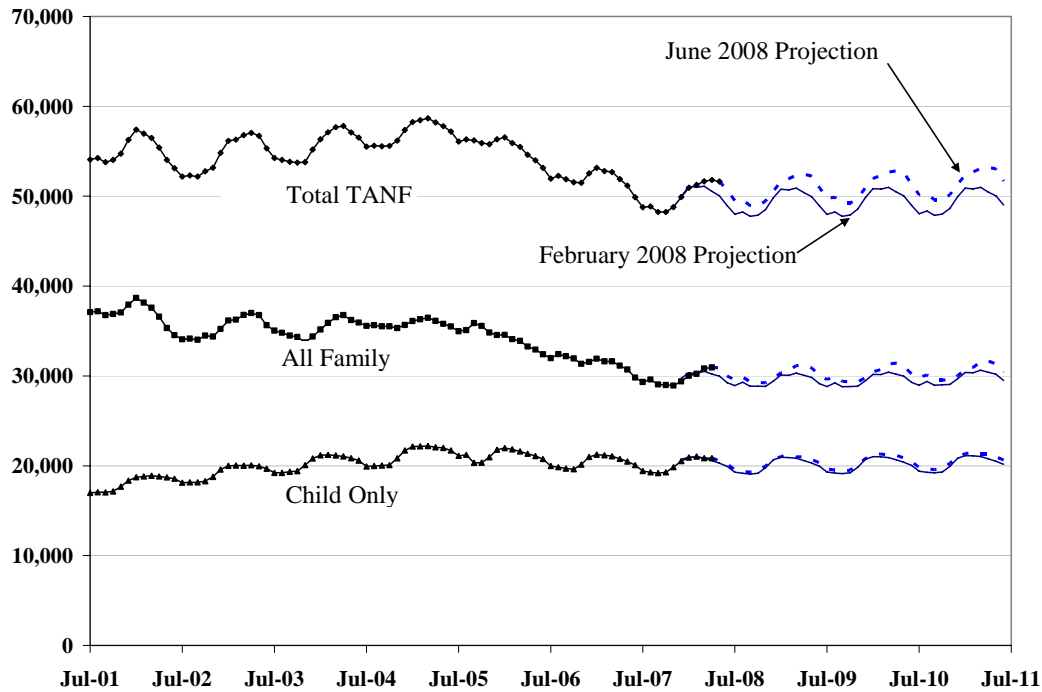


Temporary Aid to Needy Families (TANF)

Caseload Forecast Council
June 26, 2008

Temporary Assistance for Needy Families (TANF), via the WorkFirst program, provides benefits for low-income families with children. These include cash assistance and services that families need to work, look for work, or prepare for work.

TANF Cases (Assistance Units)



Forecast Comparisons (Fiscal Year Averages)

Total TANF Cases

Fiscal Year	Feb-08 Projection	Jun-08 Projection	Feb to June Difference	Percent Difference
2008	49,625	50,056	431	0.9%
2009	49,317	50,700	1,383	2.8%
2010	49,365	51,038	1,673	3.4%
2011	49,420	51,424	2,004	4.1%

All Family TANF Cases

Fiscal Year	Feb-08 Projection	Jun-08 Projection	Feb to June Difference	Percent Difference
2008	29,679	29,727	48	0.2%
2009	29,472	29,923	451	1.5%
2010	29,510	30,172	663	2.2%
2011	29,705	30,418	713	2.4%

Child Only TANF Cases

Fiscal Year	Feb-08 Projection	Jun-08 Projection	Feb to June Difference	Percent Difference
2008	20,104	20,121	17	0.1%
2009	20,058	20,284	226	1.1%
2010	20,117	20,430	313	1.6%
2011	20,224	20,583	358	1.8%

Beginning with the June 2008 TANF Forecast, separate forecasts are provided for the All-Family and Child-Only components of the TANF caseload.

- All-Family cases include parents with children where the parent receives part of the assistance grant. Most parents are required to participate in WorkFirst training or work activities, or they risk grant reduction (sanction) and eventual termination from TANF. These cases comprise about 60% of the Total TANF caseload (around 30,000 cases). From mid-2005 to early 2008, the All-Family caseload was trending downward, but recent data suggests this decline is coming to an end.
- Child-Only cases, comprising about 40% of the Total caseload (around 20,000 cases), include only children as grant recipients. Family relationships are no less important in these cases, however, as they usually include a non-recipient parent, relative, or guardian. Adults associated with Child-Only cases are not subject to WorkFirst participation requirements. The Child-Only caseload steadily grew after the inception of TANF until mid-2005, after which it leveled off. While it exhibits seasonal variation, the Child-Only caseload is rarely the source of significant forecast variance.
- The Total TANF caseload and its two components are each forecast separately. The most recent month of caseload data is *not* used for the component forecasts because lag factors are unstable, while the Total TANF forecast *does* use the most recent month of caseload data. For this reason, the component forecasts will not sum exactly to the Total forecast.

Actual cases tracked very closely to the February 2008 during the first three months of the forecasted period, however, actual cases in the most recent three months have exceeded forecasted cases by an average of 2.3%. This increasing variance, combined with the fact that the year-over-year change in the total TANF caseload in May 2008 was positive for the first time in 31 months, suggests that decline in the TANF caseload over the past two years has come to an end.

Tracking the February 2008 TANF Forecast All TANF Cases

	Feb-08 Projection	Actual	Variance	Percent Variance
Dec-07	49,941	49,901	-40	-0.1%
Jan-08	51,104	50,937	-167	-0.3%
Feb-08	50,981	51,258	277	0.5%
Mar-08	51,100	51,662	562	1.1%
Apr-08	50,541	51,790	1,249	2.5%
May-08	50,025	51,622	1,597	3.2%

Note: Actual cases for May 2008 are lag adjusted.

The June 2008 Total TANF projection for fiscal year 2008 is 0.9% higher than the February 2008 projection, with a projected caseload decline of 3.6% from the fiscal year 2007. The Total TANF caseload is projected to rise by 1.3% in fiscal year 2009, and 0.7% to 0.8% in fiscal years 2010 and 2011.

TANF Fiscal Year Caseload Change

Total TANF Cases				
Fiscal Year	Caseload			Caseload
	Change	Percent Change		
2002-2003	-402	-0.7%	Actual	54,642
2003-2004	969	1.8%		55,610
2004-2005	1,416	2.5%		57,026
2005-2006	-1,503	-2.6%		55,523
2006-2007	-3,586	-6.5%		51,937
2007-2008	-1,881	-3.6%	Forecast	50,056
2008-2009	644	1.3%		50,700
2009-2010	338	0.7%		51,038
2010-2011	386	0.8%		51,424

Note: Total TANF Forecast uses actual data through May 2008.

All Family TANF Cases				Child Only TANF Cases				
Fiscal Year	Caseload			Caseload	Caseload		Caseload	
	Change	Percent Change			Change	Percent Change		
2002-2003	-1,569	-4.2%	Actual	35,409	1,167	6.5%	Actual	19,233
2003-2004	-137	-0.4%		35,272	1,105	5.7%		20,338
2004-2005	520	1.5%		35,793	895	4.4%		21,233
2005-2006	-1,462	-4.1%		34,331	-41	-0.2%		21,192
2006-2007	-2,811	-8.2%		31,521	-775	-3.7%		20,417
2007-2008	-1,794	-5.7%	Forecast	29,727	-296	-1.4%	Forecast	20,121
2008-2009	196	0.7%		29,923	163	0.8%		20,284
2009-2010	249	0.8%		30,172	146	0.7%		20,430
2010-2011	246	0.8%		30,418	152	0.7%		20,583

Note: Component TANF Forecasts use actual data through April 2008.

Risks to the Forecast

The TANF caseload methodology reflects seasonal caseload fluctuations by assuming that entry and exit rates for each month correspond to rates for the same month in the previous year. The method therefore reflects caseload dynamics over the past year and then incorporates a rate of change at levels similar to projected population growth. Initiatives that are underway within the WorkFirst program, but not yet fully implemented, may impact the caseload beyond what is reflected in this projection.

It is unclear how much impact the current economic slowdown will have on the TANF caseload. Historical experience shows that unemployment rates are not closely correlated with TANF caseload changes, however, a sustained economic slowdown will probably lead to some upward caseload pressure and positive variances from the forecast.