

TANF IN INDIANA: ITS PURPOSES, ITS PROBLEMS AND WHAT LAWMAKERS CAN DO TO IMPROVE IT

Eligibility and benefit value have eroded, leaving Indiana in desperate need of reform.

TANF IN INDIANA ISN'T WORKING

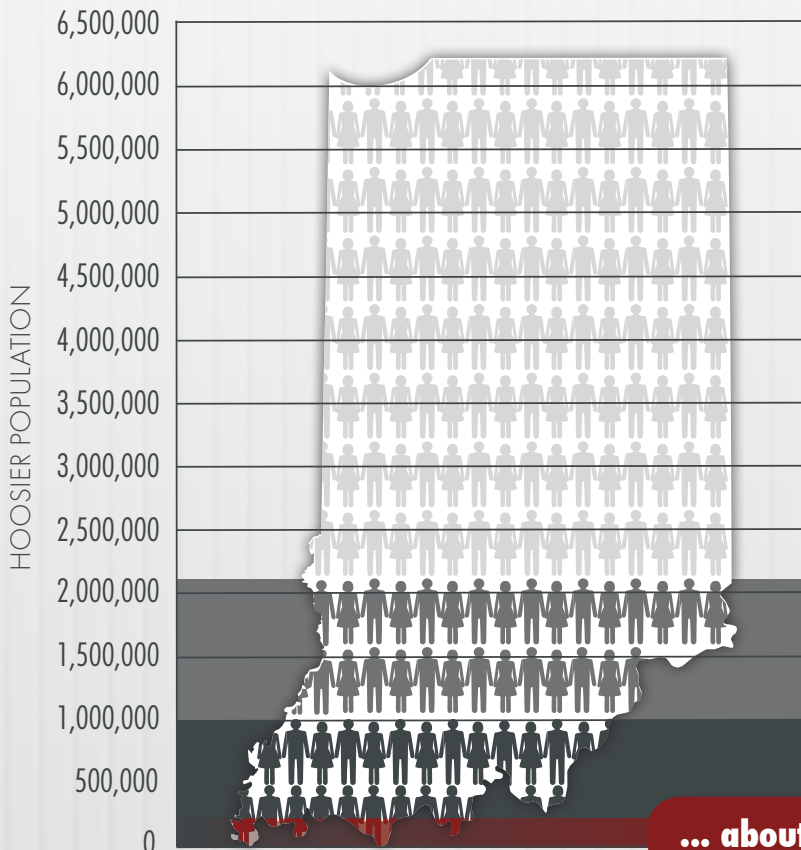
Temporary Assistance for Needy Families (TANF) is meant to be a lifeline for those who have fallen upon hard times. But the eligibility standards and value of the benefits have eroded, leaving the program in need of reform. (See back for details about problems and what lawmakers can do to help.)

ITS PURPOSES

1. Provide a cash benefit so families can meet their basic needs until their situations improve.
2. Offer non-cash support through programs and case management that help parents find and keep jobs.



HOOSIERS IN NEED



**Out of about
6.2 million Hoosiers ...**

**... 2.1 million
are living below
the self-sufficiency
standard and
struggle to make
ends meet.**
(200% of the Federal
Poverty Guideline (FPG))

Self sufficiency takes into account all basic needs, including housing, food, transportation and health care. This doesn't count for small luxuries (like eating out or buying a Christmas gift for a child).

... about 1 million are in poverty (FPG)

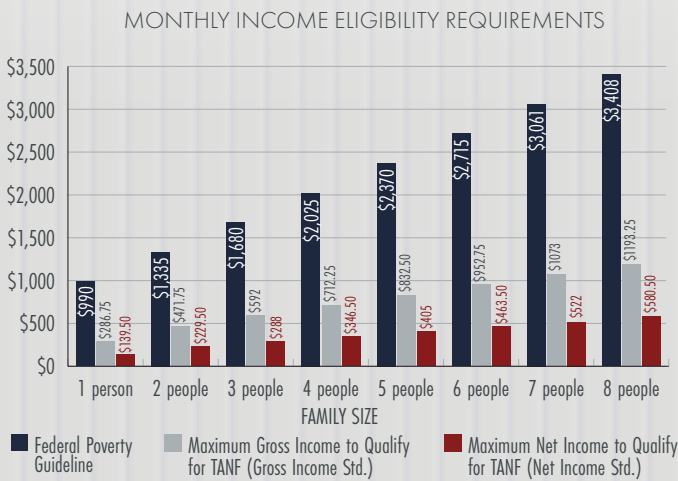
... about 16,000 Hoosiers received TANF Assistance
(17% of the FPG to qualify; only 6% of Hoosier families in poverty)

ITS PROBLEMS:

TANF participation has dropped 90.9% since 1995. Yet the poverty rate has only dropped slightly and still sits above the pre-recession rate.

Only 6% of Hoosier families in poverty participated in TANF in 2016.

PROBLEM: Requirements to qualify were set in the 1990s and were not adjusted for inflation. A family of three can have a net income of only \$288/month after paying for basic needs. In 2006, this amount was 27% of FPG. By 2016, it was just 17% of FPG. This leaves a LOT of people who are living in poverty ineligible for TANF.



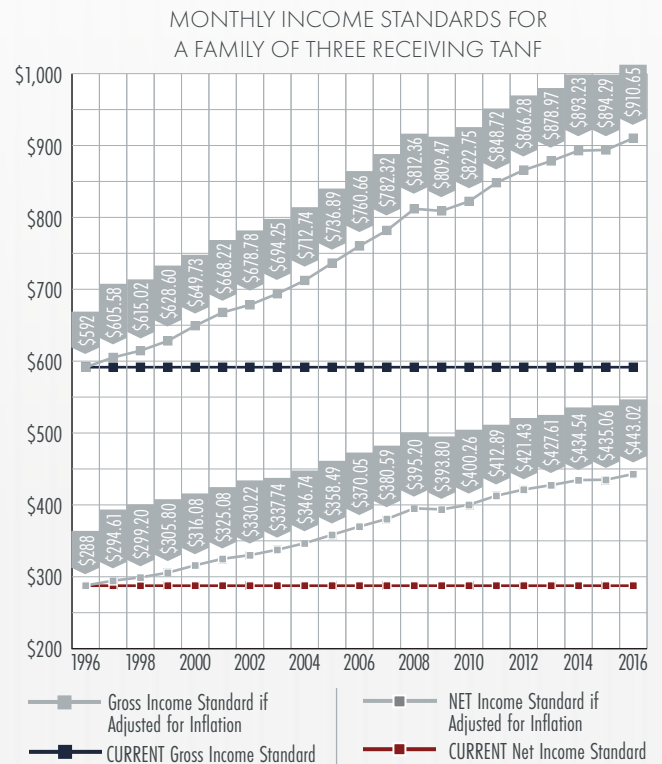
IMPROVE IT: Raise eligibility thresholds to 50% of FPG to give more of the people below poverty level a chance to start beating it. Then adjust the value for inflation.

PROBLEM: Individuals who qualify for TANF must complete 20 days of job searching after they apply for benefits before they receive them. The financial struggle intensifies during those 20 days, and the individual is forced to take ANY job he or she can find, regardless of pay, stability, benefits or hours. The individual stays trapped in the poverty cycle.



IMPROVE IT: Provide cash assistance from the start. At the same time, offer intensive support to those engaged in active job-searching — covering their immediate needs and helping them find a job that will actually lift them out of poverty.

PROBLEM: Cash assistance provided by TANF is extremely small — only 17% of what is considered a poverty-level income. A family of three receives no more than \$288 per month, which equals just \$3.10 per person per day. This is far from the lifeline needed to keep poverty away. Since 1996, this fixed dollar amount has lost 36% of its value.



IMPROVE IT: Increase benefit levels AND index them to inflation.

PROBLEM: Families can expect to lose TANF support before they are ready.

- If they have \$1,500 in assets or are even just a percentage point above the poverty line, they lose TANF.
- Adults are limited to two years of TANF support in their lifetimes. This is not much time to improve their education and training, then get them into a high-quality job that will keep them out of poverty. Additionally, too-few adults who receive cash assistance participate in education and training services TANF can provide.



IMPROVE IT: Invest more TANF dollars in education and training for TANF parents, so they can not only get out of poverty but stay there. Extend education and training benefits by providing a robust cash benefit for those who participate.

This will allow them to focus their time on getting skills and training they need to meet the expectations of a 21st-century job market.