



## What Happens to Poor Families When They Hit Welfare Time Limits and Cash Benefits Disappear?

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"Welfare" as it now exists in the United States aims to provide a short-term safety net for very needy families with children and prepare adults to get jobs. The Temporary Assistance for Needy Families law passed by Congress in 1996 said that cash assistance should be limited to no more than five years (sixty months) over a lifetime. But states were allowed some flexibility to extend this limit for up to one-fifth of their welfare recipients who face unusual problems.

Until last year, the state of Maine took advantage of this flexibility to provide extended help to less than 15% of its caseload. Some people could continue to get benefits if they complied with all welfare rules, including the rule about seeking or preparing for employment. But in 2011, the Maine legislature voted to make the sixty-month limit virtually absolute. Exceptions would be granted only if people were awarded a special hardship extension due to coping with disability, domestic violence, or the need to care for a disabled family member.

When the new law took effect in 2012, more than 2,000 Maine families were affected. About 44% requested hardship extensions, but only a quarter of all people scheduled for termination got the exception. Since January 1, 2012, more than 1,500 Maine families, including 2,700 children have lost cash benefits. *Who are these families and what are their circumstances?* To answer this question and consider whether welfare has adequate protections for the most vulnerable, I surveyed a sample of 54 Maine families whose benefits were stopped and did some additional in-depth personal interviews to probe people's experiences more deeply.

### What We Know about Families Who Need Long-Term Welfare Assistance

A 2010 study found that most families receiving welfare in Maine do so for a short time, typically about 18 months. People needing longer-term help usually had less than a high school education and were coping with personal ill-health or family disabilities.

Findings from other states tell the same story. Research studies consistently show that a small subset of recipients of Temporary Aid to Needy Families require specialized assistance and ongoing support to be able to provide for their families, because they are grappling with one or more severe difficulties such as physical or mental health problems, caring for a disabled child, the aftermath of domestic violence, or educational deficits and learning disabilities.

### The Lives of Impoverished Maine Families Who Lost Benefits

The families I surveyed for the Maine Time Limit Study look like those all across America who ask for more than temporary welfare assistance. More than two-fifths of the Maine respondents losing assistance in 2012 had less than a high school education; 39% reported they had a work-limiting disability, and 26% reported a child or other dependent with a disability.

After benefits were cut off, many of these respondents, including families with children, were left facing increasingly draconian circumstances.

- **Very low incomes.** The typical ("median") income of families losing assistance was \$260 a month, or \$3,120 a year – which equals only 16% of the federal poverty level.

- **Very low wages, if any.** The average wage for the respondents who were working at the time they filled out the survey was \$9 per hour.
- **Sometimes no money.** About 40% had no income at all after losing cash assistance.
- **Barriers to finding or holding jobs.** Survey respondents who were not working pointed to barriers ranging from personal health issues or the need to care for a disabled family member, to a lack of affordable childcare, inadequate skills for the available job opportunities, and the overall scarcity of jobs.
- **Disruptions in daily life.** Nearly 70% of the terminated families reported that they had to go to a food bank after losing benefits; more than one in three lost a utility service, such as electricity. One in five reported being evicted from their home and having to relocate, often to overcrowded living conditions or to a homeless shelter.

Some findings in our study seemed surprising, given that Maine provides educational programs to welfare recipients and still allows very needy people to apply for hardship exceptions to the five-year limit. But such extra help had not reached many of the respondents I studied:

- Three-quarters of those who said they needed more education to find a job did not have a high school diploma, yet only a handful had participated in an educational or training program sponsored by Maine's welfare system.
- One in four respondents said they did not understand they could apply for a hardship extension – and many of those who knew they could apply said that their caseworkers discouraged them from doing so.

## What Should Be Done?

If welfare in Maine – and beyond – is to meet its core objectives of protecting families and enabling employment for people who can work, several new steps are clearly called for:

- Improve assessment of health problems and family or educational barriers to employment, so that they can be addressed earlier, well before families hit the five-year limit.
- Ensure more effective administration of applications for “hardship” extensions, so that people clearly qualified for such help do not fall through the cracks.
- Make hardship extensions possible for welfare recipients who cannot find jobs – due to high unemployment in their area or because they lack a high school diploma, speak little English, or suffer a learning disability.

Read more in Sandra S. Butler, “**TANF Time Limits, One Year Later: How Families Are Fairing,**” Maine Equal Justice Partners, March 2014.