Implications of Dependent Children’s Age on TANF Eligibility and Work Requirements: Evidence from the Welfare Rules Database

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Introduction

• Family must have a child under 18 years old to be eligible for federally-funded TANF benefits
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• 3 million children received TANF in FY2014
• States vary significantly on how children and their parents are treated
• Depending on the child’s age, there are implications for eligibility, benefits, work requirements, and time limits
## Overview

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Data Source: The Welfare Rules Database

- TANF policies across states, time
- 31 categories; 1,000+ variables
- Coded from caseworker manuals/updates
- Currently funded by HHS/ACF and HHS/ASPE
- Free, publicly accessible interface
- July 2013 data to be released September 2014
Data Source: The Welfare Rules Database
Eligibility of Pregnant Women

- Possible TANF eligibility before a child is born
- In 2013, 32 states provided benefits to pregnant women with no other children
- Some states also include the father and/or unborn child
Eligibility of Pregnant Women

- Possible TANF eligibility before a child is born
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Key Point: In some states, pregnant women can receive benefits; in other states, they are not eligible unless a child is present
Maximum Age for Children

- Children are eligible for federally-funded TANF through age 17 in most states, or age 18 if in school
- Some states allow children with special needs to remain eligible beyond age 18
Maximum Age for Children

• Children are eligible for federally-funded TANF through age 17 in most states, or age 18 if in school
• Some states allow children with special needs to remain eligible beyond age 18

Key Point: Families face a reduced benefit or loss of eligibility when a child ages out of TANF
Maximum Age for Children

- **Age 15 / 18**
- **Age 17**
- **Age 17 / 18**
- **Age 17 / 19**
- **Age 18 / 19**
- **Age 19 / 21**

*DC*
Family Caps

- Prevent benefits from increasing when another child is born, or limit the increase
- Disincentive for bearing additional children
- In 2013, 17 states had a family cap
Family Caps

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- Disincentive for bearing additional children
- In 2013, 17 states had a family cap

*Key Point:* In states with family caps, benefits do not increase (or increase by reduced amount) to account for additional children in the household
Work Exemptions

- Recipients with a child less than 1 year old are not counted in work participation rates
- Most states exempt these parents from work
- The maximum age at which a child confers special treatment varies
- This exemption has changed significantly over time
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- Recipients with a child less than 1 year old are not counted in work participation rates
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- The maximum age at which a child confers special treatment varies
- This exemption has changed significantly over time

*Key point:* Parents with young children are exempt from work in some states; however, as the child ages, the parent may be required to return to work-related activities
Work exemption when caring for a child under age:

Policies for single parents over age 21
Work exemption when caring for a child under age:

Policies for single parents over age 21
Value of TANF Benefits

• States choose how and when to adjust benefit standards
• Between 2008 and 2013:
  – 18 states increased the maximum benefit
  – 8 states decreased the maximum benefit
  – 25 states did not adjust the dollar amount
• Real value of benefits increased in only 4 states
• Average $36/month decrease in real value of TANF benefits
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Key Point: Over this 5 year period, a mother with two children has lost value in her TANF benefit in most states, assuming no other eligibility changes
Percent Change in Value of TANF Benefits (2008 to 2013)
Special Time Limit Exemption/Extensions

- States may choose to provide special treatment for federal time limits when parents are caring for young children
  - 8 states provide an exemption
  - 10 states provide an extension
  - 5 provide both
- Children may continue receiving benefits when the unit reaches the time limit in 4 states

[Pie chart showing 13 states providing exemptions and 38 states not providing exemptions]
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**Key Point:** The presence of a young child can affect whether or not a family can continue to receive benefits
Special Time Limit Exemption/Extensions

- Exemption
- Extension
- Both
- None

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Conclusion

• The age of the child matters for the unit in terms of the benefit it receives, work requirements it faces, and how the time limit affects it
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• Rules vary significantly by state based on the age of the children in the home
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• The age of the child matters for the unit in terms of the benefit it receives, work requirements it faces, and how the time limit affects it

• Rules vary significantly by state based on the age of the children in the home

• In some policy areas, rules are similar across states; in others, there is substantial variation
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