



# WAYS AND MEANS

CHAIRMAN KEVIN BRADY

**H.R. 2966 “Reducing Poverty through Employment Act”**  
**(Summary of Expected Amendment in the Nature of a Substitute)**  
Empowering States to Help Families Escape Poverty and Provide a Better Future  
for Their Children  
*Sponsored by Human Resources Subcommittee Member Rep. Smith (R-MO)*

**Under this bill:**

- A new purpose would be added to TANF to explicitly recognize that the best way out of poverty is a job.
- The new purpose of TANF would be to reduce child poverty by increasing employment entry, retention, and advancement of low-income parents—ensuring states keep the focus of the program on promoting work to help families move up the economic ladder.

**Cost:** No cost.

**Support:** The President’s FY 2017 Budget proposed adding a new TANF purpose focused on reducing child poverty. Conservatives believe work is the most effective means for escaping poverty, so the President’s proposal has been modified to emphasize the role of parental work in reducing child poverty.

**Background:**

- TANF currently has the following four statutory purposes:
  - Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives.
  - End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.
  - Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the

incidence of these pregnancies.

- Encourage the formation and maintenance of two-parent families.
- While the overall goal of TANF is to help low-income individuals and families achieve self-sufficiency and improve their lives, the program does not currently have an explicit focus on reducing poverty.

