

**USING SIPP TO GAUGE THE BEHAVIOR OF WELFARE RECIPIENTS:
TANF REAUTHORIZATION 2010**

SEHSD Working Paper #2010-12

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For presentation at the 2010 Fall Research Conference of the Association of Public Policy
Analysis and Management, November 4-6, 2010, Boston, Massachusetts.

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Abstract

This paper examines the behaviors of welfare recipients as they pertain to meeting the fundamental goal of Welfare Reform – to provide financial assistance to needy families with children and end welfare dependence by promoting self-sufficiency – in the years leading up to the 2010 TANF reauthorization using data from the 2004 and 2008 Panels of the Survey of Income and Program Participation (SIPP). Moreover, this study is able to assess the impact of the recent economic recession on welfare utilization and behavior. Results from this paper show an increase in utilization of the TANF program for families with children, especially among married couple families between 2006 and 2009. There was no increase in employment or earnings among TANF recipients between 2006 and 2009; however, there were increases in the percentage of TANF adults looking for work and participating in training and education programs. There was little increase in the percentage of TANF families utilizing housing-related, food-related, health-related, and other assistance programs between 2006 and 2009, but there were gains for all families with children. Finally, results show that a primary reason for a reduction or cut in benefits was because income was too high.

USING SIPP TO GAUGE THE BEHAVIOR OF WELFARE RECIPIENTS: TANF REAUTHORIZATION 2010

Congress is set to reauthorize the TANF block grant late in 2010 following the worst economic recession in decades. Yet, the current TANF program, which emphasizes work over welfare, was put into place during a time of economic prosperity. This calls into question how welfare recipients fared during the economic downturn that began in December 2007. For example, did the poor economy cause more families to turn to welfare to help them get by? How did the poor economy affect the employment and earnings of TANF-recipient families? Also, did TANF-recipient families increasingly turn to additional sources of financial support?

This paper will offer a comprehensive look at the behaviors of welfare recipients as they pertain to meeting the fundamental goal of Welfare Reform – to provide financial assistance to needy families with children and end welfare dependence by promoting self-sufficiency – in the years leading up to the 2010 TANF reauthorization using data from the underutilized Welfare Reform topical modules coupled with data from the core questionnaires of the 2004 and 2008 Panels of the Survey of Income and Program Participation (SIPP).

BACKGROUND

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was signed into law in 1996 and fully implemented in 1997. PRWORA, which replaced Aid to Families with Dependent Children (AFDC), dramatically altered the welfare program in this country in several important ways. First, it ended the entitlement status of welfare. Low income levels would no longer guarantee access to welfare benefits. Second, it made benefits time-limited. In most cases, there is now a 60-month limit on the receipt of benefits. Third, it imposed strong work-related requirements. Adult recipients must now engage in work-related activities to maintain their welfare eligibility.¹ Finally, states now receive a grant of fixed size to fund their welfare programs, and it tied federal funding levels to states' success in moving welfare recipients to work. This dramatic overhaul of the welfare system, which occurred during a time of economic prosperity, was followed by unprecedented caseload declines and increased work participation among TANF recipients.²

¹ Examples of work-related activities include unsubsidized or subsidized employment, work experience, on-the-job training, job search, community service, and education directly related to employment.

² See U.S. Department of Health and Human Service. 2009. *Temporary Assistance for Needy Families Program (TANF), Eighth Annual Report to Congress*. Washington, DC.

Yet, the rate of caseload decline slowed and work participation rates among TANF recipients fell post-2000.³ Nonetheless, after a series of extensions, Congress reauthorized the TANF program in February 2006 with the passage of the Deficit Reduction Act of 2005 (DRA). This legislation placed increased pressure on states to move welfare recipients to work. First, it extended the TANF block grant through 2010 with fixed funding levels, so that an increase in recipients would not translate into increased funding.

Second, the DRA made dramatic changes to work requirements. Under the 1996 law, states were required to have a certain percentage of families engaged in work activities (as defined by federal rules) or face financial penalties. For each one percentage point decline in the state's caseload since 1995, states were granted a one percentage point credit toward their work participation requirement.⁴ However, TANF Reauthorization altered the caseload reduction credit by basing adjustments to the work participation requirements on caseload declines since 2005. Accordingly, most states would be required to have a higher proportion of recipient families engaged in the labor market because of slowed caseload declines since 2005. Furthermore, recipients being funded by separate state programs must be included in the calculation of the state's work participation rate, making it more difficult for states to meet their work rates.⁵

Taken together, PRWORA and DRA are expected to increase work participation among recipients and reduce caseloads. However, achieving these goals may be difficult during a recession. This paper examines the circumstances of welfare-recipient families in 2006 (pre-recession) and 2009 (recession) to see what, if any, impact the recession had on TANF participation and the behavior of TANF recipients. The following primary research questions are addressed:

1. Was there an increase in TANF participation between 2006 and 2009?
2. Were trends in income, employment, and school/training enrollment for TANF recipients between 2006 and 2009 similar to those for all families and female-headed families?

³ See Acs, Gregory and Pamela Loprest. 2007. *TANF Caseload Composition and Leavers Synthesis Report*. The Urban Institute: Washington, DC. Also, see The Urban Institute. 2006. *A Decade of Welfare Reform: Facts and Figures*. Assessing the New Federalism, Washington, DC.

⁴ For example, in 2002, the work participation rate standard before the application of the caseload reduction credit was 50 percent for all families and 90 percent for two-parent families. This means that if a state saw no declines to its caseload, it would have to have 50 percent of all families and 90 percent of two-parent families participating in work activities. Yet, the adjusted standard for all families across the 50 states and the District of Columbia averaged just 6.2 percent because of caseload declines in every state. For more information see Zedlewski, Sheila. 2002. *40 Hour Work Rule: Implications for Families and Children*. The Urban Institute: Washington, DC. Also, see <http://www.acf.hhs.gov/programs/ofa/particip/2002/table01a.htm>.

⁵ According to the TANF maintenance of effort (MOE) requirement, states must spend at least a specified amount of state funds for benefits and services for needy families. Under prior law, families that received assistance in programs funded by MOE funds but not TANF funds were excluded from the work participation rate.

3. Was there an increase in the utilization of non-TANF assistance programs between 2006 and 2009?
4. What were the primary reasons for facing a reduction or cut in TANF benefits in 2006 and 2009?

DATA

Using data from the 2004 and 2008 Panels of the Survey of Income and Program Participation (SIPP) – a household survey representative of the civilian noninstitutionalized population living in the United States⁶ – this paper offers a comprehensive look at the TANF-recipient population in the years leading up to the 2010 TANF reauthorization. The data used in this paper were collected during Wave 6 (October 2005 – January 2006), Wave 7 (February – May 2006), and Wave 8 (June – September 2006) of the 2004 SIPP Panel and Wave 1 (September – December 2008), Wave 2 (January – April 2009), and Wave 3 (May – August 2009) of the 2008 SIPP Panel.⁷

Along with the detailed information on respondents' demographic (e.g., sex, race, ethnicity, age, and educational attainment), work (e.g., employment status, income, and disability status), and family (e.g., marital status) characteristics, SIPP core questionnaires also collect data on respondents' participation in government transfer programs in its core questionnaire. Data from the Welfare Reform topical module are also utilized and provide detailed information about welfare-related behavior among respondents interviewed. The Welfare Reform topical modules were administered in Wave 8 of the 2004 SIPP panel and Wave 3 in the 2008 SIPP panel.

The sample used for this analysis is all families with children under age 18 – hereafter referred to as families. Families are considered TANF recipients if any person in the family received TANF in the past 12 months at the time of interview in Wave 8 of the 2004 SIPP panel and Wave 3 in the 2008 SIPP panel. For 2004 SIPP respondents, this encompasses June 2005 through May 2006, and for 2008 SIPP respondents, this encompasses May 2008 through April 2009. While

⁶ SIPP is the longitudinal survey that follows the same individuals over time. The 2004 SIPP panel followed the same individuals over a period of 48 months from October 2003 to December 2007, and the 2008 SIPP panel is scheduled to follow the same individuals over a period of 52 months from May 2008 to December 2012. The survey is conducted in waves of 4 months' duration, with one-fourth of sample members interviewed in each month of a wave. Sample members are asked about activities during the 4 months prior to the interview, which is known as the "reference period." Individuals can leave and enter the survey over time. For more details on the interview procedures, interview waves, and rotation groups, see the *SIPP User's Guide* at www.sipp.census.gov/sipp/usrguide/sipp2004.pdf.

⁷ These dates correspond to the months when the interviews took place for each wave. The "reference period" is the 4 months prior to the interview.

the tables are labeled as “2006” and “2009,” these headings do not correspond to calendar years; rather, it is the year in which the Welfare Reform topical module data was collected and correspond to the 12 months preceding the interview.

The sample is weighted to produce national and state-level estimates.⁸ The estimates in this report are based on responses from a sample of the population and may differ from the actual values because of sampling variability or other factors. As a result, apparent differences between the estimates for two or more groups may not be statistically significant. All comparative statements have undergone statistical testing and are significant at the 90-percent confidence level unless otherwise noted. Standard errors are adjusted to account for SIPP’s complex sampling design.

RESULTS

TANF receipt

Table 1 shows the number and percentage of families that received any TANF benefits in the past 12 months. In 2009, 4.3 percent of all families had received TANF in the past 12 months, an increase of over 20 percent from the 2006 estimate of 3.5 percent. This corresponds to 1.3 million TANF-recipient families in 2006 and 1.6 million in 2009. Families headed by a husband and wife saw the greatest increases in TANF participation between 2006 and 2009, although the percentage of recipient families remains very low. Whereas 1.0 percent of such families had received TANF in the past 12 months in 2006, 1.5 percent did so in 2009 – an increase of 50 percent. The number of married couple families receiving TANF increased from 271,000 in 2006 to 374,000 in 2009. Male-headed families, female-headed families, and poor families were significantly more likely than families headed by a husband and wife to have received TANF in the past 12 months, but there was no significant change in their TANF participation rates between 2006 and 2009. In 2009, 3.6 percent of male-headed families, 12.1 percent of female-headed families, and 17.2 percent of poor families had received TANF in the past 12 months. However, the number of poor families that received TANF in the past 12 months increased from 0.9 million in 2006 to 1.1 million in 2009.

[Table 1 about here]

⁸ See “Using Sampling Weights on SIPP Files” in *SIPP Users’ Guide: 2004*, 8-1.

Demographic characteristics

Selected characteristics of family heads are shown in Table 2. Families that receive TANF are headed by adults who are younger, less likely to be white, and more likely to be black and Hispanic compared to female-headed families and all families with children. Furthermore, this group is slightly more likely to be foreign-born noncitizens compared to other families. Compared to all families, those that receive TANF are much more likely to be headed by an unmarried woman and less likely to be headed by a married couple. TANF-recipient families tend to have more children when compared to all families and female-headed families, and the heads of these families have lower educational attainment levels compared to those of female-headed families and all families. Finally, about 60 percent of TANF families receive benefits for the entire family, while about 40 percent are child-only cases.

[Table 2 about here]

Between 2006 and 2009, Table 2 shows few changes to the TANF population. Compared to 2006, the heads of TANF families in 2009 were less likely to be non-Hispanic white and more likely to be Hispanic. There was a similar increase in the Hispanic category for female-headed families. There was also a slight decrease in the percent of TANF-recipient family heads that had a high school degree, similar to trends for all families and female-headed families.

Sources of income

Table 3 shows various income levels for all families, female-headed families, and TANF families. The income levels (TANF, earnings, and total) reflect the average monthly family income level over the past 12 months. All dollar amounts are inflation adjusted to 2009 dollars.⁹ The income-to-poverty ratio is a measure of total family income over the poverty threshold (adjusted for family size) averaged across the past 12 months.¹⁰ Values greater than 1.0 indicate that, on average, family income exceeded the poverty threshold, while values less than 1.0 indicate that, on average, the family lived in poverty.

[Table 3 about here]

For all families and female-headed families with children, median real earnings decreased between 2006 and 2009. Median monthly earnings income fell 8 percent for all families – from

⁹ Derived from the average CPI-U, adjustment factors of 1.0985, 1.0642, and 0.9964 were applied to data collected in 2005, 2006, and 2008, respectively, to obtain real earnings in 2009 dollars.

¹⁰ For details of poverty definition and thresholds, visit U.S. Census Website at www.census.gov/hhes/poverty/threshld.html.

\$4,451 in 2006 to \$4,115 in 2009 – and 11 percent for female-headed families – from \$1,656 in 2006 to \$1,469 in 2009. Median monthly earnings for TANF families was \$390 in 2009, not statistically different from the 2006 estimate. For all families, total family income fell from \$4,735 in 2006 to \$4,443 in 2009. Total family income was much lower for female-headed families and TANF families. In 2009, the median monthly total income amount was \$1,943 for female-headed families and \$1,105 for TANF families, which were not statistically different from the 2006 estimates.

There were modest declines in the income-to-poverty ratios for all families and female-headed families between 2006 and 2009. In 2006, the median income-to-poverty ratio for all families was 2.7 and declined to 2.6 in 2009. Similarly, the median income-to-poverty ratio for female-headed families fell from 1.4 in 2006 to 1.3 in 2009. There was no change in the median income-to-poverty ratio for TANF families between 2006 and 2009, but their value was considerably lower than that for the other family types. The ratio of 0.7 for TANF families indicates that income levels were 70 percent of the poverty threshold.

Among families that received TANF in 2006 and 2009, there was no significant decrease in the amount of the TANF benefit. In 2009, one-half of recipient families received more than \$188 and one-half received less than this amount.

Employment characteristics

The employment characteristics of families are presented in Table 4. If the head of the family or their spouse (if applicable) was employed at any time in the past 12 months, the family is considered employed. Between 2006 and 2009, employment levels decreased for all families (95.2 percent to 94.1 percent, respectively) and for female-headed families (83.8 percent to 81.8 percent, respectively), while the rate for TANF-recipient families remained statistically unchanged. In both years, female-headed families had significantly lower employment levels when compared to all families, and TANF families had significantly lower employment levels when compared to all families and female-headed families. In 2009, only about two-thirds of TANF families (64.5 percent) had someone in the labor force in the past 12 months.

Table 4 also shows whether the head of the family or their spouse (if applicable) self-reported having a work-limiting disability anytime in the past 12 months. About 14 percent of all families in 2009 reported that the family head or his/her spouse had a work-limiting disability in the past 12 months, and about 16 percent of female-headed families did so. In contrast, over twice as many TANF families (34.8 percent) reported in 2009 that the family head or their spouse (if applicable) had a work-limiting disability in the past 12 months.

[Table 4 about here]

The percentage of families in which the family head or their spouse (if applicable) looked for a job in the past 12 months increased for all family types between 2006 and 2009, as Table 4 shows. Whereas 13.1 percent of all families and 20.1 percent of female-headed families looked for a job in 2006, 20.7 percent and 23.5 percent, respectively, did so in 2009. In 2009, almost one-half TANF families (46.3 percent) reported that the family head or their spouse (if applicable) had looked for a job in the past months – up from 36.9 percent in 2006. Finally, Table 4 shows the percentage of families in which the family head or their spouse (if applicable) were not employed, disabled, or looking for work in the past 12 months. In 2009, a mere 1.7 percent of all families fit into this category. In contrast, 5.9 percent of female-headed families and 9.2 percent of TANF families fell into this category in 2009.

Education and training

Table 5 shows whether the head of the family or his/her spouse (if applicable) participated in various types of training and education programs in the past 12 months. Programs to help find work include those that teach skills such as resume writing, job interviewing, self-esteem building, or how to dress for work. They might also include participation in a job search program or job club, use of a job resource center, access to job listings, and referrals to jobs. Participation in programs to help find work more than doubled for all family types. In 2009, 3.9 percent of all families and 7.2 percent of female-headed families had at least one adult attend a program to help find work in the past 12 months, up from 1.4 percent and 3.4 percent, respectively, in 2006. TANF families were the most likely to be engaged in programs to help find work. Their participation rate increased from 11.9 percent in 2006 to 23.7 percent in 2009.

Job skills and work experience programs provide assistance with computer training, clerical skills, machinery training, and other job specific training, in addition to work experience programs such as community service jobs. Participation in these types of programs increased for all family types. For all families, participation in job skills and work experience programs increased from 1.4 percent in 2006 to 2.6 percent in 2009, while the rates for female-headed families increased from 3.4 percent to 5.6 percent, respectively. TANF families were the most likely to participate in job skills and work experience programs, with 13.2 percent of TANF families attending in 2006 and 18.1 percent attending in 2009.

[Table 5 about here]

Educational programs assist participants with basic reading and literacy skills, GED attainment, college degree or certificate attainment, and English as a second language. The rate of

participation in educational programs increased for all families from 1.8 percent in 2006 to 2.6 percent in 2009. There was no significant increase in participation in educational programs for female-headed and TANF families. In 2009, 4.1 percent of female-headed families and 11.9 percent of TANF families included an adult that had attended educational programs in the past 12 months.

Participation in any type of education or training program increased for all family types between 2006 and 2009. Among all families, 6.5 percent attended any type of education or training program in the past 12 months – up from 3.5 percent in 2006. Participation increased for female-headed families, with 7.3 percent attending an education or training program in the past 12 months in 2006 and 11.6 percent doing so in 2009. TANF families were the most likely to have had an adult attend education or training programs. About one-third of TANF families in 2009 (33.1 percent) included an adult who had attended an education or training program in the past 12 months – up from 22.5 percent in 2006.

Housing-related assistance programs

Table 6 shows the percentage of families that participated in several types of housing-related programs in the past 12 months. Public housing provides low-cost housing to low-income families, the elderly, and persons with disabilities. This type of housing is owned by a local housing agency or other public agency. In 2009, 5.1 percent of all families lived in public housing, compared to 16.2 percent of female-headed families. In contrast, 30.9 percent of TANF families lived in public housing in 2009.

Section 8 provides vouchers to low-income families, the elderly, and persons with disabilities that enable them to choose any housing that meets the requirements of the program and is not limited to units located in public housing projects. Fewer families lived in Section 8 housing compared to public housing. In 2009, 2.7 percent of all families and 8.5 percent of female-headed families lived in Section 8 housing. TANF families were almost 7 times more likely than all families and 2 times more likely than female-headed families to live in Section 8 housing (18.8 percent in 2009).

[Table 6 about here]

Receipt of energy assistance from the Federal, State, or Local government in the past 12 months increased for all family types between 2006 and 2009, as Table 6 shows. In 2009, 6.9 percent of all families had received energy assistance in the past 12 months, an increase of 43 percent from the 2006 estimate of 4.6 percent. Among female-headed families, participation in energy assistance programs increased from 13.4 percent in 2006 to 16.8 percent in 2009. Finally, 31.4

percent of TANF families had received energy assistance in the past 12 months in 2006, while 39.2 did so in 2009.

In 2009, nearly two-thirds of TANF-recipient families had received some type of housing-related assistance in the past 12 months. In contrast, less than one-third of female-headed families and just over one-tenth of all families received any type of housing-related assistance in the past 12 months.

Food-related assistance programs

Table 7 shows the percentage of families that participated in several types of food-related programs in the past 12 months. Food Stamps, which was renamed Supplemental Nutrition Assistance Program (SNAP) in 2008, provides low-income households with electronic benefits they can use like cash to purchase food at a grocery store. Between 2006 and 2009, the percentage of all families that received Food Stamps in the past 12 months increased from 14.7 percent to 18.8 percent. Female-headed families also saw increases in their Food Stamps participation rate. In 2009, 44.0 percent of female-headed families had received Food Stamps in the past 12 months, up from 39.3 percent in 2006. The vast majority of TANF families received Food Stamps in the past 12 months in 2006 (90.2 percent) and 2009 (92.6 percent), although these estimates were not significantly different.

The school lunch and breakfast programs provide low-cost or free lunches and breakfasts to children from low-income families each school day. There were slight increases in the percentage of all families that participated in the school lunch and breakfast programs between 2006 and 2009. In 2009, 34.4 percent of all families had participated in the school lunch program and 25.3 percent had participated in the school breakfast program in the past 12 months, up from 31.7 percent and 21.7 percent, respectively, in 2006. Participation in these programs was significantly higher among female-headed families. Over one-half of the school-age children living in female-headed families received free or reduced-price lunches in the past 12 months (56.5 percent in 2009), while slightly fewer received free or reduced-price breakfasts in the past 12 months (44.6 percent in 2009). Finally, TANF families were the most likely to participate in the school lunch and breakfast programs, although there was no significant change in their participation rates between 2006 and 2009. About three-quarters of TANF families participated in the school lunch program (78.0 percent in 2006 and 72.7 percent in 2009), and about two-thirds participated in the school breakfast program (64.3 percent in 2009).

[Table 7 about here]

Women, Infants, and Children (WIC) provides supplemental foods, health care referrals, and nutrition education to low-income pregnant women and to infants and children up to age 5. There were no significant changes in the WIC participation rate for all families, female-headed families, or TANF families between 2006 and 2009. In 2009, 13.6 percent of all families and 22.1 percent of female-headed families had received WIC in the past 12 months. In contrast, almost one-half of TANF families (46.3 percent) had received WIC in the past 12 months.

Other types of food assistance include the receipt of money, vouchers, or certificates to buy groceries or food, bags of groceries or packaged food, and meals from a shelter, soup kitchen, Meals-on-Wheels, or other charity. Among all family types, there was a significant increase in the percentage of families that received any other type of food assistance in the past 12 months between 2006 and 2009. In 2009, 3.5 percent of all families and 6.2 percent of female-headed families had received some other type of food assistance in the past 12 months – up from 1.6 percent and 3.6 percent, respectively, in 2006. TANF families were 5 times more likely than all families and almost 3 times more likely than female-headed families to receive other food assistance in 2009 (18.2 percent) – up from 10.9 percent in 2006.

Nearly all TANF-recipient families receive some type of food-related assistance. As Table 7 shows, in 2009, 98.4 percent of TANF families received this type of assistance. A majority of female-headed families also receive food-related assistance, with 70.4 receiving this type of assistance in 2009. Moreover, in 2009, 42.9 percent of all families in 2009 received some type of food assistance in the past 12 months.

Health-related assistance programs

Table 8 shows the percentage of families that participated in several health-related programs in the past 12 months. Supplemental Security Income (SSI) is designed to help aged, blind, and disabled people who have little or no income, and provides cash to meet basic needs for food, clothing, and shelter. In 2009, 4.6 percent of all families with children received SSI benefits in the past 12 months, up from 3.9 percent in 2006. The rates for female-headed families and TANF families did not change between 2006 and 2009. In 2009, 9.6 percent of female-headed families had received SSI benefits in the past 12 months, compared to 20.4 percent of TANF families.

Medicaid provides health care coverage to eligible, low-income individuals and families.¹¹ In 2009, more than one-third of all families (38.9 percent) received Medicaid coverage for at least

¹¹ This program is different from Medicare, which provides health insurance coverage to people age 65 and older, under age 65 with certain disabilities and people of any age with End-Stage Renal Disease.

one family member in the past 12 months. About two-thirds of female-headed families had done so (66.8 percent) – up from 62.7 percent in 2006. Nearly all TANF-recipient families (98.0 percent in 2009) received Medicaid coverage for at least one family member in the past 12 months.

[Table 8 about here]

SIPP also asks about privately owned health insurance coverage. In 2009, 80.0 percent of all families had at least one family member covered by privately owned health insurance in the past 12 months, down from 83.3 percent in 2006. Female-headed families were less likely to be covered by privately owned health insurance, with 62.3 percent in 2009 – down from 65.6 percent in 2006. TANF families were the least likely to have had someone covered under privately owned health insurance in the past 12 months. In 2009, 30.8 percent had this type of coverage – a 21 percent decline from the 2006 estimate of 38.9 percent.

Despite the declines in the percentage of all families and female-headed families covered by privately owned health insurance between 2006 and 2009, the percentage of families with at least one family member covered by either Medicaid or privately owned health insurance increased during this time. Table 9 shows that in 2009, 97.5 percent of all families and 98.0 percent of female-headed families had at least one person covered by Medicaid or privately owned health insurance in the past 12 months, compared to 97.0 percent and 96.4 percent, respectively, in 2006. TANF families were more likely than all families and female-headed families to have had at least one person covered by Medicaid or privately owned health insurance in the past 12 months in both 2006 and 2009, due in large part to widespread utilization of Medicaid.

Other programs

Table 9 shows the percentage of families that participated in several other assistance programs in the past 12 months. All family types were less likely to have received child support payments in the past 12 months in 2009 than in 2006. Among all families, 16 percent had received child support in the past 12 months in 2009 – down from 17.8 percent in 2006. In 2006, 52.3 percent of female-headed families received child support, while 44.8 percent did so in 2009. The percentage of TANF families that received child support declined 31 percent between 2006 and 2009, from 26.8 percent to 18.6 percent.

Many low-income families are eligible to receive child care assistance that allows parents to go to work, school, or training. The percentage of all families that received child care assistance in the past 12 months decreased almost 20 percent, from 4.2 percent in 2006 to 3.4 percent in 2009. Female-headed families also saw declines in their receipt of child care assistance, from 13.3

percent in 2006 to 11.4 percent in 2009. There was no significant change during this time for TANF families. However, this group is much more likely than the others to receive these services – about 20 percent of TANF families received child care assistance in the past 12 months in 2006 and 2009.

[Table 9 about here]

Transportation assistance is provided to low-income adults to help them get to work, school, training, or doctor's appointments. This assistance may come in the form of gas vouchers, bus passes, or car repairs. Receipt of transportation assistance in the past 12 months increased for all families, female-headed families, and TANF families. The percentage of all families that received this type of assistance increased 82 percent between 2006 and 2009, from 1.1 percent to 2.0 percent. In 2009, 5.2 percent of female-headed families received transportation assistance in the past 12 months, up from 3.3 percent in 2006. The percentage of TANF families that had received transportation assistance in the past 12 months nearly doubled between 2006 and 2009 – increasing from 13.9 percent to 25.1 percent.

Low-income families may receive clothing assistance in the form of clothes or money or vouchers to purchase clothes. Between 2006 and 2009, the percentage of all families that received this type of assistance increased from 0.7 percent to 1.2 percent, respectively. There was no significant change for female-headed families or TANF families, though their rates exceed that of all families. In 2009, 2.8 percent of female-headed families and 9.5 percent of TANF families received some type of clothing assistance in the past 12 months.

Short-term cash assistance may be provided to low-income families to help keep them off of welfare or for emergencies. Among all families, very few had received this type of assistance in the past 12 months; however, the rate did increase from 0.1 percent in 2006 to 0.2 percent in 2009. Female-headed families also rarely utilize short-term cash assistance – with 0.4 percent doing so in 2009. The rate for TANF families is slightly higher but is also quite low. In 2009, 2.7 percent of TANF families had received short-term cash assistance in the past 12 months.

Welfare reform topical module data

The following results were obtained using data from the Welfare Reform topical modules in SIPP. These data were only collected during Wave 8 of the 2004 SIPP panel and Wave 3 of the 2008 SIPP panel. Table 10 shows the percentage of TANF-recipient families that reported engaging in certain activities because the welfare or social office required it to receive public assistance. In 2009, 6.6 percent of families were required to work in exchange for benefits, 56.3 percent were required to report income, address, or family changes, 4.7 percent were required to

establish the paternity of a child, and 3.9 percent were required to had undergo drug testing. There were no significant changes between 2006 and 2009.

[Table 10 about here]

There are a variety of reasons why a family's benefit amount can be reduced. Table 11 shows that in 2009, 15 percent of TANF-recipient families reported a reduction in their benefit amount. About one-third of families that reported a reduction in their benefit amount in 2009 said that this occurred because their income was too high. About 6 percent reported the reduction was implemented because of failure to comply with work requirements, and about 8 percent said the reduction was the result of exceeding time limits.

[Table 11 about here]

The SIPP welfare reform topical module questionnaire also asks previous welfare recipients why they no longer receive benefits. Looking at families that have received welfare since 1997 – when welfare reform was fully implemented – Table 12 shows the reasons for no longer receiving welfare benefits. In 2009, 38.2 percent of these families no longer received benefits because their income is too high, 17.4 percent of former welfare-recipient families report no longer needed benefits, and 11.7 percent reported a loss of benefits because they had exceeded time limits.

[Table 12 about here]

CONCLUSION

Between 2006 and 2009, TANF participation increased for families with children, confirming recent findings that many states have experienced caseload increases since the start of the current economic crisis.¹² While TANF participation is low among married-couple families, this group saw the largest increase between 2006 and 2009. Families headed by an unmarried man or an unmarried women saw no significant change in TANF participation during this time. This increase in caseloads is worrisome to states. Yet, the TANF provisions in the American Recovery and Reinvestment Act of 2009 (ARRA), which created a new and temporary TANF Emergency Fund, provided states with additional funding in FY 2009 and 2010 for increased expenditures in basic assistance. While the block grant provided by PRWORA and DRA is not

¹² See Zedlewski, Sheila, Mary Murphy, and Alexandra Stanczyk. 2010. *What Do TANF Administrators Think Are the Important Issues?*. The Urban Institute: Washington, DC. Also, see Irving, Shelley K. 2010. *Public Assistance Receipt in the Past 12 Months for Households: 2008 and 2009*. U.S. Census Bureau: Washington, DC.

adjusted for increased need, the TANF Emergency Fund will finance 80 percent of the increased basic assistance costs that states encounter.

Aside from covering basic assistance costs, TANF emergency funds can be used for a variety of purposes. Many states are using these monies to expand or start a subsidized employment program. The reimbursable costs include wage subsidies, as well as workplace benefit costs, supervision and training, and administrative costs. Although this paper does not attempt to explain why change occurred between 2006 and 2009, results from this study show that American families with children were less likely to be employed and had lower earnings in 2009 compared to 2006; yet, there was no significant change in these measures for TANF families during this time.

TANF emergency funds can also be used for clothing assistance, energy assistance, transportation assistance, food assistance, and short-term cash assistance. This study confirms that TANF families rely on multiple sources of support – including public housing, energy assistance, Food Stamps, free/reduced-price school lunches, Medicaid, and transportation assistance. However, it should be noted that the level of utilization of these programs is nontrivial for families outside of the TANF safety net and increased for many programs between 2006 and 2009.

On a whole, American families were earning less money and more likely to be out of work in 2009 than they were in 2006. However, parents are increasingly looking for work and many are attending education and training programs, with the hope of finding employment. In the meantime, assistance programs are helping a growing number of families get by until the economy recovers.

Finally, on a more positive note, results from this study show that families no longer receiving TANF, or have had their benefit amount cut, say this happened because their income was too high to qualify for benefits. It does not appear that time limits and sanctions are a major factor in explaining the loss or reduction of TANF benefits.