TO: State, Territory, and Tribal agencies administering the Temporary Assistance for Needy Families (TANF) Program

SUBJECT: Strengthening TANF Outcomes By Developing Two-Generation Approaches To Build Economic Security

REFERENCES: Title IV-A, section 404(a)(1) of the Social Security Act

PURPOSE: This Information Memorandum discusses opportunities for TANF agencies to strengthen program outcomes by developing two-generation approaches, which meet the needs of children and parents together.

BACKGROUND:

In 2014, approximately seven million families with children under age 18 had incomes below the federal poverty level (FPL) and an additional eight million had incomes between 100 and 200 percent of FPL.

The lack of adequate income presents challenges for the child, the parent, and the child-parent interaction. Poverty can be a developmental risk for young children that affects their school readiness and development in multiple domains, including physical, emotional, mental, cognitive, and linguistic. Poverty can also present challenges to child development due to its potential negative effects on parental well-being. As the primary source of safety, security, and nurturance for young children, parents play a critical role in creating environments that promote healthy developmental outcomes and school readiness. However, poverty may be accompanied by limited education, unemployment, food and housing insecurity, poor health, mental health difficulties such as maternal depression, teen parenthood, and community violence. While many families provide strong and nurturing parenting to their children amidst these adversities, these stressors (especially when families are experiencing many at once) can compromise family well-being and affect parents’ overall ability to provide the necessary supports that help children thrive.

Low-income parents often have limited access to resources such as education and training opportunities linked to economic security; and reliable housing, transportation, and quality full-day child care that will allow parents to pursue job opportunities. Further, the stress of living in poverty without access to adequate mental and physical health services, and social and peer supports, can lessen parental sensitivity and emotional support for children. And, in turn, when child development is not fully supported, children may be less well prepared for school, more likely to drop out, and bound for their own adult life in poverty.
These low-income parents and children are precisely the families that the TANF program was intended to serve. The core benefits and services of TANF – basic assistance, work-related activities, and child care – are key services that support unemployed or underemployed parents with insufficient income and jobs skills and other barriers to employment. However, as a whole, states spent less than half of their TANF and Maintenance of Effort (MOE) funds on these activities in FY 2014, with less than seven percent going to work-related activities and just over 16 percent going to child care.\(^8\) Additionally, less than one-third of eligible families are currently receiving TANF cash assistance.\(^9\) There is an opportunity for states to focus a larger proportion of TANF funding to promote the well-being of the whole family, specifically job preparation and skills training for parents and high quality early childhood services for children.

Two-Generation Approaches and the Administration for Children and Families

Two-generation, or whole family, approaches meet the needs of children and their parents together. Serving the whole family is important because the income, educational attainment, and well-being of parents play a crucial role in children’s outcomes.\(^10\) Moreover, services for children such as high-quality child care also help parents balance the demands of work and parenting by lessening their stress and supporting child and family wellbeing.\(^11\) Acknowledging the importance of the two-generation dynamic, the Administration for Children and Families (ACF) included in its strategic plan a goal to “promote collaboration on two-generation approaches among state and tribal human services agencies, workforce agencies, educational institutions, and local organizations that achieve positive outcomes for both parents and their children.”\(^12\) The Office of Family Assistance (OFA), which administers the TANF program within ACF, is strongly committed to this goal and believes that adoption of two-generation approaches within TANF programs could foster more strategic use of TANF funds and improve family economic security and well-being.

ACF brings a two-generation philosophy to its efforts, and works to support and advance two-generation approaches through its research, technical assistance, and program and policy guidance. ACF encourages grantees, including TANF agencies, to promote and support:

- linkages between high quality educational services for children and workforce development services for their parents;
- programmatic efforts to help parents gain the skills, knowledge, and resources to support their child’s development;
- ensuring that families have access to the economic and social supports needed for stability and resilience and healthy child development; and,
- helping families build social capital that can support both resilience and upward mobility.

ACF is committed to:

- identifying ways in which the above principles can apply in programs it administers;
- identifying ways in which it can better support the adoption of these principles in state and local efforts; and,
- advancing a research agenda that will enhance its understanding of effective two-generation approaches and their impacts for children, parents, and families.
As a program intended to help low-income families achieve economic security, TANF is well positioned to support two-generation approaches. Its flexibility allows states, territories, and tribes the ability to develop whole family approaches that address the needs of parents and children simultaneously. The use of TANF dollars to support two-generation approaches does not need to be limited to serving families receiving cash assistance; a broader group of low-income families can be served by TANF-funded two-generation approaches.

Research and Evaluation

The logic of two-generation approaches posits that linking and aligning services for children and parents will bring greater and more sustainable outcomes for children, parents, and families than either approach would on its own. There is growing interest among government entities, foundations, researchers, and service providers to develop, implement, fund, and evaluate these approaches.

There are several research and evaluation efforts within and beyond ACF that seek to build the evidence base, focusing on how these approaches achieve their goals and whether they can be implemented at scale. In 2011, the Office of Planning, Research and Evaluation (OPRE) within ACF created the Buffering Toxic Stress Consortium, a set of six grants evaluating promising parenting interventions in Early Head Start settings and focused on the question of whether parenting interventions can buffer children from toxic stress. In 2013, OPRE awarded four grants to support projects that are rigorously testing two-generation approaches to promoting family well-being and children’s school readiness within the context of Head Start. In 2014, OPRE launched the Goal-Oriented Adult Learning in Self-Sufficiency (GOALS) project, which is exploring how emerging insights from psychology can strengthen programs aimed at helping families build economic security and enhance family well-being. The Goals project is identifying promising strategies for strengthening skills and enhancing measurement of changes and developments in skill acquisition. In 2015 OPRE, through a contract to Mathematica Policy Research, launched the “Two-Generation Approaches to Improving Family Self-Sufficiency” project. The project is focused on examining evidence and providing options for how two-generation models might be evaluated. More information about each of these projects is available via the OPRE website.

POLICY:

The Office of Family Assistance recognizes the importance of working to achieve positive outcomes for whole families and encourages TANF agencies to consider the implementation of two-generation approaches that serve children and parents together.

Allowable Uses of TANF

As a general rule, federal TANF funds and MOE funds can be used to provide a range of benefits and services such as cash assistance, job training, job placement, education, subsidized employment, and supportive services including child care. Such expenditures must satisfy one or more of the four statutory purposes of the TANF program. A range of two-generation approaches focused on low-income families may be reasonably calculated to accomplish TANF Purposes 1 and 2:

- Provide assistance to needy families so that children can be cared for in their own homes; and,
- Reduce the dependency of needy parents by promoting job preparation, work, and marriage.
Coordination and Partnerships

A critical feature of two-generation approaches is the coordination that occurs across programs for parents and programs for children. TANF agencies can both coordinate and serve as active partners in statewide, tribal, regional, and local two-generation efforts. The expertise of TANF agency leaders can be helpful in ensuring that two-generation efforts are deploying the full array of available services to promote family economic security.

One way to coordinate services is through a co-design process, where the child-centered service provider and the parent-centered service provider work as a team to develop seamless services centered on the family. An example would be a TANF-funded occupational training at a community college and a Head Start program working together to create a Certified Nursing Assistant course schedule that coincides with the Head Start schedule. In this situation, parents could drop off their children, get to class, and be ready to pick up the child at the end of the day without missing class or having to pick up the child early. TANF could also support the co-location of parent and child services; for example, by providing a job skills class in a child care center, making it easier for families to secure both services.

What is different about the two-generation approach is that coordination is more than a referral; it is not left to the parent to knit together the various services he or she needs. TANF agencies, or community-based organizations they contract with, can play this coordinating role to offer comprehensive approaches that include multiple programs and supports.

High Quality Workforce Development

TANF can play a significant role in supporting employment. A two-generation employment program for TANF recipients and other low-income parents would be designed from the starting point of “how can we most successfully build the employment prospects of parents, who worry about the safety and development of their children?” Such a program might work around the child’s school day, or include discussions on how to handle the stresses of being a working parent, or intentionally promote social connections among parent-participants so they find ways to support each other’s success in the program.

Effective employment strategies would focus on job-driven training, which entails:

- Working up-front with employers to determine local or regional hiring needs and designing training programs that are responsive to those needs;
- Offering work-based learning opportunities with employers—including on-the-job training, internships, and pre-apprenticeships and Registered Apprenticeship as training paths to employment;
- Making better use of data to drive accountability, inform what programs are offered and what is taught, and offer user-friendly information for job seekers to choose what programs and pathways work for them and are likely to result in a job;
- Measuring and evaluating employment and earnings outcomes;
- Promoting a seamless progression from one educational stepping stone to another, and across work-based training and education, so individuals’ efforts result in progress;
- Breaking down barriers to accessing job-driven training, including access to supportive services and relevant guidance; and
• Creating regional collaborations among Workforce Innovation and Opportunity Act (WIOA) one-stop centers, education institutions, labor, and nonprofits.\textsuperscript{13}

To support TANF agencies interested in designing high quality workforce development efforts, OPRE has released a series of publications:

• \textit{Promising Occupations Achievable Through Short-term Education or Training for Low-Income Families}  
• \textit{Resources for Connecting TANF Recipients and Other Low-Income Families to Good Jobs}  
• \textit{Using Data to Connect TANF Clients to Good Jobs: An Opportunity to Foster WIOA Partnerships}.

An intentionally designed TANF two-generation effort would ensure that participants have access to child care and transportation, without which parents may struggle to find and keep a job. Effective strategies might also emphasize connecting parents to jobs with more regular schedules; or alternatively, helping to arrange for flexible child care that can accommodate irregular or nontraditional work hours. All of the services described above can be supported with TANF funds, and through partnerships with programs funded under WIOA.

High Quality Early Childhood Development

Low-income parents need access to child care in order to work and to participate in job-driven training, both of which contribute to their economic stability. When low-income parents receive help paying for child care, they are more likely to be employed, have more stable employment, and have higher earnings\textsuperscript{14} —thereby, improving the well-being of parents and children. This child care support can assist TANF agencies in meeting required work participation rates and desired employment outcomes. However, the quality of children’s child care arrangements is equally important. Affordable, high-quality child care is an essential component to support families in their progress towards economic stability. High-quality child care helps children develop foundational skills that prepare them for success in school and improved adult outcomes. As noted previously, high quality child care also helps parents balance the demands of work and parenting by lessening their stress and supporting child and family well-being. TANF families with children in stable, high-quality child care can focus on their own goals for employment success and economic mobility, with less chance of loss in productivity due to worries about their children’s well-being. TANF funds can be used to provide high quality child care, and the Child Care and Development Fund\textsuperscript{15} and Head Start are also important partners and sources of support for high quality early childhood services.

Social Capital Development

Social capital is defined by the Organization for Economic Cooperation and Development (OECD) as “networks together with shared norms, values, and understandings that facilitate cooperation within or among groups.”\textsuperscript{16} Within the context of families served by TANF programs, social capital can be thought of as the network of people and institutions upon which a family can rely for support and assistance. Research shows that when mothers have emotional support, their children have been found to have better outcomes.\textsuperscript{17} Social capital also appears to be a key success factor in producing positive outcomes for programs that serve low-income families, particularly with regard to mental health.\textsuperscript{18}
Components of program design that can help families develop social capital include peer support and cohort models, career coaches, connections with potential employers and industry contacts, and networking with school and workplace contacts. TANF agencies can provide opportunities for families to build social capital by promoting the development of both bonding and bridging ties.19

Bonding ties are formed among like individuals. For example, a TANF employment and training program could utilize a cohort model, where participants share common characteristics such as being parents with young children, or parents of young children enrolled in Head Start. Sharing such a characteristic brings individuals together such that they begin to encourage each other and help each other out in times of need. More than just enrolling similar people in a particular program, a cohort model provides a structure in which the participants engage with each other, sharing their successes and challenges, consistently and frequently. It can facilitate the development of long-lasting, supportive relationships.

Bridging ties connect individuals to others who have access to different resources. For example, a job search program may use TANF funds to hire job developers to build relationships with employers. The job developers would then help bridge connections between TANF recipients seeking employment and employers with available jobs for whom the recipients’ skills are a match.

TANF AND TWO-GENERATION APPROACHES IN PRACTICE:

TANF agencies have in recent years begun exploring and testing two-generation approaches. The following examples illustrate a few of the ways in which TANF can play a role in supporting two-generation approaches.

Connecticut

In 2015 Connecticut passed legislation and a provision in the state budget to establish a two-generation initiative using TANF and state funds. In April 2016, six pilot communities will begin to intentionally coordinate children’s school readiness and school success services with parents’ workforce readiness and support services. At the systems level, state and local governments along with community service provider agencies and parents will work to align funding, programming, and other systems so programs can more easily provide two-generation services. The overall purpose of the legislation is to “foster family economic self-sufficiency in low-income families.”20

The six pilots will focus on families with household earnings at or below 75 percent of the state median income and at least one child from birth to age eight. Each community will be expected to include early learning, adult education, child care, housing, job training, transportation, financial literacy, and other related support services. Projects must engage parents in the design and development of the program.

Through its participation in the Office of Family Assistance’s Systems to Family Stability National Policy Academy, Connecticut plans to add a seventh pilot site to focus on serving non-custodial fathers and their families.

To oversee the program, the legislation established an interagency workgroup that is co-chaired by two legislative leaders representing the appropriations and human services committees and is managed by the staff of the legislative Commission on Children office. The interagency workgroup is also comprised of
the Commissioners of Social Services, Early Childhood, Education, Housing, Transportation, Public Health, Labor, and Correction; Chief Court Administrator; two-generation experts from non-profit and philanthropic organizations; and, other business and academic professionals as needed for planning and evaluation.

Washington

The state of Washington has developed a private-public partnership called Thrive Washington to expand the capacity for home visiting programs to serve TANF families. Federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV), state TANF, and private funds are being used to provide slots in evidence-based home visiting programs to TANF families, focusing on pregnant moms and families with infants. The home visiting programs bring a whole-family lens to serving TANF clients, which encourages TANF staff to think about the parent-child relationship and the role of the parent as a caregiver. The intended outcomes include increased child and family well-being and improved parental employability.

Utah

Utah launched an innovative demonstration project called Next Generation Kids (NGK) to test family-based strategies to improve child, parent, and family outcomes. NGK enrolls TANF families headed by parents who received cash assistance as a child and also receive it as an adult head of household. The program brings together education, employment training, and other supports for parents with services to support the child’s educational and healthy development. “Work Success Coaches,” who are TANF staff trained in motivational interviewing, trauma-informed care, and other coaching strategies, work closely with the participating families. On-staff clinicians provide additional support. The program embraces a sector-based strategy, offering training in occupations where there is employer demand for workers. Currently operating in three communities, the program has already transitioned a number of families from assistance.

TANF dollars support the NGK infrastructure and many of the services provided. The program also relies on partners; for example, in Ogden, the school district provides NGK with office space at a local elementary school. NGK staff can visit with families at this school or other schools where children are enrolled. Community partners such as the United Way, the Community Action Program, Weber State University, other community-based organizations, and the school district itself work together to promote the success of NGK families. The state shifted resources for its NGK effort but did not hire new staff. The leadership has promoted a change in thinking about how TANF does business, moving from a compliance-centric view to a family outcome-centric view while meeting TANF requirements. Thus far, focusing on the family has had the positive effect of enrolling and keeping participating families working.

In addition to NGK, as part of the state’s Intergenerational Poverty Mitigation Act passed in 2012, Utah’s TANF program launched an effort to bring “family-focused” training to all TANF staff working with cash assistance beneficiaries. With assistance from partners at the University of Utah and using TANF dollars, the agency is pursuing a gradual culture shift in which front-line staff come to see their clients as families rather than adults, and are able to tap the mutual motivation of parents and children improving together in a two-generation perspective.
Tulsa, Oklahoma

At the community level, CAP Tulsa, a community action agency, built a healthcare training program called CareerAdvance® for parents with children enrolled in its Head Start and early childhood education programs. CAP Tulsa uses Health Profession Opportunity Grants (HPOG, a competitive grant program administered by the Office of Family Assistance) funding to operate CareerAdvance®. HPOG provides TANF recipients and other low-income populations with job-driven career pathways training, and CAP Tulsa has worked with the county TANF office to recruit TANF parents with young children into the program. The parents receive education, training, career coaching, and other supports, while the children begin their educational journey in Head Start. Because CAP Tulsa has HPOG funds, TANF dollars are not expended. However, a community without HPOG funds could build a similar program using TANF dollars to pay for education and training. Likewise, other HPOG grantees could focus efforts on ensuring the children of their TANF participants are enrolled in a high quality early childhood program such as Head Start.

North Carolina

In North Carolina, the state TANF Program (Work First), within the Division of Social Services, Economic and Family Services, partnered with the North Carolina Head Start State Collaboration Office to strengthen the coordination between Head Start /Early Head Start and TANF. Using Head Start State Collaboration funds, the two offices jointly administered a competitive grant process to stimulate partnerships between local Head Start/Early Head Start programs and county Departments of Social Services leading to: 1) significant increases in the number of cross-agency referrals; 2) the convening of cross-agency joint staff trainings for staff with similar job functions; and, 3) the development of an aligned family goal-setting plan for families being served by both programs. North Carolina’s effort highlights that the state can promote and incentivize local organizations to engage in two-generation planning.

Two counties were awarded grants, and both used the opportunity to open or deepen conversations about plans for collaboration. In one of the counties, Head Start/Early Head Start adopted the Work First goal-setting tool as its Family Partnership Agreement requirement. Staff from both programs met together with families, who led the development of their own goals and timeline. For example, it was common for families to prioritize “accessing viable employment” and “accessing high quality child care” (to support the parents’ efforts to work) simultaneously for goals. Both programs were able to bring their resources to the family, making for a more focused effort. Work First staff became more attentive to children’s needs and provided child-centered wrap-around services, while Head Start staff saw additional opportunities to support parents in becoming job-ready. As a result of the collaboration and streamlining efforts, more children of TANF participants accessed Head Start or Early Head Start slots through referrals from NC Work First. The programs were also able to expand services to children, as well as enhance and strengthen more family-centered services.

RESOURCES:

TANF agencies can refer to the following resources for more information about strengthening parental employment and child and family well-being outcomes through development of two-generation approaches.


For additional resources from the Office of Family Assistance Peer TA Resource Library, visit https://peerta.acf.hhs.gov/resource_library?search_api_views_fulltext=two+generation&=Search

INQUIRIES: Please direct inquiries to the OFA TANF Program Manager in your region.

/s/

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11 Council of Economic Advisors (2014), Executive Office of the President of the United States, *The Economics of Early Childhood Investments*.


