



Highlights of [GAO-06-108](#), a report to congressional requesters

## Why GAO Did This Study

Following major welfare reform in 1996, the number of families receiving cash assistance was cut in half to 2 million. While many former recipients now rely more on their earnings, they often work at low-wage jobs with limited benefits and advancement opportunities. To better understand how to help these individuals and their families attain economic self-sufficiency, GAO is reporting on (1) strategies designed to increase income for TANF recipients through employment; (2) the key factors related to implementing and operating such strategies; and (3) actions the Department of Health and Human Services (HHS) has taken to facilitate the use of these strategies. GAO consulted experts to gather information about promising strategies and visited 26 programs.

## What GAO Recommends

GAO recommends that HHS (1) identify opportunities for additional research on increasing TANF recipients' earnings, (2) review its existing efforts to better ensure information and implementation assistance reaches the wide range of program administrators and service providers involved in welfare reform, and (3) seek out new opportunities to collaborate with Education and Labor on research and technical assistance. In response, HHS said that its efforts in these areas are sufficient and do not warrant additional attention.

[www.gao.gov/cgi-bin/getrpt?GAO-06-108](http://www.gao.gov/cgi-bin/getrpt?GAO-06-108).

To view the full product, including the scope and methodology, click on the link above. For more information, contact David Bellis at (415) 904-2272 or [bellisd@gao.gov](mailto:bellisd@gao.gov).

# WELFARE REFORM

## More Information Needed to Assess Promising Strategies to Increase Parents' Incomes

### What GAO Found

Based on interviews with experts and site visits, we identified four strategies that aimed to increase incomes for recipients of Temporary Assistance for Needy Families (TANF)—training, post-secondary education, self-employment, and financial asset building. Training strategies often targeted services to particular groups or job market needs. Other programs used post-secondary education to position clients for higher-wage jobs. Some programs we visited gave participants the tools to run their own businesses as a way out of poverty. Finally, asset building strategies aim to help clients save and invest money to pursue career goals and support their families. The 26 programs we visited used one or more of these strategies.

A broad network of local non-profits, state and local TANF offices, employers, and community colleges is key to operating these strategies. Some of the programs we visited were non-profits under contract with the TANF office. Others relied on a mix of public and private funds, some because of concerns that TANF's emphasis on work was a barrier to providing education and training options. State and local TANF offices, for their part, sometimes set policies and provide additional funding to encourage the strategies discussed in this report. Local non-profits and TANF agencies either directly provided or helped link clients to supplemental services such as child care, housing, on-the-job support, and transportation. As part of the broader network, local non-profits and TANF offices often forged links with employers and community colleges to leverage additional resources for their clients, including training curricula, career ladders, and work opportunities.

HHS is supporting these strategies through research, targeted grants, and technical assistance. Efforts by other federal agencies, such as the Departments of Education and Labor, also support some of the strategies discussed in this report. HHS has several research projects focused on helping low-income individuals find higher-wage employment and build their assets. While these efforts are important, more needs to be known about the effectiveness of specific strategies, such as those identified in this report, in increasing TANF recipients' earnings capacity. In addition to the TANF block grant, HHS has two small grant programs that support employment and asset-building strategies. While HHS has provided some technical assistance to facilitate the use of these strategies, it is not clear whether service providers understand ways they can incorporate education and training in a work-focused welfare system. Furthermore, HHS faces some challenges disseminating information on new research or promising strategies to all of the organizations providing services to TANF clients in the more decentralized welfare environment.