

Declines in Work Supports for Low-Income Parents

By Jeff Bernstein, Senior Policy Analyst

OVERVIEW

Our Commonwealth is stronger when low income parents who can work receive the training and support they need to succeed in the workplace. When parents earn enough to pay for basic necessities and provide for their children that's good for their families, it improves their children's prospects for long term success, and it strengthens our overall economy.

We know what it takes to help low income parents succeed in the workforce: access to affordable quality early education and care because parents can't leave their children home alone when they go to work; a quality public transportation system that allows people to get to work; and the education and job training that can provide the skills and knowledge people need to reach their full potential in the workforce.¹ Two decades ago Massachusetts reformed its welfare system to focus on providing more of these supports to help low income parents to be able to get good jobs and support their families.

Over the past fifteen years though, the state has cut funding for early education and care and education and job training assistance. This makes it harder for parents to improve their skills, get access to affordable early education and care, and get and keep jobs that allow them to support their families.²

State Resources for Job Training and other Work Activities has Decreased for TAFDC Clients

The Employment Services Program is the primary program providing education, training and job skills services for Transitional Aid to Families with Dependent Children (TAFDC) clients.³ Services provided to clients include:

- Competitive Integrated Employment Services - which provides short term skills training, job development and placement;
- The Young Parents Program - which provides high school or diploma programs for pregnant or parenting teens;
- The DTA Works Program - which provides 24 week internships in government offices - primarily at DTA;
- The Massachusetts Office of Refugees and Immigrants - which provides assessment and job placements services to non-English and non-Spanish speaking clients;
- Funding to help clients take the HiSET test (a high school equivalency test).

¹ Matthews, H. & Walker, C., (2014, July). Child Care Assistance: Helping Parents Work and Children Succeed; Blumenberg, E., & Waller, M. (2003). The long journey to work: a federal transportation policy for working families.

² Apart from those who are disabled or caring for a disabled child, parents must meet basic work or training requirements to receive cash assistance via TAFDC, and they are only eligible for a limited period of time.

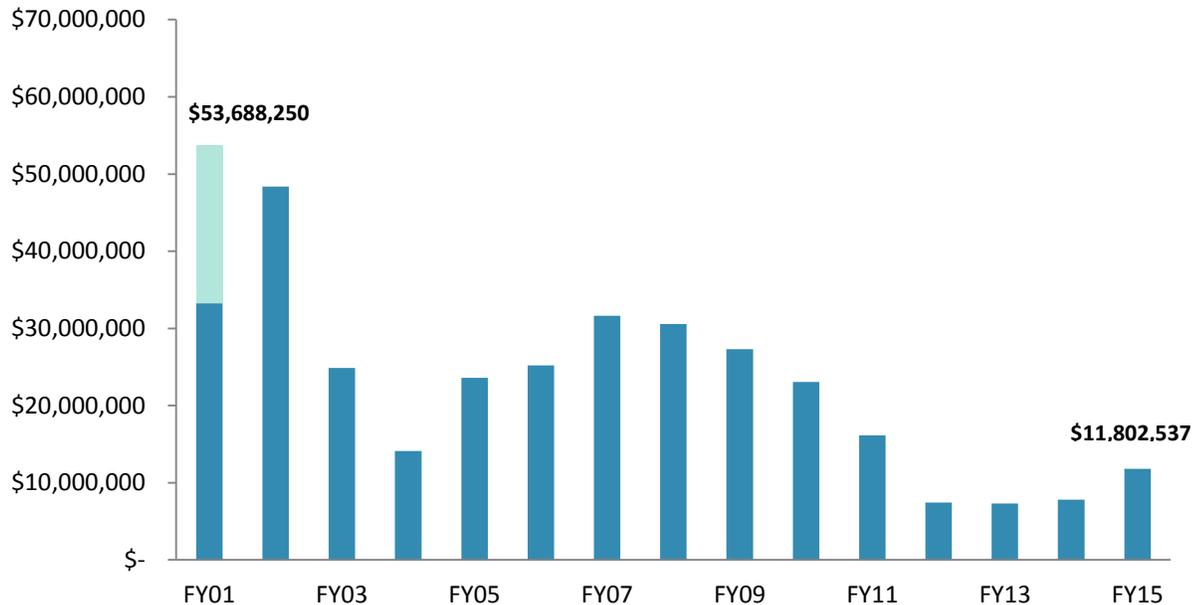
³ TAFDC is the primary welfare program providing support to low-income families in Massachusetts.

For more information on the Employment Services Program, see the MassBudget [Children's Budget](#).

Between FY 2001 and FY 2015, spending on these supports was cut by \$41.9 million a 78 percent decrease (after adjusting for inflation).⁴

Spending on the Employment Services Program Down 78 Percent

(Inf Adj 2015 Millions of Dollars)



*In FY 2002, funding from two different accounts, both largely supporting TAFDC clients, was combined.

In Massachusetts, funding for the employment services program has long lagged what other states spend on work-related activities for clients receiving TANF. In FY 2013, we spent a lower percentage of our TAFDC dollars on job training and work activities than any other state – just 1 percent of the available TAFDC dollars.⁵

State Resources for Early Education and Care has Decreased

Massachusetts spends over a quarter of its TANF dollars on early education and care.⁶ However, even with that funding, overall support for early education and care has fallen 24 percent, a cut of \$169.5 million since 2001, resulting in many children being put on a wait list. Although eligible TAFDC clients receive early education and care without being put on a waiting list, they can lose their subsidy and be added to the wait list within a year of leaving TAFDC, even if they still meet income eligibility requirements. Losing early education and care can jeopardize a parent's ability to continue working,

⁴ All funding and spending data in this brief are adjusted for inflation to FY 2015 dollars.

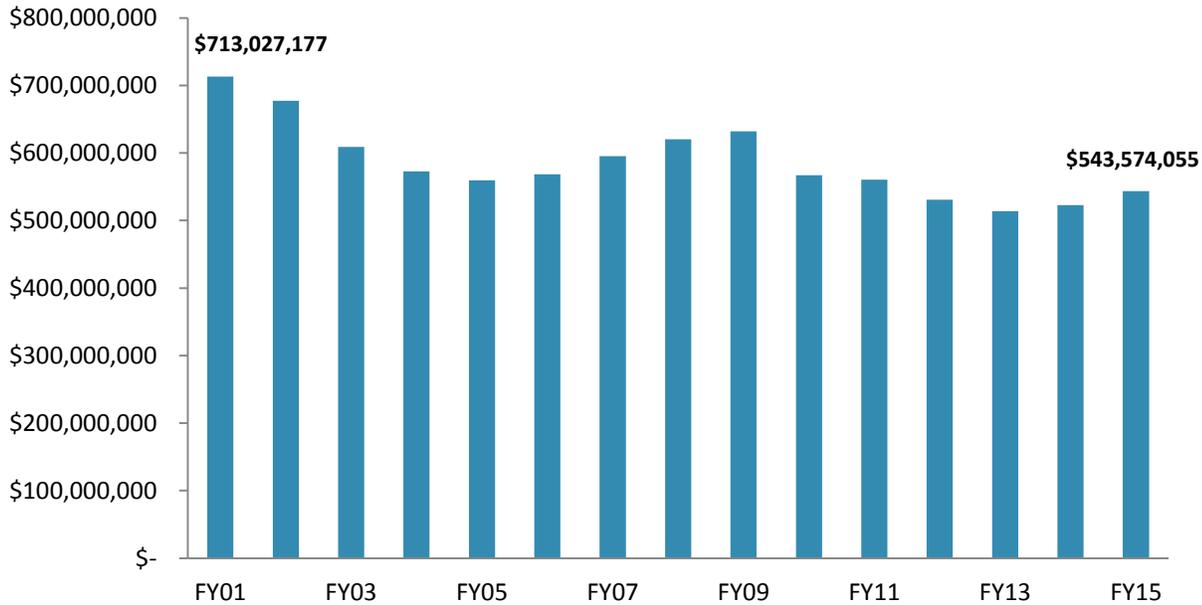
⁵ See Center on Budget and Policy Priorities at http://www.cbpp.org/files/11-4-14tanf_spending_factsheets/MA.pdf

⁶ For a more detailed accounting of Massachusetts TANF spending, see "[Funding for the TANF Program in Massachusetts: A look at Revenue and Spending on Supports for Low-Income Families](#)."

potentially pushing a family back on TAFDC (if they have not expended their eligible time limit), utilizing another public program, or becoming homeless or worse.

Spending on Early Education and Care down 24 Percent

(Inf Adj 2015 Millions of Dollars)



Children & Families Not Necessarily Better Off after Leaving TAFDC

In Massachusetts, the number of families and children receiving TAFDC support has dropped significantly in the last fifteen years to approximately 40,500 in December 2014 from 103,600 in 1994-95.⁷ A reduction in the caseload is sometimes used as a measure of success for TAFDC. However, reductions in the caseload do not tell us what is most important – whether families are successfully leaving TAFDC to jobs that allow parents to support their families.

If families were leaving TAFDC because the parents in these households were getting good jobs, we would likely see a drop in poverty. But the number of families and children in poverty has not decreased in Massachusetts. The poverty rate for a family of three is defined as having income under \$19,530 annually. In 2013, approximately 16 percent (223,000) children were poor, more than at any other point in the last fifteen years.⁸ In 1990, around 13 percent of children in the state were poor, close to 173,000 children⁹.

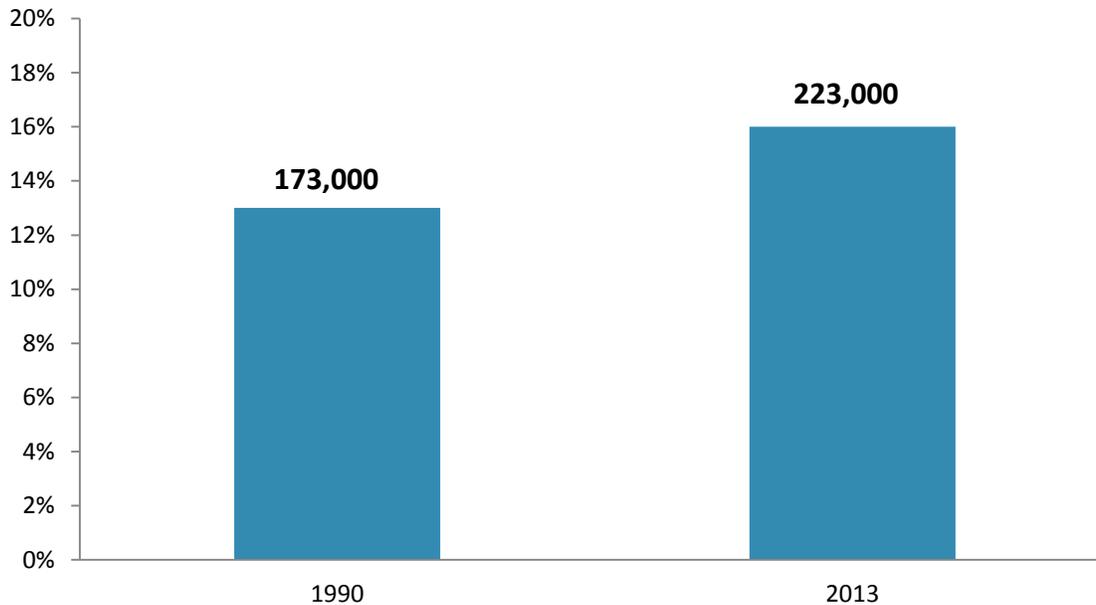
⁷ Massachusetts Department of Transitional Assistance: for December 2014, see <http://www.mass.gov/eohhs/docs/dta/facts-figures/dta-fac-figs-jan15.pdf>, for 1994-95, see http://www.cbpp.org/files/11-4-14tanf_factsheets/MA.pdf; See also See Pamela J. Loprest, "How Has the TANF Caseload Changed over Time?" Urban Institute, available at http://www.acf.hhs.gov/sites/default/files/opre/change_time_1.pdf.

⁸ KIDS COUNT data center from <http://datacenter.kidscount.org/data/tables/43-children-in-poverty-100-percent-poverty?loc=23&loc=2#detailed/2/23/false/36,868,867,133/any/321,322>; for poverty guidelines, see U.S. Department of Health and Human Services, "The 2011 HHS Poverty Guidelines," available at <http://aspe.hhs.gov/poverty/11poverty.shtml>. Poverty data 2000-2004 collected by the Population Reference Bureau from the Census Bureau's Web Data Server.

⁹ 1990 data collected by Population Reference Bureau from Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

Child Poverty in Massachusetts has Increased

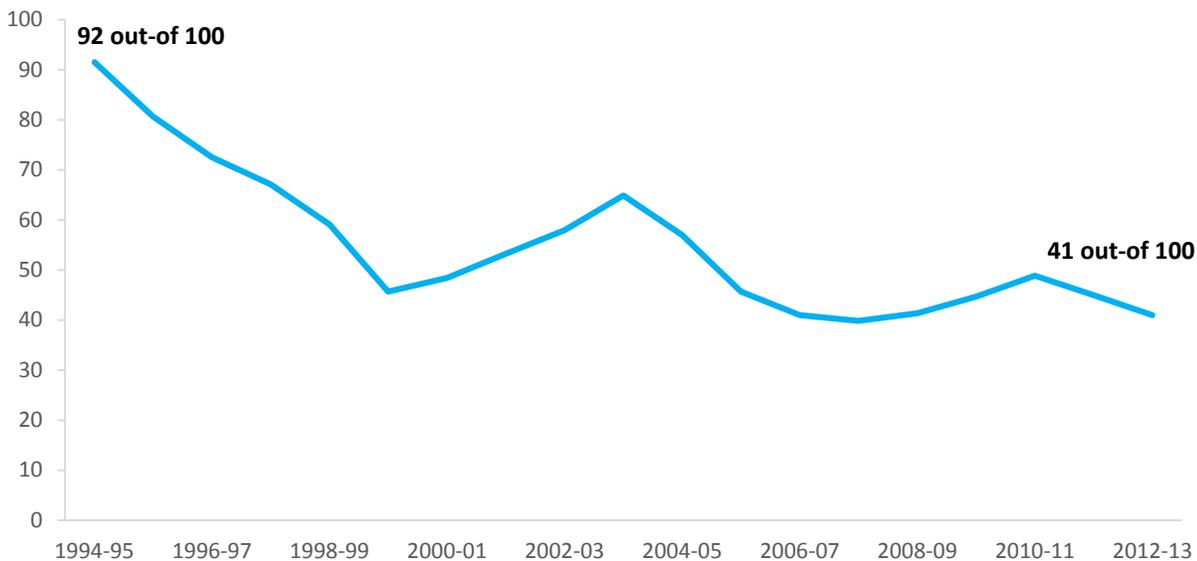
(Percent of Children in Poverty)



A successful program would decrease the number of families living in poverty, not just decrease the number of families who receive help through TAFDC. In Massachusetts, we are only accomplishing the latter. A much smaller share of families in poverty receive TAFDC support than before welfare reform – 92 out-of 100 families in poverty in 1994-95 compared to just 41 out-of 100 families in poverty in 2012-13.¹⁰ And we have reduced funding for early education and care and job training while allowing our public transportation system to deteriorate. Without these supports it is harder for low income parents to get and keep jobs that allow them to support their families and improve their children’s prospects for long term success.

¹⁰ See Center on Budget and Policy Priorities at http://www.cbpp.org/files/11-4-14tanf_factsheets/MA.pdf

A Smaller Share of Low Income Families Receive Benefits: (TANF to Poverty Ratio)



TAFDC Funding and the Work Participation Rate

The federal government provides funding for welfare programs through the TANF block grant. In Massachusetts, this funding goes to many programs and services that directly support low income families in Massachusetts. To receive all of the federal funding, states are required to comply with a measure called the Work Participation Rate. This requirement focuses on participation in a limited number of activities rather than on long term outcomes. The requirement does not fully consider the diversity of needs facing TAFDC clients. And, it only counts participation by current TAFDC clients failing to track the most important outcome – whether clients who leave TAFDC are leaving to jobs that allow them to support their family.

Moving Families Forward: Better Opportunities for Massachusetts to Support Low Income Families

Child poverty is rising. This is partly the result of national economic trends, but at the same time, support for child care, education and job training have declined for low income families. And we are all depending on an aging transportation infrastructure struggling to meet the needs of working people. These trends are troubling, but they also provide insight into how we can help lower income families get and keep family supporting and economy boosting jobs: by providing subsidized child care which allows low income parents to work and contribute to the overall economy, by providing transportation infrastructure so that parents can reliably get to work; and by providing education and job training programs which prepare parents to enter and stay in the workforce.

In Massachusetts, there are programs that help parents get family supporting jobs. For example, Career Pathway programs, which more closely link education and training programs to employer needs, have

already helped many low income parents in Massachusetts.¹¹ The DTA Works Program, one current part of the Employment Services Program, places clients in internships at government agencies. DTA Works pays a small weekly stipend to clients and provides them with work experience. Preparing low income parents to get and keep good jobs helps them and their family. And when we help low income families contribute more to the economy, it helps all of us by providing our state economy with the boost it needs to grow stronger.

¹¹ See Crittenton Women’s Union at http://www.liveworkthrive.org/research_and_tools/data_and_outcomes; For more information about Career Pathway programs around the country, see Clasp at <http://www.clasp.org/resources-and-publications/files/aqcp-framework-version-1-0/AQCP-Executive-Summary-FINAL.pdf>