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TANF in New Hampshire

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Building a Better Budget Conference

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Overview

- Effectiveness of TANF as a safety net in New Hampshire
- Effectiveness of TANF as a work program (are you getting what you paid for?)
- How New Hampshire spends federal and state funds

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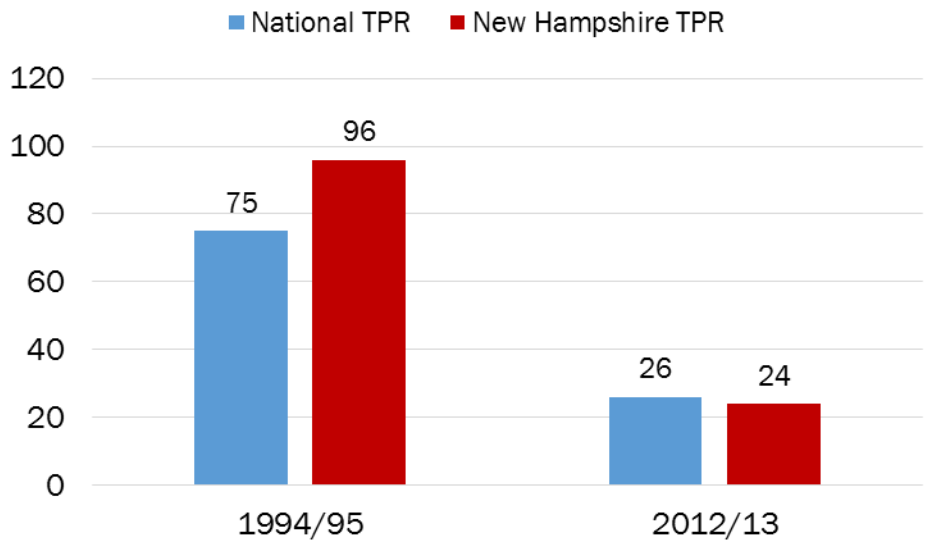
Effectiveness of TANF as a Safety Net

TANF's role as a safety net has declined sharply over time nationally and in New Hampshire

- AFDC/TANF's reach has declined dramatically since before Welfare Reform
- Now, it is comparable to the national average
- In years where poverty increase either did not rise to meet need or declined

AFDC/TANF-to-Poverty Ratio*, before welfare reform to present day



*Number of families receiving AFDC/TANF benefits for every 100 families with children in poverty; to improve the reliability of state data, we use two-year averages.
Source: HHS TANF caseload data and beginning in September 2006, CBPP compilation of state caseload data. CBPP analysis of Current Population Survey poverty data.

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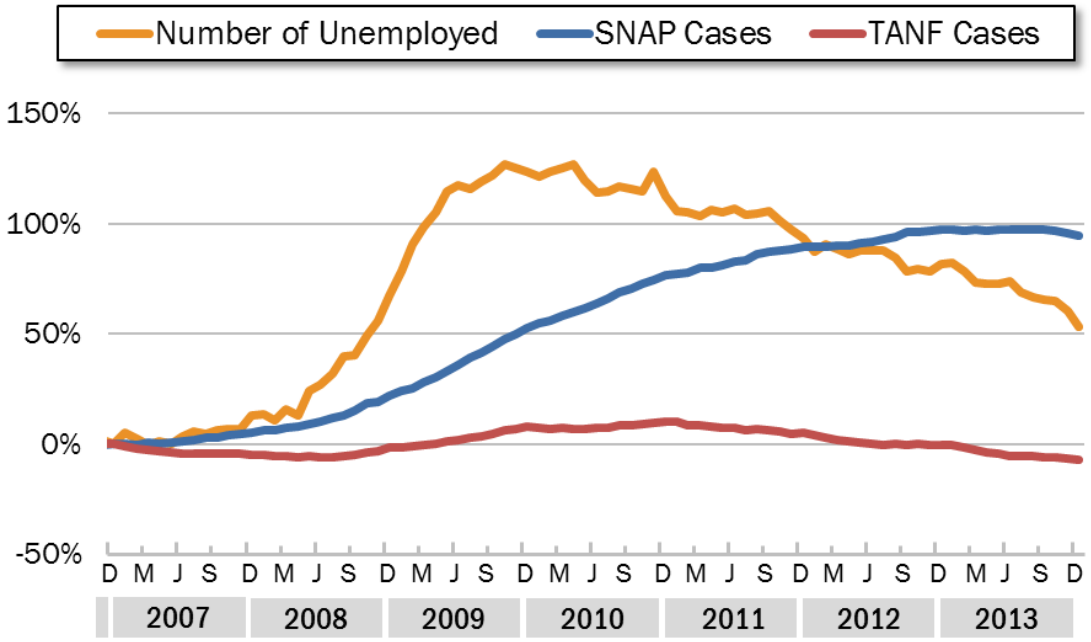
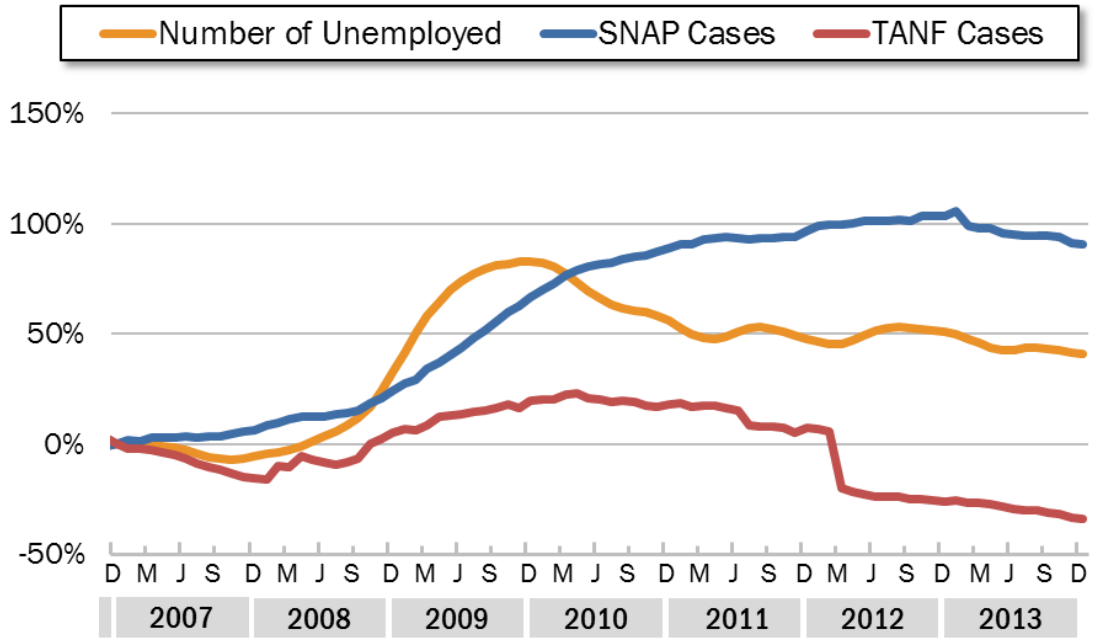
TANF responded modestly to the recession

National TANF caseload trend



New Hampshire caseload trend



Source: CBPP analysis of state TANF caseload data, Agriculture Department SNAP household data, and Bureau of Labor Statistics unemployment data.

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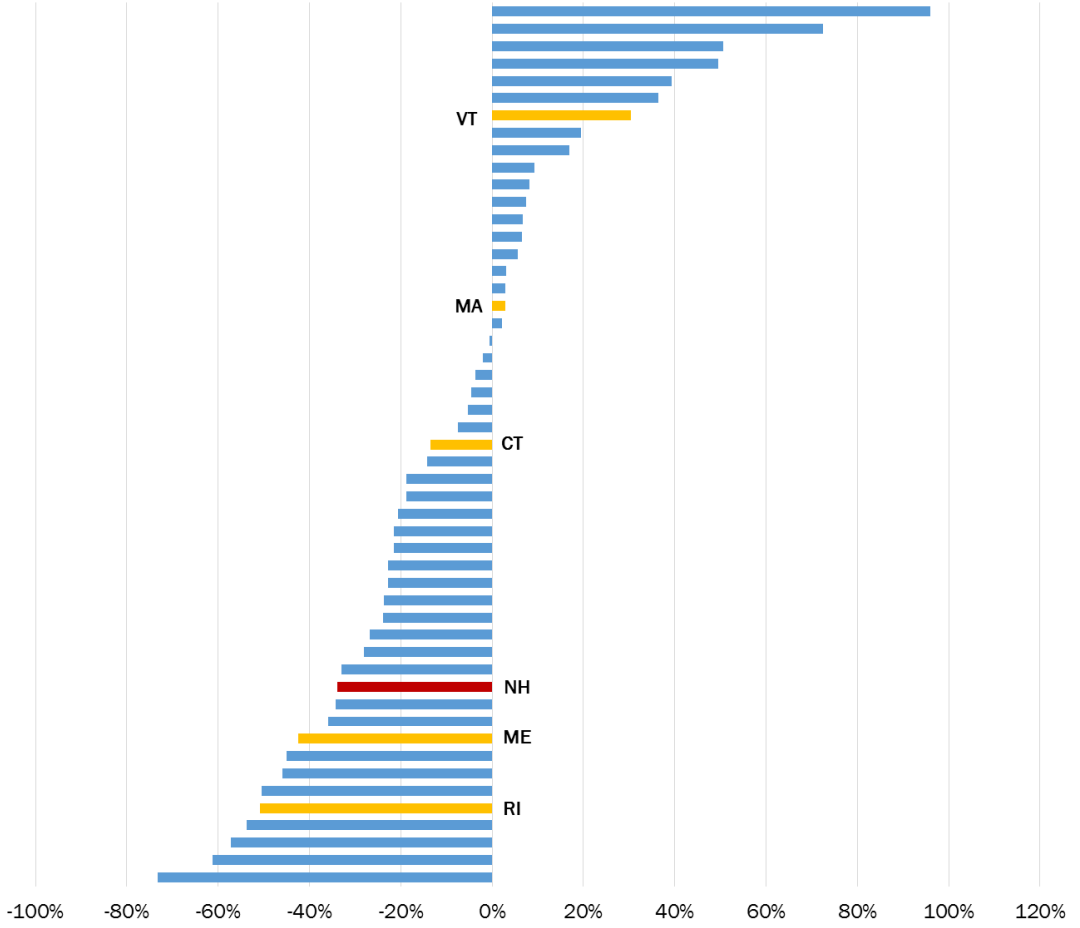
In recent years, New Hampshire has lost more cases than most states

- There is wide variation among states' caseload trends
- In NH, there were 34% fewer cases in Dec 2013 than in Dec 2006
- Two other New England states experienced drastic cuts to their TANF programs which led to steeper declines

Caseload percent change, December 2006 to December 2013



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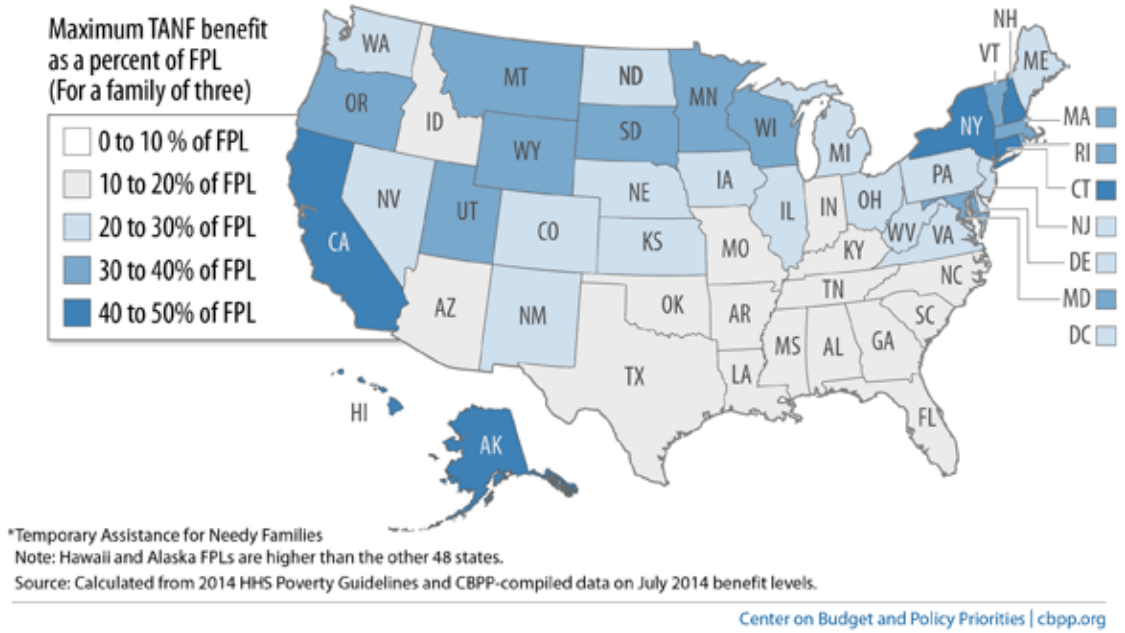
Maximum TANF benefits* leave families well below the Federal Poverty Level

- NH's benefits are only 41% of FPL
- The state's benefits have declined by about 19% in inflation-adjusted dollars since 1996.
- If benefits had kept pace with inflation they would be about $829.



*For a family of three

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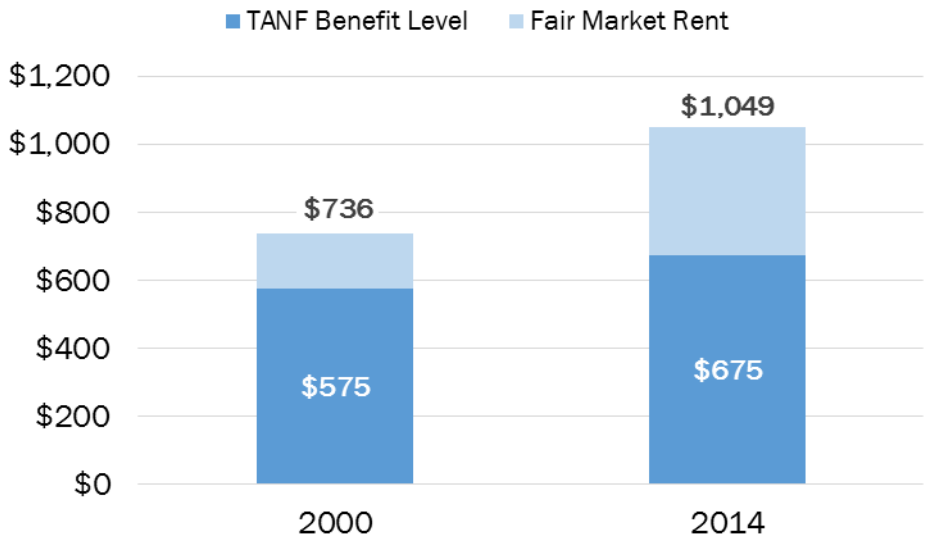
New Hampshire's benefits fail to cover the cost of rent and have lost ground overtime

- In 2000, benefit levels covered more than three-fourths of Fair Market Rents* (FMRs)
- In 2014, they covered less than two-thirds of the state's FMR in



*The numbers used here are for a two-bedroom on HUD Fair Market Rents.
Source: CBPP-compiled data on July 2014 TANF benefit levels; *Out of Reach 2014*, National Low-Income Housing Coalition.

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Look at where safety net is weak

- In years when poverty increased, TANF did not grow to meet need
- A range of policies led to NH serving fewer families, the most recent include ending the two-parent program and counting SSI
- Inflation has eroded the benefit level as basic living expenses have increased
- The result is that TANF serves fewer families and does less to lift those families it does serve out of deep poverty

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Effectiveness of TANF as a Work Program

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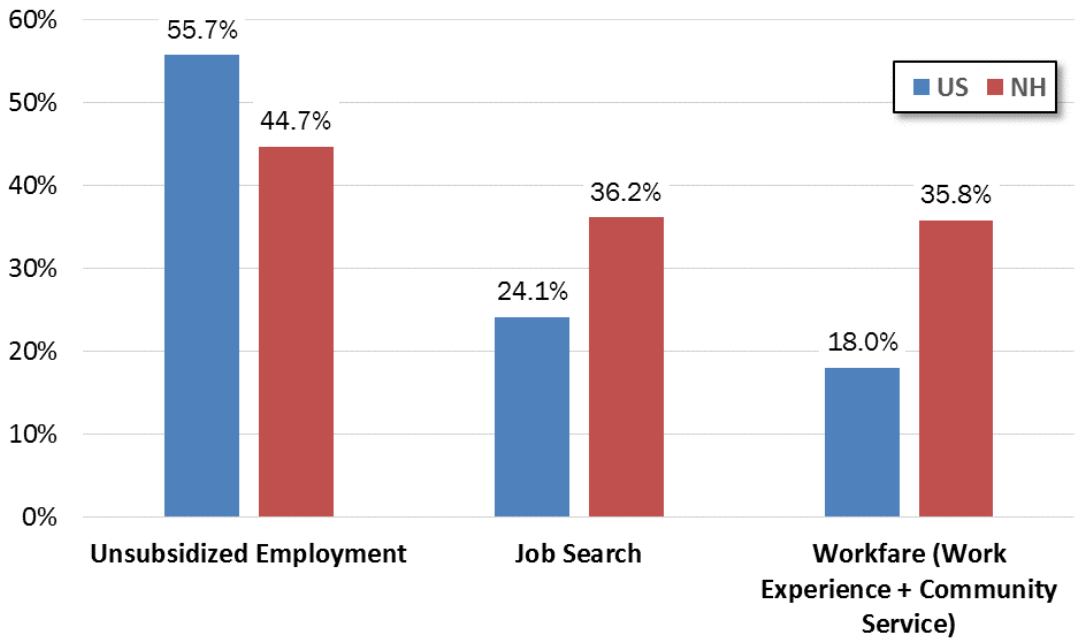
How is New Hampshire engaging TANF recipients in work?

- Program redesigns after DRA tightened up the state's work requirements
- Fewer people are engaged in unsubsidized employment than the national average
- More people are engaged in job search or workfare than other states



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Room for improvement in work

- New Hampshire is more than meeting it's work participation rate; it has the flexibility to consider new ways to operate the work program
- Other states are engaging their TANF recipients in different ways
  - Allowing education as a stand-alone work activity (MN, NE)
  - subsidized and transitional jobs (WA, HI)

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How are TANF Funds Being Spent?

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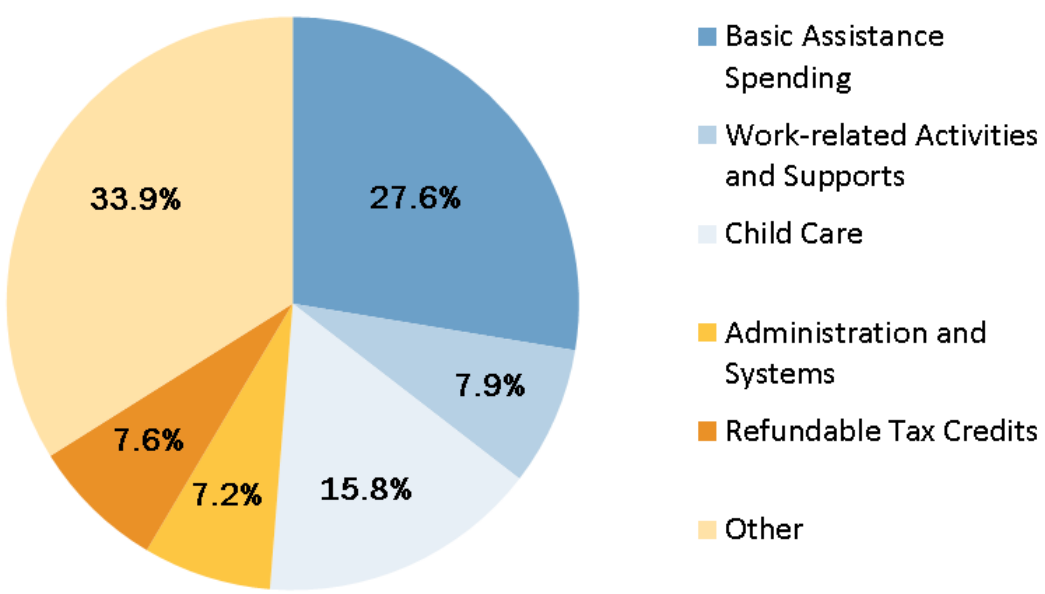
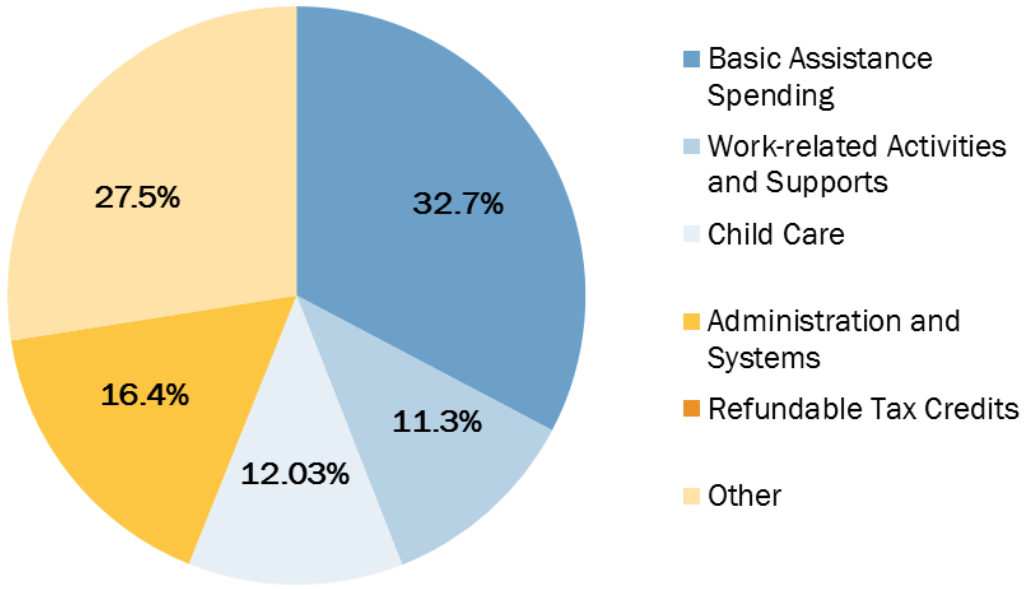
2013 TANF/MOE spending at a glance: US and New Hampshire

National Spending



New Hampshire Spending



Source: CBPP analysis of HHS' 2013 TANF spending data

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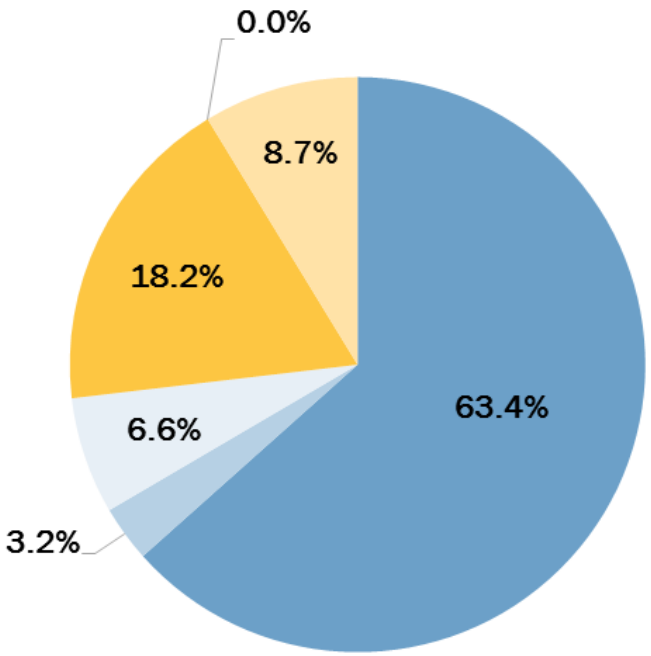
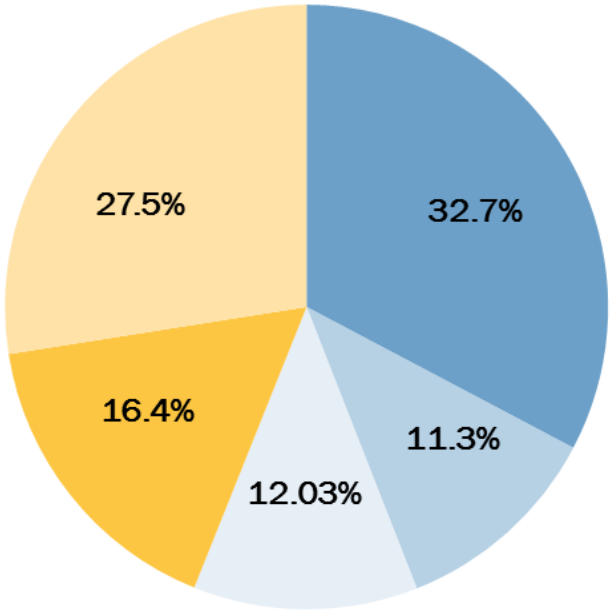
Basic assistance as a share of total spending has declined over time in New Hampshire



1997



2013

Basic Assistance Spending
Work-related Activities and Supports
Child Care
Administration and Systems
Refundable Tax Credits
Other

Source: CBPP analysis of HHS TANF spending data

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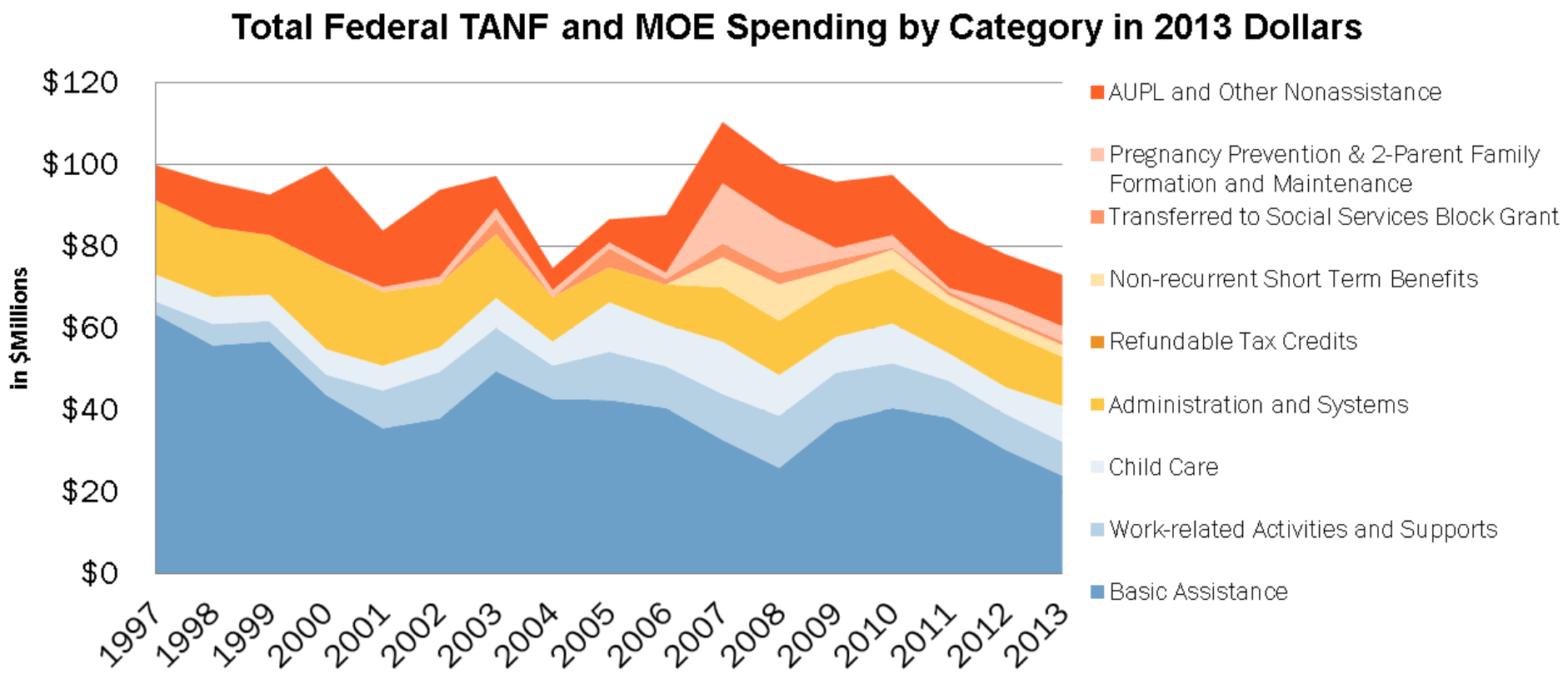
Overall TANF/MOE spending has declined real dollars in recent years



Source: CBPP analysis of HHS TANF spending data

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New Hampshire's TANF program can be stronger

As a safety net

- Relative to other states New Hampshire's TANF program is a mixed bag – in the top tier on some aspects but among the worst in the nation on others
- Moreover, compared to its own past standards and experience, the safety net aspects have weakened significantly.
- Are current policies fulfilling TANF's safety net role?

As a work program

- Following 2006 federal law changes, the state reshaped its work requirements because of concerns meeting the work rate
- These changes did not improve the program and limited its ability to help the range of families on TANF succeed
- Now New Hampshire is easily meeting federal work requirements and has the flexibility to improve its work program
- Are current work activities producing the best work program?