# Cuts in US welfare programs hit hundreds of thousands of poor families

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**30 May 2011**

US states are implementing drastic cuts to the Temporary Assistance for Needy Families (TANF) program, creating further hardships for 700,000 families that include 1.3 million children. The slashing of funding for TANF, the welfare program financed by block grants to states from the federal government, is part of an overall attack on all social programs in the US.

The impact and scale of the cuts are documented in a May 19 report issued by the Center on Budget and Policy Priorities (CBPP), a liberal policy group.

The CBPP report lists three areas of cuts being made by the states:

* Monthly cash assistance benefits have been cut in several states. This is pushing hundreds of thousands of families and children well below the poverty line.

* Time limits for receiving TANF benefits have been shortened. California and Arizona are two of the states carrying out such measures, which have the result of cutting off thousands of very poor families from any aid. Other state legislatures are discussing shortening time limits from 60 months to as short as 18 months.

* Working families with low incomes face cuts in TANF-funded supplements in several ways. Michigan's Earned Income Tax Credit (partially funded by TANF) is being slashed by two-thirds, for example, raising state income taxes for several hundred thousand low-income working families. This is part of a state budget that sharply cut taxes for corporations and the wealthy. In other states, families are having their supplemental TANF benefits cut or eliminated.

These cuts are being carried out by both Democratic and Republican governors. Among the states cited by the CBPP that are cutting benefits are: Washington, under a Democratic governor, where benefits have been reduced by 15 percent, or $84 per month for a family of three; South Carolina under a Republican, by 20 percent; and 8 percent in California, under a Democrat.

The report points out, "States are terminating or reducing benefits for some of the most vulnerable families, most of whom have very poor labor market prospects." This is under conditions of a continued jobs crisis.

While the states are directly responsible for implementing the cuts, the federal government and the Obama administration are just as culpable. As the CBPP notes, "The TANF cuts are due in substantial part to the inadequacy of the federal TANF block grant."

Despite the fact that the creators of TANF in 1996 gave assurances that a TANF Contingency Fund would be maintained to provide help during economic downturns, that fund was entirely exhausted in December of 2010 and additional money allocated by Congress for 2011 was so small that it has since been used up.

The 2009 Recovery Act included the TANF Emergency Fund, providing some extra funds. Congress declined to extend the bill past September 2010, when the fund ended.

This attack on welfare programs goes back at least 15 years, to the "welfare reform" of the Clinton administration in 1996. Pledging to "end welfare as we know it," the Clinton administration terminated the Aid to Families with Dependent Children program, replacing it with the block grant program, TANF. Previously, funding for AFDC was provided based on need, where the federal government shared the financial liability with the states when economic conditions caused more families to seek aid.

A key part of Clinton's welfare reform bill, which bore the Orwellian title of the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," was the imposition for the first time of a lifetime limit of 60 months for welfare recipients. Beyond that time, regardless of how dire their circumstances, families are prevented from receiving any aid. (See, "Poverty and hunger worsen under US welfare reform".)

In accordance with the program as it was established under Clinton, the report notes that the federal block-grant to the states "has been level-funded since its creation in 1996, with no adjustment for inflation or any other factor. At only 72 percent of their original value in inflation-adjusted dollars, state and federal TANF funds can no longer fund the same level of services and support as they did 15 years ago."

The AFDC program, just before it was ended, served three-quarters of all families with children who lived in poverty. In 2008-2009, only 28 percent of such families were served by TANF. In some states, this figure was as low as 10 percent.

The official US poverty threshold is about $22,000 a year for a family of four. Even at this preposterously low level, the latest US Census figures document a poverty rate of over 17 percent. The government estimates that 25 percent of American children will soon be living in poverty. Under these circumstances, the TANF program fails to provide any effective aid to the population.

Yet, in the face of the staggering increase in poverty, and the clear inadequacies of the TANF block grant, the US Senate is discussing elimination of the federal food assistance program, Supplemental Nutrition Assistance Program (also known as Food Stamps) and turning it into a block grant.

The 1996 reform act also bears many similarities to proposals from Republicans this year to replace Medicaid, the state-federal health care program for the poor, with a block grant system. The aim of this change, which is supported by many Democrats as well, would likewise be to throw tens of thousands of people off Medicaid rolls and sharply reduce benefits.

In the section titled, "Why States Are Making Deep TANF Cuts Now," the CBPP points out that state budget shortfalls for fiscal year 2012 will total $112 billion. Funding for all social programs including unemployment benefits, education, public libraries, parks, infrastructure, emergency services, health care and state retirement funds is being cut drastically.

These cuts are taking place at the same time as social inequality reaches unprecedented levels in the US. A recent paper by the Economic Policy Institute reports the wealth of the richest 1 percent of US households in 2009 was 225 times greater than the median family net worth in America, nearly twice the ratio of 125 in 1960. The total budget shortfall in the states, of $112 billion, is less than ten percent of the combined wealth of just the 400 richest Americans.

While for the mass of the population, the recent recession has meant a dire undermining of living standards, loss of homes through foreclosures and unprecedented job loss, the ruling elite has used the financial crisis to further plunder the social wealth.

The ruthless offensive against TANF is not simply misguided policy by certain political representatives. Rather, it is part and parcel of the overall strategy of the ruling elite, represented by both Democratic and Republican parties, which aims to eliminate whatever social gains have been made since the early twentieth century.