**TANF Talking Points: The Importance of Providing Adequate Cash to Families**

**Topline: Providing adequate amounts of direct cash assistance to families with low incomes is the single most effective way to help them meet their basic needs and ensure healthier long-term outcomes for their children.**

Providing cash to families has immediate and long-term positive impacts on children.

* Cash assistance has an immediate positive impact by helping families afford the basic essentials their kids need such as food, rent, utilities, and diapers.
* Providing cash assistance to families also improves children’s long-term educational and health outcomes, better setting them up for future academic and economic success.[[1]](#endnote-1)
  + Evidence links more cash assistance with healthier birthweights, better childhood nutrition, higher school enrollment, higher reading and math test scores, higher high school graduation rates, higher rates of college entry, and other benefits.
  + And higher rates of success are linked to higher cash assistance amounts; pilot programs in the 1990s in the U.S. and Canada showed that when programs provided more generous income assistance, young children showed correspondingly better academic performances.
* Higher cash assistance levels for families with low-incomes directly improves the welfare of the children living in those families.[[2]](#endnote-2)
  + Studies have shown that for every 10 percent increase in cash benefits there is an 8 percent reduction in child welfare placements.
  + Financial supports reduce child abuse and neglect by enabling families to better access resources and address their own basic needs.

Providing adequate cash assistance to families with low-incomes will save money for everybody.

* The positive long-term outcomes felt by families boosted by cash assistance extends to greater society as a whole; a study conducted by the Columbia University Center on Poverty and Social Policy estimates that for every $1,000 provided to families with children, society reaps $5,603 in benefits.[[3]](#endnote-3)
  + Those benefits mainly come from three areas: (1) increased earnings in adulthood; (2) reduced health care costs; and (3) fewer expenditures related to crime.
* Research suggests the savings in child welfare could be substantial.[[4]](#endnote-4)
  + For every 10 percent increase in cash and food benefits there is an 8 percent reduction in foster care placements.
  + Each $1,000 states spend on public benefit programs is associated with a 4.3 percent reduction in child maltreatment reports, a 4 percent reduction in substantiated child maltreatment, a 2.1 percent reduction in foster care placements and a 7.7 percent reduction in child fatalities due to maltreatment.
  + Even very modest increases in TANF benefits can produce savings
    - Increases of as little as $100 are positively associated with reductions in physical abuse events.
    - For families involved in the child welfare system, every $100 increase in a mother’s post-placement income increases her child’s speed of reunification by 6 percent.

Investing in a benefit increase for TANF recipients is especially important now given rising costs for basic necessities.

* When prices for necessities rise and TANF benefits remain stagnant, families must get by with less. They must ration necessities, buy cheaper, lower-quality products, or simply go without.
* A recent study found that Black, Latinx, and American Indian households are impacted by inflation the most, with 63 percent of American Indian adults, 55 percent of black adults, and 48 percent of Latinx adults currently experiencing serious financial problem.

Failing to provide families with assistance to meet their basic needs has severe negative consequences for children.

* When parents are unable to meet their children’s basic needs, children can develop toxic stress, which can have a long-term impact on their brain and biological development.[[5]](#endnote-5)
* When families cannot afford adequate food or housing for their children, those children experience worse outcomes in health and education.
  + Children who live in crowded homes or move frequently have been found to score lower on reading tests, complete less schooling, and experience learning gaps.[[6]](#endnote-6)
  + Reduced intake of key nutrients lead to health problems such as iron deficiency – which is linked with long-term neurological damage – and behavioral and mental health issues, all of which can lower children’s test scores, their likelihood of graduating from high school, and their earnings in adulthood.[[7]](#endnote-7)
  + And children who experience significant hardship when they’re young are more likely to develop chronic conditions such as heart disease, diabetes, depression, arthritis, gastrointestinal disorders, autoimmune diseases, multiple types of cancer, and dementia, among many others.[[8]](#endnote-8)

Increasing TANF benefit levels helps promote racial equity for families of color, especially Black families.

* Low TANF cash benefits, which disproportionately affect the benefits available to Black children, are rooted in a long history of racist ideas and policies aimed to control Black women’s behavior and access to TANF program support during times of financial instability.[[9]](#endnote-9)
* Because Black families have lower income than white families, raising benefit levels can have a substantial impact on ensuring that Black families have the resources they need to make ends meet.

Providing adequate, unconditional cash assistance also affirms the dignity of parents and caregivers and presumes they know how to best care for their children.

* Policies that keep TANF cash benefits low and reduce or take away those cash benefits are based on racist ideas about Black women that paint them as lazy, negligent, and devious. But these ideas and the policies they intend to justify do not exclusively harm Black families: all families in need of TANF assistance are harmed by inadequate benefits to support them during financially unstable times.

1. [Economic Security Programs Help Low-Income Children Succeed Over Long Term, Many Studies Find | Center on Budget and Policy Priorities (cbpp.org)](https://www.cbpp.org/research/poverty-and-inequality/economic-security-programs-help-low-income-children-succeed-over) [↑](#endnote-ref-1)
2. Clare Anderson *et al.,* “Family and child well-being system: Economic and concrete supports as a core component,” Chapin Hall at the University of Chicago, March 2023, <https://www.chapinhall.org/wp-content/uploads/Economic-Supports-deck.pdf>. [↑](#endnote-ref-2)
3. Irwin Garfinkel *et al.*, “The Benefits and Costs of a U.S. Child Allowance,” *National Bureau of Economic Research*, Working Paper 29854, March 2022, [w29854.pdf (nber.org)](https://www.nber.org/system/files/working_papers/w29854/w29854.pdf). [↑](#endnote-ref-3)
4. Clare Anderson *et al.,* “Family and child well-being system: Economic and concrete supports as a core component,” Chapin Hall at the University of Chicago, March 2023, <https://www.chapinhall.org/wp-content/uploads/Economic-Supports-deck.pdf>. [↑](#endnote-ref-4)
5. Carrie Masten, Joan Lombardi, and Philip Fisher, “Helping Families Meet Basic Needs Enables Parents to Promote Children’s Healthy Growth, Development,” CBPP, October 28, 2021, <https://www.cbpp.org/research/poverty-and-inequality/helping-families-meet-basic-needs-enables-parents-to-promote>. [↑](#endnote-ref-5)
6. Will Fischer, “Research Shows Housing Vouchers Reduce Hardship and Provide Platform for Long-Term Gains Among Children,” CBPP, Updated October 7, 2015, <https://www.cbpp.org/research/housing/research-shows-housing-vouchers-reduce-hardship-and-provide-platform-for-long-term>. [↑](#endnote-ref-6)
7. Margaret M.C. Thomas, Daniel P. Miller, and Taryn W. Morrissey, “Food Insecurity and Child Health,” *Academy of Pediatrics*, Vol. 144, No. 4, October 2019, https://publications.aap.org/pediatrics/article/144/4/e20190397/38475/Food-Insecurity-and-Child-Health?autologincheck=redirected. [↑](#endnote-ref-7)
8. Harvard Center on the Developing Child, “Health and Learning Are Deeply Interconnected in the Body: An Action Guide for Practitioners,” <https://developingchild.harvard.edu/resources/health-and-learning-are-deeply-interconnected-in-the-body-an-action-guide-for-policymakers/>. [↑](#endnote-ref-8)
9. [Improvements in TANF Cash Benefits Needed to Undo the Legacy of Historical Racism | Center on Budget and Policy Priorities (cbpp.org)](https://www.cbpp.org/research/income-security/improvements-in-tanf-cash-benefits-needed-to-undo-the-legacy-of-historical) [↑](#endnote-ref-9)