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Issue Brief: African Americans and Social Welfare

Key Words

African Americans, Social Welfare, Temporary Assistance for Needy Families (TANF), Unemployment rate, Poverty Rates, Median Household Income

Description

This issue brief details the modern interaction between African Americans and Social Welfare in the United States. Furthermore, it examines the employment and other economic indicators of African Americans and whether the social welfare is working to improvement these figures.

Key Points

- The Temporary Assistance for Needy Families (TANF) is one of the largest welfare systems in the United States, as it gives money to families with little to no income and hopes to incentivize employment
- While unemployment rates dropped following TANF's implementation, they have since risen
- African American unemployment has consistently been double that of white Americans
- African Americans continue to experience a high difference between their rates of poverty, employment, and median household income

Issue Brief

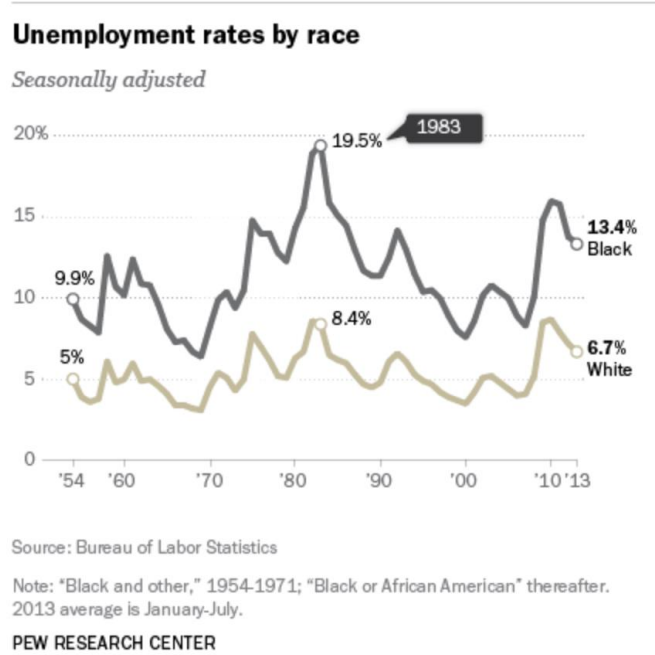
In the United States, one of the primary ways in which welfare is administered is through a system known as Temporary Assistance for Needy Families (TANF). This was put in place in 1997 as a reform of the Aid to Families with Dependent Children (AFDC) program, in an effort to reduce the time spent on financial assistance. The TANF provides cash assistance to families in the U.S. that have dependent children, and only allows for a maximum of 60 months receiving this monetary aid. This 5-year limit serves an incentive for the recipients to find employment.

In the fiscal year of 2011, the last year in which the complete data was released by U.S. Department of Health and Human Services, over 1.8 million families received assistance from TANF, which accounted for just over 4.4 million people. Out of these 1.8 million families, 32.7 percent were African American. Many Americans have a preconceived notion that the majority of those who receive welfare are minorities, when in fact the assistance is roughly distributed evenly between Hispanics, Whites, and African-Americans.

Despite race or ethnicity, the main goal of the TANF program remains to move families off financial aid and into full time employment. Now while the unemployment rate does not

serve as a direct economic indicator of the success of TANF because of other factors, it does help to indicate if some progress was made. After the TANF implementation in 1997, employment as a whole fell, but no rate fell more significantly than unemployment rates for African Americans. It fell from a high of 10.5 percent in 1996 to a low of 7.6 in 2000. The unemployment rates of African Americans would rise and fall until today's rate of 13.1 percent, but those are most likely due to other economic events such as stock market crashes and recessions.

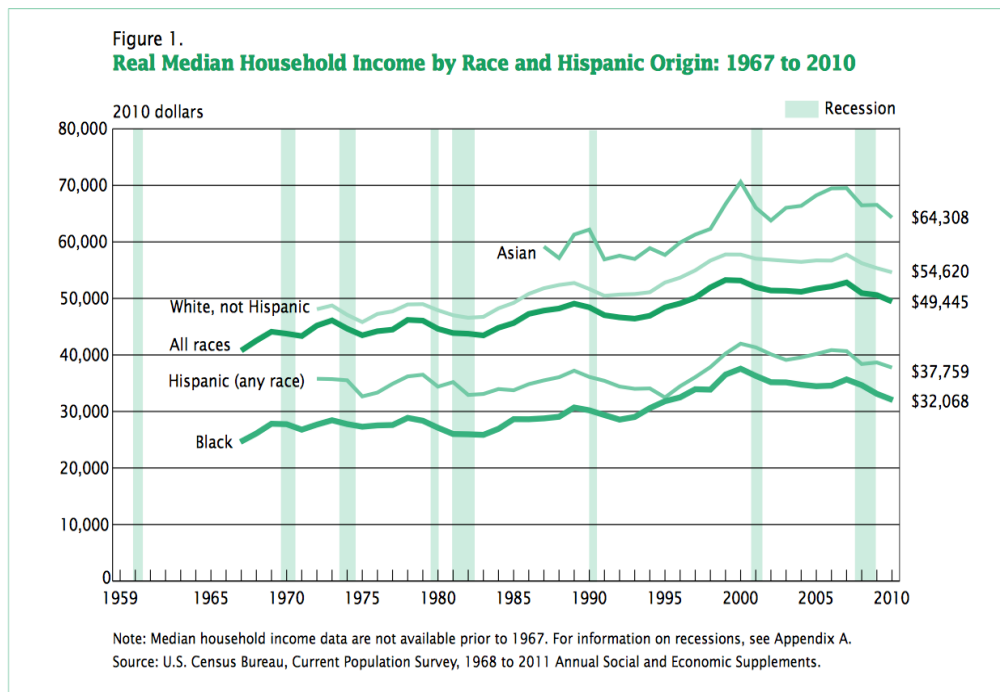
This data tends to support the notion that TANF helped lower unemployment rates, specifically those for African Americans; however, a look further reveals something quite different. In a comparison of unemployment rates, African American unemployment has consistently been double that of whites. The 2013 unemployment rate of whites was 6.7 percent, and Hispanics sat at 9.1 percent. This is minimal compared to the 13.4 percent of unemployed African Americans, which was even down 3 percent from the 20-year high mark of 16 percent in 2010. It is very telling that while the final goal of the TANF program is to improve the lives of those on their program through employment, yet African Americans have an unemployment rate double that of white Americans.



- Figure A

While the social welfare of African Americans is not entirely indicated through unemployment rates, these rates serve as a gauging point on how many public assistance

programs are faring. Another great indicator of the level of success of social welfare programs is the poverty rates of African Americans. According to a study from 2007-2011 conducted by the U.S. Census, the United States had 14.3% of their population under the poverty line. While only 13% of whites fell underneath these lines, a staggering 26% of African Americans were classified as poor. It is even more concerning that 38.2% of Black children under the age of 18 live in poverty, compared to only 12.4% of White children (See Figure B below). Also, while median household income for White families is \$54,620, African American families have a median household income of \$32,068, which is the lowest of any racial group in the United States (as seen in Figure C below). These figures show that while many welfare programs have been put in place, they have yet to truly cause a change among the lives of African Americans.



-Figure B

Children Under 18 Living in Poverty, 2010		
Category	Number (in thousands)	Percent
All children under 18	16, 401	22.0
White only, non-Hispanic	5,002	12.4
Black	4,817	38.2
Hispanic	6,110	35.0
Asian	547	13.6

- *Figure C*

While initial improvement was seen in the first 5 years of Temporary Assistance for Needy Families, unemployment rates have risen yet again. When examining this data along with poverty rates and median household income, it is essential to note the stark difference between African Americans and other racial groups. Since 1954, which was the first year in which the United States Bureau of Labor Statistics began keeping track of employment, African Americans have never had a lower unemployment rate than whites. Thus, it should be distinguished that while TANF and other welfare programs have certainly helped improve the quality of life for many families, perhaps it is not doing quite enough, especially within the African American communities.

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