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Contact: Miriam Savad
Phone: 202-419-1440 x104, msavad@caab.org

CAAB Issues Policy Brief Credit and Budget Counseling as a
TANF “Job Readiness” Activity

CAAB urges state TANF agencies to include budget and credit counseling as Job Readiness activity to prepare recipients for successful transition to work and to advance their household’s economic security

WASHINGTON D.C. – Capital Area Asset Builders (CAAB) is pleased to announce its publication of the issue brief “Credit and Budget Counseling as a TANF “Job Readiness” Activity.”

Temporary Assistance for Needy Families (TANF) is a federal benefits program providing cash assistance to individuals with dependent children. State TANF agencies must meet the Federal Government’s Work First requirement to promote rapid employment as well as establish pathways to self-sufficiency for those receiving TANF. The Work First requirement may be met through 12 activities, including Job Search and Job Readiness Assistance.

Through its issue brief CAAB is encouraging the District of Columbia’s Department of Human Services Income Maintenance Administration to include financial capability training and/or budgeting in its definition of “Job Search & Job Readiness” work activities, joining seven other states that have already done so. Financial education and counseling can make a difference in how low-income people and those receiving TANF manage their finances. Moreover, poor credit has been widely recognized as a barrier to securing employment; the District and other states have recently considered legislation to prohibit employers from using credit checks to screen applicants. A demonstration project with TANF recipients in Illinois found that participating in a 12-hour financial education class had a significant positive impact on targeted behaviors six months after the class had ended: 84% did a better job tracking expenditures and 83% did better managing credit card debt.

The issue brief written by Emily Appel, formerly CAAB’s Savings Program Director now serving as Senior Associate at ICF International on several projects for the Department of Human Services’ Administration for Children and Families, defends the changes made to DC’s TANF legislation in the “TANF Educational Opportunities and Accountability Act of 2010” bill proposed by DC Councilmembers Michael Brown and Tommy Wells. Emily Appel, then CAAB staff member, testified at the November 8, 2010 hearing on the bill, recommending that budget and credit counseling be included in the Job Search and Job Readiness activities; the legislation is still waiting to be reviewed by the Committee of the Whole. An important step, the bill would more clearly define the list of work activities, giving IMA more options of the types of programs it can refer TANF recipients to in order to better meet their individual needs; however, budget and credit counseling was not included in the proposed legislation.

For more information about CAAB and its programs that help people build brighter financial futures, visit www.caab.org.

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incomes to improve their financial management skills, increase their savings, and build wealth. We believe that a prosperous community is one in which everyone has incentives and opportunities to save for the future.