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## TANF Provisions in House Republicans' Debt-Ceiling-and-Cuts Bill Would Harm Families and Deepen Poverty Among Children

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The Temporary Assistance for Needy Families (TANF) provisions in House Republicans' debt-ceiling-and-cuts bill would likely result in devastating and far-reaching impacts on families' lives and exacerbate existing inequities and hardships experienced by people with low incomes. Under the bill, 540,000 work-eligible families (families subject to work requirements) with nearly 1 million children would be at risk of losing their cash benefits and being unable to afford basic necessities.<sup>1</sup> The bill doubles down on TANF's already expansive, rigid, and ineffective work requirements, severely limiting states' flexibility in how they provide assistance and employment services to low-income families with children. As a result, some states could decide to stop providing cash aid to families, while others could serve them in less effective ways.

These provisions almost certainly would *deepen poverty* among children. Faced with severely constrained flexibility, unworkable federal requirements, and the threat of fiscal penalties that ultimately could result in them losing up to one-fifth of their TANF funding, states are likely to further restrict access to TANF income assistance. Families receiving TANF typically have very low incomes — in 27 states, families applying for TANF must have incomes below 50 percent of the poverty line to qualify.<sup>2</sup> The benefits they receive are modest — just \$492 per month in the median state for a family of three — but are critical to keeping families afloat when they've fallen on hard times.<sup>3</sup> When families with very low incomes lose this modest but important income assistance, they will fall even further below the poverty line, and the likelihood that they experience serious hardships — homelessness, inability to afford basics like diapers, involvement in the child welfare

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<sup>1</sup> LaDonna Pavetti *et al.*, "TANF Provisions in McCarthy Bill Give States Incentives to Take Cash Benefits Away From Families With the Most Significant Needs," Center on Budget and Policy Priorities, April 26, 2023, <https://www.cbpp.org/research/income-security/tanf-provisions-in-mccarthy-bill-give-states-incentives-to-take-cash>.

<sup>2</sup> Urban Institute, "Welfare Rules Database," Table I.E.4, Maximum Income for Initial Eligibility for a Family of Three, July 2020, <https://wrd.urban.org/wrd/Query/query.cfm>.

<sup>3</sup> Gina Azito Thompson, Diana Azevedo-McCaffrey, and Da'Shon Carr, "Increases in TANF Cash Benefit Levels Are Critical to Help Families Meet Rising Costs," Center on Budget and Policy Priorities, February 3, 2023, <https://www.cbpp.org/research/income-security/increases-in-tanf-cash-benefit-levels-are-critical-to-help-families-meet-0>.

system, inability to leave an abusive relationship, and physical and mental health deterioration — will grow.

For most families, the loss of cash benefits would not be made up by increased earnings. Indeed, the bill's provisions could well mean that families face *more* barriers to finding and maintaining stable employment that can help them move out of poverty. Some states now use flexibilities in the law to tailor employment programs to meet the needs and circumstances of families in ways that are more effective than the rigid federal requirements. But such flexibilities would be sharply curtailed by the House Republican bill, making it likely that if states continued to provide assistance to families, they may be forced to engage in *less effective* employment-related services.

Sharply curtailing cash assistance overall and shifting to less effective employment programs would cause disproportionate harm on some groups, especially women of color and their children, who due to issues stemming from structural racism and sexism endure higher poverty rates and are likelier to need cash benefits to afford basic needs.

## Why TANF Matters to Children and Families

Providing cash to families has an immediate positive impact: it helps them pay their rent and utilities, put food on the table, and purchase other necessities. Providing cash to families reinforces their dignity by ensuring they can make decisions that best address their needs, and a growing body of evidence shows that providing cash assistance to families improves children's educational and health outcomes, setting them up for future academic and economic success.<sup>4</sup> Even relatively small amounts of income make a difference, research shows.

TANF cash assistance can help families meet their basic needs during times of crisis (for example, losing a job, fleeing domestic violence, or other destabilizing situations). And states can use the current flexibilities in their TANF programs to effectively connect parents to good jobs, child care, transportation assistance, and other supports, such as programs that support parents' educational and training goals.

Although not an exhaustive list, taking cash assistance away from families with very low incomes would deepen poverty and increase hardship in the following ways.

### Housing Instability and Homelessness

Research showing an association between cash assistance and declines in homelessness among families underscores the important role TANF can play in addressing family housing instability and homelessness.<sup>5</sup> Monthly cash benefits and housing supplements provide families financial resources

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<sup>4</sup> Greg Duncan and Katherine Magnuson, "The Long Reach of Childhood Poverty," Center on the Developing Child from Harvard University, December 2011, [https://inequality.stanford.edu/sites/default/files/media/media/pdf/pathways/winter\\_2011/PathwaysWinter11\\_Duncan.pdf](https://inequality.stanford.edu/sites/default/files/media/media/pdf/pathways/winter_2011/PathwaysWinter11_Duncan.pdf).

<sup>5</sup> Melissa Ford Shah *et al.*, "Predicting Homelessness among Low-Income Parents on TANF," prepared for the Vulnerable Families Partnership, August 2015, <https://www.dshs.wa.gov/sites/default/files/rda/reports/research-11-224.pdf>; Ali Zane, Cindy Reyes, and LaDonna Pavetti, "TANF Can Be a Critical Tool to Address Family Housing Instability and Homelessness," Center on Budget and Policy Priorities, July 19, 2022,

to afford housing and utilities, and short-term cash benefits can help them meet their immediate needs in times of crisis. In addition, TANF programs can promote housing stability by connecting families to rental assistance. Researchers found that a decline in the number of families receiving cash assistance was associated with an increase in children experiencing homelessness: for every 1,000 fewer families receiving TANF between 2001 and 2015, there was an increase of 149 additional children experiencing homelessness, even after controlling for trends in poverty and child population overall.<sup>6</sup>

### **Increased Family Involvement in Child Welfare**

A body of research from the Chapin Hall research institute at the University of Chicago finds that financial hardship increases the risk for child welfare involvement due to neglect and abuse, and when families are given income supports, like TANF cash benefits, child welfare involvement is reduced.<sup>7</sup> Although poverty is not supposed to be a cause of reporting child welfare cases, it can result in investigations and findings of neglect by child welfare agencies, potentially leading to a removal of a child from their home and placement in foster care.

The findings also show that policies that lessen TANF restrictions and promote access to TANF, such as decreasing sanctions for not meeting work requirements, help to reduce child welfare involvement. Restricting TANF's reach would take away assistance parents need to maintain their children's health and well-being and avoid devastating outcomes such as foster care placement and termination of parental rights.<sup>8</sup>

### **Higher Incidence of Domestic Violence and Diminished Financial Resources for Survivors**

Research suggests a two-way association between domestic violence and poverty.<sup>9</sup> While financial hardship and stress may increase the risk of domestic violence, violence can also lead to financial issues for survivors of domestic violence with long-term consequences for their health and economic stability.<sup>10</sup> Domestic violence can also cause survivors who were not previously low

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<https://www.cbpp.org/research/family-income-support/tanf-can-be-a-critical-tool-to-address-family-housing-instability>.

<sup>6</sup> H. Luke Shaefer *et al.*, "The Decline of Cash Assistance and the Well-Being of Poor Households with Children," *Social Forces*, Vol. 98, No. 3, March 19, 2019, <https://academic.oup.com/sf/article-abstract/98/3/1000/5393223>.

<sup>7</sup> Clare Anderson *et al.*, "Family and child well-being system: Economic and concrete supports as a core component," Chapin Hall at the University of Chicago, March 2023, <https://www.chapinhall.org/wp-content/uploads/Economic-Supports-deck.pdf>.

<sup>8</sup> Aditi Shrivastava and Urvi Patel, "Research Reinforces: Providing Cash to Families in Poverty Reduces Risk of Family Involvement in Child Welfare," May 1, 2023, Center on Budget and Policy Priorities, <https://www.cbpp.org/research/income-security/research-reinforces-providing-cash-to-families-in-poverty-reduces-risk-of>.

<sup>9</sup> Center on Budget and Policy Priorities, "TANF and Domestic Violence: Cash Assistance Matters to Survivors," <https://www.cbpp.org/research/family-income-support/tanf-and-domestic-violence-cash-assistance-matters-to-survivors>.

<sup>10</sup> Rebecca M. Loya, "Rape as an Economic Crime: The Impact of Sexual Violence on Survivors' Employment and Economic Well-Being," *Journal of Interpersonal Violence*, Vol. 30, No. 16, <https://journals.sagepub.com/doi/abs/10.1177/0886260514554291?journalCode=jiva>.

income to fall into poverty, based on research connecting domestic violence to an increased risk of unemployment and homelessness.<sup>11</sup> Access to TANF cash benefits can help survivors build the financial stability necessary to leave abusive relationships and rebuild their lives.<sup>12</sup>

Although families experiencing domestic violence are supposed to be granted exemptions from work requirements, data indicate that few families are granted waivers despite high incidences of domestic violence among TANF participants compared to the general population.<sup>13</sup> If states restrict access to cash assistance, many survivors are likely to lose the income assistance they need as well as help accessing the other services and supports they need to leave their abusive relationships and recover from the trauma of the abuse.

## Losing Cash Assistance Can Have Serious Health Impacts

When families don't have access to cash assistance to pay their rent and utilities, serious and costly mental and physical health outcomes can result. These negative outcomes extract a significant toll on children and their parents.

Children whose families face serious material hardships can experience toxic stress: chronic, high levels of stress that significantly impact their physical and mental health over time. Further, children who experience significant adversity are at increased risk of life-altering conditions such as heart disease and multiple types of cancer, as well as an increased risk of untimely death.<sup>14</sup> These issues are costly to address and pose significant long-term costs to the government. The long-term impacts are evident in the characteristics of families participating in TANF.

High levels of material hardship also increase stress in parents, which takes a toll on their own health as well.

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<sup>11</sup> Linda Olsen, Chiquita Rollins, and Kris Billhardt, "The Intersection of Domestic Violence and Homelessness," Washington State Coalition Against Domestic Violence and the Volunteers of American Home Free Program, June 2013, [https://nnedv.org/wp-content/uploads/2019/07/Library\\_TH\\_2018\\_Intersection\\_DV\\_Homelessness.pdf](https://nnedv.org/wp-content/uploads/2019/07/Library_TH_2018_Intersection_DV_Homelessness.pdf).

<sup>12</sup> Timothy Casey *et al.*, "Not Enough: What TANF Offers Family Violence Victims," Legal Momentum: The Women's Legal Defense and Education Fund and National Resource Center on Domestic Violence, March 2010, <https://www.legalmomentum.org/sites/default/files/reports/not-enough-what-tanf-offers.pdf#:~:text=Not%20Enough%3A%20What%20TANF%20Offers%20Family%20Violence%20Victims,to%20re%20group%2C%20get%20counseling%2C%20find%20employment%2C%20and%20housing>.

<sup>13</sup> Office of Family Assistance, U.S. Department of Health and Human Services, "State Work Participation Rates – Fiscal Year 2021," Table 9, Families with a Domestic Violence Exemption, <https://www.acf.hhs.gov/sites/default/files/documents/ofa/wpr2021table09.pdf>; Richard M. Tolman and Jody Raphael, "A Review of Research on Welfare and Domestic Violence," *Journal of Social Issues*, Vol. 56, No. 4, December 17, 2002, <https://spssi.onlinelibrary.wiley.com/doi/10.1111/0022-4537.00190>.

<sup>14</sup> Carrie Masten, Joan Lombardi, and Philip Fisher, "Helping Families Meet Basic Needs Enables Parents to Promote Children's Health Growth, Development," Center on Budget and Policy Priorities and RAPID-EC, October 28, 2021, [https://harvardcenter.wpenginpowered.com/wp-content/uploads/2020/10/2020\\_WP15\\_actionguide\\_FINAL.pdf](https://harvardcenter.wpenginpowered.com/wp-content/uploads/2020/10/2020_WP15_actionguide_FINAL.pdf).

TANF participants are already likelier to have experienced significant trauma that can impact health. Data show that TANF participants report having had more adverse childhood experiences — traumatic events such as violence in a household that occur during childhood — in comparison to the general population.<sup>15</sup>

When cash assistance is taken away from families, the likelihood and severity of material hardships can increase, as can these hardships' impact on the health of parents and children. Rather than putting children at risk by taking needed income support away, policymakers should be finding ways to make TANF cash assistance more accessible and effective.

## **More Diaper Need, Period Poverty, and Other Unmet Hygiene Needs**

TANF cash assistance can support families' budgets, helping them afford necessities like diapers, menstrual products, and other hygiene needs that promote health and well-being.<sup>16</sup> Cash assistance is an important resource to meet these needs in part because other public benefits such as the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), SNAP, and Medicaid do not cover menstrual products and coverage of diapers varies by state and circumstance, especially if they aren't deemed "medically necessary."<sup>17</sup>

While TANF benefits are low and often leave holes in a family's budget, they help with these kinds of expenses. Families that lose access to cash assistance will face even more challenges meeting these basic hygiene needs.

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<sup>15</sup> Mary Beth Vogel-Ferguson, "Family Employment Program (FEP) Redesign Study of Utah 2014: Final Report," Social Research Institute, College of Social Work, University of Utah, September 2015, <https://socialwork.utah.edu/research/reports/posts/family-employment-final-report-2014.pdf>; Centers for Disease Control and Prevention, "Adverse Childhood Experiences (ACES)," August 23, 2021, <https://www.cdc.gov/violenceprevention/aces/index.html>.

<sup>16</sup> Center on Budget and Policy Priorities, "End Diaper Need and Period Poverty: Families Need Cash Assistance to Meet Basic Needs," September 27, 2021, <https://www.cbpp.org/research/family-income-support/end-diaper-need-and-period-poverty-families-need-cash-assistance-to>; Joanne Samuel Goldblum, "America's Unspoken Hygiene Crisis," Century Foundation, July 16, 2021, <https://tcf.org/content/commentary/americas-unspeken-hygiene-crisis/?agreed=1>.

<sup>17</sup> Linda Carroll, "Even in the U.S., Poor Women Often Can't Afford Tampons, Pads," Reuters, January 10, 2019, <https://www.reuters.com/article/us-health-menstruation-usa/even-in-the-u-s-poor-women-often-cant-afford-tampons-pads-idUSKCN1P42TX>; Homecare Delivered, "Medicaid and Incontinence Supplies," <https://www.hcd.com/need-medical-supplies/medicaid-incontinence-supplies/>.