



FEDERATION OF PROTESTANT WELFARE AGENCIES

### Key Facts on Income Security

- The 1996 national welfare law (“The Personal Responsibility and Work Opportunity Reconciliation Act of 1996”) eliminated the 60 year old Aid to Families with Dependent Children program and created Temporary Assistance for Needy Families (TANF).
- While families always struggled with serious financial hardships while receiving welfare, under the current law conditions for families are worse. The law has resulted in a significantly larger percentage of households who are eligible but not receiving assistance. In 1995, 62% of poor children received assistance from welfare in comparison to 24% in 2007.<sup>1</sup>
- According to recent U.S. Census data, in 2008, 13.2 percent of the U.S. population, or 39.8 million people, lived below the Federal Poverty Level.<sup>2</sup>
- The 2008 poverty level for a family of three is \$18,310. Across the nation, poverty rates have risen and continue to have a disproportionate impact on children (19%), seniors (11.7%), and communities of color with Asians at (11.8%), Hispanics at (23.2% ), and Blacks at (24.7 percent), compared to non-Hispanic Whites at 8.6%.<sup>3</sup>
- A family of three in NYC receiving the public assistance receives a maximum grant of \$715 (less than 47% of the Federal Poverty Guideline) The overall grant includes \$400 for shelter (this varies depending on the recipient’s county of residence), \$53 for home energy costs, and \$262 as a “basic allowance” to cover all other expenses. Below subsistence public assistance grant levels cause family crises, hunger, and overcrowding. A study conducted by the National Coalition for the Homeless cites the decline in the value of public assistance as one of the major causes of homelessness and hunger.<sup>4</sup>
- In 1997 New York State passed its welfare law to comply with 1996 federal law. The New York State Constitution contains a provision, Article 17, which requires that the State provide for the needy. Despite this provision, welfare caseloads have plummeted due to punitive eligibility requirements and have not been responsive to economic need. The number of people receiving public assistance dropped from 736,613 January 2001 to 530,663 In August 2009.<sup>5</sup>

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<sup>1</sup> Casey, Tim, Legal Momentum, *The Bitter Fruit of Welfare Reform: A Sharp Drop In the Percentage of Women and Children Receiving Welfare*, 2009.

<sup>2</sup> U.S. Census Bureau, *Current Population Survey (CPS), 2009 Annual Social and Economic Supplement (ASEC)*, [www.census.gov/hhes/www/poverty/poverty08/pov08hi.html](http://www.census.gov/hhes/www/poverty/poverty08/pov08hi.html).

<sup>3</sup> Ibid.

<sup>4</sup> Rozell, Maura, et al. *Welfare to What? Part II: Laying the Groundwork for the 2002 Congressional TANF Reauthorization Debate*. National Coalition for the Homeless and Los Angeles Coalition to End Hunger & Homelessness on behalf of the National Welfare Monitoring and Advocacy Partnership, 2000.

<sup>5</sup> New York State Office of Temporary and Disability Assistance, *Monthly Temporary & Disability Statistics*, August 2009. <http://www.otda.state.ny.us/main/bdma/2009/2009-08-stats.pdf>.