

Statement by

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Hearing on the

Role of Education and Training in the TANF Program

The Importance of Higher Education for Women and Single Parents

For millions of Americans, higher education has long served as a gateway to the middle class and upward mobility. Throughout much of its history, the United States led industrialized nations in the expansion of secondary and higher education, contributing to greater economic equality and shared prosperity (Goldin 1999).

For women in the US higher education has allowed access to better earnings and career advancement opportunities. Women have made steady progress in increasing their levels of education and narrowing the education gap with men: The proportion of women age 25 and older with a college degree or higher nearly doubled from 14 percent in 1980 to 29 percent in 2008, narrowing the education gap with men to within one percentage point—the proportion of men 25 and older with college degrees or higher grew from 21 percent to 30 percent during the same time frame (U.S. Census Bureau 2009a and 2009b).

For many low-income women, and especially low-income single mothers, postsecondary education is out of reach, despite the disproportionate benefits it can have for their lives, and the lives of their children. Those in families headed by single mothers are more than three times as likely to be poor than the average, and if the mother is between the ages of 18 and 24, she stands a 50 percent chance of being poor (U.S. Census Bureau 2008).

Improving the educational attainment holds great promise for raising income levels among low-income single mothers and their families. IWPR research shows that even modest amounts of higher education can have substantial positive effects on earnings (see Jones-DeWeever and Gault 2006 for review). Parents' college education can lead to other positive outcomes such as providing children with new models of educational engagement and success. Degree holders report greater involvement with their communities, better relationships with their families and children, and higher levels of self-esteem (Jones-DeWeever and Gault 2006).

Improving higher education access is especially important for African American women and Latinas, whose rates of educational attainment are typically lower than those of white women (Institute for Women's Policy Research 2008). The earnings premium from higher education is impressive. Asian American women with a bachelor's degree earn 83 percent more than those with a high school diploma, Hispanic women earn 74 percent more, and African American women earn 67 percent more than those with high school only (Institute for Women's Policy Research 2008).

Temporary Assistance for Needy Families Policy and Postsecondary Education

Access to higher education holds great promise for empowering low-income individuals to find pathways to jobs that will provide sustainable incomes. The 1996 federal welfare reform legislation dramatically reduced low-income single parents' access to higher education. Welfare reform prioritized moving low-income parents into the workforce quickly over education and job training, requiring a minimum number of work hours per week and limiting the hours per week that could be spent on education and training. The provisions of PRWORA's Temporary Assistance to Need Families (TANF) program favored immediate employment over job-training and education (Jones-DeWeever and Gault 2006). According to a report by the National Bureau of Economic Research (Dhaval, Reichman, and Corman 2008), welfare reform adopted 'work first' policies as the self-sufficiency strategy and moved away from encouraging education and marketable skills attainment. The study found that welfare reform reduced the likelihood that young adult women attend high school by 20 to 25 percent.

The move to 'work first' policies caused a dramatic decline in the number of welfare recipients enrolled, by almost 50 percent (from 650,000 in 1995-6 to 358,000 in 1999) (Coalition for Independence Through Education 2002). Many recipients left school to continue receiving assistance because TANF was their primary means of income and child care (Price 2005). Some argue that since the mid-1990s, the limits on counting postsecondary education participation as a work activity has become one of the greatest hindrances to economic advancement among TANF recipients (Price 2005).

Welfare reform, along with other factors, does appear to have had the intended effect of increasing labor force participation: Lower-Basch and Greenberg (2008) report that the combination of a near-full employment economy, federal and state policy initiatives including expanding the Earned Income Tax Credit, tripling of child care funding, increases to the minimum wage, and broadening health care coverage for low-income families produced dramatic increases in the employment rates of single mothers. However, women entered marginal and unstable positions in low-wage occupations, typically without health care or sick leave, and often scheduled during irregular hours making it difficult to coordinate child care. Work participation for the most impoverished individuals increased by almost 50 percent, but their monthly income declined, especially among those with very young children (see Jones-DeWeever and Gault 2006).

In 2008, the US Department of Health and Human Services clarified welfare reform rules on education and training, expanding the definition of vocational education to include postsecondary education (vocational education continued to be allowed for a maximum of twelve months, consistent with previous guidelines), without relief from monitoring and documentation requirements of educational activities. In addition, the final rules allow welfare beneficiaries to count undergraduate and graduate courses, as well as on-the-job training, towards the work participation requirement¹ (Lower-Basch 2008).

A host of state and federal policies in 2010 continue to influence low-income single parents' ability to access postsecondary education. For example, states' interpretations of work requirements under the TANF program, and whether and when states allow community college to count as vocational education, all affect whether parents can pursue college while receiving cash assistance to support their children. In addition, for single parents, the cost of lost earnings while pursuing training and education, and the multiple demands on their time between work, studies, and caring for dependants continue to be barriers to higher education.

For those women who in spite of all obstacles are able to obtain postsecondary degrees, circumstances improve, and the likelihood of returning to public assistance is very low.. Research with female welfare leavers found that among those who graduate from college, only 8.5 percent return to public assistance; by contrast, 22 percent of female welfare recipients who do not attend college return to public assistance within a year of exiting. Five years out, high school graduates with college are more likely to be employed than women who did not attend college; at the same time, large discrepancies exist between the economic outcomes of female college graduates versus those women who attend college without graduating (London 2006).

Nevertheless, the current policy structure impedes this progress for women. TANF recipients seeking to include education and training toward their work participation must document all hours of attendance, which must be supervised and verified (either in-person or when appropriate by telephone or online). Time spent on homework can also be used towards work participation, but a participant is allotted only one hour of unsupervised study time for each hour spent in class that need not be documented; each additional hour spent studying must be supervised and documented (Lower-Basch 2008).

¹ Welfare reform introduced a requirement that all states achieve a 50 percent work participation rate of their adult welfare caseload for at least 30 hours a week.

Even for the welfare recipient who abides by all the rules, once her 12 months have expired, she must work at least 20 hours per week to continue receiving cash assistance (Lower-Basch 2008). The work hours required can be even higher, depending on state law.

In fact, one GAO report found that many local non-profit and for-profit organizations that work to increase the income of TANF recipients refrained from accepting TANF dollars, citing the ‘work first’ approach as a barrier to offering education and training services. Others cited the administrative burden involved with working with government grants and contracts as a deterrent to taking TANF funds (US General Accountability Office. 2005a).

Recommendations for TANF Reauthorization

IWPR recommends returning to the promotion of postsecondary education attainment as a strategy for self-sufficiency and as a means of getting out of poverty. Policies that promote this strategy include:

- *Creating incentives that encourage states to adopt and prioritize higher education programs for TANF recipients.*
- *Allow TANF participants open access to postsecondary education.* Participants should be able to pursue postsecondary education through five-years of TANF receipt. Restrictions on time spent in school should be removed.
- *Allow class and study time to be counted toward TANF work requirements and remove any class and study verification requirements.*
- *Allow federal work-study programs to be counted toward the TANF work requirement.*
- *Eliminate the 30 percent cap on higher education TANF caseloads.*
- *Stop the clock for TANF recipients receiving a postsecondary education.* Single parents have myriad demands on their time including being the sole person responsible for family income, child care, health care, meals and household duties, resulting in limited available time to devote to earning a degree. In some cases it may take more time to complete a degree, especially when single parents are unable to enroll as full-time students.

We thank you for this opportunity to allow IWPR to contribute to the public record on the *Role of Education and Training in TANF*. We appreciate your consideration of our recommendations on this important issue. Please do not hesitate to contact us for more information about our work in this area.

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