



Temporary Assistance for Needy Families

While the recent economic crisis caused severe disruptions and uncertainty for workers across all income levels, low-income workers have been disproportionately impacted by the downturn. Thirty-one percent of workers in the lowest-income households—those earning below \$12,500 per year—were unemployed during the fourth quarter of 2009, more than three times the national rate. Many low-income workers find themselves in a vicious cycle, lacking the skills to obtain stable, well-paying jobs, but unable to pursue the education or training necessary to get a good job.

These difficulties are often exacerbated by federal policies that prioritize rapid labor market attachment over longer-term education and training. The Temporary Assistance for Needy Families (TANF) program, the cornerstone of federal welfare reform, exemplifies this “work-first” philosophy. Although nearly half of adult TANF recipients are unemployed and actively seeking work, only about 2 percent of federal TANF dollars in Fiscal Year 2009 were used for training and education services, in part because of significant limitations the law imposes on such activities.

Policy Recommendations

- ▶ Increase access to training for skilled jobs by removing current limitations on the amount of time individuals can participate in vocational educational training and the percentage of such individuals who may count toward state work participation rates.
- ▶ Encourage stronger alignment between TANF and other federally-funded workforce programs, building on state efforts to develop career pathways programs that link adult education, job training, and higher education systems to allow individuals to obtain or pursue employment and training opportunities leading to well-paying careers.
- ▶ Reward states moving people into real jobs and better wages by developing performance measures that track successful employment and educational outcomes, and give states the flexibility to transition from the current process-based approach to an outcomes-based performance accountability system over time.

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