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Impacts of Economic, Demographic, and Political Characteristics on State TANF Spending

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1. Introduction

Poverty is a persistent problem in the United States. In 2020, the poverty rate in the United States was 11.4% ("Income, Poverty, and Health Insurance Coverage in the United States: 2020"). Temporary Assistance to Needy Families (TANF) is the main basic assistance program for families living in poverty in the United States. It was enacted in 1995 to reform the previous basic assistance program for families, Aid to Families with Dependent Children (AFDC) (Corbett 2013). Unlike its predecessor, on top of providing income to families when a parent or guardian could not, TANF is designed to reduce dependency on welfare. This is done in the law through three mechanisms: ending entitlement of poor families to cash assistance, creating work requirements for recipients, and creating time limits for aid.

TANF has failed to alleviate poverty on a national level. Even though federal cash assistance rolls decreased significantly under TANF, there is still a high poverty rate, meaning TANF fails to reach many poor Americans. According to the Center for Budget and Policy Priorities (CBPP), only 23 out of every 100 families living in poverty in 2019 received cash assistance through TANF, versus 68 out of every 100 families under AFDC (“Policy Basics” 2021). The CBPP estimates that to serve families living in poverty to the extent that AFDC did, the program would have to help about two million more families. The National Poverty Center also found that the number of people in the United States living on less than $2 a day rose under TANF, going from 636,000 in 1996 (before TANF) to 1.65 million in 2011 (Newkirk 2018). TANF rolls have consistently decreased year to year at a rate outpacing the decline in the poverty rate, which indicates that TANF is serving a decreasing proportion of poor families. This is largely due to specific restrictions on TANF cash assistance that states have chosen to implement.

This research investigates how a variety of factors – including state economic health, racial and ethnic makeup, state political landscape, and state crime rate – impact where states appropriate TANF dollars within their yearly program budgets. Linear regression analysis is used to determine the presence and strength of the relationship between the independent variable (i.e. a measure of state economic health, racial and ethnic makeup, state political landscape, or state crime rate) and the dollars devoted to a certain sector of the TANF budget. Notable findings were that percent Black, poverty rate, proportion of state House that is Democratic were consistently significant across all spendings sectors. Most importantly, percent Black and poverty rate both had negative relationships with basic assistance spending, the core of the TANF policy.

2. Shortcomings of TANF

At its inception, TANF contained more paternalistic regulations intended to alter the behavior of welfare recipients, including time limits on benefits, work requirements, and sanction policies. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), the welfare reform bill passed in 1995 that encompasses TANF, created an incentive for states to reduce their caseload (Shrivastava and Thompson 2022). TANF has "caseload reduction credits", which are calculated based on how much the caseload has shrunk over time. The credits allow states to have a lower required share of participants who fulfill TANF's work requirements. To meet federal requirements under PRWORA, 50% of families receiving cash assistance from TANF must do a work activity for at least 30 hours a week, and 90% of two-parent families must be working for 35 hours a week ("Policy basics" 2021). States get credit towards the 50% and 90% thresholds if they have reduced their TANF caseload since

2005. As a result of these new regulations, the TANF-to-poverty (TPR) ratio, which measures the ratio of number of families receiving TANF assistance to number of families living in poverty, has fallen in every state since 1996 and in most states between 2006 and 2020 (Shrivastava and Thompson 2022) . Since TANF began in 1996, at least 250,000 cases have been closed because state- or federal-imposed time limits hit before the recipients achieved work readiness and financial independence.

TANF is worse than AFDC at lifting families out of deep poverty ("Policy Basics" 2021). While AFDC lifted approximately 3 million children out of deep poverty in 1995, TANF lifted just 260,000 children out of deep poverty in 2017 ("Policy Basics" 2021). Simultaneously, the share of children living in deep poverty (in families with incomes below half the poverty line) has gone up since PRWORA was implemented in 1996. Child coverage by welfare (i.e., the proportion of children living in poverty who receive welfare money) has decreased every year since 1996 (Bentele and Nicoli 2012). Dropping caseloads result from the decrease in welfare coverage of children, rather than a decrease in poverty. Coverage also fell during the recession years of 2009 and 2010, meaning welfare programs didn't keep pace with the increasing child poverty during those years. A higher female employment-to-population ratio (more women employed) relates to a decrease in welfare coverage among children (Bentele and Nicoli 2012). This is because when women joined the workforce and were taken off welfare rolls, their families weren't lifted out of poverty. This causes a greater proportion of poor families to not be covered, decreasing the coverage ratio.

TANF's shortcomings compared to AFDC also are evident because millennial parents are inadequately served by the program. Millennial parents should be the most prosperous generation of parents in American history, as they are better educated than previous generations,

wait longer to become parents, and raise children in an economy that is 70% more productive than when Boomers were the same age (Fremstad 2016). However, almost 1 in 5 live below the federal government's outdated poverty line, which is twice the rate of their counterparts in 1979. TANF is reaching few struggling millennial parents compared to the AFDC-JOBS program. TANF also has increased inequalities of opportunity and treatment based on where the parents and their children reside. The poverty rate for parents ages 20-34 has been increasing, going from 11.2 percent in 1979 to 18.7 percent in 1995, to 20.6% in 2013 (Fremstad 2016). This increase in poverty has happened despite increases in educational attainment and mothers' employment over this time.

Additionally, non-elderly, non-disabled families with no continuously-employed members are the most underserved by the post-1996 US welfare system (Ben-Shalom, Moffitt, and Scholz 2011). This is because these families are eligible to receive some means-transfers, including TANF, they are ineligible for other benefits because they are childless, and ineligible for the Earned Income Tax Credit (EITC) due to their unemployment.

TANF also caused, amongst single-parent and two-parent families, a significant shift in transfers away from families in deep poverty and toward families with higher income levels, both above and below the poverty line (Ben-Shalom, Moffitt, and Scholz 2011). This is due to an increase in the EITC and a decrease in AFDC/TANF for the very poor, which creates a regressive combination. Over time, the deep poverty rates in these groups (single-parent, two-parent, and families with nonemployed members) has risen. Transfers have shifted towards the elderly and disabled and away from all other groups.

3. Determinants of State Welfare Generosity

Literature shows that there are several factors that affect the intensity of restrictions and the amount of cash assistance (Avery and Peffley 2005; Rodgers and Tedin 2006). Four factors are examined here: race, voter turnout, demographic and political makeup of state government, and spending/welfare rolls under AFDC.

3.1. Race

Research finds that Americans would be willing to pay more in taxes for welfare programs that went to helping the homeless, or providing education, medical care, or job training to the poor (Gilens 1999). However, portrayal of poverty as "Black" began in the 1960s when poverty and welfare began to be discussed in a negative way in the media. Over half the public says most poor people are Black; in reality, 29% of poor people are Black. This influences their support for poor people. African Americans are perceived by a majority of white Americans as responsible for their condition (poverty), which causes a negative perception of poverty because African Americans are most associated with it, and in turn leads to a widespread hostility to welfare (Gilens 1999).

This racialized attitude towards welfare is evident in how racial and ethnic composition of a state's welfare caseload has statistically significant and substantial impact on how restrictive a state's welfare eligibility requirements are, especially in the time limits area (Avery and Peffley 2005). States with a larger proportion of African Americans and Latinos receiving welfare (larger percentage of recipients are Black or Latino) are more likely to pass more restrictive policies. Having a larger proportion of African Americans in the population significantly affects stricter time limits, more stringent sanctions, and stricter welfare restrictions (Avery and Peffley 2005). Having a larger Latino caseload had substantial effects on time limits and stricter welfare

restrictions (Avery and Peffley 2005). States with larger Black populations also keep their TANF spending low (Rodgers and Tedin 2006). This is consistent with the longstanding policy of states with larger Black populations trying to discourage welfare use by minorities, which in turn makes them (states) spend less per capita on welfare and their TANF spending lower (Rodgers and Tedin 2006).

TANF policies are prone to racial prejudice from the beginning, which is seen in the qualitative analysis of congressional debates during the formulation and passage of TANF (Brown and Best 2017). Congressional debates about AFDC/TANF contained many racialized portrayals of cash welfare recipients. Comments reflected the widespread belief that cash welfare programs cause moral decay and a cycle of poverty, especially among Black families. Though the debates do not contain explicitly racialized portrayals, they are not nonracial (Brown and Best 2017). Americans have been shown to broadly associate African Americans with laziness, poor work ethic, and teen motherhood.

3.2. Voter Turnout

Voter turnout among people in a lower socioeconomic class can also impact the restrictiveness of welfare laws. In states where lower-class voter turnout was comparable to that among the upper class, legislators were less likely to pass restrictive welfare eligibility policies (Avery and Peffley 2005). This stems from electorates in states with restrictive voter registration laws being more biased towards the upper class. Mobilization of lower-class voters in these states can help disadvantaged achieve policies that align with their interests, though voter registration laws pose an obstacle to this.

3.3. Demographic and Political Makeup of the State Government

Analyses showed that political factors seem to have become more influential on TANF coverage (the proportion of families living in poverty who receive TANF benefits) over time (Bentele and Nicoli 2017). Republican governors reduced TANF coverage by a statistically significant amount in the 2000s, but not between 1995-2000. Coverage fell more year-to-year in states that had a Republican governor the previous year.

The gender makeup of a state legislature could also impact the restrictiveness of welfare policy, but the impact of legislative women on welfare policy is highly dependent upon which women and which policies are examined (Reingold and Smith 2012). In different combinations, the presence and power of legislative women can have a liberal, conservative, or no effect on welfare policy. Across the policy dimensions though, legislative women of color had a more consistent and consistently liberal effect on policy than other women or men of color (Reingold and Smith 2012). Additionally, it appears that women of color are the most effective advocates for poor women in the era of welfare reform. The presence and power of white women in the legislature are associated with a reduction in cash benefits, whereas the incorporation of women of color in the legislature is associated with an increase in benefits.

3.4. Spending/Welfare Rolls Under AFDC

The states that were more generous under AFDC are also more generous under TANF (Rodgers and Tedin 2006). The size of a state's TANF grant is based on the state's past spending on AFDC. This means that despite the states' current needs, the ones getting more funding for TANF are the ones with a more generous spending history under AFDC. States that have high poverty rates and unemployment rates over the national average can get supplemental grants. But

since these states already spend little money on welfare, they still remain below the national average in TANF funding per person living below the poverty line. States with higher welfare rolls under AFDC also had a lower probability of passing strong sanctions and more stringent welfare eligibility policies under TANF (Avery and Peffley 2005). This fits with the finding that pre-reform coverage (i.e., under AFDC) was related to the subsequent change in coverage; specifically, states with higher levels of pre-reform coverage saw a greater decrease in coverage after TANF was implemented (Bentele and Nicoli 2012).

4. Data and Methods

To test my research question, I examine welfare spending at the state level over 22 years from 1997 to 2019. The number of states examined depends on the variable and the availability of data. Most variables are measured in all 50 states for each year being studied. A cross-sectional time-series data set is used, and the unit of analysis is the "state-year". This means each value of the independent and dependent variable is for one state in one year. Each category of TANF spending within the state budget is regarded as a separate dependent variable. There are many independent variables, each tested for their relationship with a specific category of the TANF budget across state-years.

4.1. Dependent variables

The dependent variable in this analysis is the proportion (coded as a percentage) of the state TANF budget devoted to the specific sector of spending being analyzed. Based on categories defined by the Center for Budget and Policy Priorities (Azevedo-McCaffrey and Safawi 2022), the nine spending sectors are: basic assistance, work activities, work supports and

supportive services, child care, administration and systems, tax credits, pre-K, child welfare, and other services. Definitions of these categories are found in the CBPP report detailing state TANF spending (Azevedo-McCaffrey and Safawi 2022). These data are obtained from reports released by the Office of Family Assistance (OFA), a subgroup of the Administration for Families and Children (AFC). The reports by the OFA are created for each fiscal year and contain detailed information on state spending of TANF dollars (*TANF Financial Data - FY 2010)*. The spending data was compiled by Azevedo-McCaffrey and Safawi (2022) of the CBPP for the article "To Promote Equity, States Should Invest More Dollars in Basic Assistance", and this is the data used for the dependent variables. Spending data is available for years 1996 through 2021 for the categories basic assistance, work-related activities, work supports, child care, program management, tax credits, and Authorized Under Previous Legislation (AUPL). These categories are defined below (Azevedo-McCaffrey and Safawi 2022), and national averages for the percentage of TANF budgets spent on each category, as calculated by CBPP ("State Fact Sheets" 2022), are given. CBPP also gives numbers for child welfare and pre-K spending by states, but there were missing years in this data and thus these categories are not included as dependent variables.

Basic assistance: Cash assistance given to low-income families to help pay for necessities like bills, food, and hygiene products. The national average percentage of the TANF budget that goes towards basic assistance is 21%.

Work-related activities: Work (subsidized employment), education, and training activities which help prepare families for or connect them to work. The national average percentage of the TANF budget that goes towards work-related activities is 10%.

Work supports: Services which help a family to maintain employment, including transportation, mental health support, and domestic violence services. The national average percentage of the TANF budget that goes towards this is 3%.

Child care: Child care services provided by the state and financial assistance given to parents. The national average percentage of the TANF budget that goes towards this is 16%.

Program management: Includes administration and systems as well as the cost of screening and assessing applicants and recipients and providing case management services. The national average percentage of the TANF budget that goes towards this is 10%.

Tax credits: Money that goes towards paying refundable Earned Income Tax Credits (EITC) and non-EITC refundable state tax credits to TANF participants. The national average percentage of the TANF budget that goes towards this is 9%.

Other non-assistance/AUPL: Includes funds put towards one-time benefits, home visiting programs, services for children and youth, financial education, prevention of "out of wedlock" pregnancies, 2-parent family formation and maintenance programs, and AUPL spending on juvenile justice payments and emergency assistance. The national average percentage of the TANF budget that goes towards this is 14%.

4.2. Independent Variables

Several independent variables are examined for their effect on each spending category. Analyses are run so that each dependent variable (listed in the previous section) is tested for its relationship with each independent variable. The independent variables, which are evaluated for each state-year, are listed below and fit into four subcategories: state economic health, racial makeup, state political landscape, and state crime rate.

4.2.1. State Economic Health. The economic factors used as independent variables indicate the overall health of the state's economy. There are four variables being measured: GDP per capita, GDP growth rate, inflation rate, and poverty rate.

The first variable in this category is the state's GDP per capita, which is used to evaluate the state's relative wealth. GDP per capita is used because there is such a vast difference in population across states, so regular GDP would not account for this. GDP per capita is coded as a numerical dollar amount, and the data came from the BEA's Regional Data on GDP and Personal Income (Bureau of Economic Analysis 2021).

The second economic indicator measured is the GDP growth rate, which is used to evaluate whether the state's economy is on an upward or downward trajectory and to help understand how inclined lawmakers may be towards generosity based on their state's economic outlook. The GDP growth rate is coded as a percentage, and data for the growth rate came from the BEA's Regional Data on GDP and Personal Income (Bureau of Economic Analysis 2021).

The third economic indicator used is the state's regional price parity (RPP), which is another indicator of the state's economic health and a factor in lawmakers' determinations for state budgets. The RPP measures the differences in prices across states and quantifies the state price level in terms of the national price level. Data on the RPP came from the BEA's Regional Data on GDP and Personal Income (Bureau of Economic Analysis 2021).

Fourth, the poverty rate is used to assess the extent of the state's poverty problem, which has been shown to impact lawmakers' inclinations to give less generous cash transfers when the poverty rate is high. The poverty rate is coded as a percentage. Data for the poverty rate in each state-year came from the University of Kentucky Center for Poverty Research (2022).

4.2.2. Racial and Ethnic Makeup. The racial makeup variables give a picture of the demographic makeup of the state along racial and ethnic lines, which has been proven to affect welfare policy (Avery and Peffley 2005). Five variables fall under racial makeup: percent African American in population, percent Latino in population, percent foreign-born in population, percent African American in population receiving welfare benefits, percent Latino in population receiving welfare benefits, and percent foreign-born in population receiving welfare benefits.

First, the percent African American in population is coded as a percentage. This variable may help evaluate the extent to which there may be racial prejudices impacting TANF budgeting to different budget sectors. The data for this variable came from the United States Census Bureau in Table B02001 of the American Community Survey data (United States Census Bureau 2022).

The second variable under racial and ethnic makeup, percent Latino in population, is coded as a percentage. Like the previous variable, the percentage Latino also may work to evaluate the extent of racial prejudice in a state's TANF laws. Data on the Latino population for states comes from the Kaiser Family Foundation's data tables on Population Distribution by Race/Ethnicity (Kaiser Family Foundation 2022).

The third variable in this category, percent foreign-born in state population, is coded as a percentage and represents the proportion of people in a state who are not U.S. citizens at birth. Like percent African American and percent Latino, the percent foreign-born variable looks to quantify the degree of diversity in a state, as this has been shown to impact TANF generosity. Data on the percentage of foreign-born residents came from the Kaiser Family Foundation's data tables on Population Distribution by Race/Ethnicity.

4.2.3. State Political Landscape. The independent variables under state political landscape show which party controls the state government and by extension policy making in the state. The two variables under state political landscape are the proportion of the state senate seats held by Democrats and the proportion of state house seats held by Democrats. These variables indicate the political leaning of the state legislature, which is responsible for approving the TANF budget. Data for these variables came from the National Welfare Data from the University of Kentucky Center for Poverty Research (2022).

4.2.4. State Crime Rate. State crime rate warrants investigation because at the time of TANF's inception, there was pressure to crack down on crime, which led to PRWORA (the authorizing legislation for TANF) banning people convicted of drug felonies from receiving welfare benefits (Mauer and McCalmont 2013). There are three variables that fall under the state crime rate category: incarceration rate, violent crime rate and rate of drug related offenses.

First, the incarceration rate measures the extent to which a state's population is incarcerated. Second, the violent crime rate variable is the total violent crime rate per 100,000 inhabitants for the state. The third variable, the rate of drug-related offenses, is obtained using data on the number of drug-abuse arrests and the state population. Data for these three variables – incarceration rate, violent crime rate, and rate of drug related offenses – comes from Michigan State Correlates of State Policy (Jordan and Grossman 2020).

5. Hypotheses

The predictions for the TANF spending models are:

H1: The proportion of the TANF budget spent on basic assistance will have a positive relationship with GDP per capita (1a), GDP growth rate (1b), and proportion of state House that is Democratic (1c). It will have a negative relationship with RPP (1d), poverty rate (1e), percent Black (1f), percent Latino (1g), drug crime rate (1h), and violent crime rate (1i).

H2: The proportion of the TANF budget spent on work supports will have a positive relationship with percent Black (2a), percent Latino (2b), and percent foreign born (2c). It will have a negative relationship with GDP per capita (2d) and GDP growth rate (2e).

H3: The proportion of the TANF budget spent on work activities will have a positive relationship with percent Black (3a), percent Latino (3b), percent foreign born (3c), drug crime rate (3d), and violent crime rate (3e). It will have a negative relationship with GDP per capita (3f) and GDP growth rate (3g).

H4: The proportion of the TANF budget spent on child care will have a positive relationship with percent Black (4a), percent Latino (4b), percent foreign born (4c), poverty rate (4d) and proportion of the state House that is Democratic (4e). It will have a negative relationship with GDP per capita (4f) and GDP growth rate (4g).

In the final model, due to multicollinearity, the variables for percent Latino, percent foreign born, RPP, and incarceration rate were not used. Hypotheses 1d, 1g, 2b, 2c, 3b, 3c, 4b and 4c could not be tested. Table 1 below lists the hypotheses for convenience.

Table 1. Hypotheses for relationships between TANF spending sectors, left, and independent variables, right.

1. Proportion spent on basic assistance.	a) Positive relationship with GDP per capita b) Positive relationship with GDP growth rate c) Positive relationship with the proportion of the state House that is Democratic. d) Negative relationship with RPP. e) Negative relationship with poverty rate. f) Negative relationship with percent Black. g) Negative relationship with percent Latino. h) Negative relationship with drug crime rate. i) Negative relationship with violent crime rate.
2. Proportion spent on work supports.	a) Positive relationship with percent Black b) Positive relationship with percent Latino c) Positive relationship with percent foreign-born d) Negative relationship with GDP per capita e) Negative relationship with GDP growth rate
3. Proportion spent on work activities.	a) Positive relationship with percent Black. b) Positive relationship with percent Latino. c) Positive relationship with percent foreign-born. d) Positive relationship with drug crime rate. e) Positive relationship with violent crime rate. f) Negative relationship with GDP per capita. g) Negative relationship with GDP growth rate.
4. Proportion spent on child care.	a) Positive relationship with percent Black. b) Positive relationship with percent Latino. c) Positive relationship with percent foreign-born. d) Positive relationship with poverty rate. e) Positive relationship with the proportion of the state House that is Democratic. f) Negative relationship with GDP per capita. g) Negative relationship with GDP growth rate.

6. Results

6.1. Pairwise Correlation Test

Before running the multiple regression models for each dependent variable, the pairwise correlation between all of the independent variables was tested. This helped determine which variables were highly correlated and which would interfere with each other in the regression model.

The variables for state RPP and proportion of foreign born residents were correlated by 79.53% at the 0.0000 significance level. The variables for proportion of the state House that is Democratic and the proportion of state Senate that is Democratic were correlated by 87.73% at the 0.0000 significance level. The variables for proportion of foreign born residents and proportion of Latino residents were correlated by 69.76% at the 0.0000 significance level. Based on these results, two independent variables were removed from the final regression in order to limit interference. Proportion of foreign born residents was removed since it was highly correlated with both state RPP and proportion of Latino residents. Proportion of the state Senate that is Democratic was also removed since it was highly correlated with the proportion of state House that is Democratic. Table 2 details the results of the pairwise correlation results.

Table 2. Pairwise correlations for independent variables

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(1) Percent Black	1.000											
(2) Percent Latino	-0.117***	1.000										
(3) Percent foreign born	0.061	0.698***	1.000									
(4) Proportion of House that is Democratic	0.155***	0.184***	0.513***	1.000								
(5) Proportion of Senate that is Democratic	0.117***	0.162***	0.472***	0.877***	1.000							
(6) Income per capita	-0.006	0.108***	0.429***	0.027	0.104***	1.000						
(7) GDP growth rate	-0.105***	0.051	0.069	-0.092***	-0.046*	-0.215***	1.000					
(8) Regional price parity	-0.039	0.364***	0.795***	0.577***	0.608***	0.592***	0.004	1.000				
(9) Poverty rate	0.363***	0.149***	-0.098**	0.053*	0.047*	-0.214***	-0.092***	-0.305***	1.000			
(10) Incarceration rate	0.602***	0.065	-0.163***	-0.160***	-0.198***	-0.245***	-0.076**	-0.348***	0.543***	1.000		
(11) Drug crime rate	0.417***	0.092*	0.140**	0.024	-0.058*	-0.022	-0.056*	-0.041	0.229***	0.344***	1.000	
(12) Violent crime rate	0.470***	0.322***	0.189***	0.077**	0.046	-0.140***	-0.041	0.009	0.278***	0.488***	0.332***	1.000

**** p<0.01, ** p<0.05, * p<0.1*

6.2. Regression Results

OLS regression is used to model the relationship between each independent and dependent variable. Separate regressions are run for each dependent variable using the same independent variables. Since linear regression assumes independence of all data points, and the data set contains several points for the same state, the linear regression model is modified to ensure independence of factor and time. The data is coded as cross-sectional and time-series in Stata, and a multiple regression with panel-corrected standard error is used for the models. In the models, the independent variable is lagged so that independent variable values are matched with dependent variable values from the next year. This is done so that the impact of the independent variable on TANF policy and budget can be seen, since state governments budget and legislate for the upcoming year, meaning legislation needs time to take effect.

Table 3 contains the results of the multiple regression analysis performed in Stata. The variables for RPP, incarceration rate, and percent Latino were not included in the regression model because there were missing values in the data sets. The independent variables shown below were chosen to maximize the number of data points.

Table 3. Determinants of state TANF spending

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VARIABLES	Basic assistance	Work supports	Work related activites	Management and systems	Child care	Tax Credits	Non-assistance/AUPL
Percent Black	-0.00482***	0.000613***	0.00135***	-0.000278**	-0.000983***	0.000535***	-0.00150***
	(0.000285)	(0.000131)	(0.000307)	(0.000137)	(0.000300)	(8.86e-05)	(0.000454)
Poverty rate	-0.00625***	0.00122***	-0.00186***	-0.000248	-0.00516***	-0.00103**	0.00687**
	(0.00100)	(0.000443)	(0.000544)	(0.000669)	(0.00161)	(0.000444)	(0.00334)
Income per capita	-4.49e-06***	-1.37e-06***	-1.62e-06***	1.48e-07	-1.07e-06***	2.60e-06***	-8.32e-07
	(4.35e-07)	(1.13e-07)	(2.83e-07)	(3.59e-07)	(3.18e-07)	(1.33e-07)	(1.78e-06)
GDP growth rate	0.00129	0.000160	0.000370	0.00124	-0.00218	-0.000744	0.00117
	(0.00161)	(0.000496)	(0.000888)	(0.00107)	(0.00177)	(0.000712)	(0.00434)
Proportion of House that is Democratic	0.180***	0.0280***	-0.0314***	-0.0348***	0.0614***	0.0771***	-0.157***
	(0.0230)	(0.00614)	(0.0106)	(0.0107)	(0.0183)	(0.00935)	(0.0416)
Drug crime rate	-3.580**	0.292	-0.251	-3.233***	9.267***	-2.454***	9.266***
	(1.570)	(0.436)	(1.075)	(0.801)	(2.889)	(0.682)	(2.892)

Violent crime rate	9.38e-05***	-7.04e-05***	-6.52e-05***	4.35e-07	7.46e-05***	-7.05e-06	6.65e-05**
	(1.25e-05)	(1.25e-05)	(1.53e-05)	(8.27e-06)	(1.44e-05)	(8.99e-06)	(3.24e-05)
Constant	0.468***	0.0689***	0.206***	0.120***	0.194***	-0.0804***	0.137
	(0.0253)	(0.00610)	(0.0176)	(0.0212)	(0.0267)	(0.0111)	(0.0844)
Observations	826	826	826	826	826	826	826
R-squared	0.264	0.145	0.055	0.052	0.050	0.144	0.073
Number of fips	49	49	49	49	49	49	49

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Model 1: Basic Assistance. The proportion of the state TANF budget spent on basic assistance had a significant, positive relationship with the proportion of the state House that is Democratic and with the violent crime rate. This indicates that the more Democratic the House is or the higher the violent crime rate in a state, the more a state spends its TANF dollars on basic assistance. The proportion of the state TANF budget spent on basic assistance had a significant, negative relationship with four variables: percent Black, poverty rate, income per capita, and drug crime rate. This means that the higher percent Black residents, the higher the state poverty rate, the higher the income per capita, and the higher the drug crime rate in a state, the less a state apportions to basic assistance.

Model 2: Work Supports. The proportion of the state TANF budget spent on work supportive services had a significant, positive relationship with percent Black, poverty rate, and proportion of the state House that is Democratic. This indicates that the higher percent of Black residents,

the higher the poverty rate, and the more Democratic the House is, the more a state spends its TANF dollars on work supports. The proportion of the state TANF budget spent on work supports had a significant, negative relationship with income per capita and the violent crime rate. This means that the higher the income per capita or violent crime rate, the less a state allocates to work supports.

Model 3: Work-related Activities. The proportion of the state TANF budget spent on work-related activities had a significant, positive relationship with percent Black. This indicates that the higher percent of Black residents, the more a state spends its TANF dollars on work-related activities. The proportion of the TANF budget spent on work-related activities had a significant, negative relationship with poverty rate, income per capita, proportion of the House that is Democratic, and the violent crime rate. This means that the higher the poverty rate, the higher the income per capita, the more Democratic the House is, and the higher the violent crime rate, the less a state spends its TANF dollars on work-related activities.

Model 4: Management and Systems. The proportion of the state TANF budget spent on management and systems had a significant, negative relationship with percent Black, proportion of the House that is Democratic, and the drug crime rate. This indicates that the higher the percent Black, the more Democratic the House is, and the higher the drug crime rate, the less a state spends its TANF dollars on management and systems.

Model 5: Child Care. The proportion of the state TANF budget spent on child care had a significant, positive relationship with the proportion of the House that is Democratic and the

drug crime rate. This indicates that the more Democratic the House is and the higher the drug crime rate, the more a state spends its TANF dollars on child care. The proportion of the state TANF budget spent on child care had a significant, negative relationship with percent Black, poverty rate, and income per capita. This means that the higher the percent Black, poverty rate, and income per capita, the less a state spends its TANF dollars on child care.

Model 6: Refundable Tax Credits. The proportion of the state TANF budget spent on refundable tax credits had a significant, positive relationship with percent Black, income per capita, and proportion of the House that is Democratic. This indicates that the higher the percent Black, the higher the income per capita, and the more Democratic the House is, the more a state spends its TANF dollars on refundable tax credits. The proportion of the state TANF budget spent on refundable tax credits had a significant, negative relationship with poverty rate and drug crime rate. This means that the higher the poverty rate and drug crime rate, the less a state spends its TANF money on refundable tax credits.

Model 7: Non-assistance/AUPL. The proportion of the state TANF budget spent on non-assistance and AUPL had a significant, positive relationship with poverty rate, drug crime rate, and violent crime rate. This means that the higher the poverty rate, drug crime rate, and violent crime rate, the more a state spends its TANF dollars on non-assistance and AUPL. The proportion of the state TANF budget spent on non-assistance and AUPL had a significant, negative relationship with percent Black and proportion of the House that is Democratic. This indicates that the higher the percent Black and the more Democratic the House is, the less a state spends its TANF dollars on non-assistance and AUPL.

7. Conclusions

Across the models for every sector of TANF spending, percent Black was consistently significant. It had a negative relationship with spending on basic assistance, management, childcare, and AUPL categories. The negative relationship between basic assistance spending and percent Black makes sense in the context of the racialized assumptions that are attached to welfare (Gilens 1999). It is also consistent with Azevedo-McCaffrey and Safawi's (2022) findings that underinvestment in TANF cash assistance is worse where Black children are likelier to live. Percent Black had a positive relationship with work supports, work related activities, and the refundable tax credit. This also fits with the racial stigma attached to welfare because it shows more funds being attached to work activities, which may be due to the assumption that "welfare queens" would otherwise not find work and try to leave the TANF rolls (Gilens 1999).

The poverty rate was also significant in most of the models. Notably, poverty rate was negatively correlated with basic assistance and positively correlated with non-assistance/AUPL spending. This was surprising because it can be assumed that states struggling more with poverty would spend more on basic assistance since this is the part of TANF most directly targeted to alleviate poverty. The positive correlation between poverty and AUPL was initially surprising, but in light of the misappropriation of TANF funds involving Brett Favre that occurred in Mississippi, it may be indicative of more widespread misallocation of funds (MacFarquhar 2022).

Proportion of the House that is Democratic also had significant relationships with all spending sectors. The positive relationship between the proportion of the House that is

Democratic and basic assistance spending may be attributed to more positive views of welfare and government assistance held by Democrats, since TANF benefits are what is meant by "welfare". Proportion of the House that is Democratic also had positive relationships with work supports, child care, and tax credits.

The finding that non-assistance and AUPL spending has a positive relationship with drug crime rate and violent crime rate may be because under CBPP's categories (Azevedo-McCaffrey and Safawi 2022), spending on juvenile justice programs falls under the AUPL category.

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