

THE REAUTHORIZATION OF THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM

Over the last 15 years, our knowledge about early development of the brain has grown exponentially. Scientific discoveries show that a child's first experiences and relationships are significant, that development is cumulative, and that environmental factors can actually alter the developing brain's architecture—with lifelong implications. We have learned from research that warm, responsive, and supportive relationships can buffer a child against adverse experiences such as persistent poverty, stress, poor health, malnutrition, family and community violence, and substance use and abuse. These discoveries can and do have a profound effect on the way federal and state policymakers are addressing the needs of families with young children in their states and communities. Now, as Congress considers reauthorization of the Temporary Assistance for Needy Families (TANF) program, our knowledge about early childhood and brain development can chart a new course for young children and their families who are in poverty.

Programs and policies targeted to families in poverty have the potential to not only raise families out of poverty but also effect lasting change on the developmental trajectory of a young child. With TANF scheduled to be reauthorized this year, we have the opportunity to refocus the lens through which we view policies and improvements in the program and place greater emphasis on healthy development and better, longer lasting outcomes for both parents *and* children. Policymakers should continue to take note that recent revelations of scientific and economic research point to one conclusion: investments in early childhood are the best interventions for reducing poverty. This new evidence supports a two-pronged approach to breaking the cycle of intergenerational poverty: fostering healthy child development while ensuring that parents have access to stable and skilled employment and training opportunities.

What is TANF?

When Congress passed welfare reform legislation in 1996 (the Personal Responsibility and Work Opportunity Reconciliation Act, Public Law 104-193), Temporary Assistance to Needy Families (TANF) replaced existing welfare programs, then known as Aid to Families with Dependent Children, the Job Opportunities and Basic Skills Training program, and the Emergency Assistance program. The law ended federal entitlement to assistance and instead created TANF as a \$16.5 billion block grant to states. In fiscal year 2006, combined federal and state expenditures for TANF totaled \$25.6 billion. States can use these expenditures to do the following:

- Provide direct cash assistance, the largest category of TANF spending at 35% or \$10.5 billion a year in fiscal year 2006.¹
- Provide child care either directly or through transfers to the Child Care and



Development Fund (CCDF). TANF and Maintenance of Effort expenditures totaled \$3.5 billion, and transfers to CCDF totaled \$1.9 billion in fiscal year 2006.²

- Support various child welfare programs through the Social Services Block Grant, which accounted for 20% of all federal child welfare funding in fiscal year 2006.³



Policy Recommendations

1. **Adjust TANF funding at the federal and state levels to reflect inflation and meet the needs of today's families.**

Current TANF cash benefits are negligible because of inflation, low contributions by states,⁴ and low income eligibility thresholds⁵—making it very difficult to lift recipients out of poverty.⁶ The levels for TANF block grants and state Maintenance of Effort were set in 1996. As a result, the values of the federal block grant and state expenditures have decreased by 27% and 45% respectively.⁷ Cash benefits vary widely by state and are inadequate in every state. In July 2006, the TANF benefit for a family of three was less than half the federal poverty level in all but three states, and the combined TANF and food stamp benefit was less than 69% of the federal poverty level in every state.⁸

2. **Require states to exempt single parents caring for a child under the age of 1 from TANF work requirements and time limits, and provide states with incentives to promote better parenting skills and workforce preparation.**

In 2006, two-thirds of TANF families with adult recipients had children under the age of 6, and almost one in five had a child under the age of 1.⁹ Infants and toddlers, particularly those at risk, need dedicated time with their parents to form the critical relationships that are the foundation for healthy social, emotional, and cognitive development. Excessive mandatory work requirements for low-income parents who receive TANF benefits make dedicated time with their very young children virtually impossible. Under current law, states have the option to exempt single parents caring for a child under the age of 1 from these work requirements. However, only half of states choose to do so. Given what we know about the importance of the early years, Congress should *require* all states to exempt single parents caring for a child under the age of 1. This would give a parent the option of staying home to spend more time with his or her child, working full- or part-time depending on the needs of the baby, or participating in intervention programs that target both child and family. States should also be allowed to receive full or partial credit in meeting their work participation rates for parents of infants enrolled in research-based parenting classes, life skills management classes, or other early interventions designed for parent and baby and offered as supports for TANF parents during this first year. This provision should also apply to guardians, kinship care providers, and caregivers of children in the child welfare system, as well as child-only cases where the adult caregiver is work eligible.

FAST FACTS

- **44%** of children under the age of 3 in the U.S. live in low-income families, and **22%** of all infants and toddlers live in poverty.¹⁰

- Between 2000 and 2008, the number of infants and toddlers living in low-income families increased from 4.9 million to **5.6 million**.¹¹

- **Two-thirds** of TANF families with adult recipients have a child younger than age 6, and more than **one-third** have a child under the age of 2.¹²

- **45%** of TANF cases—about **873,000** families—in fiscal year 2006 were child-only cases,¹³ meaning that the child was the only person in the household receiving TANF benefits. Almost 40% of these cases included a child under age 6, and **14%** included a child under the age of 2.¹⁴



3. Increase access to high-quality early care and learning experiences for at-risk children in TANF and other low-income families. Although significant amounts of federal TANF funds are used for child care, these funds are not adequate to obtain, and indeed are rarely focused on providing, the types of comprehensive, high-quality early care and learning experiences that can help improve long-term developmental outcomes for at-risk children. In FY 2008, \$1.7 billion in federal TANF funds were spent directly on child care for TANF families and \$1.6 billion was transferred to CCDBG to support child care for low-income working families.¹⁵ However, pursuing the dual goals of parental employment and of ensuring the healthy development of infants and toddlers in TANF and other very low-income families requires an increased investment in high-quality early care and learning programs and an explicit focus on connecting children and families with the right services. Reliable, high-quality child care not only enables parents to join the workforce secure in the knowledge that their child is safe from harm, it also ensures that the child is growing and learning in a nurturing, developmentally appropriate setting. States should be encouraged to invest in and promote access for at-risk infants and toddlers to model programs that provide high-quality, comprehensive services to families, such as Early Head Start or center or home-based child care providers operating at the highest levels of a state's rating system. Increased funding could also support wraparound care, which extends the duration of care to match a working family's needs. States should be granted additional flexibility to blend funding for subsidized child care, pre-kindergarten, Head Start, and Early Head Start to provide the needed duration of high-quality care.¹⁶ A focus on raising the quality of child care and early learning is particularly critical to the success of the TANF program because of the changing composition of welfare recipients. In FY 2006, 45% of TANF recipients were child-only cases, and, in almost 40% of those cases, the youngest child was under age 6.¹⁷

4. Allow parents transitioning off TANF to have a grace period before benefits are eliminated to ensure that continuity of child care is maintained. An important aspect of child care quality, especially for infants and toddlers, is continuity of care. The formation of a trusting, secure relationship with a nurturing adult caregiver is essential to the healthy social and emotional development of infants and toddlers. An important step toward ensuring that infants and toddlers are in stable care settings is to create a seamless system for transitioning between TANF child care and child care subsidies. If there are long waiting lists for child care subsidies, a family transitioning off TANF runs the risk of losing its child care. This punishes families for leaving TANF and creates a barrier to parental employment. To avoid loss of child care, the federal government should minimize the requirements that parents or primary caregivers must meet to keep child care subsidies while transitioning off TANF. The onset of child care copayments should be delayed for a short period of time. And parents should receive assistance to retain subsidies through periods of job loss. Current CCDF law allows states and territories the option of granting priority for receiving child care subsidies to families currently receiving TANF or transitioning off TANF, but few states exercise this option. Only 37 states and territories guarantee subsidy eligibility for families receiving TANF assistance.¹⁸ Only 26 states and territories guarantee subsidy eligibility for families transitioning off TANF.¹⁹ Efforts to promote child care continuity for TANF families, especially in the face of extensive waiting lists for subsidized care, must be considered in the context of child care funding for low-income working families as a whole, which is inadequate to meet the need. Without increased resources for child care overall, program administrators must continue to make difficult choices about which families to serve.

5. Expand access to treatment for mental health, substance abuse, and domestic violence for parents receiving TANF. The most common barrier to employment for single-parent cash welfare recipients is mental health issues (30% of all recipients).²⁰ Life skills training, substance abuse treatment, mental health treatment, and rehabilitation activities are included under "creditable TANF work activities." Unfortunately, individuals may only participate in these activities for 6 weeks (12 weeks in certain cases) per fiscal year. Research shows that, to cope



with mental health and substance abuse challenges, programs need sufficient time to understand the underlying causes of these challenges and provide individuals with the best mechanisms for handling them. Rushing through a treatment program to meet a federal time-limited mandate is unrealistic and can result in recurrence of the issues that prevent the parent from effectively parenting and maintaining stable and skilled employment. The Department of Health and Human Services should award competitive grants to states, territories, Indian Tribes, and public and nonprofit community organizations to conduct research, implement demonstration projects, and provide technical assistance to support initiatives providing treatment to TANF families.

6. Create challenge grants to incentivize or support existing formal interagency partnerships involving local, state, and federal agencies. A study funded by the Department of Health and Human Services revealed that interagency partnerships would promote efficient use of resources and stability of child care while reducing loss of child care for families transitioning off TANF.²¹ Currently, only 12 states report formal coordination between their CCDF lead agency and TANF lead agency.²² Thirty states use different CCDF and TANF application processes.²³ State Advisory Councils on Early Childhood Education and Care should be used to facilitate partnerships among TANF agencies, child care agencies, child care resource and referral agencies, the Head Start State Collaboration Office, and child welfare agencies. Such collaboration could ease the application process for families, minimize duplicative paperwork for agency staff, and enable blending of funds across Early Head Start, child care, and state pre-K programs to provide full-day, full-year child care with comprehensive services (including access to health services). Joint training for staff on family-centered practices would maximize resources and facilitate a learning community among professionals serving TANF families. Collaboration among agencies could also foster the design of family support services to meet TANF work requirements and Early Head Start standards—and help families on a path to self-sufficiency. Finally, such a collaboration would enable the ongoing evaluation and feedback loops necessary to ensure services are meeting the needs of families while satisfying program requirements.

7. Create data collection and research requirements to inform future TANF reauthorizations. Current state reporting requirements for TANF noncash assistance expenditures do not allow comprehensive and systemic evaluation at the federal level. There are information gaps on numbers served and on how states are using funds to meet TANF goals. And wide variations in how states are collecting these data make it difficult to gather national-level information. Policymakers should create specific data requirements for TANF dollars spent on noncash assistance services, disaggregated by age, race, family income, and type of service. Because children are a large portion of those served by TANF and the majority of families receiving TANF benefits include infants and toddlers, research should be conducted to examine the impact of the TANF program and its work requirements on the well-being of infants and toddlers. Such concrete data on how TANF funds are being spent and the effect they are having on recipients can better inform policy decisions about the future of the program.

An important step toward ensuring that infants and toddlers are in stable child care settings is to create a seamless system for transitioning between TANF child care and child care subsidies.



Research

Early experiences are critically important for at-risk infants and toddlers. The early years create an important foundation for later school and life success. These years may be even more critical for young children in poverty—one of the most consistent findings of developmental science is the association between economic hardship and compromised child development.²⁴ The malleability of young children's development and the overwhelming importance of the family context (rather than school or peer) suggest that the family's economic condition in early childhood may be far more important for shaping children's ability, behavior, and achievement than conditions later in childhood.²⁵ Lower income infants and toddlers are at greater risk than middle- or high-income infants and toddlers for a variety of poorer outcomes and vulnerabilities, such as later school failure, learning disabilities, behavior problems, mental retardation, developmental delay, and health impairments.²⁶

Toxic stress permanently impacts the brain. The scientific community makes explicit the connection between poverty and negative effects on infant development. The developing brain is vulnerable to environmental influences in ways that are long lasting and affect not only the number of brain cells and connections but also the way connections are wired. Poverty often leads to the presence of multiple risk factors, such as prenatal exposure to harmful substances, unsafe environments, low-quality child care, unresponsive caregiving, or inadequate access to ample nutritious food and regular health care. In combination, these risk factors can overwhelm an infant's coping mechanisms.²⁷ The enduring effects of early deprivation on children's cognitive development highlight the importance of intervening early during sensitive periods of brain development to avert potentially long-term damage.²⁸

Early attachments can serve as a buffer against risk factors for infants and toddlers.

Early relationships are especially important for lower income infants and toddlers, because early attachments can help serve as a buffer against the multiple risk factors they may face. Early attachments are critical for infants and toddlers because a positive early relationship, especially with a parent, reduces a young child's fear of novel or challenging situations—enabling her to explore with confidence, manage stress, and strengthen her sense of competence and efficacy.²⁹ Early attachments also set the stage for other relationships, foster the exploratory behavior that is critical for early learning, and play an important role in shaping a young child's ability to react to stressful situations.³⁰

Duration and compensation of parental work affect very young children. Long hours of maternal employment in the child's first year can have a negative effect on infant development if they impede the mother's ability to parent, fail to provide adequate resources, or leave poor-quality child care as the only alternative.³³ Service jobs—often entailing very low wages, few benefits, and nontraditional work hours—

The Heckman Equation

University of Chicago Economics Professor and Nobel Laureate James Heckman created a simple equation to illuminate “a new way of looking at the full picture of the development of human potential.”³¹

INVEST in educational and developmental resources for disadvantaged families to provide equal access to successful early human development.

+

DEVELOP cognitive skills, social skills and physical well-being in children early—from birth to age five when it matters most.

+

SUSTAIN early development with effective education through adulthood.

=

GAIN more capable, productive and valuable citizens that pay dividends to America for generations to come.³²

As this equation demonstrates, when public policies like TANF shift their focus to support early and high-quality child development, we create opportunities for all of us to benefit and succeed.



are disproportionately filled by women who are mothers, poor, and have low levels of education. Many entered the labor force as a result of welfare reform and federal work requirements.³⁴ Research also shows that children from poor and stressed homes who are likely to benefit the most from high-quality child care are unlikely to receive it; instead, they receive some of the poorest quality care available in communities across the United States.³⁵ And poor-quality child care for at-risk children may lead to poorer developmental outcomes.³⁶

High-quality early intervention programs benefit both children and parents. Although some high-quality early intervention programs target the needs of children and parents living in poverty, parents receiving TANF are often unable to participate in them because of mandated federal work requirements. Early intervention programs set the stage not only for the child's later school readiness and success but also for the parent's road to self-sufficiency. Research from the National Evaluation of Early Head Start indicates that Early Head Start significantly facilitated parents' progress toward self-sufficiency.³⁷ Although there were no significant increases in income, there was increased parental participation in education and job training activities.³⁸ The study also found that Early Head Start parents were more involved with their children and provided more support for learning.³⁹ For example, Early Head Start parents were observed to be more emotionally supportive of and less detached from their children than control group parents. They also provided significantly more support for their child's language and learning than control group parents.⁴⁰

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About Us

The ZERO TO THREE Policy Center is a nonpartisan, research-based resource for federal and state policymakers and advocates on the unique developmental needs of infants and toddlers. To learn more about this topic or about the ZERO TO THREE Policy Center, please visit our website at www.zerotothree.org/policy.



National Center for Infants, Toddlers, and Families

1 U.S. House of Representatives, Committee on Ways and Means, *The 2008 Green Book: Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means*, 2008, <http://waysandmeans.house.gov/media/pdf/110/tanf.pdf>.

2 Ibid.

3 Child Welfare League of America, Letter to the Office of Family Assistance Regarding the Temporary Assistance for Needy Families Interim Final Rule, Washington, DC, August 25, 2006.

4 By law, state maintenance-of-effort requirements are only 75–80% of what was spent in state funds for TANF predecessor programs in FY 1994.

5 In all states, the maximum income for a family of three to be eligible for TANF cash assistance is less than the official federal poverty level. In 26 states, a family must have less than half of poverty-level income to be eligible for TANF cash assistance.

6 Committee on Ways and Means, *The 2008 Green Book*.

7 Liz Schott, "An Introduction to TANF," Center on Budget and Policy Priorities, May 19, 2009, <http://www.cbpp.org>.

8 Committee on Ways and Means, *The Green Book*. For example, in Mississippi the monthly benefit is \$170, which translates to an income at 12% of the poverty level; \$424 in New Jersey, 31% of the poverty level; and \$723 in California, 52% of the poverty level.

9 Committee on Ways and Means, *The 2008 Green Book*.

10 The federal poverty level in 2009 was \$22,050 for a family of four; \$18,310 for a family of three, and \$14,570 for a family of two. On average, families need about twice the federal poverty level to meet basic needs. Families with incomes below the level required to meet basic needs are referred to as low-income. Vanessa Wight and Michelle Chau, *Basic Facts About Low-income Children, 2008: Children Under Age 3*. New York: National Center for Children in Poverty at Mailman School of Public Health, Columbia University, 2009.

11 Wight and Chau, *Basic Facts About Low-income Children, 2008*.

12 ZERO TO THREE staff calculations using data from Committee on Ways and Means, *The 2008 Green Book*. The calculated percentage for children under age 2 is 35%.

13 A variety of circumstances result in child-only cases. In some cases, the child is not living with a parent, but with a relative who

chooses not to be included in the assistance group or whose income and assets preclude him or her from receiving cash assistance. In other situations, the child is living with a parent, but the parent is a Supplemental Security Income recipient, a nonqualified alien, a sanctioned adult, or otherwise excluded.

14 ZERO TO THREE staff calculations using data from Committee on Ways and Means, *The 2008 Green Book*.

15 Josh Bone and Elizabeth Lower-Basch, *Analysis of Fiscal Year 2008 TANF and MOE Spending by States*. Center on Law and Social Policy, 2009, <http://www.clasp.org>.

16 Jane Knitzer and Nancy Cauthen, *Enhancing the Well-Being of Young Children and Families in the Context of Welfare Reform: Lessons from Early Childhood, TANF, and Family Support Programs*. Washington, DC: Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, 1999.

17 ZERO TO THREE staff calculations using data from Committee on Ways and Means, *The 2008 Green Book*. Fourteen percent of cases were under age 2.

18 Child Care Bureau, U.S. Department of Health and Human Services, Administration for Children and Families, *Child Care and Development Fund: Report of State and Territory Plans FY2008–2009, 2010*, <http://nccic.acf.hhs.gov>.

19 Ibid.

20 Committee on Ways and Means, *The 2008 Green Book*.

21 Knitzer and Cauthen, *Enhancing the Well-Being of Young Children and Families in the Context of Welfare Reform*; Pamela Holcomb, Gina Adams, Kathleen Snyder, Robin Koralek, Karin Martinson, Sara Bernstein, and Jeffrey Capizzano, *Child Care Subsidies and TANF: A Synthesis of Three Studies on Systems, Policies, and Parents*. Urban Institute, 2006, www.acf.hhs.gov/programs/ofaf/data-reports/annualreport8/chapter13/chap13.htm.

22 Child Care Bureau, *Child Care and Development Fund: Report of State and Territory Plans FY2008–2009*.

23 Ibid.

24 National Research Council and Institute of Medicine, *From Neurons to Neighborhoods: The Science of Early Childhood Development*. Jack Shonkoff and Deborah A. Phillips, eds. Washington, DC: National Academy Press, 2000.

25 Ibid.

26 Ibid.

27 J. Lawrence Aber, Stephanie Jones, and Jennifer Cohen, "The Impact of Poverty on the Mental Health and Development of Very Young Children." In Charles Zeanah, Jr., ed., *Handbook of Infant Mental Health, Second Edition*, 113–128. New York: Guilford Press, 2000.

28 Charles A. Nelson, III, Charles H. Zeanah, Nathan A. Fox, Peter J. Marshall, Anna T. Smyke, and Donald Guthrie, "Cognitive Recovery in Socially Deprived Young Children: The Bucharest Early Intervention Project." *Science* 318, no. 5858 (2007): 1937–1940.

29 National Research Council and Institute of Medicine, *From Neurons to Neighborhoods*.

30 Ibid.

31 James Heckman, "Talking the Heckman Equation." James Heckman, 2009, http://www.heckmanequation.org/system/files/Hkmm_framecheatsheet.pdf.

32 James Heckman, "Learn How Early Childhood Development Affects Society." James Heckman, 2009, <http://www.heckmanequation.org/heckman-equation-slideshow>.

33 National Research Council and Institute of Medicine, *From Neurons to Neighborhoods*.

34 Ibid.

35 Ibid.

36 Ibid.

37 U.S. Department of Health and Human Services, Administration for Children and Families, *Making a Difference in the Lives of Infants and Toddlers and Their Families: The Impacts of Early Head Start, 2002*. www.acf.hhs.gov/programs/opre/ehs/ehs_resrchl/reports/impacts_exesum/impacts_exesum.pdf.

38 Ibid.

39 Ibid.

40 Ibid.