The TANF Resources Problem

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Abstract

2016 marks the twentieth anniversary of passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). Among other things, PRWORA replaced Aid to Families with Dependent Children program (AFDC) with Temporary Assistance for Needy Families (TANF). Whereas a federal support for AFDC was an open-ended matching grant, TANF is funded with a block grant from the federal government combined with a "Maintenance of Effort" obligation for states. The block grant and MOE contributions are set for the most part at nominal levels from the mid-1990s. This paper looks at recent trends in TANF funding compared to trends in prevalence of child poverty. Compared to other work with similar intent, the novelty here lies in use of a more comprehensive poverty measure, incorporation of adjustments for interstate variation in prices, and a minor exploration of the connection between TANF resources and state fiscal capacity. Over the past decade inequality in state resources per poor child has increased. The disparities are great, making application of common performance standards without adjustment for resources questionable. Options for reform include separation of federal support for income maintenance from support for the various other programs that now garner well over half of TANF funding.

Key Words: Temporary Assistance for Needy Families, TANF, child poverty

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David Meni and Michael Wiseman∗

2016 marks the twentieth anniversary of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. PRWORA replaced the Aid to Families with Dependent Children (AFDC) program with Temporary Assistance for Needy Families (TANF). The transition is commonly termed welfare reform. The anniversary is occasioning many assessments of PRWORA's consequences. Ten years ago at the first decennial, one of the law's architects claimed PRWORA "set the nation on a course of deep reform, the results of which are still being determined" (Haskins 2006, 19). In this paper we look at one of the things another decade has determined: The substantial inequity in resources provided for TANF and the incongruity between the distribution of resources and the distribution of need as indicated by a poverty standard. We also point out the problems generated by the law's application of common process requirements despite variation in resources. We are certainly not the first to comment on the general TANF resources problem.[1] However, our work is new in that we employ a more comprehensive poverty measure, introduce adjustments for interstate variation in prices, and explore the connection between TANF resources and state fiscal capacity. In our conclusion we briefly discuss proposals for the next round of reauthorization of the program.

Before presenting our calculations, we provide a brief background to the issue.

Background

AFDC was funded through an open-ended matching grant. States submitted plans to the Department of Health and Human Services (and its predecessors) for AFDC operation that included specification of eligibility and payments. If the plans were consistent with the requirements of the Social Security Act, the federal government paid for half of administrative costs and a fraction of benefits costs. The federal contribution varied with state per capita income but in no case was less than 50 percent. Receipt of AFDC was an entitlement; states were legally obligated to pay the benefits specified in the state plan to any families meeting the plan's eligibility standard. All outlays from the matching grant were for cash assistance—income support.

PRWORA famously "ended welfare as we knew it" by, among other things, shifting federal funding to a block grant. Each state's grant was set at the largest (with some adjustment) matching payment received in the federal fiscal years 1993-1995. States were required to sustain their own contribution at 75 percent of what had been spent in fiscal year 1994 (Committee on Ways and Means, 2004, 7-15). Neither obligation was indexed. The law established a work participation requirement for adult TANF beneficiaries that was scheduled to rise gradually to 50

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[1] See GAO (1998), Weaver (2000, 346), and Falk (2015). Other commenters focus on the consequences of the disparities rather than the disparities themselves. See for example the discussions of TANF in Bitler and Hoynes (2014) and Floyd, Pavetti, and Schott (2015).

Draft: April 13, 2016

percent of all heads of recipient families in 2002 and 90 percent of adults designated as principal earners in two-parent families (Committee on Ways and Means, 2004, 7-6). Activities that constituted work participation were elaborately detailed. The participation requirement was offset by a "caseload reduction credit" that lowered a state's participation requirement by one percentage point for every percentage point decline in the state's welfare caseload relative to 1995. The new law permitted states to use TANF funds for a variety of purposes other than cash assistance as long such expenditures could be justified as serving one or more of the various TANF purposes as identified by PRWORA. The change to a block grant raised the marginal cost to states of additional TANF recipients (and, working the other way, the gain from reducing the rolls). This plus the caseload reduction credit and the elimination of legal entitlement to TANF benefits allowed and encouraged states to pursue various policies to restrict TANF take-up and encourage case termination.

Over time some characteristics of the "deep reform" initiated by PRWORA have become clearer (Anderson, Kairys, and Wiseman 2014). One is a substantial federalization of social assistance as receipt of the Earned Income Tax Credit, Supplemental Nutrition Assistance, and Supplemental Security Income has grown. Another is that, because of inflation, the real values of the federal block grants and the state MOE requirements have declined, falling by approximately 31 percent between FY 1997 and FY 2014 (evaluated using the CPI-U). The caseload reduction credit has been rebased so that the participation requirement is a substantially more significant constraint on state policy now than was the case in the early days of TANF. States have re-allocated TANF funds from cash assistance for the poor to services addressing more general needs considered consistent with TANF's larger goals.[2] In fiscal year 2014 only 26 percent of the sum of federally provided funds and MOE expenditure went for income support.

TANF has an important role to play in the portfolio of American public assistance. It is still, or could still be, the income of last resort for families without earnings or in the process of transition to employment. The EITC serves as support for families in work, but its benefits are paid well after they are earned. SSI requires disability. And SNAP is, as its name indicates, intended as *supplemental* nutrition assistance. The core EITC, SSI, and SNAP programs are nationally uniform, but TANF access and benefits vary widely. If there is a sense of externality or common benefit that supports a case for uniform EITC, SNAP, and SSI benefits, it is hard to understand why the national interest does not extend to TANF. In any event, judging whether or not there is a case for concern is facilitated by reviewing what the current TANF funding system actually does.   This is the heart of the TANF resources problem.

Calculation for 2011-2013

Our procedure is to calculate the resources made available to states by TANF and to examine the variation across states and over time in the measures we develop. We establish our procedure and illustrate our concerns with calculation of averages for 2011-2013. We employ the Current Population Survey (CPS) as the base of our calculations, and we choose a three-year span to

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[2] These are: "(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out of wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and (4) encourage the formation and maintenance of two parent families."

Draft: April 13, 2016

reduce sampling variance. We normalize our comparisons by estimates of numbers of poor children. We focus on children because TANF benefits are restricted to families with children or, in a few cases, women in late-stage pregnancy. We attempt to adjust both our poverty counts and our resource measure for variation in cost of living across states. In this respect our calculations are unique.

The Baseline

Our baseline estimates of the numbers of poor children employ the official (Orshansky) poverty standard (the OPM). They are drawn from the Census Bureau's Current Population Survey Table Creator.[3] Counts are for "Persons in the Poverty Universe," which excludes unrelated individuals under 15.   Our data on TANF funding come from official sources.[4] Using the estimate of a state's population of poor children as a base, we calculate the resources per poor child (RPPC). Resources in a fiscal year are defined as the sum of a state's federal TANF award and its MOE requirement. To achieve a comparable average of TANF and MOE funds from 2011 to 2013, 2011 and 2013 data were adjusted to 2012 dollars using the Personal Consumption Expenditures Chain-type Price Index (PCEPI) published by the Bureau of Economic Analysis (BEA).[5]

The baseline result is illustrated by Figure 1. We have ranked states by RPPC. The variation across states is substantial, ranging from $416 in Texas to $4,523 in New York. These data can be summarized from both a state and child perspective. The mean resource amount per child is $1,737 when calculated across states (i.e. weighting Delaware the same as California), and the coefficient of variation calculated across states is .652. Calculated across children—our primary interest—there is no change: The mean resource per child is $1,735 and the coefficient of variation is again .652. For the distribution across children the Gini is .386 (a Gini = 0 would indicate complete equality, that is all states have the same TANF resources per poor child; Gini = 1 would mean all TANF goes to one poor (before the windfall) child. MOE per poor child comprises 38 percent of the mean of total resources per child.

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Figure 1: Average Annual Federal Grant and Obligatory State Commitment, per Poor Child, 2011-2013 (in 2012$), Baseline

The Three Adjustments

We now adjust these numbers in three ways: (1) We modify the poverty standard to incorporate interstate variation in the cost of living; (2) we expand the collection of incomes counted; and (3) we adjust the resource measure to account for interstate variation in prices.

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[3] See http://www.census.gov/cps/data/cpstablecreator.html. Use of this source allows our computations to be readily replicated.
[4] Unless otherwise indicated, TANF financial data are pulled from HHS Administration for Children and Families reports. See http://www.acf.hhs.gov/programs/ofa/programs/tanf/data-reports.
[5] For more information on PCEPI, see https://research.stlouisfed.org/fred2/series/PCEPI.

Draft: April 13, 2016

Adjusting the Poverty Standard. Poverty estimates require both a standard of need and a measure of resources. The official poverty estimates have well-known shortcomings on both sides (Citro and Michael 1995). We use the official (Orshansky) census poverty thresholds, but unlike what is done in official statistics and for Figure 1, we adjust the thresholds for variation across states in living costs using the cross-section relative price measure developed for the Census Bureau's Supplemental Poverty Measure (Renwick et al., 2014). As is the case for the official thresholds, our poverty assessment is based on families, not households. Children are counted as poor if they reside in poor families, meaning that their family's income falls below our cost-of-living adjusted poverty threshold given family size.

Adjusting Income. Our income measure is a more radical departure from standard poverty assessment. As detailed in the appendix, we include in income everything that is counted in official statistics plus important other transfers, including the value of SNAP (food stamp) benefits, the Earned Income Credit, and housing subsidies. However, we exclude TANF because we want to think of how much poverty would remain in the absence of TANF as now distributed, and then to see how the current distribution system targets—or doesn't target—this residual poverty given all the other transfers in the system.[6]

Adjusting Resources for Prices. The nominal difference between TANF resources available in Texas and in New York may exaggerate real differences if costs are higher in New York than in Texas.

In recent years the Bureau of Economic Analysis (BEA) has published a set of "Regional Price Parities" (RPPs) intended to serve as basis for analyzing the effects of regional price levels on BEA's regional personal income series (BEA, 2013). The parities are expressed as a percentage of the overall national price level for each year. We use these to adjust our measures of resources for interstate variation in costs of consumption goods generally. The RPP is more general than the price index used in our adjustment of the poverty standard, and it is as a result more appropriate than the poverty standard for representing the general purchasing power (and value in alternative use) of the resources that the federal grant makes available to each state's government.[7] In 2013, RPPs varied from a low of 86.8 (Mississippi) to a high of 117.7 (District of Columbia). To adjust for differences in TANF expenditure purchasing power across states, we divide state resources (TANF or TANF plus MOE) by $1/100^{th}$ of the RPP.

The Revised Distribution

Figure 2 reorders states based on all three adjustments. Again, the variation is dramatic. The poverty and price adjustments change the rankings of some states, lowering New Jersey, Hawaii, and California, for instance, and improving the standing of states like Ohio and Minnesota.

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[6] The full income definition for the children in poverty count can be found in the appendix. Note our simulation of poverty in the absence of TANF does not include adjustment of SNAP benefits, housing subsidies, or changes in income from other sources in response to lower household income. Virtually all TANF recipients are poor by our criterion before TANF exclusion. Since replacement would generally be less than 100 percent, such an adjustment if attempted would have little or no effect on the poverty counts.

[7] For a discussion of the differences between the SPM and RPP relative cost measures, see Renwick et al. (2014).

Almost none of the states with very few resources per child show any improvement in relative standing after application of the RPP adjustment.

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Figure 2: States Ranked by Average Annual TANF/MOE Resources per Poor Child with Price and Poverty Standard Adjustments, 2011-2013 (in 2012$)

Again, these data can be summarized from both a state and child perspective. The mean resource amount per child is $2,104 when calculated across states, and the coefficient of variation calculated across states is .479. Calculated across children the mean resource per child is $1,978 and the coefficient of variation is .423. For the distribution across children the Gini is .286.

In Table 1 we report summary measures for each distribution and reveal a bit more about the determinants of the differences between Figure 1 and Figure 2. The first data row in the table is interpreted as follows: Using the official poverty measure without modification, the average per poor child state TANF grant was $1,073 per year. The coefficient of variation was .569 and the Gini inequality index is .360. Adding MOE of course increases average resources, but it also enhances the inequality of resources. The next step adds the adjustments to the poverty standard and household resources measure, but leaves resources unadjusted for regional price variation. The consequence is diminution in variation across states. Adjustment for general regional price variation (the last two rows) raises average benefit per poor child and further diminishes inequality, but it remains the case that MOE requirements actually increase inequality.

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Table 1: Measures of TANF Resource Variation, 2011-2013 (in 2012$)

The exercise underlying Table 1 can also be done using numbers of poor families with children as base (see Falk 2015 for an example based on the official poverty standard). The outcome is much the same: the correlation of state ranks between the child and family computations using the modified poverty standard is 0.99. Nevertheless, inequality looks even worse when computed on a family basis. The Gini measure of resources per poor family is .377.

State per Capita Income as Predictor of Resources per Poor Child

So far we have emphasized—indeed probably over-worked our point about—the inequity of distribution of TANF resources. The distribution is not random; it is the product of decisions both by federal and state governments. Accepting the idea that care for the poorest Americans is at least in part a national obligation, it would make sense to concentrate federal resources for poor support on poorer states, i.e. the size of the TANF grant per poor child should be inversely related to, say, state per capita income, just as was the AFDC matching rate. Table 2 shows the results of regressing our measure of resources per poor child on state per capita income.

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Table 2: Regression Results, Resources per Poor Child as a Function of State per Capita Income, FY2011-2013 Averages

Draft: April 13, 2016

The table uses as the resource measure per poor child both the TANF federal grant alone and a combination of TANF and MOE with both values adjusted for regional price variation. For each measure we report regression results with states weighted equally and with states weighted by numbers of poor children. We calculate the regressions using logs of both the dependent and independent variable so that the coefficient on the latter can be read as an elasticity. Readers will likely not be surprised to discover that, from the perspective of adjustment for variations in capacity to spend, the grant system is perverse. Looking at the TANF-only equation, we calculate that without weighting observations by the poor children count, the elasticity of the federal grant per poor child with respect to personal income is 1.55. In words, this means that a one percent real increase in state per capita income leads to a bit more than a one- and one-half percent real increase in federal grant per poor child. Adding MOE makes things worse: The elasticity is almost 2.

The TANF+MOE result is a legacy of TANF formulation. Weighting state observations raises both estimates. As discussed earlier, under AFDC the federal contribution to benefit costs was a function of state per capita income, with the federal share ranging from 50 percent in high-income states to as much as 90 percent in the poorest ones. Despite this difference, high-income states still spent more on AFDC, and the MOE requirement is calculated on the basis of that two-decades-old political outcome. Note the low R^2 measures for these regressions; while resources are significantly associated with income per capita, a great deal of variation is the product of other factors, including variations across states in economic development and the strength of the dead hand of TANF's AFDC past.

 We have calculated similar regressions using Gross State Product per capita as an alternative measure of resources. The outcomes are qualitatively the same, but the unweighted fit is not as good, possibly because state variation in GDP per capita growth since PRWORA has been greater than variation in growth in personal income. Again, what is the logic behind providing more resources for aiding poor children for states with higher per capita product and income?

As noted before, states are not required to spend their TANF + MOE resources solely on income support, and much of the money goes for services to families that, while not officially poor, are certainly at-risk. Just how that money is used and how the MOE obligation discharged is the product of state politics as well as incentives created by other TANF requirements, most notably those for work participation (Parolin and Wiseman 2015). In our judgment it is appropriate to first focus on resources, as we do here, and to leave analysis of what states do with what they have to another day (or another paper).

Going Backward

How have things changed over time? We would like to push the calculations for distribution of resources backward to PRWORA to answer this question. Unfortunately, the earliest data available for replication of our poverty measure are for 2004. We need three years to produce state poverty estimates with sampling variance comparable to the estimates reported in Table 1. Accordingly, we divide up the period 2005-present into three periods, 2005-2007, 2008-2010, and the interval already studied, 2011-2013.

The RPP series we use to adjust TANF and MOE only begins in 2008. However, between 2008 and 2013, state RPP values changed by an average of 0.03% with no significant outliers, even in

Draft: April 13, 2016

recession years (standard deviation of RPP change is .0028). Thus, with caution, we can reasonably extrapolate the 2008 RPP numbers—the earliest available—to the 2005-2007 period of analysis.

For each interval we calculate the mean, coefficient of variation, and the Gini coefficient for the RPP adjusted TANF and TANF + MOE resource measures that were calculated for 2011-2013 in Table 1. We note that the middle interval spans what has come to be called the Great Recession. The results appear in Table 3. All amounts are adjusted to 2012 dollars using the chained personal consumption price index we employed in constructing the 2011-2013 averages.

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Table 3: TANF Resource Distribution Comparison, 2005-2013

As noted earlier, the American Recovery and Readjustment Act (ARRA) increased funding available to states for the last half of FY2009 and FY2010 through the Emergency Contingency Fund. The total ECF appropriation was $5 billion for FY2009 and FY2010 (ACF 2012). States were required to apply for these funds, and grants were contingent on caseload increase and other criteria. To include the ECF funding, we add the federal award when it occurred to the federal TANF funds made available to states. We have also computed the various distribution measures excluding the ECF money.[8]

Looking first at trends without ARRA (i.e. using the lines "without ECF" for 2008-2010), the trends are clear: mean resources per child goes down, the coefficient of variation goes up, and so does the Gini coefficient. The same trends occur with or without inclusion of MOE, but for each period inclusion of MOE increases inequality. Given the nature of the recession, it might be expected that ARRA would have been designed to give the most to low-income states, potentially reducing the effects we have so far observed. However, Table 3 indicates that, if anything, the ECF may have increased inequality, although when compared to trend, the impact is miniscule. In part this may be attributable to state response.[9]

Conclusion: Is This the Welfare We Want?

Given evidence already available (see note 1), it should be no surprise that TANF funding is inequitable. We have attempted to go beyond the commonplace. Using as reference a measure of child poverty that is based on a more comprehensive measure of family resources than is employed in constructing the official poverty measure and adjusting for interstate variation in prices, we have created a new measure of inequality, and we have shown that it is increasing over time. We have demonstrated that the system operates to provide greater funding to states with relative high per capita incomes than is given to states that are less advantaged.

This distribution creates many problems. One is that it tilts the "playing field" for TANF performance assessment. PRWORA introduced an important performance standard for states

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[8] In our resource assessments, we count appropriations, not expenditure. Data published by the Administration for Children and Families indicate that 79 percent of ECF funds were expended by the end of FY2010, and 19 and 2 percent were expended in FY2011 and FY2012 respectively.

[9] Recall that the data in Table 3 are three-year averages, and ECF money was available only in the last half of the period.

Draft: April 13, 2016

related to participation of adult TANF recipients in work and training activities. As Parolin and Wiseman (2015) point out, a uniform performance requirement makes little sense given the substantial variation of resources. Another is a consequence of the first: The inverse correlation between state per capita income and TANF resources increases the incentives for low-income states to create barriers to TANF entry and to shift the funding that is available from cash assistance for the neediest to subsidies for working families. While support in work may serve important purposes, income support for those without jobs remains an important element of social assistance, and TANF is failing on this score.[10]

The House of Representatives Ways and Means Committee's 2015 "Discussion Draft" for the next reauthorization of TANF addresses some TANF problems, but makes little change in the block grant structure and federal funding (Committee on Ways and Means, 2015). If implemented substantially as written, inequality would continue to grow, as would incentives for further reduction of cash assistance. Most discussion of reauthorization proposals focus on restoration of the real value of the block grant or marginal changes in participation or funds use requirements (cf. Lower-Bach 2015). However, moving toward more equity in state resources and assurance of a better minimum stand for income support would require addressing the funding issues, possibly with a combination of matching grant for cash assistance, flexible funding for transitional employment support, and links between federal support and state achievement. What is missing from the current debate is a model—a "Discussion Draft"—of what such a system might look like. Our hope is that the present analysis contributes to identification of what needs to be fixed.

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[10] Using the official poverty standard, the Center on Budget and Policy Priorities has calculated that in 2014, for every 100 poor families with children in the U.S. only 23 received TANF assistance, down from 68 in 1996, when TANF was created (CBPP 2015). The CBPP calculations do not incorporate the adjustments employed in this paper, but were it possible to perform our calculation for 1996, the trend would be the same. In 2014, the ratio of the average monthly TANF caseload to poor families on our measure was .16. This is lower than the CBPP 23 percent figure, but more families receive TANF over the course of the year (the count used by the CBPP) than the number receiving in an average month.

Draft: April 13, 2016

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Appendix: Detail on Income

The Census Current Population Survey Table Creator supports construction of income measures that differ from what is used in official poverty statistics. Some measures are imputations. Here is what we used (the numbering scheme is from the Table Creator):

We include:

1. Earnings (wages, salaries, and self-employment income)
2. Interest income
3. Dividend income
4. Rents, royalties, estate, and trust income
5. Non-government retirement pensions and annuities
6. Non-government survivor pensions and annuities
7. Non-government disability pensions and annuities
8. Realized capital gains (losses)
9. Social Security
10. Unemployment compensation
11. Workers' compensation
12. Veterans' payments
13. Government retirement pensions and annuities
14. Government survivor pensions and annuities
15. Government disability pensions and annuities
17. Supplemental Security Income (SSI)
18. Veterans' payments
19. Federal earned income credit
20. Federal income taxes after refundable credits except EIC
21. State income taxes after all refundable credits
22. Payroll taxes (FICA and other mandatory deductions
23. Property taxes on owner-occupied housing
26. SNAP – formerly Food Stamps
27. Free and reduced-price school lunches
28. Low-income energy assistance
29a. Public housing and rent subsidies AHS-based Estimates
31. Child Support
32. Alimony (through 2013 ASEC and 2014 ASEC traditional income questions)
33. Regular contributions from persons not living in the household
34. Money income not elsewhere classified
39. Medical expenses out-of-pocket
40b. Work-related expenses including child care

We exclude:

16. Public assistance (includes TANF and other cash welfare)
24. Government educational assistance
25. Non-government educational assistance
29b. Public housing and rent subsidies FMR-based estimates
30. Fungible value of Medicaid (through 2011 ASEC only)
35. Imputed return to home equity on owner-occupied housing
36. Regular-price school lunches
37. Employer contribution to health care plans

Draft: April 13, 2016

38. Fungible value of Medicare
40a. Work-related expenses excluding child care
41. Economic Stimulus Payments (2009 ASEC only)
42. Economic Recovery Payments (2010 ASEC only)

Note: Exclusion of direct economic stimulus/ recovery payments to households in 2009 and 2010 (items 41 and 42) was necessary given a feature of Table Creator that precludes averaging types of payments across years if the item is unavailable in any year of the set. The stimulus payments resulted from the American Reinvestment and Recovery Act of 2009; there were no payments in 2008. Creating a 2008-2001 average was not possible. This omission is not significant. Most direct payments were made via Social Security to the elderly, so the impact on children's poverty would be registered only through those families with both children and social security recipients. Nationally for 2010 inclusion of economic recovery payments reduced the estimated number of poor children (by the standard used in this paper) by just .06 percent. Enhancements to SNAP benefits and to state TANF benefits via the TANF Emergency Fund are included in our calculations.

Graphs and Tables

Figure 1: Average Annual Federal Grant and Obligatory State Commitment, per Poor Child (Official Standard), 2011-2013 (in 2012$)

Draft: April 13, 2016
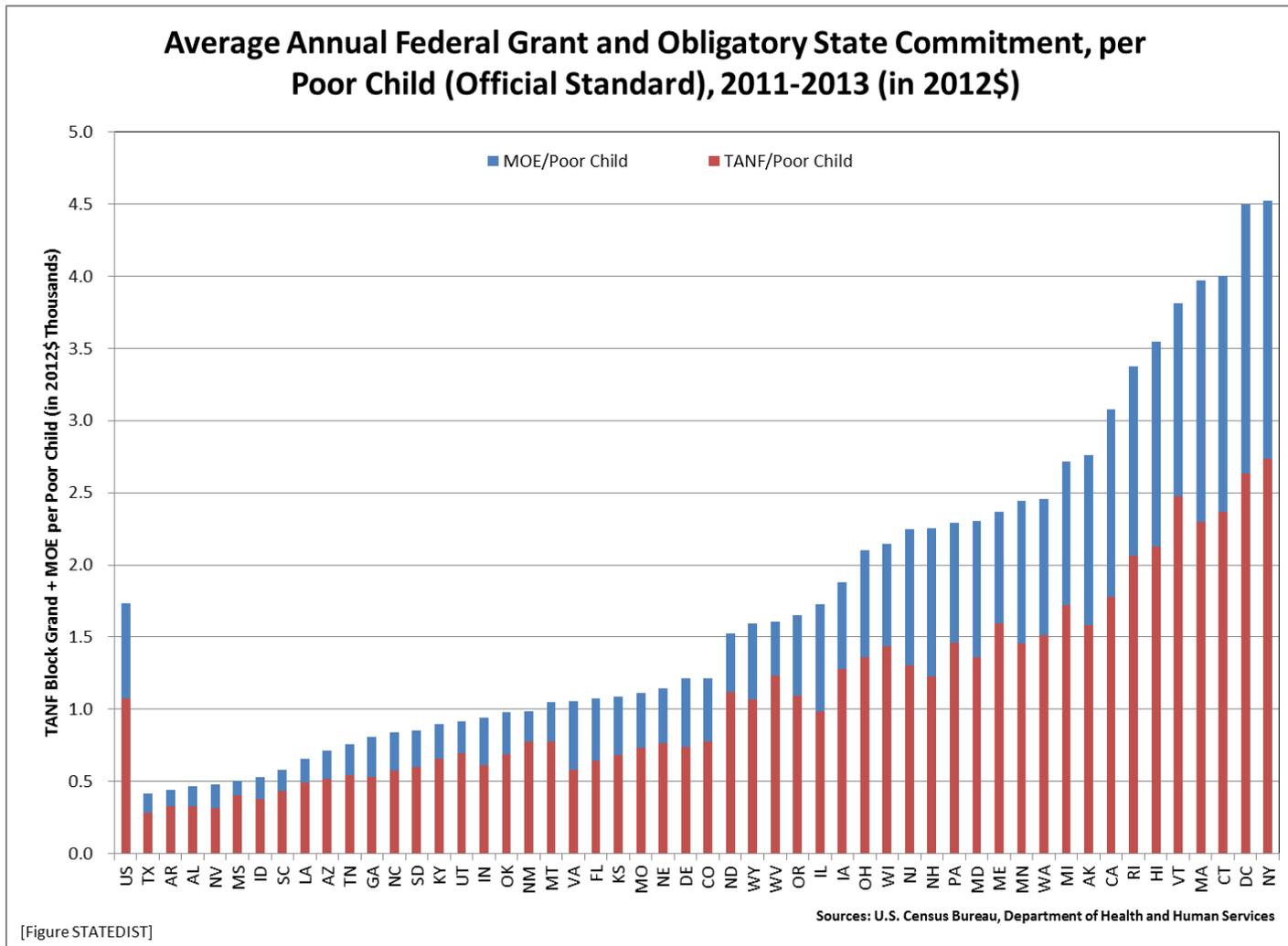
Figure 2: States Ranked by Average Annual TANF/MOE Resources per Poor Child with Price and Poverty Standard Adjustments, 2011-2013 (in 2012$)

States Ranked by Average Annual TANF/MOE Resources per Poor Child with Price and Poverty Standard Adjustments, 2011-2013 (in 2012$)

[Figure STATDISTADJ]

Sources: U.S. Census Bureau, Department of Health and Human Services

Draft: April 13, 2016

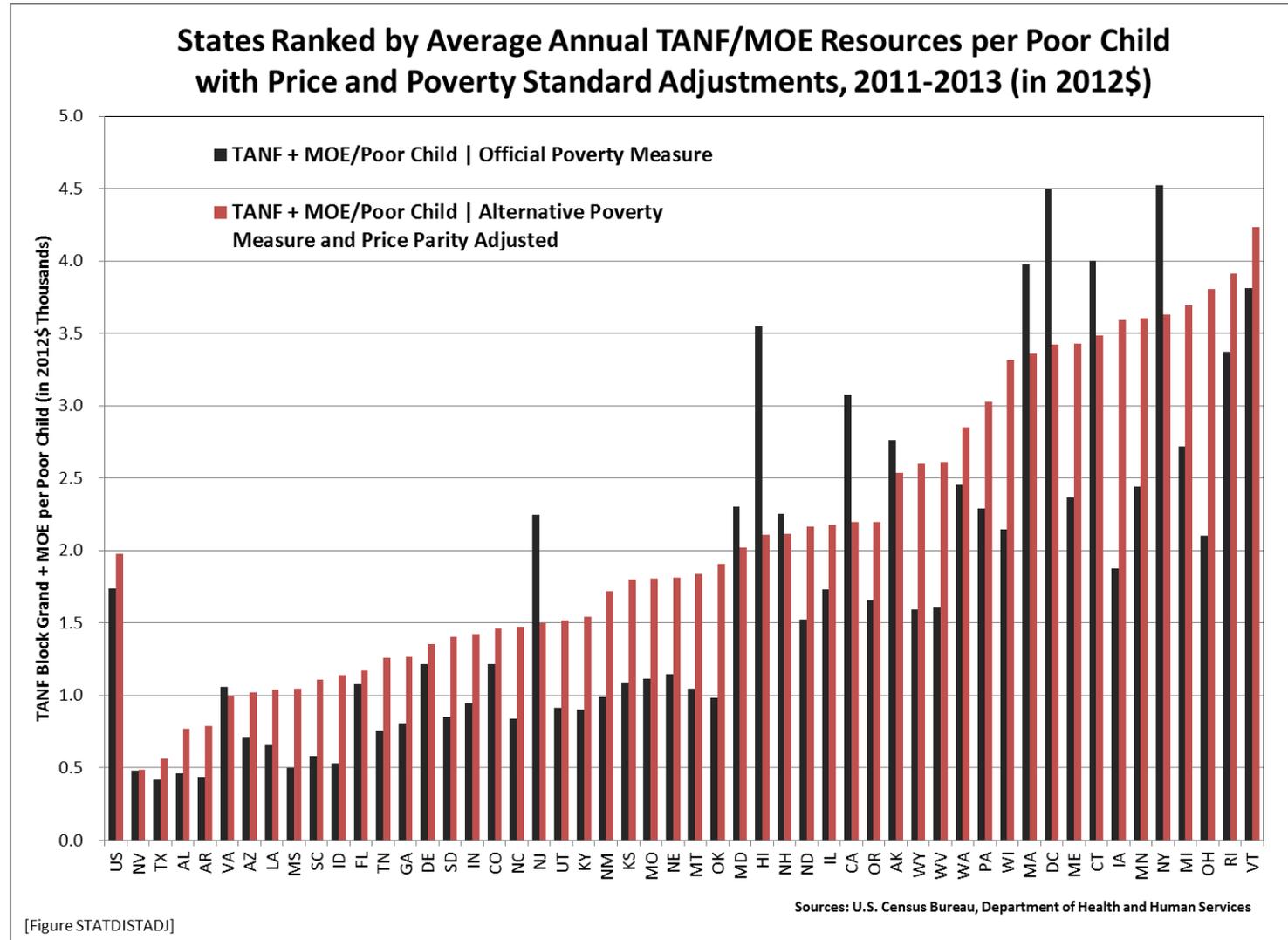Table 1: Measures of TANF Resource Variation, 2011-2013 (in 2012$)

<table>
<tr><td colspan="4">Measures of TANF Resource Variation, 2011-2013
(2012$)</td></tr>
<tr><td>Resource</td><td>Mean per poor child (across children)</td><td>Coefficient of Variation</td><td>Gini Inequality Index</td></tr>
<tr><td>State TANF Grant, OPM</td><td>$1,073</td><td>.569</td><td>.360</td></tr>
<tr><td>TANF + MOE, OPM</td><td>$1,735</td><td>.652</td><td>.386</td></tr>
<tr><td>State TANF Grant, MOPM</td><td>$1,265</td><td>.429</td><td>.292</td></tr>
<tr><td>TANF + MOE, MOPM</td><td>$2,044</td><td>.465</td><td>.305</td></tr>
<tr><td>State TANF Grant, MOPM, RPP</td><td>$1,231</td><td>.389</td><td>.275</td></tr>
<tr><td>TANF + MOE, MOPM, RPP</td><td>$1,978</td><td>.423</td><td>.286</td></tr>
<tr><td colspan="4">Notes:
   TANF   State Temporary Assistance for Needy Families
    MOE   State "Maintenance of Effort" expenditure requirement
    OPM   Official (Orshansky) Poverty Measure
  MOPM   Poverty assessed using modified official poverty measure; see text
    RPP   Resource modified to incorporate Regional Price Parity adjustment; see text
Source: Calculations by authors. See text.
Table DISTCOMP</td></tr>
</table>

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Table 2: Regression Results, Resources per Poor Child as a Function of State per Capita Income, FY2011-2013 Averages

Regression Results, Resources per Poor Child as a Function of State per Capita Income, FY2011-2013 Averages

	Dependent Variables			
	(1)	(2)	(3)	(4)
Independent Variable	log(TANF/Poor Child) [Unweighted]	log(TANF/Poor Child) [Weighted]	log(TANF+MOE/Poor Child) [Unweighted]	log(TANF+MOE/Poor Child) [Weighted]
log(Real Per Capita Income)	1.56 (2.78)**	1.81 (1.87)	1.93 (3.38)**	2.21 (2.17)*
Constant	-9.44 (1.58)	-12.29 (1.19)	-13.02 (2.14)	-16.08 (1.49)
R^2	0.14	0.07	0.19	0.09
N	51	51	51	51

Numbers in parentheses are t-ratios. * indicates $p < 0.05$; **$p < 0.01$

Table INCREGS

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Table 3: TANF Resource Distribution Comparison, 2005-2013

TANF Resource Distribution Comparison, 2005-2013 (2012$)				
Resource	Interval	Mean per poor child	Standard deviation/ mean	Gini
State TANF Grant, MOPM, RPP				
	2005-2007	$1,296	.328	.231
	2008-2010	$1,400	.350	.245
	2008-2010 (without ECF)	$1,284	.350	.248
	2011-2013	$1,231	.389	.275
TANF + MOE, MOPM, RPP				
	2005-2007	$2,081	.363	.249
	2008-2010	$2,121	.386	.263
	2008-2010 (without ECF)	$2,005	.388	.264
	2011-2013	$1,978	.423	.286

Notes:
   TANF   State Temporary Assistance for Needy Families
    MOE   State "Maintenance of Effort" expenditure requirement
 MOPM   Modified official poverty measure applied; see text
     RPP   Resource modified to incorporate Regional Price Parity adjustment; see text
    ECF   Emergency Contingency Funding from ARRA; see text
Table DISTCHANGE

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