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Income Supports for Young Adults

**IOM Workshop on Improving the Health, Safety
and Well Being of Young Adults**

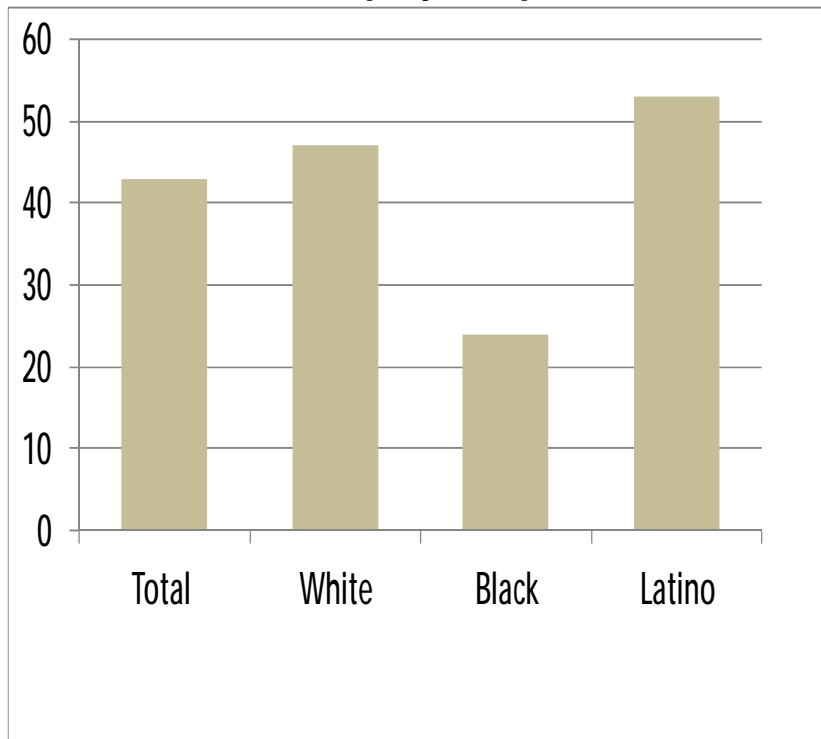
May 8, 2013

Many Young Adults are Poor

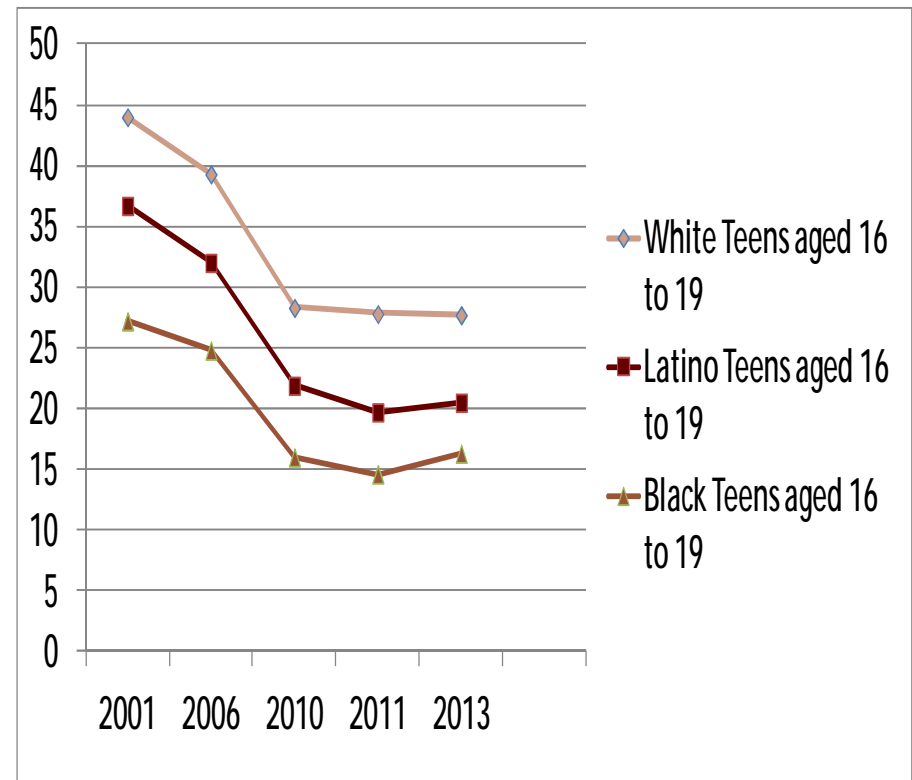
- Official poverty rate (2011) for adults 18-24 is 20.6 percent
 - § Declining labor force participation
 - § Low earnings even when employed
- About 1/3 of young adults are “additional adults” in shared households – families or roommates
 - § Poverty rate would be much higher if assessed based solely on their own income.

High Joblessness for the Undereducated and Unskilled

Percent of High School Dropouts 16 to 24 who were employed April 2013



Percent of Teens Employed



Source: US Department of Labor, HOUSEHOLD DATA NOT SEASONALLY ADJUSTED A-16. Employment status of the civilian noninstitutional population 16 to 24 years of age by school enrollment, age, sex, race, Hispanic or Latino ethnicity, and educational attainment

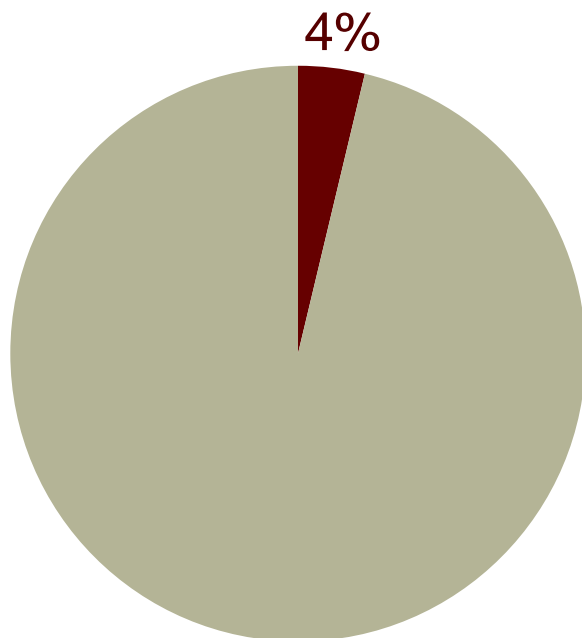
Source: Bureau of Labor Statistics Current Population Survey, retrieved May 6, 2013

Safety Net Varies by Family Status

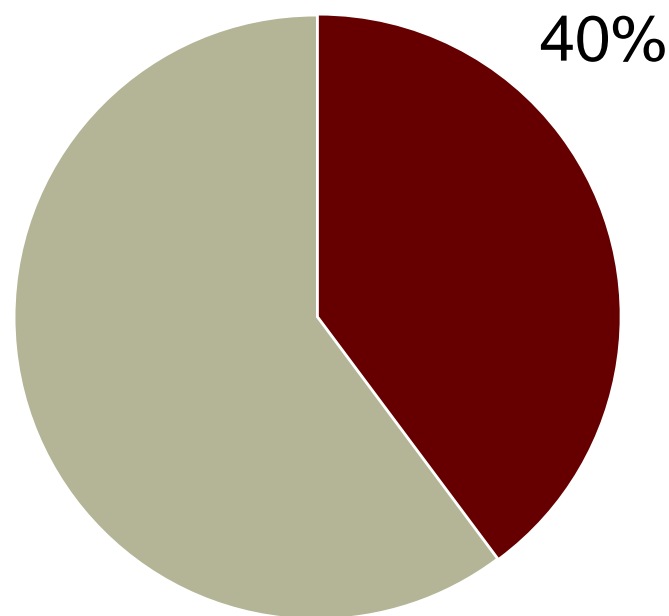
	Parents	Non-parents
TANF cash assistance	Yes *	No
TANF-funded services	Yes *	No, except that youth up to age 24, and non-custodial parents, may receive services
SNAP (Food Stamps)	Yes	Yes, except “able-bodied adults without children” ages 18-50 are limited to 3 months of receipt in 36 month period unless working or in work activity for at least 20 hours per week or exempt. Additional rules apply to college students
Medicaid	Yes *	Yes, if state adopts ACA Medicaid expansion
EITC	Yes	Childless workers 25 and older get small benefit (maximum of \$475 a year)

What Share of Poor Young Adults Receive Benefits?

**Welfare Benefits
(TANF or SSI)**



SNAP (Food Stamps)



CLASP calculations of ACS data for adults ages 18-25, 2011.
Surveys typically underreport benefit receipt.

How Many Recipients are Young Adults?

In 2010, TANF provided cash assistance to:

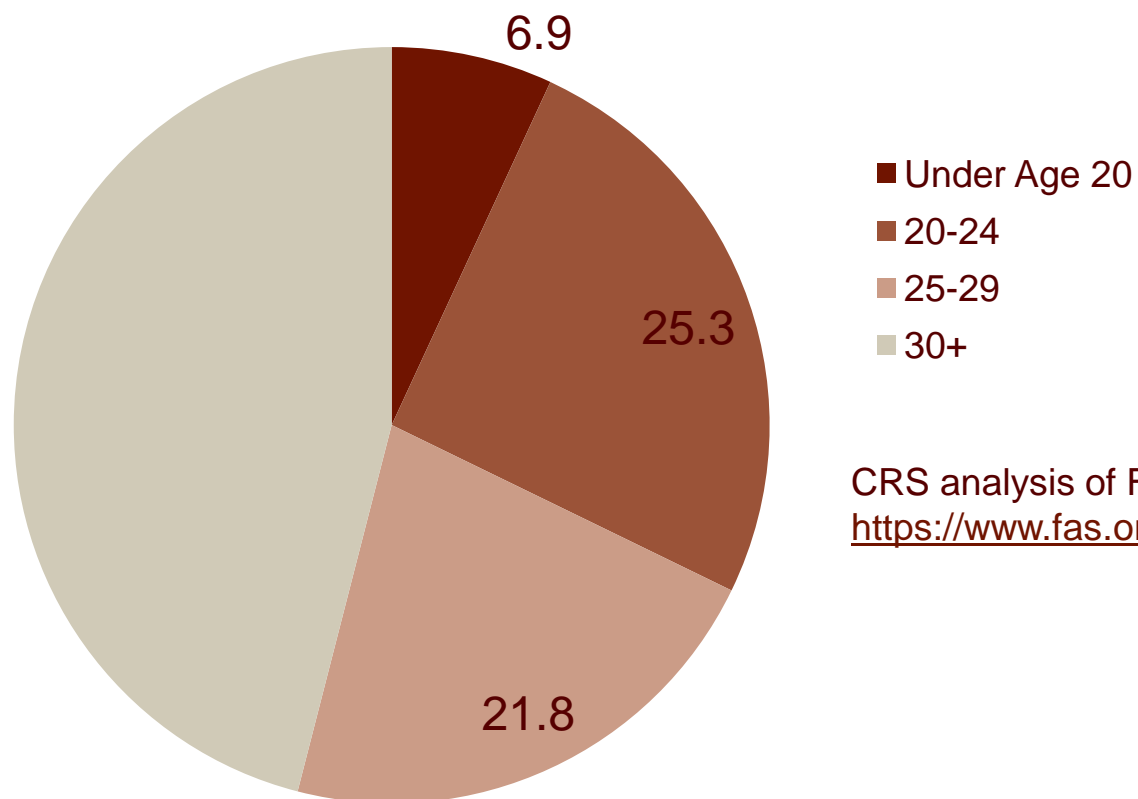
- 302,000 “children” aged 16-19
- 86,000 parents under age 20
- 557,000 parents ages 20-29

- In 2011, SNAP served over **6 million** young adults ages 18-25.

- § Not limited to parents
- § Higher income limits
- § Time limits largely suspended during recession

More than Half of TANF Adults are Under Age 29

TANF Work Eligible Individuals by Age



CRS analysis of FY 2009 national TANF data
<https://www.fas.org/sgp/crs/misc/R42768.pdf>

TANF Rules for Young Adults

- Minor teens (under age 18) must live in adult-supervised setting and attend school.
- Teen parents (under age 20) can be counted as engaged in work if they
 - § maintain satisfactory attendance at secondary school or the equivalent during the month; or
 - § participate in education directly related to employment for at least 20 hours per week
- CRS finds 42 percent of minor teens w/o HS degree counted this way, but only 10 percent of 19 year olds.

TANF Work Rules for Adults

- Must average 30 hours per week of work participation, 20 hours per week if single parent of child under 6.
- Vocational educational training can count as full-time activity for 12 months in a lifetime.
 - § Along with counting of teen parents, limited to 30 percent of participants in work rate
- Otherwise, education can only be counted toward rate when combined with 20 hours per week of “core activities” (e.g. work or work experience)

Questions

- How might TANF work programs look different if we took into account educational and developmental needs of young adults?
- How can programs serving “youth” and programs serving “TANF recipients” work more effectively together?
- Does exclusion of young adults under age 25 from childless worker EITC make sense?

Multiple Pathways and Partners



Thank You

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