



Highlights of [GAO-04-256](#), a report to Chairman and Ranking Minority Member, Committee on Finance, U.S. Senate

Why GAO Did This Study

Over the last decade, the Congress has made significant changes in numerous federal programs that support low-income families, including changes that have shifted program emphases from providing cash assistance to providing services that promote employment and economic independence. As a result of some of the federal policy changes, the support system is more decentralized than before. This heightens the importance of understanding policy choices and practices at the state and local levels as well as those at the federal level.

To provide the Congress with information on this system, GAO agreed to address the following questions: (1) To what extent do states provide supports for low-income families? (2) How have states structured programs to support low-income families? (3) What changes have states made to supports for low-income families in recent years? Our review focused primarily on supports for which states make many of the key decisions about eligibility, benefit amounts, and service provision. To obtain this information, GAO conducted a mail survey of the social service directors in the 50 states and the District of Columbia; conducted site visits in New York, North Carolina, Oklahoma, Washington, and Wisconsin; and reviewed federal reports and other relevant literature.

www.gao.gov/cgi-bin/getrpt?GAO-04-256

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cynthia M. Fagnoni (202) 512-7215 or fagnonic@gao.gov.

SUPPORTS FOR LOW-INCOME FAMILIES

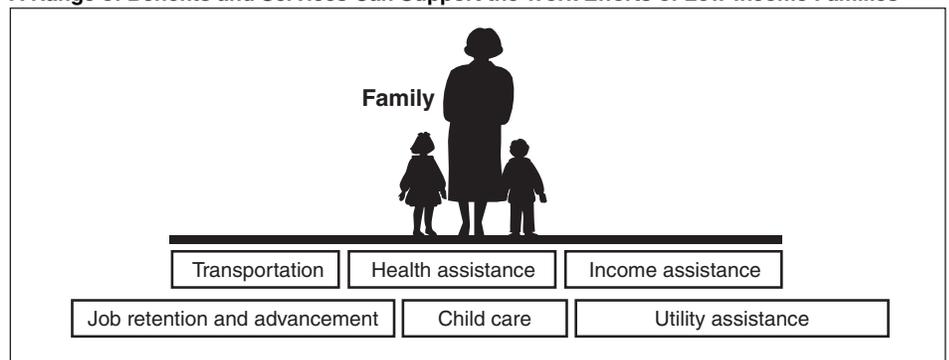
States Serve a Broad Range of Families through a Complex and Changing System

What GAO Found

States use an array of federal and state funds to provide a wide range of benefits and services that can support the work efforts of low-income families, although the types of supports and coverage of the eligible population vary among the states and sometimes within states. For instance, most states subsidize several types of child care, subsidize use of public transportation, and offer employment services in at least one location in the state, but somewhat fewer states subsidize child care for sick children, assist with the purchase of used cars, or offer employment retention bonuses to parents who find and maintain jobs. The five states we visited structured the eligibility criteria and benefits of many supports in ways that allow them to serve a broad range of low-income families, including families on and off welfare and families who are working and those who are not currently working. The specific support structures vary, however, by state and type of support. These differences create a complex national picture of supports that provide an assortment of benefits and services to a range of populations.

Over the last several years, many states have expanded the availability of supports that promote employment and economic independence for low-income families. State officials reported that both the number of support services available and the number of recipients have increased. However, state officials express uncertainty about their continued ability to provide this level of support. As states plan for the future of supports in the current state fiscal environment, officials reported that they are considering changes that could limit the availability and provision of supports for low-income families. Overall, it is probable that the support system will continue to change as the federal and state governments further amend policies and respond to changes in the demand for services and cyclical fiscal conditions.

A Range of Benefits and Services Can Support the Work Efforts of Low-Income Families



Source: GAO.