

**Testimony before the Assembly Social Services Committee
Hearing on the adequacy of the Public Assistance Grant in New York State
September 28, 2007**

**Presented by Karen Schimke, President and CEO
Schuyler Center for Analysis and Advocacy**



*Shaping New York State public policy
for people in need since 1872*

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It has been seventeen years since New York last raised the basic welfare grant to \$291 a month for a family of three. In that time, the cost of living has risen by an estimated 63%. But New York's grant to recipients of the Temporary Assistance for Needy Families (TANF) program stays the same. I strongly urge New York to raise the TANF basic grant to \$475, simply the level of inflation since 1990, and then index both the basic grant and the shelter allowance to an appropriate cost of living index.

Increasing the TANF grant, like any other subsidy, imposes a cost on the state. It should be implemented as part of a comprehensive anti-poverty agenda, not as an isolated act of compassion. In particular, we do not believe that the goal is simply to redistribute tax dollars to low-income TANF recipients. Rather, the goal is to lift TANF recipients out of poverty in a sustainable way, so that they will get good jobs that enable them to leave TANF and not bounce back after a year or two.

The potential for a real anti-poverty strategy begins with the arrival of a new administration. Governor Eliot Spitzer has established the Economic Security Cabinet to bring together seventeen agencies with the goal of helping New Yorkers achieve and maintain economic security.

The Office of Temporary and Disability Assistance (OTDA) will play the most important role in the state's anti-poverty agenda.

In the previous administration, OTDA put a premium on personal responsibility. By pushing TANF recipients into the workforce, regardless of how unstable or unrewarding their jobs might be, New York was fostering "self-sufficiency," which would enable former recipients to bootstrap themselves into the middle class. This could be termed the "field of dreams" strategy of poverty reduction.

Under Commissioner David Hansell, OTDA has now articulated poverty reduction as a key goal for the first time, and proposed realistic strategies for achieving it. As Commissioner Hansell noted in testimony before your committee earlier this month: "No single program alone can or will lift all people out of poverty."¹ He is entirely right. New York must use many different points of leverage to support the millions of New Yorkers looking for a way out of poverty.

Commissioner Hansell identified some of the strategies his agency is using or exploring, such as "providing [recipients] with work experience, skills development, training and educational opportunities," and helping recipients "to overcome temporary obstacles to work." These

strategies have been tested in other states and found to be effective. We applaud OTDA's rapid improvement under Commissioner Hansell's leadership.

Raising the TANF grant is vital to the success of OTDA's new "reality-based" poverty-reduction strategies. We are asking TANF recipients to take a leap – that is, to engage in literacy programs, workforce development, higher education, mental health counseling, and other programs that will help them to get and keep jobs. But it's hard to jump when the floor is crumbling underneath you. TANF recipients who get a basic grant of less than 50% of the federal poverty level are more likely to get evicted from their homes, fail to pay their heating bills, lose their car because they can't afford to repair it, or stay at home to care for their children because they have no money for child care.

Many TANF recipients need stability before they can begin addressing the limitations that prevent them from joining the workforce. Researchers for the U.S. Department of Health and Human Services recently studied TANF recipients in six states using a standardized interview protocol.² They found that large numbers of TANF recipients have deficits in three areas: human capital liabilities (low education levels, little job experience); personal and family liabilities (physical health limitations, mental health problems, pregnancy); and situational challenges (difficulties with transportation, childcare and housing).

Among the study's findings:

- Four out of ten have no high school diploma;
- One out of five have a physical health problem;
- Three out of ten have a mental health condition;
- One in eight have a learning disability;
- Three in ten have a child with a health problem or special need;
- One out of four has difficulty with transportation;
- One out of three has difficulty with child care.

The ready-to-work TANF clients left years ago and got jobs. Today's TANF clients must overcome barriers to success. If New York provides a reasonable basic grant, we will make it possible for TANF recipients to focus on the next step in leaving poverty, whatever that may be. Ask yourself: If you were being evicted from your apartment next week, would you be able to focus on today's literacy class?

Earlier this week, SCAA convened a policy forum on improving college access for working adults. Carl Hayden, former Chancellor of the Board of Regents, spoke at the forum. He made a profound point: "Low-skilled work has no future in New York State. It will always go to the lowest common denominator, whether it happens to be Mexico or Malaysia or Mississippi." The days in which a high school dropout with low literacy skills could walk into a factory and get a 40-year job with health benefits are over. Today, low-income adults must get education and workforce training to escape chronic poverty. And TANF is an important tool both to provide those services and also to provide the economic stability that enables low-income New Yorkers to take advantage of them.

I realize that in the minds of many policymakers, TANF is synonymous with welfare dependency. From this perspective, the lower the grant, the better. The fewer clients, the better. But Governor Spitzer has challenged the leaders of the state to think more deeply: "One New

York means a state that does not just help a working parent off the welfare roll, but one that helps lift him out of poverty,” he declared in the 2007 State of the State speech.

From this perspective, the question to ask about TANF is not “how can we get rid of it?” but rather, “how can we use TANF to lift people out of poverty?” I believe that raising the TANF basic grant is essential to that goal.

¹ David Hansell, Commissioner, New York State Office of Temporary and Disability Assistance, Testimony before the New York State Assembly Social Services Committee, September 6, 2007.

² Susan Hauan and Sarah Douglas, U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Potential Employment Liabilities Among TANF Recipients: A synthesis of Data from Six State TANF Caseload Studies*, October 2004.