

For Reach Up families, basic needs are out of reach

Reach Up is Vermont’s primary cash assistance program for families in poverty. It focuses on helping “eligible parents gain job skills and find work so they can support their minor dependent children.”¹ One function of the law, according to [state statute](#), is to “improve the wellbeing of children by providing for their immediate basic needs, including food, housing, and clothing.” But due to years of underfunding, Reach Up is not fulfilling the state’s fundamental obligation to ensure that families with children can meet those needs. Instead,

- **Reach Up benefits are not keeping up with the cost of basic needs.**
- **Reach Up leaves families in extreme poverty.**
- **Reach Up assists fewer families in poverty than it used to.**

Background

Reach Up is Vermont’s Temporary Assistance to Needy Families (TANF) program, administered by the Department for Children and Families. It provides cash assistance, case management, and support services to Vermont families with children. The 1996 federal “welfare reform” that replaced Aid to Families with Dependent Children (AFDC) with TANF also shifted the program’s priorities from ensuring the wellbeing of children to getting adult recipients to work. The states

must comply with federal law but are also allowed some flexibility in how they spend the money. Unlike many other states that adopted stringent, even punitive, work requirements, in Vermont Reach Up’s goal is to provide support for those able to work while continuing to meet the basic needs of those unable to work.

1. Reach Up benefits are not keeping up with the cost of basic needs.

Each year Reach Up estimates the cost of a family’s basic needs, an amount similar to but not the same as the federal poverty level. The maximum Reach Up grants were calculated in 2004 to provide about half (49.6 percent) of basic needs. The General Assembly has not increased the grants since that year. As a result, Reach Up covers a much smaller share of a family’s basic needs than it did 15 years ago. The maximum monthly benefit for a family of four is stuck at \$726, while the cost of their basic needs has increased from \$1,464 to \$2,112 per month. The benefit buys just over a third, or 34 percent, of the essentials.

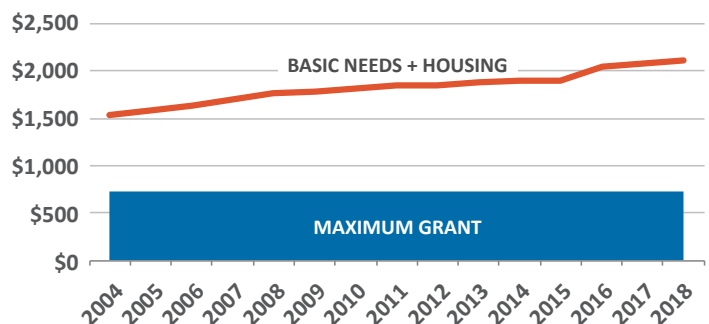
Reach Up at a glance

- State and federal dollars support the program
- The federal share is a block grant of \$47 million, which has been flat for decades
- The state’s match was \$50 million in 2017
- Average monthly caseload in 2018: 3,600 families
- Served monthly: 2,500 adults and 7,000 children
- Over a third of benefits are ‘child-only’*
- Single parents head over half of Reach Up families
- Nearly half of participants have deferments from work requirements at any time

* Children with ineligible parents or alternative caretakers

The gap is growing between what families need and what they get

Cost of basic needs plus housing and maximum monthly Reach Up grant, family of four, 2004-2018



Data source: Vermont Department for Children and Families
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¹ Vermont Department for Children and Families, Reach Up, <https://dcf.vermont.gov/benefits/reachup>, accessed March 2019.

2. Reach Up leaves families in extreme poverty.

Reach Up primarily serves families living below 50 percent of the federal poverty level, the definition of extreme poverty. After receiving Reach Up grants, many of these families remain in extreme poverty; even adding other available benefits, they are still living below, if not as far below, the poverty line. For example, a family of four receiving a maximum monthly Reach Up grant of \$726 could also get the maximum benefit of \$640 in 3SquaresVT, or food stamps. That would bring their benefits to \$1,366, or 64 percent of the federal poverty level.

3. Reach Up assists fewer families in poverty than it used to.

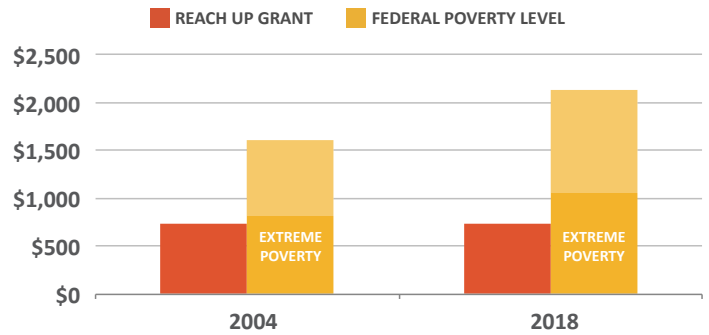
At the same time as caseloads have been trending down since the Great Recession, Reach Up is assisting a much smaller share of those eligible for help than earlier cash assistance programs did. Prior to welfare reform, Vermont's AFDC program reached 80 percent of families in poverty. By 2016 that share had dropped to 55 percent. More stringent work requirements, time limits on receiving benefits, and the declining value of benefits contribute both to families not applying for Reach Up and recipients being terminated from it. While the program helps some adults get on their feet, many are left behind, and with them, their children.

Conclusion

The Reach Up program is failing Vermont's most vulnerable families. Increasing the amount of the grant is 15 years overdue. The Legislature should take immediate steps to ensure that all Reach Up-eligible families are able to meet their current basic needs.

Reach Up benefit is a shrinking percentage of the federal poverty level

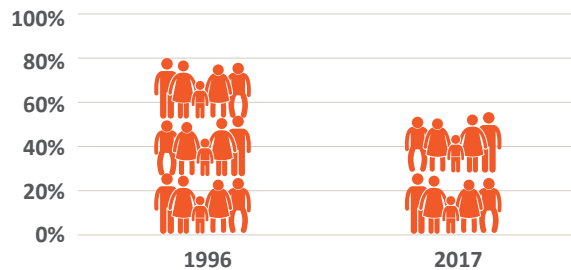
Monthly Reach Up grant and federal poverty level, family of four, 2004 and 2018



Data sources: Vermont Department for Children and Families; U.S. Census Bureau
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Fewer families in poverty get help than 20 years ago

Share of families in poverty receiving assistance, 1996 and 2017*



* These are two-year averages to improve the reliability of the data.

Data source: Center on Budget and Policy Priorities
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