains a pressing issue. Most states either keep all child support paid by a father, or pass through a very small amount to the family. Legislation to correct this inequity passed in the House of Representatives by a vote of 405 to 18 in 2000. It should be enacted as part of the TANF reauthorization process. The Senate Committee bill moves substantially in that direction.
CONCLUSION

TANF reauthorization entails a lengthy and complex list of issues. It is important to remember that even in the short run there is a considerable list of other issues of federal policy relating to low-income people, to say nothing of continuing challenges at the state and local level. As advocates, we need to remember all of the issues that are not even on the table: the problems of worsening distribution of wealth and income, and issues of race and gender.

Nor is the challenge only about jobs and income. These are issues of power and powerlessness, and inclusion and exclusion. They go to the very heart of the way our society is structured.

So I would end as I began. We need a movement for social justice in this great country. We need to organize. There are two kinds of power: money power and people power. On the progressive side there is much less money power, so the main weapon has to be people power. And there is only one way to exercise people power, and that is to organize.

September 11th should teach us about the responsibility of America to help reduce poverty everywhere. But if we want to be a good citizen of the world, our responsibility begins at home.

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1 This article was adapted from remarks given at the Building Alliance to End Poverty Conference organized by Washington's Working Families Campaign: 2002.
2 The welfare system changed fundamentally in 1996 with passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). One of PRWORA's key provisions is Temporary Assistance for Needy Families (TANF), which replaced the entitlement system of the Aid to Families with Dependent Children (AFDC) with a block grant allocated to states that included time limits, work requirements and family caps. WELFARE REFORM: THE NEXT ACT xiv-xvi (Alan Weil & Kenneth Finegold, eds., 2002).
7 Id. at 34-37.
9 PHILLIPS, supra note 8, at page 34–37; see generally BERNSTEIN, supra note 6.
10 See BOUSHEY, supra note 5, at 11–13.
12 Id.
15 See generally BOUSHEY, supra note 5.
17 See BOUSHEY, supra note 5, at 44–50.
20 See BOUSHEY, supra note 5, at 5-11.
27 WELFARE REFORM: THE NEXT ACT, supra, note 2 at 68.

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32 Id.

33 Id.

34 Id.

35 I am writing the final version of this piece just three days after Senator Wellstone’s death. He and his wife, Sheila, were dear personal friends. I miss them and the nation misses them. We have suffered a devastating loss.


39 WELFARE REFORM: THE NEXT ACT, supra note 2, at xx.

40 See Fremstad, supra note 38, at 5.


42 See Fremstad, supra note 38, at 5.

43 See Fremstad, supra note 38, at 5.


52 Id. at 13.


54 See Fremstad, supra note 38, at 1.

55 Id. at 2.

56 Id.

57 Id. at 2-3


59 See Fremstad, supra note 38, at 3.

60 Id. at 6.


63 States Behaving Badly, supra note 43, at 8.

64 See Fremstad, supra note 38, at 6.


66 See Fremstad, supra note 38, at 6.


68 Id.

69 See Fremstad, supra note 38, at 4.

70 Id. at 7.

71 Id.


73 See Fremstad, supra note 38, at 7.