



The District's Dime

Going Beyond the Budget Book

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Tackling Income Inequality Through Critical Investments in TANF

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Taking steps to address DC's gaping income and opportunity gaps should be high on the agenda of our next mayor. DCFPI's new [report](#) showing that wage inequality in the District is at its highest point offers another piece of evidence that this is a critical issue. While some residents are doing very well in DC's high-skill economy, those without advanced education are falling further and further behind, and their kids will likely fall behind too.

The fiscal year 2015 budget offers the mayor and DC Council an opportunity to reverse this trend, through investments in affordable housing, education, health care, job assistance, and targeted tax reductions. Over the next month, DCFPI will highlight budget actions that would reduce DC's widening income inequality.

Today's District's Dime focuses on Temporary Assistance for Needy Families (TANF), DC's welfare-to-work program. TANF is designed to stabilize families in times of need and help parents to get into jobs that will enable them to support their families. The District has made great progress in improving job training, but further investments are needed to ensure that all families have access to this training.

TANF job training slots can currently accommodate about 3,600 unemployed parents, but there are at least the same number of families who cannot get help because the program is full. With benefits now limited to 60 months, it is important that parents get job training and other services to prepare for work. While the Department of Human Services has begun to explore ways to increase the availability of job training, it's unclear what the cost or scale would be. A \$30 million investment would double the number of job training slots available through the current TANF vendors.

The current level of TANF benefits, just \$428 a month for a family of three, leaves many families in a state of constant crisis. This is not surprising as DC's TANF and food stamp benefits bring families to just over 50 percent of the federal poverty line. A proposal before the Council to increase TANF benefits by at least 15 percent and add a cost-of-living adjustment for subsequent years would bring DC's benefits to at least \$492 per month. This gain, while significant, still would leave benefits lower than in other high cost jurisdictions such as Boston (\$618), Los Angeles (\$638), New York City (\$789), or Baltimore (\$574).

Finally the District should create a time limit exemption to allow TANF parents to devote energy to caring for an infant under 12 months old. Zero-to-Three, a national organization finds that "infants

and toddlers, particularly those at risk, need dedicated time with their parents to form the critical relationships that are the foundation for healthy social, emotional, and cognitive development.” In DC, parents caring for infants already are exempt from engaging in work preparation activities, presumably for these reasons, but their TANF time clock continues to run. This means that families can experience time-limit related benefit cuts while caring for an infant. It makes sense to match work requirements and time limits — having the time clock run only when a parent is expected to be in training or looking for work — so that families have the time they need to transition into self-sufficiency.

Stay tuned to the District’s Dime to learn more about DCFPI’s FY 2015 budget priorities.