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A New Social Contract:

Moving to a Work-Based Assistance System

by

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A New Social Contract: Moving to a Work-Based Assistance System

I. Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 made unprecedented changes to the welfare system in the United States. Changes enacted through PRWORA affected children with disabilities receiving assistance through the Supplemental Security Income (SSI) program, families receiving cash assistance through the Aid to Families with Dependent Children (AFDC) program, non-working adults receiving benefits from the Food Stamp program and legal aliens receiving benefits from the SSI, AFDC and Food Stamp programs. Widespread changes were also made to the country's Child Support Enforcement System (CSES) that collects cash payments from non-custodial parents and transfers them to custodial parents.

The most important and far-reaching changes enacted under PRWORA are those made to the 61 year-old AFDC program that provided cash assistance to poor families with children. PRWORA eliminated the AFDC program and its companion welfare-to-work program, the Job Opportunities and Basic Skills (JOBS) training program and replaced them with a block grant to states to create a work-oriented Temporary Assistance for Needy Families (TANF) program. To operate their TANF programs, the 50 states and the District of Columbia are entitled to a total of $16.4 billion annually through FY 2002. TANF is 100 percent federally funded, but a state's allocation will be reduced if they fail to meet a fiscal maintenance of effort requirement or required work participation rates. One of the purposes of shifting to a block grant was to control the growth of spending in the AFDC program. However, an unprecedented decline in the number of families receiving assistance (29 percent nationally between January 1993 and September 1997), has resulted in higher spending than would have occurred if the former AFDC program had remained in place (assuming the same or similar caseload declines would have occurred).

In contrast to the AFDC program which provided cash assistance for as long as needed and to the JOBS program which encouraged recipients to participate in long-term education and training programs, TANF is intended to provide short-term, work-oriented assistance to poor families with children. TANF recipients are required to work once they are job ready or after receiving assistance for 24 months and are eligible to receive TANF assistance for only 60 months out of their lifetime. To ensure that state TANF programs emphasize work, PRWORA requires states to meet steadily increasing work participation rates to receive their full TANF allocation. In FY 1997, states were required to have 25 percent of their single parents participating in work activities for a minimum of 20 hours per week; by FY 2002 the participation requirements increase to 50 percent of the caseload participating in work activities for a minimum of 30 hours per week.[1] Also in contrast to the AFDC and JOBS program where most of the policy and program decisions were made at the federal level, PRWORA gave states unprecedented authority to decide how they would use their TANF funds to meet the income, employment and support service needs of poor families with children.

PRWORA does, however, provide broad programmatic guidelines that have shaped the design of many state TANF programs. For example, PRWORA defines the activities that can count towards a state's work participation rate. In comparison to the former JOBS program which emphasized placed in long-term education and training activities, the allowable activities under TANF are much more directly oriented toward work, such as work experience or on-the-job training programs.[2]

[1]The TANF work participation rates are structured so that states can meet them either by engaging recipients in allowable program activities while they are receiving assistance or by reducing their caseloads below their 1995 level. For every one percentage point reduction in their assistance caseload, states can reduce their work participation target by one percentage point.

[2]Activities that can count toward a state's work participation rate include: (1) unsubsidized or subsidized private or public sector employment; (2) on-the-job training; (3) work experience; (4) job search and job readiness assistance

(continued...)

States are not prohibited from placing recipients in activities that are not defined as allowable activities, but only recipients participating in those activities specified in the law can count toward a state's work participation rate.

II. The Elements of Reform

In response to time limits and greater work expectations, state and local TANF programs look quite different than the former AFDC and JOBS programs they replaced. Job search assistance and placement programs, generally referred to as "Work First" programs, form the core of most state efforts to move to a more work-based assistance system. The work expectations set forth through these programs have been combined with more stringent penalties for non-compliance (sanctions), more generous earned income disregards, and time limits to create a new social contract that has presented assistance recipients with a very different set of expectations and choices than they have been presented with in the past (Holcomb *et al.* 1998; Gallagher *et al.* 1998).

A. Work First: The Core of the New Social Contract

Work First programs are built on a philosophy that any job is a good job and most program efforts are geared toward helping recipients enter the paid labor force as quickly as possible. In practice, even though Work First programs share a common philosophy and goals, there is substantial variation in their design and structure. In some programs, job search is completely unstructured — recipients are expected to look for employment on their own and are provided with

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[2](...continued)
for up to six weeks; (5) community service programs; (6) provision of child care services to an individual participating in a community services program, and; (7) vocational educational training (limited to 12 months for any individual and 20 percent of the TANF caseload). Once recipients are required to work more than 20 hours per week they must participate in one of these activities for the first 20 hours, but can meet the additional required hours by participating in job skills training, education directly related to employment or receipt of a GED or job search and job readiness beyond the six-week limit.

no real assistance as they do so. In others, job search assistance is provided in a formal classroom setting with instruction provided on various facets of the job search process including how to locate available jobs, complete an application, write a resume and interview for available positions (Brown 1997; Holcomb et al 1998). Some Work First programs also include Life Skills classes on such topics as budgeting, selecting a child care provider and managing conflict. Others include short-term training (usually not lasting more than six weeks).

There has always been an expectation that the shift to a work-oriented assistance system would need to be accompanied by the development of a large pool of subsidized jobs or unpaid community work experience placements, however, a strong economy has made it possible for many states to place many more recipients in unsubsidized jobs than they anticipated. In addition, even though most states have implemented requirements that require applicants or recipients to look for work, few have implemented requirements that require recipients to work even if they are unable to find employment. In a recent report, Holcomb *et al.* (1998) use this distinction to describe two different approaches to Work First, Work First, Participation Mandate and Work First, Work Mandate models. The models are distinguished by what happens to recipients who are unsuccessful in obtaining employment after a specified period of time.

Work First, Participation Mandate programs require applicants and/or recipients to look for work as a condition of eligibility, but do not require recipients to work in a paid or unpaid job if they fail to find employment. Some Work First, Participation Mandate programs may place recipients in other activities, including short-term training or work experience programs if they fail to find unsubsidized employment but most simply expect recipients to continue to look for work or move into other work-related activities that a recipient's case worker deems appropriate.

In contrast, Work First, Work Mandate programs require recipients to work after a specified period of time; if recipients are unable to find unsubsidized employment, they are guaranteed a community work experience placement. As of October 1997, only 10 states had implemented policies requiring recipients to work after a specified period of time. In four states, work is required within 90 days; in the remaining six states, work requirements are imposed within 6 to 30 months (Gallagher et al 1998).[3] In Virginia, one of the first states to implement a Work First, Work Mandate program, recipients who are subject to the state's work requirements (able-bodied adults with a child over the age of 18 months) are required to begin looking for work immediately after it is determined they are subject to the state's work requirement. Any recipient who has not found employment within 90 days is required to perform community service in order to continue to receive cash assistance. The number of hours they are required to work is determined by adding the value of a recipients Food Stamp and TANF benefits and dividing it by the minimum wage (Holcomb *et al.* 1998). Between July 1995 and February 1998, Virginia had placed a total 3,054 recipients in community work experience placements, representing 11 percent of the total recipients ever enrolled in Virginia's work program (VDSS 1998).

As a part of their efforts to create a work-based assistance system, states have expanded the pool of recipients who are expected to participate in Work First programs and are requiring families to begin participating in work activities as quickly as possible. In the majority of states, household heads are required to begin to look for work when their youngest child turns a year; however, in 12 states they are required to look for work when their youngest child turns three months (Gallagher *et*

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[3]The 10 states and the point at which their work requirements kick in are: California, 18 months; Delaware, 24 months; Massachusetts, 60 days; Montana, 24 months; New Hampshire, after 26 weeks of job search (need not be consecutive); Rhode Island, 24 months; South Dakota, 2 months; Vermont, 30 months; Virginia, 90 days; Wisconsin; Immediately

al. 1998). Twenty-eight states now require families who are *applying* for assistance to participate in a job search or other work-related activity as a condition of eligibility (Maloy *et al.* 1998). Sixteen of the 28 states require that applicants actively look for work, while 12 require applicants to register for employment at the local employment service or attend an orientation where they are briefed on the work expectations they will face once their application for assistance is approved. The job search requirements imposed by the 16 states that require job search as a condition of eligibility vary substantially. For example, in Georgia, applicants are required to make 25 to 28 job contacts (submitting applications or resumes) before their application for assistance is approved while in Alabama, applicants are only required to make two job contacts over a 40-45 day period. In nearly all of the remaining states, recipients are required to begin looking for work immediately or shortly after their application for assistance is approved.

B. More Stringent Sanctions: Raising the Stakes for Non-Compliance

Penalties for non-compliance always have been a feature of welfare-to-work programs but as states have shifted their emphasis to employment rather than the ongoing provision of cash assistance, sanctions have become an increasingly important mechanism for reinforcing the importance of work. States have placed greater emphasis on enforcing sanctions and have also increased the severity of sanctions imposed either by lengthening the minimum sanction period or increasing the amount of the penalty. These changes were made in response to the common perception that the JOBS sanction policy was not strong enough to motivate non-compliant recipients to participate in program activities. According to staff at all levels, penalties for non-compliance play an important role in changing the culture of the welfare system as they provide workers with a concrete tool to hold recipients accountable for their actions (Pavetti *et al.* 1995; Holcomb *et al.* 1998.)

Under the JOBS program, recipients who did not comply with program requirements had the portion of the grant that covered their needs (as opposed to the needs of the children) removed from the grant, thereby reducing the amount of financial assistance received. The amount of the grant designed to cover the adult portion of the grant varies by state but roughly translates into a reduction in the grant amount by one-third. Once a recipient complied with program requirements, their portion of the grant was restored. A minimum sanction period was required and was increased for multiple instances of non-compliance. States were also required to provide recipients with an opportunity to engage in a conciliation process. The conciliation process allowed clients who were going to be sanctioned the opportunity to avoid the penalty by coming into compliance or to establish "good cause" for non-compliance.

Since the implementation of TANF, states have strengthened their sanctions in a number of different ways. Most noteworthy is the fact that 36 states now impose “full family sanctions” for initial or continued non-compliance with work program mandates. Under a full family sanction, a family’s entire cash assistance grant is eliminated until they fulfill their participation expectations. In 14 states the initial penalty for failing to comply with program requirements is a full family sanction; 19 states initially impose a partial sanction (usually eliminating the adult portion of the grant) as a warning to families but then impose a full family sanction if noncomplaince continues. Three states impose a full family sanction but only for second or later instances of noncompliance. In seven states, continued noncompliance eventually results in a lifetime bar on the receipt of benefits for the entire family. Some states that have not implemented a full family sanction have strengthened their sanctions either by increasing the minimum sanction period or by providing continued assistance to a third party payee or in the form of vender payments for major household expenses such as rent and utilities. Only five states have maintained the JOBS sanctions.

The primary purpose of sanctions is to send a message that receipt of cash assistance carries with it a set of expectations, especially around work. Rates of noncompliance with work requirements have been high, resulting in the removal of numerous families from the welfare rolls. For example, in Delaware, sanctions were imposed on 50 percent of all mandatory recipients (Fein *et al.* 1998). An early report completed by the U.S. General Accounting Office found that as of June 30, 1996 (prior to the passage of PRWORA) 8,946 families had their benefits terminated for failure to meet work requirements (GAO 1997). To put the numbers in perspective just 19 families had their benefits terminated due to reaching a time limit.

C. Time Limits: Making Assistance Temporary

Historically, cash assistance was available to families as long as they met the eligibility criteria for receiving assistance. Concerns that welfare had become a “way of life” for a large number of families led to policies to limit the number of months families can receive assistance. PRWORA places a 60 month lifetime limit on the receipt of TANF benefits but gives states the option to impose a shorter time limit. States may exempt up to 20 percent of their caseloads from the 60 month time limit and may also use their own funds to provide assistance after 60 months. As of October 1997, 26 states had adopted a 60 month time limit and 19 states had adopted a time limit shorter than 60 months (including some states that had adopted a periodic time limit such as 24 out of 60 months). One state adopted an individualized time limit with no absolute limit specified in state law. Four states planned to continue to provide reduced benefits to families after 60 months and one state had not adopted any time limits (Gallagher *et al.* 1998).

To take into account individual circumstances, many states have adopted policies to exempt families from the time limit during periods when they are not expected to work such as when they are caring for a young child or dealing with a personal or family crisis. Similarly, some states allow for extensions to the time limit if a family has complied with program requirements but is unable to find employment. While some states have defined their exemption and extension policies broadly, others have defined them very narrowly. As a result, the fraction of families subject to a time limit varies from state to state (Gallagher *et al.* 1998; Holcomb *et al.* 1998).

Time limits represent a radical departure from earlier welfare policies. Thus, there has been considerable attention paid to their design and the potential consequences for families (Bloom and Butler 1995; Greenberg, Savner and Swartz 1996). Time limits raise the stakes for welfare to work programs and increase the importance of moving participants into and through work-related program activities quickly. The hope is that they may also serve as an incentive for clients to actively seek and retain employment and stimulate staff to work more diligently on their caseload.

Although time limits have been the cornerstone of recent welfare reform efforts, at least in the short term, it appears that they may be less important than other work-oriented policies. Unlike penalties for non-compliance that provide workers with a concrete tool for enforcing work requirements and recipients with immediate feedback on their action (or inaction), time limits have no immediate impact on recipients' (or workers') actions. As recipients get closer to reaching a time limit, it is possible that time limits will play a larger role in encouraging recipients to find employment, but, at least for now, the direct link between time limits and efforts to encourage work appears relatively weak. Nonetheless, the indirect link between time limits and work created by a change in the way workers approach their jobs and program administrators design welfare-to-work programs could encourage recipients to enter the labor market sooner than they might have if time limits had never been implemented.

D. Enhanced Earned Income Disregards: Making Work Pay

Research on welfare recipients' aspirations has long indicated that most recipients want to work (Edin 1997) and that many have tried to do so (Pavetti 1993; Pavetti 1997). However, the AFDC program was structured in such a way that recipients could easily be worse off if they went to work.

Under the AFDC program, to be eligible for benefits families had to meet two income standards, one tied to a state's need standard (the state's definition of the cost of meeting the basic needs for a family of a given size) and one tied to the state's payment standard (the amount of the grant available to a family of a given size). Because states had almost complete authority over setting these standards, AFDC benefits varied widely from one state to the next. In 1996, prior to the passage of TANF, benefits for a single parent with two children and no income ranged from a low of $120 in Mississippi to a high of $923 in Alaska (Gallagher *et al.* 1998).

States were, however, all required to treat earned income in the same way. From 1981 until 1996 when the AFDC program was eliminated, AFDC recipients who found employment were eligible for a $90 work expense disregard and could retain the first $30 and one-third of the remainder of their earnings for the first four months of employment; for the next eight months, a recipient could keep $30 and after a year, she lost benefits almost dollar for dollar. The variation in benefits and a common formula for treating earned income meant that the point at which families' earnings made them ineligible for benefits varied from state to state, with it being most difficult for working families to continue receiving assistance in states with the lowest benefits.

As states began to place a greater emphasis on moving recipients from welfare to work, many concluded that the termination of the AFDC earned income disregard after a period of time discouraged AFDC recipients from working. In an effort to better support recipients' efforts to find and maintain employment, all but ten states have implemented earned income disregard policies that allow TANF recipients to keep more of their earned income for a longer period of time. Common changes include completely eliminating the time limit on the earned income disregards, phasing the earned income disregards out at a slower rate and increasing the amount of the disregard (Gallagher *et al.*1998).

One of the important outcomes of allowing states to design their own earned income disregard policies is that states can make their own choices about how to structure their earned income disregards to best support recipients' efforts to employment. Of particular importance is the fact that low benefit states can now implement policies that allow recipients to keep a portion of their benefits once they go to work. For example, under the AFDC program, in Virginia, a 3-person family earning $560 a month (less than minimum wage for full-time work) was no longer eligible to receive any cash assistance. Now, families are eligible for at least a partial grant until their income exceeds the poverty line ($1110 per month). An equally important outcome is that in many states, recipients who go to work are guaranteed to be better off than if they continued to receive cash assistance. Most states have designed their earned income disregards so that they are most advantageous to recipients with the lowest earnings.

In the short-term earned income disregards make families better off than they would have been had they not been able to keep part of their cash assistance grant. However, in the face of time limits, earned income disregards, may result in unintended long-term consequences. Every month a family receives an assistance payment counts towards their lifetime limit on assistance, regardless of the amount of the payment. Thus, it is possible that families who take advantage of the more generous earned income disregards that are available to them when they go to work would find themselves unable to receive assistance if a crisis strikes after they have exhausted their lifetime time limit on assistance. To address this issue, a few states have started to provide cash assistance to working families through programs funded completely with state funds.

Many states also have moved beyond earned income disregards to make work pay, implementing a number of policies to reduce the costs of working. In some states, expenditures for child care have increased dramatically. Significant efforts are also underway in many communities to address transportation barriers that make it impossible for some families to make the transition from welfare to work. Health insurance coverage has also been expanded, although most efforts in this area have focused on the needs of children, still leaving many poor working adults without access to coverage.

III. Creating a New Social Contract: Putting the Pieces Together

The AFDC program provided poor families with a relatively simple social contract; as long as families met the eligibility criteria for assistance they were entitled to receive cash assistance. Only a small fraction (about 10 percent) were expected to engage in work preparation activities (usually education or training); those who failed to comply with those expectations were still entitled to receive cash assistance, albeit a lesser amount than if they had complied with the program requirements.

The social contract provided to poor families now varies from state to state, but it generally includes several common elements. In most states, the majority of families are required to look for work in order to receive cash assistance; in a few states recipients who don't find work in the private sector are required to work in an unpaid position in order to continue receiving assistance. Families who find work are rewarded by being able to keep all or a portion of their cash grant for an extended period of time. Assistance also may be provided to help families cover any major work-related expenses they may incur when they go to work such as child care or transportation. Families who do not "play by the rules" often face significant financial penalties. Families who play by the rules and those who do not are almost always subject to a time limit on their benefits, ranging from as little as 18 to as long as 60 months.

Based on their response to this new social contract, recipients of assistance can be divided into three main groups: (1) recipients who comply with the social contract by fulfilling their work expectations but remain on assistance with no outside earnings (including recipients looking for work or participating in community work experience programs); (2) recipients who meet their work or participation requirement by working in an unsubsidized job; and (3) recipients who do not comply with program requirements. Table 1 presents the total income recipients in each of these groups would receive from TANF, Food Stamps and their earnings in four different states (Indiana, Massachusetts, Oregon and Virginia) prior to and after reaching the state's time limit. For the sake of simplicity, we assume a recipient is employed works 20 hours per week earning $5.50 per hour. We take into account a state's earned income disregard but ignore the Federal Earned Income Tax Credit (EITC) since the same credit would be available to recipients in each of the four states. This table illustrates two major points. First, states have combined different program element, resulting in different approaches to shifting to a new work-oriented assistance system. Second, it provides a concrete illustration of the financial consequences associated with the choices a recipient faces under the new policies implemented in each of the four states.

The four states represent a considerable range of approaches to shifting to a more work-oriented assistance system. Virginia and Massachusetts require recipients to work in exchange for receiving cash assistance after 90 and 60 days respectively while Indiana and Oregon primarily require recipients to look for work. (Virginia also requires recipients to look for work before the community work experience requirement goes into effect, but Massachusetts does not.) Indiana and Virginia are lower benefit and Massachusetts and Oregon higher benefit states. With the exception of

Indiana, all of the states have implemented a full family sanction policy. Virginia immediately eliminates a family's cash assistance if they do not comply with the state's work requirements while Massachusetts and Oregon eliminate benefits more gradually. Virginia, Massachusetts and Oregon have all expanded their earned income disregards although they have done so to varying degrees. Each of the states have implemented a different kind of time limit. Indiana reduces benefits for families who have received assistance for 24 months and eliminates them completely after 60. Massachusetts and Virginia both eliminate benefits after 24 months, but allow families to receive assistance 36 months later. In Virginia, recipients also face a 60-month lifetime time limit. In Oregon, recipients face a 24 out of 84-month time limit. However, families who are complying with the state's work requirements can have their benefits extended.

Since Indiana has not implemented a full family sanction, in relative and absolute terms, non-compliant families face far less of a penalty for not complying with work requirements in Indiana than they do in the other three states: a non-compliant family in Indiana faces just a 16 percent reduction in their combined Food Stamp and TANF benefits. When a non-compliant family's cash grant is reduced their Food Stamp grant remains constant, thus non-compliant families in high benefit states such as Oregon and Massachusetts, where Food Stamps make up less of a family's total income package, face a higher penalty for non-compliance than in a low benefit state such as Virginia. In Massachusetts, a family who is non-compliant faces a 75 percent reduction in their combined Food Stamp and TANF benefits compared to a 49 percent reduction in Virginia.

Families in all of the states experience an increase in their total income even if they just work part-time at about the minimum wage. Families in Massachusetts, Indiana and Oregon experience a 29 to 35 percent increase in their total income and Food Stamp package, with an absolute increase of about $200. Due to its generous earned income disregard, families in Virginia experience a much greater increase in both relative and absolute terms. A family of three working twenty hours a week at $5.50 per week would see their total income increase by $362 or 67 percent. In Massachusetts and Virginia where work is mandated after a short period of time, there are clear incentives to find unsubsidized employment; this is especially true in Virginia where a family working in the private sector would get to keep their full grant along with all of their earned income.

After receiving assistance for 24 months, families in Massachusetts, Oregon and Virginia would lose all of their cash assistance but would still be eligible for a Food Stamp grant. Families in Indiana would not reach this point until they had received assistance for 60 months. Families with no earned income at the point at which they reach the time limit would be eligible for the maximum Food Stamp grant of $315; families working the 20 hours at $5.50 an hour would experience a modest increase in their Food Stamp grant, partially offsetting the loss of their cash grant. Working families in Indiana, the state with the least generous earned income disregard will experience a relatively small drop in their total income when they hit the time limit. Due to higher earned income disregards, the loss of income would be more substantial in Virginia and Massachusetts. In Oregon, recipients who are working or otherwise trying to find work would be able to continue to receive assistance, thus they would not necessarily experience a reduction in their total income. Massachusetts and Virginia only allow for hardship exemptions on a case by case, therefore, most families who hit the time limit would lose all of their cash assistance. Due to Virginia's full family sanction, working families who have taken advantage of the state's generous earned income disregard are the only families who will be affected by the time limit. In Massachusetts, families with a child between the ages of two and six are subject to a time limit but not the work requirement, making it possible for many families to hit the time limit without ever having faced a work requirement.

It is quite clear that one of the major goals of PRWORA was to create an assistance system that focuses on work. While it is clear that states have made significant changes in the design and structure of their programs to emphasize work, it is too soon to tell whether PRWORA has increased employment among welfare recipients. Caseload statistics, while an imperfect measure of the success of PRWORA, do indicate that receipt of cash assistance is declining at a rapid pace. Nationwide, the number of families receiving cash assistance declined by 29 percent between January 1 1993 and September 1997, from 4.96 to 3.55 million families. Undoubtedly, a very strong economy has contributed to this decline, however, it is difficult to imagine that policy changes also have not been an important factor. The caseload declines in the states profiled above highlight the difficulty in understanding which policies might be most important in helping recipients leave welfare for work. Oregon and Indiana, the states that have implemented neither the harshest sanctions nor the most generous disregards nor the most stringent work requirements, with caseload declines of 51 and 44 percent respectively, have witnessed steeper caseload declines than Virginia and Massachusetts which have both implemented a combination of stringent work requirements, substantial penalties for non-compliance and the most generous earned income disregards. More limited coverage in Massachusetts and a phased-in implementation schedule in Virginia may account for smaller caseload declines in these two states. Alternatively, it is possible that implementation of policies at the local level may make a difference.

Undoubtedly, the safety net for low income families with children will look different in five years than it does today. The creation of a new work-oriented safety net is very much a work in progress. There is a general consensus that recipients who have not yet made the transition from welfare to work face far more difficult barriers to employment than those who have already left the welfare rolls. The welfare system that has replaced the AFDC and JOBS programs largely has been built on a combination of carrots and sticks designed to encourage work. However, incentives and penalties for non-compliance will not remove the serious barriers to employment such as substance abuse, mental health problems and extremely low basic skills that make it difficult for many recipients to find and keep employment. Thus, reform of the current welfare system will not be complete until strategies are in place to address these very difficult issues.

A Comparison of A Recipient's Total TANF and Food Stamp Benefits and Gross Earnings Under Different Work Responses to Work Requirements				
	Indiana	Massachusetts	Oregon	Virginia
TANF Benefit for a Family of Three	$288	$565	$460	$291
Total Income (TANF, Food Stamps and Gross Earnings) Prior to Hitting the Benefit Termination Time Limit				
Compliant, on assistance	$557	$751	$677	$541
Non-compliant	$467	$186	$217	$276
Working 20 hours, $5.50 per hour	$752	$988	$873	$903
Total Income (TANF, Food Stamps and Gross Earnings) After Hitting the Benefit Termination Time Limit				
Compliant, no unsubsidized employment	$315	$315	$677	$315

A Comparison of A Recipient's Total TANF and Food Stamp Benefits and Gross Earnings Under Different Work Responses to Work Requirements				
Non-compliant	$315[4]	NA[4]	NA[4]	$315[4]
Working 20 hours, $5.50 per hour	$717	$717	$769	$717

[4]In Indiana and Virginia, months in which a recipient is not compliant count toward the time limit. Thus, if a recipient remains compliant for the entire period of the time limit, they would no longer be eligible for TANF (and therefore no longer compliant) and would then be eligible for a full Food Stamp grant. In Oregon and Massachusetts noncompliant families are eliminated from the TANF rolls, thus it would be impossible for a non-compliant recipient to hit the time limit, except in the case of worker or agency error.

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