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## State should spend TANF funds more wisely

By:

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[ Editor's note: the following guest column was contributed by Clare S. Richie, a senior policy analyst with the Georgia Budget & Policy Institute. ]

Poverty in Georgia is on the rise, with more children living in poverty than adults or seniors. In fact, even before the recession, one in five of Georgia's children were living in poverty. Families in poverty don't have the resources to meet their basic needs of food, clothing, and shelter. Can you imagine this for your family?

Georgia cannot afford, financially or morally, to ignore child poverty. "Every year a child stays in poverty reduces his or her future productivity over the course of his or her working life by \$12,000," said Senator Christopher Dodd, referencing research by the Center for American Progress as he introduced a bill to modernize poverty measurement. Children who live in poverty are more likely to have poor educational outcomes, poor health, and engage in criminal activity. The impact touches all Georgians. Persistent poverty prevents Georgia from becoming a prosperous state with educated productive workers and stable families.

It is time for Georgia to stop this decline and be a can-do state. It's time for lawmakers and policymakers to fund successful initiatives that move families from poverty to self-sufficiency. This is a direct purpose of Temporary Assistance for Needy Families, formerly known as welfare and Aid to Families with Dependent Children (AFDC), funded with federal money and a smaller state match.

Right now Georgia has untapped opportunities to stem rising poverty. It should act now while funds are available. Under the American Recovery and Reinvestment Act (ARRA), Georgia can draw down \$165.4 million more in TANF federal funds to help with the increased need for cash assistance, expansion of short-term emergency assistance, and/or expansion of subsidized employment the recession is bringing on.

Georgia does not have to start new, unproven programs. Successful TANF initiatives from other states lead the way. Here is a sampling of strategies Georgia is poised to implement:

Career Pathways – Building on Georgia's Work Ready Program, post-secondary system, and career centers, Georgia is poised to pilot a Career Pathways Initiative for low-income

families. This initiative integrates academic, workforce development, and remedial instruction to provide a clear connection between academic credentials and available jobs in local industries while providing student support.

**Car Ownership** – The legislature should allocate funds to renew and reconstitute a robust statewide car ownership program for TANF applicants, recipients, and those that have left TANF but whose wages keep their families impoverished. For nearly a decade, Georgia operated Wheels to Work, a program that assisted TANF recipients in select counties to purchase low-cost vehicles with no down payment, zero interest, and low monthly payments. In 2001, this program went statewide using TANF funds but, despite its impressive outcomes, was not renewed. Policymakers could apply for and use ARRA funds to revive this initiative.

**Building Assets** – Georgia should provide low-income families with opportunities to save money and accumulate assets to protect against unforeseen hardships, as follows:

**Raise the resource limit for TANF eligibility** as most states have done. Georgia has no resource test for food stamp eligibility but it has set the resource limit for TANF eligibility at \$1,000.

**Join 24 other states and Washington D.C. and enact a state Earned Income Tax Credit** that piggybacks on the successful federal tax credit.

**Provide funding for the TANF Individual Development Account** (a matched-savings program used for pursuing post-secondary education, starting a business, and buying a home) that currently exists in policy only.

If your neighbors were struggling to swim in stormy waters, would you throw them a life preserver so they could make it safely to shore? With TANF funds and the stimulus, Georgia lawmakers have that opportunity to pull Georgia's families from the depths of poverty to the stability of self-sufficiency.