



## HELP UNEMPLOYED FAMILIES

TANF is the last resort for low income families struggling with job loss.

Pennsylvania has an opportunity to help unemployed families using **80% federal funding** for improvements in the TANF program. Up to **\$360 Million in new Federal Funding** is available to Pennsylvania for these improvements.

These proposals do not require legislative action. They would significantly help struggling and recently unemployed families. The Department of Public Welfare should adopt these “shovel-ready” ideas.

### 1. Create Jobs: Expand the Paid Work Experience Program

- Pennsylvania has a very small PWE program which could quickly and easily be expanded.
- PWE Participants are paid minimum wage for work at government or non-profit sites.
- Workers in Paid Work Experience earn a paycheck and build their resumes. They are eligible for the Earned Income Tax Credit and the new Making Work Pay credit based on their earnings.
- Workers in Paid Work Experience are more likely to find unsubsidized work, and to be employed longer and at higher earnings than those in unpaid workfare.
- Currently Pennsylvania has almost three times as many workers in unpaid workfare assignments than in Paid Work Experience. Only 661 workers were enrolled in Paid Work Experience in December 2008.
- 80% federal funding is available for any increases in Paid Work Experience.
- Families participating in Paid Work Experience have their welfare grants reduced, and the savings to the state from the reduced grants would more than pay for the state’s 20% contribution to the cost of the wages. **There is a net savings to the state!**

## **2. Increase Emergency Shelter Allowances**

- The Emergency Shelter Allowance program provides unrealistically small grants to prevent eviction or foreclosure or to help homeless families obtain housing. Grant amounts have not been increased in over 30 years.
- Grants for families with children are limited to \$300 to get housing or \$400 to prevent eviction or foreclosure. Families are only eligible for Emergency Shelter Allowance grants once in a 12 month period.
- Raising Emergency Shelter Allowance grants to more realistic levels (for example \$900 to \$1200 or more) is needed to prevent loss of housing.
- A strong Emergency Shelter Allowance program could prevent homelessness and the harm that losing homes brings to families and to whole communities, and reduce the costs of providing shelter to homeless families—all with 80% federal funding.
- A strong Emergency Shelter Allowance program could provide a good complement to the Homeless Prevention part of the stimulus program.

## **3. Expand Eligibility For The Diversion Program**

- Diversion payments are meant to help families who believe they will quickly return to work and don't want to get ongoing cash assistance.
- Under diversion families that meet the income and resources tests for TANF can receive three months of cash assistance all at once, instead of being enrolled in the TANF program.
- Current program rules are so restrictive that almost no one qualifies. Applicants must have a recent work history, be totally impoverished, and be confident that they will find work in the very near future.
- The Recovery Act provides Pennsylvania with the opportunity to expand the program's eligibility rules, increase its effectiveness, and obtain 80% federal funding.
- Using the diversion program helps Pennsylvania's Work Participation Rate.

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