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ABSTRACT[1]

Black children in the United States are more than twice as likely as white children to live in poverty. While past research has primarily attributed this phenomenon to the family structure of black children, this paper investigates how state-level heterogeneity in social assistance programs contributes to the black-white child poverty gap. I find that racial inequities in states' administration of the Temporary Assistance for Needy Families (TANF) program contributed to the impoverishment of approximately 215,000 black children per year from 2012 to 2014. State-year panel data demonstrates that states with larger percentages of black residents are less likely to prioritize the 'provision of cash assistance' but more likely to allocate funds toward the 'discouragement of lone motherhood.' Neutralizing inequities in states' TANF spending priorities would reduce the black-white child poverty gap by approximately 15 percent – comparable to the reduction effect of moving all children in single-mother households to two-parent households.

Keywords: TANF, welfare, child poverty, black poverty, federalism

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INTRODUCTION

Black children in the United States have remained more than twice as likely as white children to live in poverty since at least the early 1960s, the time when reliable household income data became available (Patten and Krogstad, 2015). To explain this phenomenon, the dominant perspective in poverty research tends to focus on the family structure of black families (Sawhill and Thomas, 2002; Sawhill, 2014; Lichter et al., 2006; Fagan and Johnson, 2001). As far back as 1965, Daniel Patrick Moynihan (1965: 29) lamented in "The Negro Family: The Case for National Action" that the rise of single motherhood among black families "seriously retards the progress of the group as a whole." In more recent decades, lone motherhood has been deemed "a new American dilemma" (Garfinkel and McLanahan, 1986) while "increasing marriage" has emerged as a solution toward closing the black-white child poverty gap (Fagan and Johnson, 2001).

Sympathetic to this viewpoint, policymakers replaced Aid to Families with Dependent Children, a cash assistance program for low-income families, with the Temporary Assistance for Needy Families (TANF) program in 1996, explicitly listing the prevention of "out-of-wedlock pregnancies" and "maintenance of two-parent families" as two of the program's four programmatic purposes (Falk, 2014). Spending authority over TANF funds was decentralized to state governments under the belief that the 50 states, rather than the federal government, were better equipped to achieve the program's aims.

Though this decentralization and emphasis on family structure were designed, at least implicitly, to improve the relative position of black children (Roberts, 2004; Schram et al., 2003; Brown, 2013b), I hypothesize that the broad discretion given to states in determining how to allocate their social assistance funds instead *contributes* to the black-white child

poverty gap. Specifically, I investigate the extent to which racial bias in states' TANF spending priorities explains racial differences in child poverty, and whether this variance in TANF spending is more consequential than family structure in shaping the relative likelihood that a black child lives in poverty.

The analysis of this hypothesis proceeds in three stages. First, I develop a typology for classifying cross-state differences in TANF spending priorities. Since the program's implementation, states have been granted broad discretion in deciding how to allocate TANF resources, so long as the programs or policies funded can be deemed to serve one of four purposes: (1) the provision of cash assistance, (2) the promotion of "job preparation, work, and marriage," (3) the prevention of "out-of-wedlock pregnancies," and (4) the "formation and maintenance of two-parent families."

Research on state heterogeneity in TANF has narrowed in almost exclusively on the first of these four purposes, highlighting regional differences in TANF cash benefit levels (Hahn et al., 2017; Johnson, 2001) or barriers to the receipt of cash assistance (Soss et al., 2001; Soss et al., 2011). This strict focus on cash assistance, however, misses more than three-fourths of the program's expenditures: in 2014, the average state allocated only 22.6 percent of its budget toward the provision of cash assistance (Center on Budget & Policy Priorities, 2015). In its place, states allocated TANF resources to fund a wide range of programs and policies, including childcare subsidies, Alternative to Abortion programs, dental assistance, foster care services, student textbook subsidies, grants to private foundations, 'compulsive gambler' assistance, and more.[2] Classifying and conceptualizing

[2] This list of spending allocations is derived directly from state reports submitted to the U.S. Administration on Children & Families. Details and sourcing for each of the examples cited are outlined in Appendix A.

the full scope of policies and programs toward which states *do* allocate their TANF funds serves as the starting point to understanding the relationship between states' racial composition and their relative TANF spending priorities.

The second and third stages investigate, respectively, the *determinants* of states' TANF spending priorities and the *consequences* of state-level heterogeneity for the black-white child poverty gap. In doing so, the paper broadens the scholarship on federalism, race, and child poverty in three main ways.

First, I add to the long tradition in comparative policy research of classifying differences in policy priorities across welfare states to explain heterogeneous social outcomes. Utilizing state spending reports and legislative documents, I identify four conceptually distinct TANF spending priorities to clarify the different mechanisms of social support that states offer to low-income families.

Second, I improve on the analytical techniques of prior studies to provide a direct estimate of the extent to which the percentage of black residents within a state influences how that state will allocate its TANF resources. Using state-year panel data from 1997 to 2014, I apply a 'within-between' random effects model to decompose the effect of changes in demographic, political, and economic determinants *within* states versus differences *between* states in predicting states' TANF spending priorities.

Finally, I evaluate the consequences of the potential racial bias in TANF spending priorities on the black-white child poverty gap. This is the first attempt, to my knowledge, to directly link the racial bias embedded into state-level social assistance packages to racialized differences in child poverty outcomes. In doing so, I estimate that a modest move toward racial neutrality in states' governance of TANF would increase annual spending on cash

assistance by about $3.2 billion and reduce the black-white child poverty gap by up to 15 percent over the years 2012 to 2014. In contrast, moving all children in single-parent households to two-parent households would lead to an estimated 10 percent reduction in the black-white gap. These results suggest that family structure is insufficient as an explanation for racial differences in child poverty. Instead, inequity in welfare state institutions — specifically, states' administration of the TANF program — must be at the core of analyses of black-white child poverty comparisons.

BACKGROUND & THEORY

States & Social Policy

American poverty and inequality research is most often conducted at the national level; increasingly, however, researchers have sought to understand the influence of state policy decisions on regional and racial variations in poverty and wellbeing.

This line of research has demonstrated that state policy decisions with respect to tax, benefit, and regulatory schemes often manifest into regionally stratified social support systems for low-income households. Differences in the progressivity of states' tax systems, for example, have been tied to a range of wellbeing indicators among poor families (Newman and O'Brien, 2011; O'Brien, 2017). Similarly, state-level implementation of anti-union regulation has been associated with higher levels of poverty among working households (Brady et al., 2013). These examples suggest it is increasingly relevant to consider the United States as composed of 50 *different* welfare systems rather than as a single, homogenous institution.

By nature of this heterogeneity, states and state governments can be understood as

political institutions that foster inequities in the access or generosity of social support. This appears to be especially true with respect to TANF, a program designed explicitly to foster state-level divergence. Despite two decades of research on the program, cross-state differences in how states use TANF funds to govern low-income families are rarely conceptualized. The bulk of research on the program's variation focuses on cash benefit levels and barriers to the receipt of cash assistance; absent, however, is a clear understanding of the extent to which states prioritize TANF's other purposes, such as the promotion of employment or the maintenance of two-parent families, and how the relative prioritization of these alternative purposes may influence the wellbeing of low-income families. Conceptualizing and measuring the different ways in which states allocate their TANF resources is thus a necessary starting point toward understanding the potential consequences of different spending priorities on child poverty outcomes.

In conceptualizing differences in TANF priorities across states, I follow a tradition within comparative social policy research of classifying welfare states according to shared redistributive or stratifying features (Esping-Andersen, 1990; Bambra, 2007; Meyers et al., 2001). I rely on states' annual TANF budgets to classify differences in states' utilization of the TANF program. As the level of TANF budgets within states are relatively stable over time, the *share* of a state's budget allocated to each of the four categories can appropriately be extracted to reveal a state's relative TANF priorities in a given year and, more broadly, how states vary in the types of support offered to low-income families. I assess how states spend the sum of their federally-funded 'block grant' and the state Maintenance of Effort (MOE) requirement (a certain level of funds that states must invest into the program in order to receive federal support).

In reviewing the spending data, I identify four distinct conceptual spending priorities based on (a) the particular social outcome that the spending aims to influence, (b) the programs or policy tools implemented to achieve the desired outcome, and (c) the implications for the financial security of low-income families. As detailed in Table 1, three of the spending priorities identified align with the core purposes explicitly listed in the TANF legislation: the provision of cash assistance, the facilitation of employment, and the discouragement of lone motherhood. A fourth pattern observed is the utilization of TANF funds to fulfill services that are only tangentially related to the program's core purposes – such as the funding of child protective services, foster care, and mental health services.

Table 1: Overview of TANF Spending Priorities

TANF Spending Category	**TANF's Legislative Goals Addressed**	**Formal TANF Reporting Categories**
Cash Assistance (*cash*)	(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives	Basic Assistance
Facilitation and Incentivization of Employment (*work*)	(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage	Work Subsidies; Education & Training; Other Work Activities/Expenses; Transportation Assistance; Transporation Nonassistance: Job Access; Other Transporation Nonassistance; Individual Development Accounts; Child Care Assistance; Child Care Nonassistance; Transferred to Child Care & Development Fund; Refundable Earned Income Tax Credit; Other Refundable Tax Credits
Discouragement of Lone Motherhood (*family*)	(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; (4) encourage the formation and maintenance of two-parent families	Pregnancy Prevention; Two-Parent Family Formation & Maintenance
Other Services (*other*)	None	Assistance Authorized Under Prior Law (AUPL); Nonassistance AUPL; Nonassistance Other; Transfers to Social Services Block Grant

Note: Administrative costs, systems management, and some short-term benefits, such as burial assistance and diversion programs, are not included into these categorizations. States spent an average of approximately 10 percent of their TANF budgets on these unlisted items per year.

Each of the four spending priorities identified in Table 1 are now briefly described:

Provision of Cash Assistance: The provision of cash assistance aligns with the first listed purpose of TANF: to provide direct assistance to low-income families. Of the four spending priorities, it has the most direct redistributive effect on a household's income and poverty status. Cash assistance from TANF is targeted at lower-income families and

mechanically increases household income; as such, it directly improves a family's consumption capabilities and, in many cases, ensures that a family is not left without any source of market or transfer income. In 2014, states allocated an average of 22.6 percent of their TANF budgets toward the provision of cash assistance. South Dakota led all states in allocating 61.2 percent of its budget toward this purpose; on the other end of the spectrum, the state of Illinois allocated only 6.4 percent toward cash support.

Facilitation and Incentivization of Employment: This spending priority reflects 12 spending categories within TANF spending data that each act to make employment more accessible and/or more attractive for low-income families. The primary mechanisms to achieve this end include childcare assistance, transportation support, wage subsidies and income-based tax credits, and skill development through continued training or education. The facilitation of employment has the potential to affect poverty through less direct mechanisms relative to cash assistance: with childcare subsidies, transportation assistance, and education support, work becomes more accessible. With increases to income-based refundable tax credits, even low-wage work leads to higher take-home pay. In 2014, Nebraska spent nearly 70 percent of its TANF budget on efforts to facilitate or incentivize employment; Nevada, conversely, allocated 2.7 percent of its budget toward this purpose – the least of all states.

Discouragement of Lone Motherhood: A spending priority that has emerged in certain states within the last decade is the *discouragement of lone motherhood*. This category consists of state-funded initiatives to achieve one or both of TANF's aims to reduce out-of-wedlock pregnancies or to encourage the promotion and maintenance of two-parent families. In practice, the allocation of TANF funds toward these aims tends to come in the form of

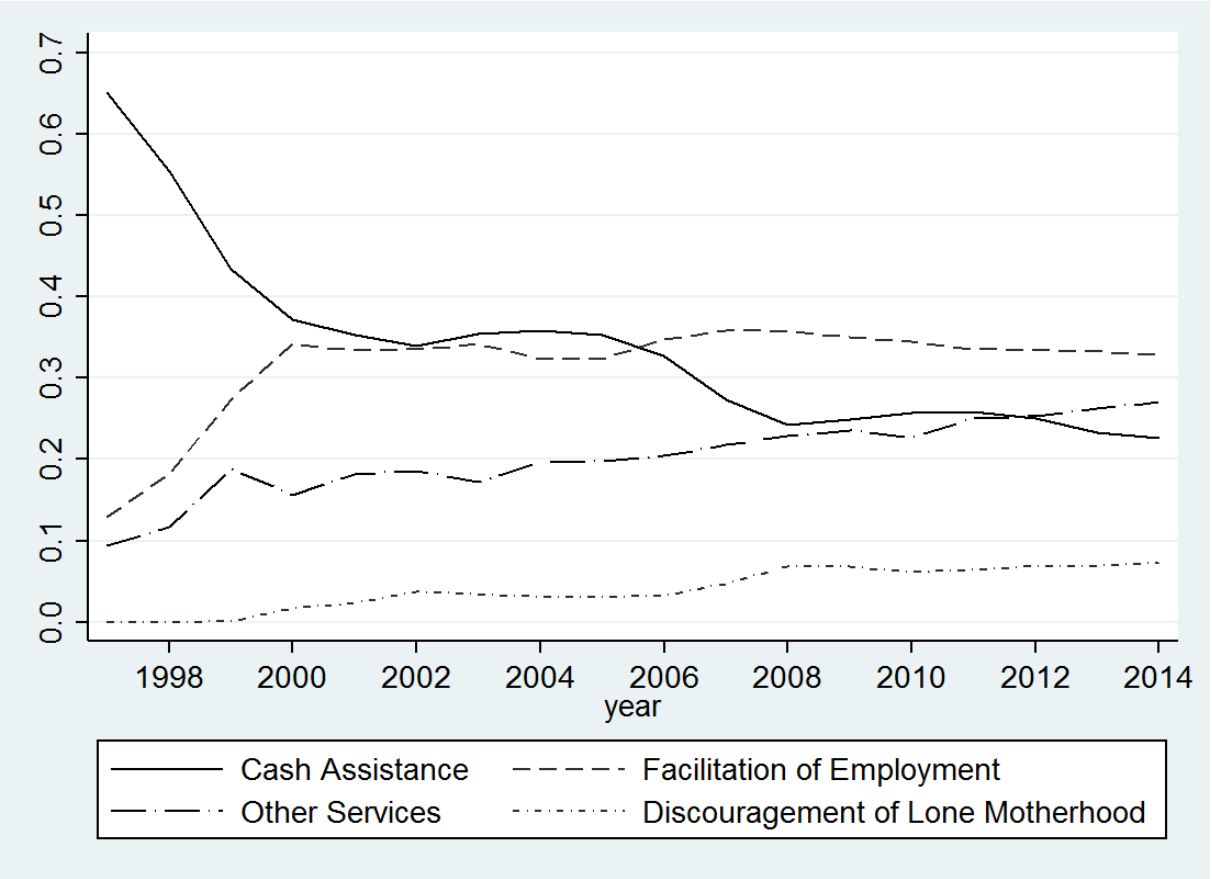
state-level efforts to provide family planning services (such as Louisiana's 'Alternative to Abortion' program), create "responsible fatherhood" initiatives that aim to enhance the employability of noncustodial fathers (Germanis, 2015; Ziliak, 2015; Schott et al., 2015), and to promote sex education and abstinence curricula within school – such as Mississippi's "abstinence-till-marriage" curriculum, which "teaches the social, psychological and physical effects of engaging in sexual activities" (State of Mississippi, 2010: 6). To reduce the likelihood of poverty, such initiatives would presumably need to achieve their aim of encouraging marriage or preventing single women from bearing children. Evaluations of states' initiatives to promote marriage, however, have demonstrated "little effect on indicators of coparenting, parenting, or child well-being" and do not result in more couples staying together (Lundquist et al., 2014). In 2014, Arkansas spent 66.3 percent of its TANF budget on efforts to discourage lone parenthood, while 14 states did not invest any TANF funds toward this purpose.

Other Services: The final spending priority derived from the data is a category of policies that allow states to eschew the core purposes of TANF and instead allocate the program's funds toward a range of tangentially-related services that, in some cases, would otherwise be funded through general state revenues. These types of services include adoption services and foster care assistance, licensing of childcare centers, financial aid for university students, family health and violence services, family dental assistance, student textbook subsidies, drug court programs, grants to private foundations, and more (Germanis (2015); Richie (2012); see Appendix A for more). In 2014, South Carolina led the way in transferring TANF funds toward 'other services'; the state allocated more than 77 percent of its budget toward these ends. The mean value across all states in 2014 was 27 percent – more than four

percentage points higher than the average allocation toward cash assistance.

Figure 1 depicts changes in average spending priorities over time. The provision of cash assistance has decreased steadily for the average state since 1997, while the other three priorities have received increasing levels of funding. The relative allocations for each state from 2012 to 2014 are provided in in the supplementary appendix (Table S1).

Figure 1: Unweighted Mean Value of States' TANF Spending Priorities by Year (1997 to 2014)



Note: See Table 1 for overview of spending categories. For data on spending priorities for each of the 50 states (and DC) from 2012 to 2014, see the Supplemental Appendix (Table S1).

The conceptualization of these four spending priorities offers a more complete understanding of how states utilize the TANF program and how they vary in the types of

assistance provided to low-income families. With the spending priorities identified, I now turn toward understanding the *sources* and *consequences* of these cross-state differences.

Racialization of Social Policy

Comparative welfare state literature has largely focused on the role of class-based political action in explaining variation in the size or generosity of welfare states across time and place. Power resources theorists, for example, have demonstrated that the mobilization of unions and working-class voters can, through the election of a left-leaning political party, contribute to stronger redistributive policies and more egalitarian wage distributions (Korpi, 1983; Stephens, 1979; Brady, 2009).

Power resources theory has less often been applied to variation in social policies across the 50 states. Applied to the context of cross-state differences in TANF allocations, a straightforward extension of the theory might suggest that larger unions and a greater share of elected Democrats would tilt a state's TANF spending priorities toward cash assistance or employment support rather than efforts to influence family formation. Indeed, electing more Democrats has been linked to more accessible TANF benefits (Fellowes and Rowe, 2004). Meanwhile, higher union density appears to be correlated with higher minimum wages and TANF benefit levels (Brady et al., 2013). Still, a focus exclusively on class politics to explain states' TANF spending overlooks what might be a more relevant source of cross-state variation in social policy: racial composition and racialized attitudes toward redistribution. As Brady (2009: 117) acknowledges in his book advancing a refined version of power resources theory, the "most important limitation" of the theory is its underappreciation of the salience of race and gender in shaping social policies. Indeed, Mettler (1998) demonstrates

that as far back as the New Deal, race and gender have been central to the implementation of states' social and labor market policies. Quadagno (1998: 250), who has chronicled the role of race in shaping American welfare states, similarly writes that the literature's "emphasis on class struggle … has led class analyses to ignore a defining feature of social provision: its organization around race and gender." A rich history of evidence exists to suggest race, rather than class, might emerge as a more consequential source of states' TANF allocations (Alesina et al., 2001; Gilens, 1999; Johnson, 2001; Schram et al., 2003; Quadagno, 1994; Fox, 2004; Brown, 2013b; Brown, 2013a; Brown and Best, 2017).

At the individual level, evidence suggests that whites are more likely to perceive black Americans as being lazy or undeserving (Katz, 1990). Gilens (1999), for example, finds evidence that white Americans tend to believe that black Americans' relative disadvantage is due to a lack of effort. These perceptions subsequently shape individual attitudes toward the welfare state. Krimmel and Rader (2017: 5) find, for example, that symbolic racism – defined as "the belief that Blacks get more assistance than they deserve from government" – is four times stronger than an individual's income in predicting negative attitudes toward redistribution.

Importantly, these attitudes do not appear to span across all racial minorities, but are instead specific toward black residents. In a study of whites' attitudes toward social assistance, for example, Fox (2004) finds that a larger share of Latinos in a state is associated with *more favorable* attitudes among whites toward the work effort of Latino residents. As Fox (2004: 595) summarizes, "[t]he more Latinos in a state or county, the more positive whites feel toward Latinos. Conversely, the more blacks in a state or county, the more negative whites feel toward blacks." This mirrors findings from Taylor (1998), who suggests

that proximity to Latinos does not increase white racial animosity in the same way that it does for African-Americans. Brown (2013a: 290) unpacks these findings further, demonstrating that differing public attitudes toward documented ("more worthy") versus undocumented ("undeserving") Hispanics help to explain why "the relationship between race and welfare policy is less predictable for Hispanics than for Blacks." Building on this evidence, I focus primarily on how the share of *black* residents in a state shapes TANF spending priorities.

With respect to the provision of cash assistance through TANF (or AFDC), prior research has connected the prevalence of the black population within a state to lower average levels of benefit generosity (Brown and Best, 2017; Johnson, 2001), stricter conditionality requirements in determining eligibility for cash assistance (Soss et al. 2001), as well as states' tendencies to devolve TANF authority to the local level (Soss, Fording and Schram 2008).

Due to the exclusive focus of prior studies on cash assistance, however, it remains unclear how states' racial compositions interact with the other three TANF spending priorities. If states with larger shares of black residents spend a smaller share of TANF funds on cash assistance, do they then allocate the preserved funds toward the facilitation of employment, the discouragement of lone motherhood, or other tangentially-related services? Such distinctions are relevant: on a theoretical front, they broaden our understanding of how perceptions of black families interact with the types of 'social assistance' that states prioritize. On a functional level, states' relative allocations toward these alternative TANF spending priorities may be likely to affect child poverty outcomes. We might find, for example, that greater investment in the facilitation of employment, such as the provision of child care support or transportation assistance, is more effective at improving a household's

financial wellbeing than, say, the provision of abstinence-only sex education courses.

Building off the empirical findings linking perceptions of black Americans to unequal social assistance policies, I hypothesize that a greater share of black residents in a state will be associated with lower prioritization of the provision of cash assistance. Given the centrality of family structure in discourse regarding black poverty (Moynihan, 1965; Rector, 2012; Fagan and Johnson, 2001), as well as the observed fact that black children are likelier than white children to live in single-parent households, I also expect that the share of black residents in a state will be associated with *greater* prioritization of the 'discouragement of single motherhood.' Moreover, given perceptions among whites that black Americans have lower levels of work ethic, I expect a greater prioritization of the 'facilitation and incentivization of employment' spending priority in states with a larger black population. Less theoretical justification exists for linking racial composition to prioritization of the 'other services' spending priority; thus, I test for a possible relationship in my empirical analysis, but abstain from *a priori* speculation.

RACIAL DIFFERENCES IN CHILD POVERTY

In prior research that links racial composition to TANF/AFDC cash assistance, it remains unclear whether the observed relationship between race and policy generosity manifests into racial differences in child poverty outcomes. Thus, the studies offer incomplete empirical insight into the role of social assistance in shaping the black-white child poverty gap.

For racial biases in states' TANF spending priorities affect the black-white child poverty gap, two underlying premises must hold true: first, the four TANF spending priorities should differentially affect a household's likelihood of poverty; and second, certain spending

priorities should affect the likelihood of poverty among black children more so than white children. As outlined previously, the four TANF spending priorities are likely to differentially shape poverty outcomes: the provision of cash assistance is the most direct mechanism for increasing a household's income, while the facilitation of employment and discouragement of single motherhood operate through the mechanisms of job attainment and family structure, respectively.

Why, though, might differences in states' prioritizations of these four categories affect the likelihood of poverty among black children more so than white children? I propose three different scenarios in which these differences in TANF priorities can affect the relative likelihood that a black child lives in poverty.

First, it may be the case that black children are likelier to live in poverty in part because they happen to live in states that give less priority to the 'provision of cash assistance' or 'facilitation of employment' (a *composition effect)*. If this is accurate, then we should expect the relationship between poverty and a black child's race to weaken after we account for states' TANF spending priorities. This would imply that TANF is the mechanism through which race is associated with poverty.

Second, TANF spending priorities may have an intervening effect on the relationship of race and poverty (a *moderation effect).* If so, then we would find that TANF spending priorities directly moderate the relationship between a black child's race and the likelihood of poverty. This could occur, for example, if the average black children faces an elevated risk of poverty relative to a white child. In this scenario, an increase in a states' prioritization of cash assistance may more strongly affect a black child's risk of poverty. A moderation effect may be identified in conjunction with, or distinct from, the composition effect identified

above.

Finally, we may find that racial bias in states' TANF spending priorities has no racialized effects on child poverty outcomes. As detailed, TANF budgets have declined in real terms across all states, and nearly all states now allocate less than half of their budgets toward the provision of cash assistance — the spending priority that is likely to have the most direct effect on poverty outcomes. Furthermore, the estimated racial bias in states' spending priorities may be too small, or perhaps even non-existent, leading to no observable effect on the black-white child poverty gap. If this is the case, TANF may be racialized in *source*, but without any observable *consequence* on racial differences in child poverty.

DATA & METHODS

The empirical analysis proceeds in two stages. The first applies state-year panel data to measure the determinants of states' TANF spending priorities. If the racial composition of a state proves to be a notable determinant, the second stage then tests whether racial inequity in states' TANF spending priorities influences the black-white child poverty gap.

Determinants of TANF Spending Priorities

In evaluating the determinants of states' TANF spending priorities, I apply panel data covering the 50 states and Washington, D.C. from the years 1997 to 2014 (a total of 918 state-years).[3] These time points mark, respectively, the first year in which TANF was implemented in all states and the most recent year for which data on all variables (detailed below) is available. I estimate four separate models: one for each of the four TANF spending

[3] As D.C. administers its own TANF program and is more populous than some formally-recognized states, I include it in this analysis. Removing it, however, has no substantive effect on the findings.

priorities identified in the prior section. The dependent variable in the estimations is the percentage of a state's TANF budget allocated toward the spending priority (e.g. 'provision of cash assistance') in the respective year.

The primary explanatory variable is the percentage of black residents within the state in the respective year. I include a large collection of control variables to account for other potential demographic, political, and/or economic determinants of states' TANF spending priorities. The data sources for each of these controls is detailed in Appendix B. Demographic controls include the share of Hispanic residents within the state-year, as well as the share of Asian residents, share of other (non-white, black, Hispanic or Asian) race, and the share of children living in lone-parent households. Political controls include the share of a state's legislature composed of Democrats, the union density within the state, and a binary dummy variable to indicate whether the governor of the state is a Democrat.[4] Finally, economic predictors include the state's unemployment rate, the employment rate of single parents, and the state's GDP per capita. To account for differences in the *level* of states' TANF budget, I control for states' total TANF budget size divided by the number of children in the state. In sensitivity checks, I add a dummy variable to indicate whether the state was one of the 11 Confederate states in the American South.[5] Only one result is partially affected in the sensitivity check, which I highlight in the 'Findings' section below.

To test the effect of racial composition on a state's TANF spending priorities, I apply

[4] Nebraska features a unicameral legislature; thus, I use the proportion of Democrats in its Congressional delegation as a substitute for the share in its state delegation.
[5] I exclude the 'Confederate state' dummy from my primary analysis, as such distinction is arguably unimportant for this analysis: if states with more black children receive a different allocation of TANF funds, and if this racially-biased allocation increases the likelihood of poverty among black children, then such patterns are significant to our understanding of poverty even if the racial bias occurs primarily in Southern states.

a 'within-between' random-effects model. This allows for simultaneous interpretation of the effects of within-state determinants, as one could produce using a fixed effects (FE) model, and the between-state determinants (Bartels, 2009; Bell and Jones, 2014; Allison, 2009). A standard FE model is not appropriate for the analysis, as I am primarily concerned with the variability in TANF spending priorities that occurs *across* states rather than *within*. Given this, a traditional random effects (RE) estimation is superior to the FE, but still suffers from flaws that may impede proper interpretation of the findings. In particular, a RE model confounds the within- and between-case effects in the coefficients that it produces (Bartels, 2009). Specifically, a standard RE model might find that, say, the percentage of black residents in a state is associated with a greater prioritization of the 'discouragement of lone parenthood,' but it does not disentangle whether the effect occurs due to changes *within states* in the share of black residents over time or differences *across* states, or both. The 'within-between' model applied here separates and explicitly evaluates these different effects for each of the variables included in the analysis.

The model applied in this analysis is specified as follows:

$$Y_{tj} = \beta_0 + \beta_1 X_{tj}^{w} + \beta_2 \overline{X}_j + \delta_t + u_j + e_{tj}$$

where *t* indexes year and *j* indexes state. The outcome variable, *Y*, represents the share of a state's TANF budget allocated toward the particular spending priority of interest. X_{tj}^{w} is the within-state operationalization of a series of predictors, and is equivalent to the value of state-year predictor minus the state-specific mean of the predictor over all years ($X_{tj}^{w} = X_{tj} - \overline{X}_j$). β_1 thus represents the within-state effects of the predictor variable, empirically similar to the coefficient that a FE model would produce for the same set of years, states, and

predictors.[6] β_2 represents the between-state effects (the cross-sectional component) of the predictors, which are operationalized here as their state-specific means across all years. A year dummy (δ_t) captures the potential effect of unobserved time-variant factors that may influence states' TANF allocations. The error terms are separated into within-state (e_{tj}) and between-state (u_j) components. Robust standard errors are applied and are clustered at the state level.

Effects of TANF Spending Priorities on Child Poverty

If the results reveal that the percentage of black residents does, indeed, shape the extent to which a state prioritizes the provision of cash assistance or other allocations, I then proceed to the second stage of the analysis: understanding whether the estimated racial inequity in states' TANF spending priorities influences the black-white child poverty gap.

I estimate a series of multi-level linear probability models (LPM) of child poverty. The sample is limited to dependent children under age 18 with a binary indicator of poverty status (defined below) set as the dependent variable. I choose the multi-level LPM over a logistic regression model for two primary reasons. First, the LPM provides more interpretable interaction effects than the logistic regression model; as detailed below, cross-level interactions are necessary to estimate the effects of states' TANF spending priorities on the relatively likelihood that a black child's race leads to poverty (Brady et al., 2017; Allison, 2009). As Ai and Norton (2003) detail, the magnitude and standard errors of interaction terms

[6] In results available upon request, I perform a robustness check in which a one-year lag of the within-state component of the dependent variable is included in the models to account for dynamic effects. A cost of including the lag is the loss of the first year of data (1997), and no consensus exists on whether it should be included into this type of analysis (Allison 2009). The lagged analysis otherwise produces similar results as the primary analysis, but with a slightly higher estimated effect of the between-state component of states' shares of black residents.

in logistic regression models are not straightforwardly interpretable, and in fact are often interpreted improperly in nonlinear models. Second, and relatedly, the LPM is more suitable than the average marginal effects from a logistic regression for producing a counterfactual simulation of poverty outcomes – a core purpose of the analysis here (Brady et al., 2017).[7] As a robustness check, however, I provide estimates of a multi-level logistic regression model in the supplementary appendix (Table S4); the findings mirror each other.

To ensure adequate state-level sample sizes, I run the multi-level model over the three latest years in the analysis (2012 to 2014), applying year fixed effects to control for any time-variant effects on poverty that are common to all states across the three years. All children (under 18 years old) are nested in the 51 states (including D.C.). Following previous research (Brady et al., 2017; Lohmann, 2009; Rainwater and Smeeding, 2003; Blank et al., 2006), the model includes the child's race, the citizenship status of the head of the child's household, the age of the head of the child's household, education status of the head, the household's employment status, family structure, and continuous variables for the number of children and the number of seniors in the household. State-level controls include the state's unemployment rate, union density, GDP per capita, the real value of the statutory minimum wage, any state supplements to the federal EITC or SSI programs, per-child TANF budget levels, and the TANF spending priorities. As in the state-year panel model, the four spending priorities are operationalized as the share of a state's TANF budget allocated toward the particular spending priority. Data sources are provided in Appendix B.

[7] As Wooldridge (2002:455) and Von Hippel (2015) describe, LPM can generally be used over logit models so long as heteroskedastic standard errors are accounted for, and so long as the probability of the outcome variable is not "extreme" (ex: the likelihood of committing bank fraud is rather low and, as such, would not be a good candidate for a LPM model). I apply heteroscedasticity-consistent standard errors in my estimations, and the incidence of poverty is certainly not an 'extreme' case in the U.S.

As the four spending priorities are mechanically related, the risk of multicollinearity when including all into one model may plausibly be high. Indeed, a simple poverty regression that includes only the four spending priorities in the model returns a mean variance inflation factor (VIF) of 11, which climbs to 18.2 for the 'other services' variable. I thus include a maximum of three of the spending priorities in a model at one time, dropping allocations toward 'other services' in the primary models and, when explicitly evaluating the effect of 'other services,' substituting it in for the 'work' priority (the spending priority with the second highest VIF).

To evaluate the *composition effect*, I first run two random intercept models – one without TANF priorities included and one with them. If TANF spending priorities are the mechanisms through which race is associated with poverty, we should expect to find that including the spending priorities into the model weakens the relationship between poverty and a black child's race.

To evaluate the *moderation effect*, I run four random slope models with cross-level interactions on each of the respective TANF spending priorities and a black child's race. A significant interaction between race and the TANF spending priority would suggest that the respective TANF priority shapes the risk of poverty differently for black children as opposed to white children. A negative interaction between 'black' and the prioritization of cash assistance, for example, would suggest that higher levels of cash assistance reduce the relative likelihood that a black child lives in poverty. If the findings do, indeed, suggest that any of TANF spending priorities moderate the race-to-poverty relationship, I can multiply the effect size by the estimated racial bias from the state-year panel data model; the resulting value would predict the effect of racial bias in states' TANF spending priorities on the

increased likelihood that a black child lives in poverty. After presenting the primary results, I describe and present several robustness checks to test the findings across different methodological approaches and conceptualizations of poverty.

Measuring Poverty

Following common practice in sociological and comparative policy literature, the poverty threshold applied in this paper is set at 50 percent of national median equivalised household income (Goedemé and Rottiers, 2010; Corak, 2005; Gornick and Jäntti, 2016; Brady et al., 2017; Brady et al., 2013). In the supplementary appendix, I also present a robustness check in which the poverty threshold is set at 50 percent of each state's respective median household income. That the results are robust with the state-specific poverty threshold suggests that the findings are not simply a product of lower-income states having a higher share of children below 50 percent of the federal median. I do not use the U.S. Official Poverty Measure (OPM), which suffers from a number of validity and conceptual issues and has thus been avoided in recent sociological research (Citro and Michael, 1995; Foster, 1998; Fox et al., 2014; Parolin, 2017). The income definition and poverty concept applied here take into account a comprehensive measure of post-tax, post-transfer income, identical to that used by LIS, the Cross-National Data Centre in Luxembourg. The square root equivalence scale is applied, and the equivalized disposable household income of children is used to assess a child's poverty status.

An augmented version of the CPS ASEC is used to produce these estimates. The augmentations to the data partially correct for the severe underreporting of means-tested transfers, including TANF. The augmentations use the imputations developed by The Urban

Institute's TRIM3 program, which matches administrative records on TANF caseloads across states to impute benefits back into the survey data. Whereas the uncorrected CPS ASEC survey data misses about half of TANF cash transfers (Meyer and Mittag, 2015), the augmented data comes much closer to capturing the full amount of cash assistance identified in administrative data. This is particularly important in an assessment, such as this one, that focuses on racialized child poverty outcomes: as black households are likelier than white households to utilize social assistance benefits, the substantial underreporting of means-tested transfers in the CPS ASEC is likely to *overstate* the real extent of the black-white child poverty gap.

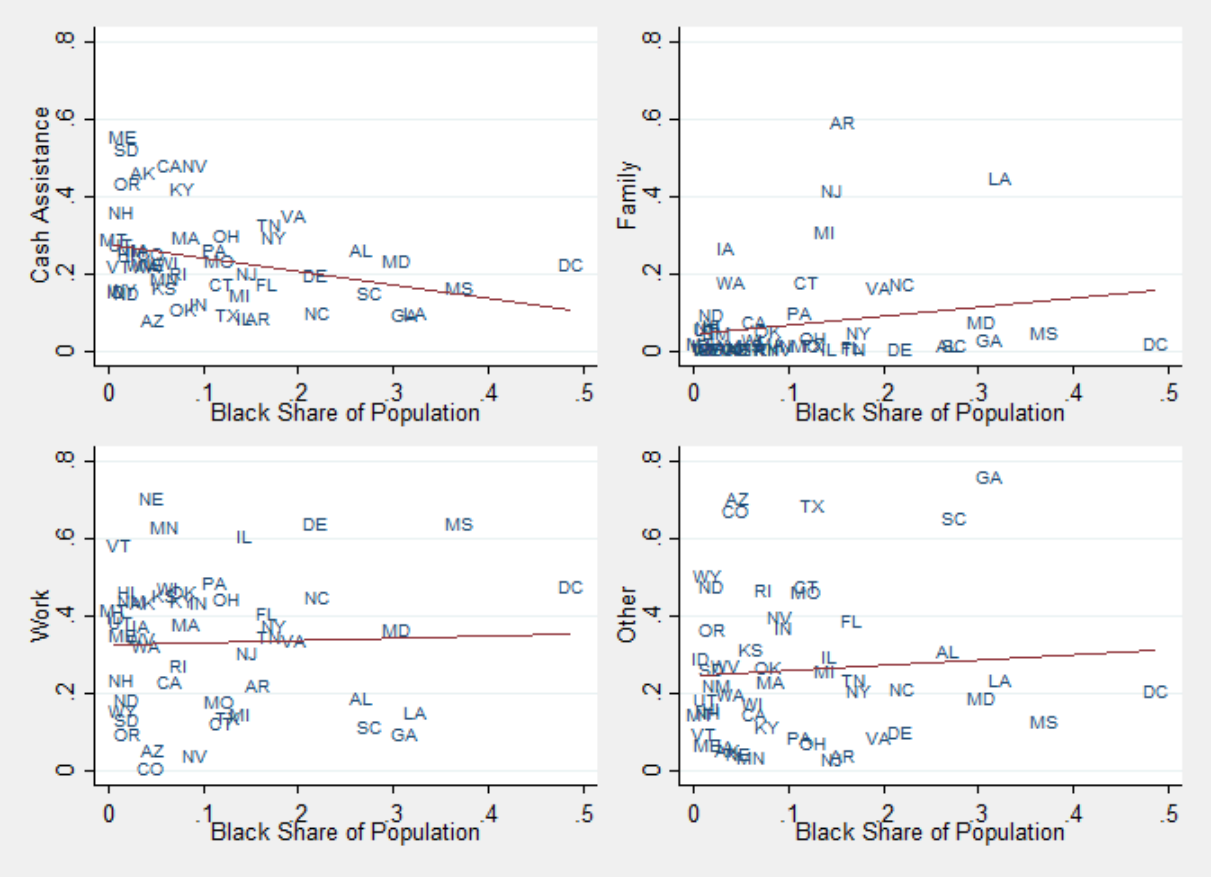
In applying the benefit imputations and comprehensive income definition, this paper has the added benefit of providing the most accurate assessment of racial differences in child poverty outcomes. The uncorrected CPS ASEC data suggests that the black child poverty rate is 116 percent higher than that of white children over a three-year average of 2012 to 2014 (38 percent poverty rate among black children to 17.6 percent for white children); after applying the benefit corrections, the ratio falls to 107 percent (29.6 percent poverty rate among black children to 14.3 percent for white children).

FINDINGS

Descriptive Findings

I first present descriptive findings on the relationship between a child's race and states' TANF spending priorities.

Figure 2: Bivariate associations between black share of a state's population vs. share of state's TANF budget allocated toward TANF spending priorities (avg., 2012 to 2014)



Note: See Table 1 for overview of spending categories. Correlations with black share of state population: Cash (r=-.30), Family (r=.19), Work (r=.05), Other (r=.06).

As Figure 2 illustrates, a negative relationship (r=-.30) exists between the share of black residents within a state and the state's relative prioritization of cash assistance, providing preliminary evidence of racial imbalances in TANF spending priorities. A positive correlation (r=.19) between race and the discouragement of lone motherhood exists, though the relationship does not appear to be linear. Iowa, for example, allocated more than 25 percent of its TANF budget toward the 'Family' strategy despite having a small (under 5 percent) share of black residents. Alabama and Washington D.C., both of which feature a comparatively large black population, spent very little toward this aim. No strong relationship

appears to exist between a state's share of black residents and allocations toward 'the facilitation & incentivization of employment' (r=.05) or 'other services' (r=.06) priorities.

Sources of Variation In States' TANF Spending Priorities

To what extent do these relationships hold over time, and to what extent are they conditional on the economic and political variables identified previously? I now test this in the 'within-between' random effects model, the results of which are presented in Table 2.

Table 2: Random-Effects Model Predicting Allocations of States' TANF Budgets from 1997 to 2014: Standardized Coefficients (z-scores)

	Cash	Family	Work	Other
Between-State Effects				
Black Share of Population	-0.091***	0.066*	0.048	-0.034
	(-3.67)	(2.03)	(1.56)	(-0.92)
Asian Share of Population	0.033	-0.010	0.0048	-0.019
	(1.81)	(-1.04)	(0.25)	(-0.63)
Hispanic Share of Population	-0.017	0.0088	-0.011	0.017
	(-0.80)	(0.68)	(-0.60)	(0.54)
TANF Budget per Child	0.022*	-0.0074	-0.0065	-0.0064
	(2.13)	(-0.90)	(-0.65)	(-0.38)
GDP Per Capita	-0.00099	-0.0061	-0.020	0.024
	(-0.07)	(-0.72)	(-1.01)	(0.84)
Union Density	0.0040	0.016	0.029	-0.053
	(0.22)	(0.92)	(1.24)	(-1.57)
Unemployment Rate	-0.029	-0.026	-0.074	0.15*
	(-0.65)	(-1.02)	(-1.46)	(2.29)
Employment Rate of Single Mothers	-0.0027	-0.026	-0.028	0.069
	(-0.10)	(-0.95)	(-0.71)	(1.76)
Share of Children in Single Parent HH	0.073*	-0.061	0.0034	0.0077
	(2.35)	(-1.59)	(0.08)	(0.14)
Democrat Governor	0.017	-0.015	0.094	-0.082
	(0.48)	(-0.56)	(1.61)	(-1.58)
Democrat Share of State Legislature	0.00018	0.016	-0.025	0.0029
	(0.01)	(1.24)	(-1.13)	(0.09)
Within-State Effects				
Black Share of Population	0.079	-0.054	-0.044	0.012
	(1.94)	(-0.81)	(-0.83)	(0.21)
Asian Share of Population	-0.0085	0.021	-0.037	0.044
	(-0.28)	(0.91)	(-1.26)	(1.50)

Hispanic Share of Population	-0.18*** (-3.47)	0.023 (0.67)	0.034 (0.57)	0.11* (2.11)
TANF Budget per Child	-0.085* (-2.25)	0.0098 (0.72)	0.054** (3.05)	0.010 (0.62)
GDP Per Capita	-0.011 (-0.29)	0.0023 (0.14)	0.070 (1.56)	-0.020 (-0.48)
Union Density	0.0099 (0.36)	-0.016 (-0.81)	-0.021 (-0.65)	0.019 (0.75)
Unemployment Rate	0.012 (1.55)	0.0011 (0.28)	-0.013 (-1.58)	0.0064 (0.85)
Employment Rate of Single Mothers	-0.024* (-2.24)	0.0021 (0.41)	0.017 (1.46)	0.0079 (0.98)
Share of Children in Single Parent HH	-0.0083 (-0.50)	0.013 (1.03)	0.028 (1.62)	-0.010 (-0.64)
Democrat Governor	-0.010 (-0.79)	0.014 (0.98)	0.0032 (0.21)	-0.010 (-0.82)
Democrat Share of State Legislature	-0.013 (-0.88)	-0.0093 (-0.38)	0.055** (2.87)	-0.017 (-0.92)
Year Fixed Effects	X	X	X	X
Observations	918	918	918	918
R-Sq (within)	.533	.179	.208	.236
R-Sq (between)	.384	.224	.208	.326

Note: z scores in parentheses. X-standardized coefficients are presented for non-binary variables. Constant not displayed. Cash: Provision of Cash Assistance; Work: Facilitation & Incentivization of Employment; Family: Discouragement of Lone Motherhood; Other: Other Services (see Table 1 for full details).
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Model 1 investigates the determinants of the share of a state's TANF allocations toward the provision of cash assistance ('cash'), while subsequent models evaluate determinants of the discouragement of single motherhood ('family'), the facilitation and incentivization of employment ('work'), and other services ('other') respectively. Standardized coefficients are

presented for continuous variables, meaning that the slopes should be interpreted as the estimated effect of a one standard deviation increase in the variable listed.

The first model suggests that, across states, a one standard deviation (11.3 percentage point) difference in the percentage of black residents living in a state is associated with an average 9.1 percent difference in a state's allocations toward cash assistance, net of the other economic and political controls. This corroborates the study's first hypothesis and suggests that the presence of black families is, indeed, associated with lower prioritization the provision of cash assistance. An increase in the relative size of the black population *within* a state, however, has no significant effect on states' prioritization of cash assistance. Notably, trade union coverage, the share of Democratic legislators, and the presence of a Democratic governor have no significant effect on the prioritization of cash assistance, suggesting that race is more relevant than class struggle in explaining states' prioritization of cash assistance.

Estimating simplified variations of this model corroborates this finding. In a sensitivity check, for example, I reduce the model to only the structural predictors (GDP per capita and employment rates), plus union density and share of black residents, to estimate a state's allocation of TANF cash assistance. Including only union density and the structural variables, I find that a one standard deviation difference in union density across states is associated with a 4.6 percent increase in prioritization of cash assistance. This would be consistent with power resources theory. Adding in the black share of population in the estimate, however, renders the union variable insignificant and decreases the magnitude of its slope, while the between-state measure of black population is negative and significant, as in Table 2. These findings suggest that racial composition, rather than class struggle, is central to the politics that shape states' TANF spending priorities.

We also see from Table 2 that states with higher per-child TANF budget levels give greater prioritization to cash assistance. This is not a surprise: the size of states' TANF block grants is set according to the size of their AFDC caseloads in the mid-1990s (Falk, 2016). Thus, this positive correlation suggests that states that spent more on cash assistance in the years prior to welfare reform still give greater priority to cash assistance under TANF. Though TANF budget sizes vary little over time, the finding from the within-state effect of TANF budget size suggests that when states do increase their budget levels (due a rise in state MOE spending), they tend to allocate the extra funds toward the facilitation of employment ('work') and reduce the relative share allocated toward cash assistance.

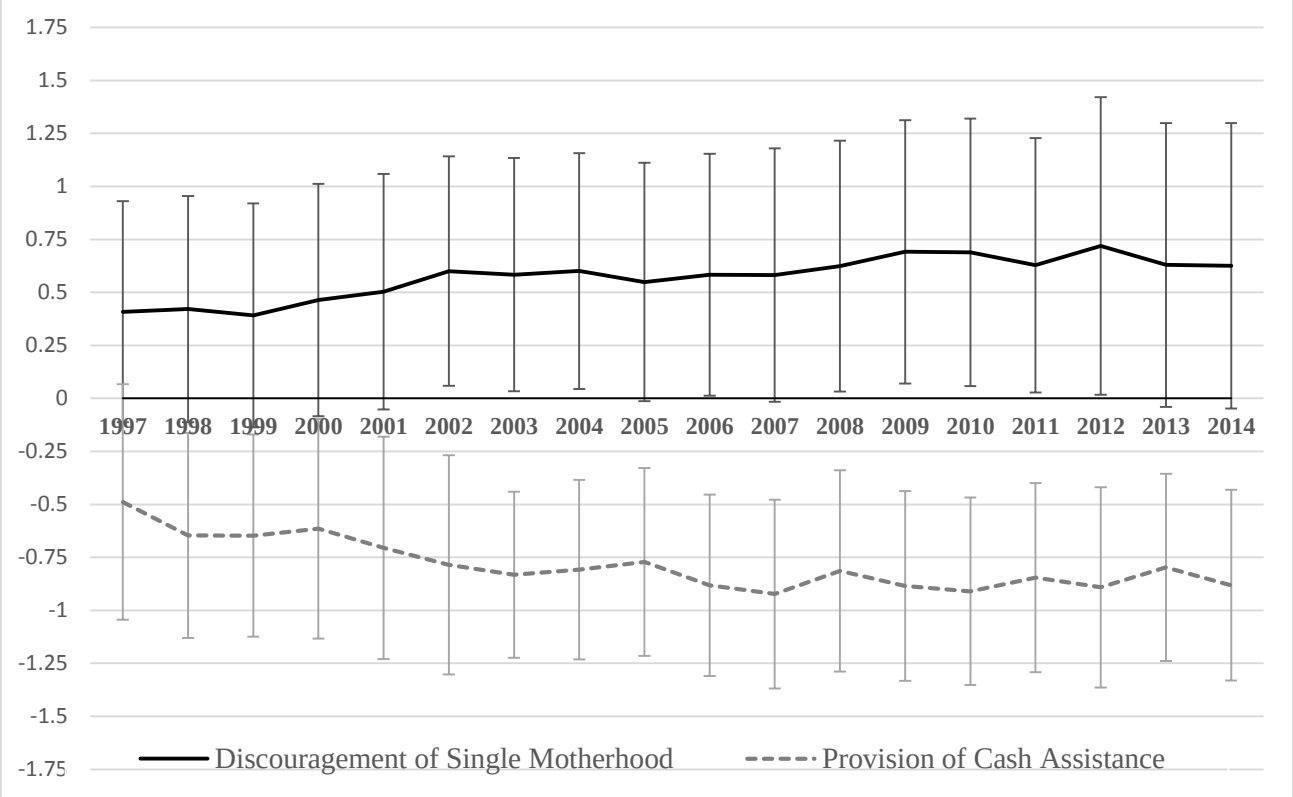
The second model of Table 2 estimates states' prioritization of the discouragement of lone motherhood. Again, the findings suggest that race plays a key role: a one standard deviation difference in the share of black residents is associated with an average 6.6 percentage point increase in the share of a state's TANF budget allocated toward policies and programs to discourage single parenthood.[8] These findings support the study's hypothesis that the racial composition of a state is associated with its prioritization of the 'discouragement of lone motherhood.' The third and fourth models – which examine the 'work' and 'other' prioritizations, respectively – find no significant effects related to the share of black residents within or across states.

As the next section will estimate the *consequences* of racial inequity in TANF spending priorities on child poverty outcomes over the three latest years of data (2012 to 2014), it is useful to narrow in on the marginal effects of race on states' TANF spending priorities during

[8] In a sensitivity check that includes a dummy variable marking the 11 former Confederate states, the relationship is only significant at the 10 percent level and the size of the effect falls to .056. This suggests that relationship between race and efforts to discourage lone motherhood is weaker outside of the American south.

those three years. Figure 3 displays the average marginal effects of a state's share of black residents on TANF allocations toward (1) cash assistance and (2) the discouragement of single motherhood by year. To obtain these, I estimate the same models as before, but with an interaction between the year dummies and the between-state component of states' black populations. Unstandardized coefficients are now presented for the TANF spending priorities to achieve a more straightforward interpretation over time.

Figure 3: Average Marginal Effects of Black Share of States' Populations on TANF Spending Allocations by Year



Note: Results from random effects model presented in Table 2 with interaction between year and black share of states' populations.

Over the three latest years of analysis (2012 to 2014), the estimated marginal effect of a state's share of black residents on the relative prioritization of cash assistance averaged at -0.857. This value is interpreted as the estimated racial bias against black residents in the share of TANF budgets allocated toward cash assistance during these years. Given that the average state had a black population of 11.4 percent, we can estimate that a 'neutralization' of the racial inequity would increase the average state's prioritization of cash assistance by 9.8 percentage points (the product of 0.857 and 11.4 percent). Put differently, the average state would have allocated more than 33.5 percent of its TANF budget toward 'cash' rather than the observed 23.7 percent over the years 2012 to 2014. This difference is equivalent to a more than $3.3 billion annual increase in cash assistance during these years.

Effect of TANF Spending Priorities On Child Poverty

I now turn toward predicting the effects of these racial inequities in TANF spending priorities on racial differences in child poverty outcomes. Recall from the *Methods* section that I test whether states' TANF spending priorities reduce the relative likelihood that a black child lives in poverty and, if so, whether this occurs through a composition or moderating effect. Table 3 presents the results of the multi-level linear probability models over the years 2012 to 2014. The first two columns present the random intercept models with and without the TANF spending priorities included.

Table 3: Multi-Level Linear Probability Model Predicting Likelihood of Poverty Among Children, 2012 – 2014

	Random Intercept: No TANF	Random Intercept: With TANF	Random Slope: TANF Cash	Random Slope: TANF Family	Random Slope: TANF Work	Random Slope: TANF Other	Random Slope: All Interactions
TANF Budget Per Child		0.0090 (1.06)	0.0093 (1.32)	0.0094 (1.33)	0.0094 (1.33)	0.0091 (1.31)	0.0093 (1.32)
TANF %Cash		0.013 (0.33)	0.022 (0.61)	0.020 (0.55)	0.020 (0.55)	-0.0035 (-0.10)	0.022 (0.60)
TANF %Work		0.024 (1.19)	0.016 (0.74)	0.016 (0.75)	0.016 (0.75)		0.016 (0.76)
TANF %Family		0.037 (1.09)	0.00034 (0.01)	-0.0020 (-0.08)	0.00051 (0.02)	-0.023 (-0.91)	-0.0013 (-0.05)
TANF %Other						-0.028 (-1.32)	
TANF %Cash # 'Black'			-0.24** (-2.98)				-0.22** (-2.66)
TANF %Family # 'Black'				0.20 (1.37)			0.11 (0.79)
TANF %Work # 'Black'					-0.014 (-0.21)		-0.033 (-0.54)
TANF %Other # 'Black'						0.089 (1.67)	

Black	0.038***	0.038***	0.11***	0.027**	0.041	0.018	0.11**
	(5.25)	(5.24)	(4.46)	(2.87)	(1.82)	(1.26)	(2.92)
Hispanic	0.043***	0.043***	0.042***	0.042***	0.042***	0.042***	0.042***
	(8.79)	(8.82)	(8.37)	(8.37)	(8.37)	(8.39)	(8.36)
Asian	0.0089	0.0089	0.0062	0.0062	0.0062	0.0062	0.0062
	(1.11)	(1.11)	(0.79)	(0.79)	(0.79)	(0.79)	(0.79)
Other Non-White Race	0.020*	0.020*	0.020*	0.020*	0.020*	0.020*	0.020*
	(2.27)	(2.27)	(2.25)	(2.25)	(2.25)	(2.25)	(2.25)
Non-Citizen Head	0.13***	0.13***	0.13***	0.13***	0.13***	0.13***	0.13***
	(16.13)	(16.12)	(15.96)	(15.96)	(15.96)	(15.96)	(15.96)
Head Age Under 25	0.083***	0.083***	0.083***	0.083***	0.083***	0.083***	0.083***
	(11.99)	(12.00)	(11.99)	(11.99)	(11.99)	(11.99)	(11.99)
Head Age 25 - 34	0.011**	0.011**	0.011**	0.011**	0.011**	0.011**	0.011**
	(2.87)	(2.87)	(2.91)	(2.91)	(2.91)	(2.91)	(2.91)
Head Age 54 - 65	0.00043	0.00043	0.00019	0.00020	0.00021	0.00021	0.00019
	(0.09)	(0.09)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Head Age 66+	-0.0074	-0.0074	-0.0075	-0.0075	-0.0075	-0.0075	-0.0075
	(-0.58)	(-0.57)	(-0.58)	(-0.58)	(-0.58)	(-0.58)	(-0.58)
Head Less Than High School	0.070***	0.070***	0.070***	0.070***	0.070***	0.070***	0.070***
	(14.20)	(14.20)	(14.21)	(14.21)	(14.21)	(14.20)	(14.21)
Head College or More	-0.024***	-0.024***	-0.025***	-0.025***	-0.025***	-0.025***	-0.025***
	(-9.61)	(-9.62)	(-10.02)	(-10.01)	(-10.01)	(-10.02)	(-10.01)

Single Mother Household	0.094*** (12.69)	0.094*** (12.69)	0.094*** (12.61)	0.094*** (12.62)	0.094*** (12.62)	0.094*** (12.61)	0.094*** (12.61)
Single Father Household	0.0076 (1.18)	0.0076 (1.18)	0.0076 (1.17)	0.0076 (1.17)	0.0076 (1.17)	0.0076 (1.17)	0.0076 (1.17)
Jobless Household	0.41*** (27.03)	0.41*** (27.03)	0.41*** (27.35)	0.41*** (27.34)	0.41*** (27.34)	0.41*** (27.34)	0.41*** (27.35)
Dual-Earner Household	-0.11*** (-15.97)	-0.11*** (-15.97)	-0.11*** (-15.91)	-0.11*** (-15.91)	-0.11*** (-15.91)	-0.11*** (-15.91)	-0.11*** (-15.91)
# of Children in Household	0.020*** (10.38)	0.020*** (10.38)	0.020*** (10.24)	0.020*** (10.24)	0.020*** (10.24)	0.020*** (10.24)	0.020*** (10.24)
# of Age 66+ in Household	-0.031*** (-7.45)	-0.031*** (-7.45)	-0.030*** (-7.34)	-0.030*** (-7.34)	-0.030*** (-7.34)	-0.030*** (-7.34)	-0.030*** (-7.34)
Unemployment Rate	0.013*** (5.56)	0.013*** (5.42)	0.012*** (4.74)	0.012*** (4.77)	0.012*** (4.77)	0.012*** (4.81)	0.012*** (4.75)
Union Density	-0.020*** (-3.82)	-0.020*** (-3.89)	-0.019*** (-3.94)	-0.019*** (-3.95)	-0.019*** (-3.96)	-0.019*** (-4.10)	-0.019*** (-3.93)
GDP Per Capita	-0.013*** (-4.13)	-0.012*** (-3.95)	-0.008*** (-3.33)	-0.008*** (-3.33)	-0.008*** (-3.33)	-0.008*** (-3.29)	-0.008*** (-3.34)
Minimum Wage	-0.011*** (-4.07)	-0.011*** (-3.79)	-0.012*** (-4.21)	-0.012*** (-4.22)	-0.012*** (-4.23)	-0.011*** (-4.19)	-0.012*** (-4.21)
State SSI Bonus	-0.000 (-0.36)	0.000 (0.29)	0.000 (0.07)	0.000 (0.07)	0.000 (0.08)	-0.000 (-0.72)	0.000 (0.07)

State EITC Supplement	-0.0070 (-0.24)	-0.042 (-1.04)	-0.023 (-0.62)	-0.023 (-0.62)	-0.023 (-0.62)	-0.0056 (-0.19)	-0.023 (-0.62)

All models include year fixed effects. N=150,279. *z* scores in parentheses; X-standardized coefficients are presented for non-TANF state controls (unemployment rate, union density, minimum wage, and GDP per capita). Constant not displayed. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Evidence supporting the *composition effect* should show, at a minimum, that the odds of poverty for the 'Black' racial category decrease from the first model to the second. This would suggest that accounting for TANF priorities reduces the poverty risk attached to a black child's race. Instead, it remains constant at 0.038 and each of the TANF spending priorities is insignificant. From this, we can deduce that the four spending priorities do not have an observable effect on child poverty net of the other state-, household-, and individual-level controls.

It may be, however, that differences in spending priorities across states affect the relative odds of poverty attached to a black child's race. If this *moderation* effect exists, we should expect to find a significant cross-level interaction between the respective TANF spending priority and our 'Black' variable. This would indicate that, say, the odds of poverty associated with being black are higher or lower when states give greater priority to the TANF spending priority. The final four columns test this effect.

The third column provides the results of a random-slope model with a cross-level interaction between a black child's race and states' prioritization of TANF cash assistance. The three spending priorities remain insignificant; the cross-level interaction, however, reveals that higher allocations of TANF cash assistance reduce the odds of poverty for a black child. Specifically, a 10 percent increase in the share of the average state's budget allocated toward 'cash' leads to an estimated 2.4 percent reduction in the likelihood that a black child, relative to a white child, lives in poverty. The fourth column shows that the cross-level interaction for allocations toward the 'discouragement of lone motherhood' priority is positively signed, but insignificant, suggesting that investment toward this end has no observable effect on poverty outcomes.[9] The cross-level interaction for 'work' is negatively signed but also insignificant.

[9] In analyses available upon request, I also test whether spending toward 'family' affects the likelihood of a child living in a single-mother family. In multi-level models, the 'family' prioritization is positively signed but statistically insignificant, even when applied in a cross-level interaction with the 'black' variable. I also test two-way fixed effects models using longitudinal data (1993 to 2014), but

The final model includes each of the cross-level interactions into the same model. Again, the provision of cash assistance appears to reduce the likelihood that a black child lives in poverty. Even after controlling for the interaction effects of the other spending priorities, a 10 percentage point increase in the share of a state's budget allocation toward 'cash' is associated with a 2.2 percent reduction in the relative likelihood that a black child lives in poverty. Before, we observed that 'neutralizing' the racial bias in states' allocation of cash assistance would result in the average state spending 9.8 percentage points more of its TANF budget on cash assistance. Using the finding from the cross-level interaction in Table 3, we can thus estimate that a 9.8 percentage point increase in the prioritization of 'cash' would reduce a black child's likelihood of poverty by 2.16 percentage points (the product of .098 and -.22). If this were to occur, the poverty rate among black children would fall from 29.5 to 27.3 percent, and the black-white child poverty gap would fall from 107 to 90.1 percent, a 15 percent decline.

Such a shift would mark the first time since at least 1993 that black children were less than twice as likely as white children to live in poverty. Important to reiterate, this estimate assumes that the average state would allocate a mere 33.5 percent of its TANF budget (rather than the observed 23.7 percent) toward the provision of cash assistance, still less than half the average state's allocation in 1997 (65 percent). As shown in the supplementary appendix, a multi-level logistic regression model applying the same cross-level interaction also finds that higher levels of cash assistance reduce the relative likelihood that a black child lives in poverty. As hypothesized, racial inequities in states' TANF spending priorities do, indeed, contribute to the black-white child poverty gap.

To what extent can differences in the *size* of states' TANF budgets, rather than relative allocations of the budgets, explain differences in child poverty rates? In short, not much. In the supplementary appendix (Table S2), I test whether a larger TANF budget, independent of

again find no significant effect.

allocations, affects the relative likelihood that a black child lives in poverty. A cross-level interaction between TANF budget per child and 'Black' is statistically insignificant. The interaction of allocations toward TANF cash assistance and 'Black' remains significant and negative even when controlling for the cross-level interaction with budget size. Finally, a triple interaction of TANF budget size, allocations toward cash assistance, and 'Black' provides suggestive evidence that when states with larger TANF budgets allocate a greater share of that budget toward cash assistance, the relative likelihood that a black child lives in poverty falls by an even greater amount (the negative slope is significant at the 10 percent level). These findings corroborate this study's claim that the allocations of states' TANF budgets, rather than the size of the budget, are more consequential in explaining the black-white child poverty gap.

To contrast the relative effects of bias in TANF spending on racial poverty differences, we can compare its effect with the change in the black-white poverty gap if the prevalence of children living in single-mother households were reduced to zero. In other words, we can ask: if all single mothers found a partner tomorrow, what would be the estimated effect on the black-white child poverty gap? We can then compare the effect to that of neutralizing racial bias in states' TANF spending priorities. In Table 3, we see that if a child lives in a single mother household, his or her likelihood of poverty increases by 9.5 percent. Using a standard decomposition technique (Brady et al., 2017; Gornick and Jäntti, 2012) that replaces the observed prevalence of children in single-mother households (24.1 percent) with the counterfactual prevalence (zero) while keeping all else constant, we can estimate that the overall child poverty rate by fall by from 29.5 to 26.8 percent, with disproportionate gains for black children. The black-white child poverty gap would fall by 10.5 percent (from 106 to 95 percent) — a notable amount, but less than the relative gains (15 percent) if racial bias in states' TANF spending priorities were to be neutralized.

In the supplementary appendix (Table S3), I provide further evidence that greater

prioritization of TANF cash assistance reduces the relative likelihood that a black child lives in poverty *independent* of its effect on the likelihood that a single mother household lives in poverty. In other words, the effect of TANF cash does not reduce the black-white child poverty gap solely through a reduction in the poverty likelihood attached to single motherhood. In fact, a triple interaction of TANF cash, black, and single motherhood demonstrates that greater prioritization of cash assistance reduces the likelihood that a black child in a single-mother household lives in poverty (relative to a non-black child in a single-mother household). Even among single-mother households, then, racial bias in states' TANF priorities can be linked to racial differences in child poverty outcomes. These findings make clear that a focus on family structure is incomplete as an explanation for differences in child poverty rates between white and black children.

Robustness Checks

To corroborate the finding that racial inequity in states' provision of cash assistance worsens the black-white child poverty gap, I include three sets of robustness checks in the supplementary appendix. These include (1) a static microsimulation estimate of poverty rates if racial inequities in states' TANF priorities were to be neutralized, (2) use of a fixed effects model rather than multi-level model to assess the moderating effects of TANF spending priorities on black child poverty, and (3) a re-estimation of the primary analyses but with a measure of poverty based on 50 percent of each state's respective median income (rather than the national median). The findings from each of the robustness checks corroborates the findings from the primary analysis.

DISCUSSION

Why are black children in the United States likelier than white children to live in poverty? In contrast to the literature's dominant focus on family structure, this paper set out to

investigate how state-level inequities in administration of the TANF program contribute to racial differences in child poverty. I demonstrate that racial bias in states' allocations of TANF resources explains a significant share of the black-white child poverty gap. In fact, reducing inequities in states' allocation of cash assistance would have a reduction effect on the black-white child poverty gap comparable to that of moving all children in single-mother households to two-parent households. These findings emphasize that inequity in welfare state institutions must be central to understanding racial inequities in child poverty outcomes.

To arrive at these findings, I introduced a typology to classify the distinct spending priorities toward which states allocate their TANF funds. Building on prior findings of racial discrimination in social policy, I then empirically assessed how the prevalence of black residents within a state is associated with differences in states' TANF spending priorities, as well as the consequences of this estimated inequity on racialized child poverty outcomes. Uniting these previously disconnected analyses with more accurate household income data and a more robust analytical approach leads to a novel understanding of how inequities in social policy across the 50 states contribute to racial divides.

From 2012 to 2014, racial inequity in states' TANF spending priorities can be attributed to an estimated $3.3 billion annual average decline in amount of cash assistance provided to low-income families. The estimates presented suggest that neutralizing this bias would reduce the black-white child poverty gap by up to 15 percent. The level of poverty among black children would fall from 29.5 to an estimated 27.3 percent – a difference of approximately 256,000 black children per year.

These findings offer several implications for American poverty and sociology research. Adding to comparative policy literature that has emphasized the political and institutional determinants of poverty, this paper demonstrates that state governments and inequities in state-administered social policies play an important role in generating racialized child poverty

outcomes. The likelihood that a black child lives in poverty cannot merely be attributed to family structure nor characteristics of the child's family. Instead, cross-state inequities in the provision of social assistance and, specifically, administration of the TANF program, must be taken into account. The framework introduced to conceptualize the four distinct TANF spending priorities builds on a long tradition within comparative social policy research of classifying differences across welfare states and can be applied in future research to further analyze the consequences of cross-state differences in the types of social assistance offered to low-income families.

Consistent with prior evidence on the racialization of social policy, I find that the presence of black families within a state holds more explanatory weight than political or economic forces in explaining a state's TANF spending priorities. Americans' perceptions of black families – lazy, undeserving, and receiving 'more than they deserve' (Katz, 1990; Gilens, 1999; Krimmel and Rader, 2017) – do appear to funnel their way into state-level policy decisions. Adding to prior research that has connected states' racial compositions to social assistance policies (Soss et al., 2011), I find that race affects more than just 'cash': states with greater shares of black residents, *ceteris paribus*, are likely to invest more in policies and programs to discourage lone motherhood. Moreover, this analysis is the first, to my knowledge, to link the racial bias embedded into state-level social assistance packages to differences in poverty outcomes among black and white children. These findings do pose a challenge to power resources theory and other class-based arguments of welfare state development. While left parties and union strength can explain cross-national differences in the size and generosity of welfare states, this paper shows that within the U.S., racial composition is central to the state-level politics of poverty and social assistance policies.

This paper's findings also carry several policy implications. In broad terms, the evidence suggests that policymakers might be wise to consider whether TANF, in its current form,

adequately serves the interests of low-income families. In 1997 and 1998, the average state spent more than half of its budget on cash assistance, around 10 percent on tangentially-related services, and next to nothing on efforts to discourage lone motherhood. By 2014, 10 states allocated less than 10 percent of their TANF budgets toward the provision of cash assistance. Installing more stringent accountability mechanisms on the types of programs toward which states can allocate TANF funds, or instituting minimum standards of cash assistance provision, are two of many possible steps toward smoothing the racial inequities present in the TANF program.

Finally, it must be noted that the limitations of this paper likely lead to an underestimation of the real extent of racial inequity in states' social welfare programs. First, I only measure the extent of racial inequity as it exists within the framework of TANF, but TANF itself (among many other features of the American welfare state) may in some part be a product of racially-oriented prejudices (Quadagno, 1994; Soss et al., 2011; Schram et al., 2003). No empirical analysis of observed data can fully capture the racial legacy of the American welfare state. Secondly, this paper focuses exclusively on racial inequity in the TANF program. Future research may extend this analysis beyond TANF to consider how state-level variation in minimum wage levels, supplements to the EITC, and the accessibility of health insurance mitigate regional and racial disparities in poverty. The role of states as a source of inequality, and state governments as institutions that foster racial differences in poverty outcomes, deserves increasing focus as American poverty research moves forward.

Appendix A: Citations & Details for Highlighted TANF Expenditures

The table below provides more information on the TANF expenditures highlighted within this paper. Information is derived directly from state reports submitted to the U.S. Administration on Children & Families and, when indicated, other state-provided materials. This is not an exhaustive list of non-core TANF spending allocations; it merely reflects those explicitly cited in this paper.

Program Name	State (Year)	Details	Amount Spent
Adoption Maintenance	AZ (2010)	n/a	$4,371,645
Textbook Reimbursement Program	IN (2010)	Payment for the elementary and secondary school textbook rental fee of low-income families	$30,475,328
Urgent Dental Care	KS (2010)	The program first receiving TANF funds in 2010, during which 135 families were served.	$18,322
Family Drug Court Program	KY (2010)	Court-managed drug intervention program	$250,000
United Way Programs	MI (2010)	Funding for United Way programs	$9,119,702
Private Foundation Programs	MI (2010)	Funding for Kellogg, Mott, and Skillman foundations	$3,848,962
Alternative to Abortion	PA (2010)	Information and counseling that promote childbirth instead of abortion and assists pregnant women in their decisions regarding adoption or parenting	Unspecified
Community-wide abstinence-till-marriage curriculum	MS (2010)	Teaches the social, psychological and physical effects of engaging in sexual activities; curriculum to teach that abstinence from sexual activity before marriage, and fidelity within marriage is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases and related health problems; curriculum to reinforce abstinence and second-time abstinence	$1,474,879
Compulsive Gamblers Program	CT (2009)	The "Connecticut Partnership for Responsible Gambling" was created by the Connecticut Lottery Corporation. The Partnership is designed to educate consumers on problem gambling, underage gambling, and to promote responsible play. The Partnership also serves as a leading resource for responsible gambling, warning signs of problem gambling and available treatment services.	Unspecified

Sources:

State of Arizona (2010). Annual Report on Temporary Assistance for Needy Families (TANF) Programs Under 45 CFR 265.9(b).
State of Indiana (2010). State TANF and MOE Annual Report 2010.
State of Kansas (2010). State TANF and MOE Annual Report 2010.

State of Kentucky (2010). Annual Report on Temporary Assistance for Needy Families (TANF) Programs Under 45 CFR 265.9(b).
State of Michigan (2010). State TANF and MOE Annual Report 2010.
State of Mississippi (2010). Annual Report On TANF Programs Under 45 CFR 265.9(b).
State of Pennsylvania (2010). Annual Reporting On TANF Programs Under 45 CFR 265.9(b)
State of Connecticut. (2009). Temporary Assistance for Needy Families (TANF) State Plan: Federal Fiscal Years October 1, 2008 Through September 30, 2011. Connecticut Department of Social Services.

Appendix B: Data Sources & Summary Statistics for State-Year Panel Data & Household/Individual Data

State-Year Panel Data: 1997 to 2014 (Within-Between Random Effects Model)					
Variable	**Obs**	**Mean**	**Std. Dev.**	**Min**	**Max**
TANF %Cash	918	0.338	0.169	0.000	1
TANF %Work	918	0.315	0.155	0.000	0.766
TANF %Family	918	0.040	0.086	0.000	0.663
TANF %Other	918	0.202	0.160	0.000	0.809
GDP Per Capita	918	47050	17715	28372	172917
Union Density	918	0.116	0.056	0.020	0.269
Unemployment Rate	918	0.057	0.020	0.023	0.137
Employment of Single-Mother Families	918	0.721	0.064	0.512	0.910
Asian Share of Population	918	0.040	0.075	0.003	0.702
Black Share of Population	918	0.113	0.116	0.001	0.681
Hispanic Share of Population	918	0.089	0.095	0.003	0.447
Share of Children in Single Parent HH	918	0.208	0.054	0.100	0.514
Democrat Governor	918	0.447	0.492	0.000	1.000
Democrat Share of State Legislature	918	0.510	0.155	0.133	0.911

Data Sources	
Variable	**Source**
TANF %Cash	Center for Budget & Policy Priorities (2015)
TANF %Work	Center for Budget & Policy Priorities (2015)
TANF %Family	Center for Budget & Policy Priorities (2015)
TANF %Other	Center for Budget & Policy Priorities (2015)
GDP Per Capita	University of Kentucky Center on Poverty Research (UKCPR) State Welfare Database (2016)
Union Density	Hirsch and Macpherson, (2003). "Union Membership and Coverage Database from the Current Population Survey: Note," Industrial and Labor Relations Review, Vol. 56, No. 2.
Unemployment Rate	U.S. Current Population Survey (three-year average)
Employment of Single-Mother Families	U.S. Current Population Survey (three-year average)
Asian Share of Population	U.S. Current Population Survey (three-year average)
Black Share of Population	U.S. Current Population Survey (three-year average)
Hispanic Share of Population	U.S. Current Population Survey (three-year average)
Share of Children in Single Parent HH	U.S. Current Population Survey (three-year average)
Democrat Governor	UKCPR State Welfare Database (2016)
Democrat Share of State Legislature	UKCPR State Welfare Database (2016)

	Individual/Household Data: 2012-2014 (Multi-Level Linear/Logistic Probability Model)					
	Variable	**Obs**	**Mean**	**Std. Dev.**	**Min**	**Max**
1	TANF %Cash	150,279	0.244	0.131	0.082	0.560
2	TANF %Work	150,279	0.318	0.167	0.020	0.701
3	TANF %Family	150,279	0.069	0.112	0.000	0.599
4	TANF %Other	150,279	0.275	0.205	0.026	0.753
5	GDP Per Capita	150,279	49598	13834	31607	164161
6	Unemployment Rate	150,279	0.069	0.017	0.028	0.112
7	Union Density	150,279	0.110	0.056	0.020	0.246
8	State Minimum Wage ($2009)	150,279	7.097	0.495	6.642	8.704
9	State Supplement to EITC (% of Federal)	150,279	0.067	0.106	0.000	0.040
10	State Supplement to SSI ($2009)	150,279	40.65	67.47	0.000	373.2
11	Black	150,279	0.114	0.318	0.000	1.000
12	Hispanic	150,279	0.218	0.413	0.000	1.000
13	Asian	150,279	0.055	0.228	0.000	1.000
14	Other Race	150,279	0.050	0.218	0.000	1.000
15	Non-Citizen Head	150,279	0.119	0.323	0.000	1.000
16	Head Under 25	150,279	0.051	0.220	0.000	1.000
17	Head Age 25 - 34	150,279	0.262	0.440	0.000	1.000
18	Head Age 54 - 65	150,279	0.085	0.279	0.000	1.000
19	Head Age 66+	150,279	0.023	0.151	0.000	1.000
20	Head Less Than High School	150,279	0.387	0.487	0.000	1.000
21	Head College or More	150,279	0.321	0.467	0.000	1.000
22	Single Mother Household	150,279	0.203	0.402	0.000	1.000
23	Single Father Household	150,279	0.074	0.263	0.000	1.000
24	Jobless Household	150,279	0.087	0.282	0.000	1.000
25	Dual-Earner Household	150,279	0.523	0.499	0.000	1.000
26	# of Children in Household	150,279	2.423	1.244	1.000	12.000
27	# of Age 66+ in Household	150,279	0.066	0.296	0.000	7.000

Data Sources:

1-4: Center on Budget & Policy Priorities (2015)

5, 8-10: UKCPR State Welfare Database (2016)

6: U.S. Current Population Survey

7: Hirsch & Macpherson (2003)

Individual-level variables (11-27) are created from individual- and household-level data available in the U.S. Current Population Survey (CPS ASEC).

Supplementary Appendix:

The contents include:

Table S1: State TANF Allocations by Spending Priority (Three-Year Average, 2012 to 2014)

	Provision of Cash Assistance	Facilitation & Incentivization of Employment	Discouragement of Lone Motherhood	Other Services
Alabama	25.6%	18.3%	1.2%	30.7%
Alaska	45.9%	43.3%	0.4%	4.8%
Arizona	5.8%	4.8%	0.0%	70.2%
Arkansas	8.2%	21.5%	58.8%	3.6%
California	47.5%	22.7%	7.3%	14.1%
Colorado	24.7%	0.0%	0.1%	66.7%
Connecticut	16.7%	11.9%	17.4%	47.2%
Delaware	19.1%	63.7%	0.0%	9.5%
Dist. of Col.	22.2%	47.1%	1.6%	20.5%
Florida	17.1%	40.1%	0.6%	38.6%
Georgia	8.8%	9.2%	2.6%	75.7%
Hawaii	24.8%	45.7%	6.0%	15.7%
Idaho	15.1%	39.5%	0.9%	28.6%
Illinois	8.0%	60.3%	0.0%	29.2%
Indiana	11.9%	43.1%	0.9%	36.5%
Iowa	25.9%	37.2%	26.3%	5.9%
Kansas	16.1%	45.1%	0.8%	31.0%
Kentucky	41.4%	43.4%	0.0%	10.9%
Louisiana	9.2%	14.5%	44.4%	23.2%
Maine	55.1%	34.6%	0.0%	6.5%
Maryland	22.8%	36.3%	7.0%	18.5%
Massachusetts	29.1%	37.4%	1.6%	22.5%
Michigan	14.1%	14.4%	30.3%	25.6%
Minnesota	18.1%	62.7%	0.2%	2.8%
Mississippi	16.0%	63.8%	4.3%	12.5%
Missouri	22.9%	17.4%	1.2%	45.8%
Montana	28.7%	41.3%	1.4%	14.1%
Nebraska	21.8%	70.3%	0.2%	4.1%
Nevada	47.8%	3.3%	0.0%	39.2%
New Hampshire	35.5%	22.9%	5.5%	14.7%
New Jersey	19.8%	29.9%	41.3%	2.6%
New Mexico	25.9%	43.5%	4.5%	21.8%
New York	28.8%	37.3%	4.4%	20.5%
North Carolina	9.6%	44.3%	17.1%	20.7%
North Dakota	14.4%	18.0%	9.0%	47.4%
Ohio	29.5%	43.9%	2.9%	6.9%

Oklahoma	10.2%	46.1%	4.7%	26.5%
Oregon	43.0%	9.1%	0.0%	36.0%
Pennsylvania	25.8%	48.2%	9.3%	8.0%
Rhode Island	19.6%	26.7%	0.0%	46.2%
South Carolina	14.8%	11.0%	1.2%	65.0%
South Dakota	51.7%	12.9%	0.0%	25.8%
Tennessee	32.1%	34.4%	0.0%	23.1%
Texas	8.7%	13.5%	1.0%	68.5%
Utah	27.2%	38.0%	5.0%	18.0%
Vermont	21.3%	57.9%	0.0%	8.9%
Virginia	34.7%	33.5%	16.1%	8.2%
Washington	21.6%	31.8%	17.5%	19.6%
West Virginia	22.0%	33.6%	0.9%	26.7%
Wisconsin	22.6%	47.1%	2.3%	16.9%
Wyoming	15.3%	14.9%	0.0%	50.0%
U.S. Mean	23.6%	33.2%	7.0%	26.2%
U.S. Median	22.0%	36.3%	1.4%	21.8%
U.S. Minimum	5.8%	0.0%	0.0%	2.6%
U.S. Maximum	55.1%	70.3%	58.8%	75.7%
St. Dev.	11.9%	17.3%	12.4%	19.0%

Table S2: Multi-Level Linear Probability Model Estimating Effect of TANF Budget per Child on Likelihood of Poverty Among Children, 2012 – 2014

	Random Slope: TANF Budget	Random Slope: TANF Budget & Cash	Random Slope: Triple Interaction
TANF Budget	0.0080	0.0083	0.065***
	(1.44)	(1.38)	(5.20)
TANF %Cash	0.022	0.023	-0.028
	(0.60)	(0.64)	(-0.84)
TANF Budget # 'Black'	0.0063	0.0049	0.038
	(1.07)	(1.09)	(1.90)
TANF %Cash # 'Black'		-0.24**	-0.25**
		(-2.98)	(-3.25)
TANF %Cash # TANF Budget			-0.17***
			(-5.53)
TANF %Cash # TANF Budget # 'Black'			-0.13
			(-1.92)
Individual Controls	X	X	X
State Controls	X	X	X

All models include year fixed effects. N=150,279. Control variables include all variables listed in Table 3. *z* scores in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table S3: Multi-Level Linear Probability Model Estimating Effect of TANF Cash on Likelihood of Poverty Among Black Children Independent of Effect on Single Motherhood, 2012 – 2014

	Random Slope: TANF Cash & Single Motherhood	Random Slope: Triple Interaction
TANF %Cash	0.059	0.054
	(1.60)	(1.47)
TANF %Cash # Black	-0.19*	-0.097
	(-2.50)	(-1.22)
TANF %Cash # Single Motherhood	-0.19***	-0.17***
	(-4.17)	(-3.75)
Black # Single Motherhood		0.064
		(1.94)
TANF %Cash # Black # Single Motherhood		-0.22*
		(-2.03)
Individual Controls	X	X
State Controls	X	X

All models include year fixed effects. N=150,279. Control variables include all variables listed in Table 3. *z* scores in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table S4 Multi-Level Logistic Regression Models of Likelihood of Child Poverty, 2012 to 2014 (Odds Ratios)

	Random Slope: TANF Cash	Random Slope: TANF Family	Random Slope: TANF Work	Random Slope: TANF Other	Random Slope: All Interactions
TANF %Cash	1.63 (1.43)	1.61 (1.29)	1.62 (1.30)	0.65 (-0.50)	1.64 (1.43)
TANF %Work	1.39 (1.30)	1.40 (1.34)	1.40 (1.33)		1.39 (1.31)
TANF %Family	1.04 (0.08)	1.02 (0.05)	1.05 (0.11)	0.40 (-0.95)	1.03 (0.06)
TANF %Other				0.59 (-0.67)	
TANF %Cash # 'Black'	0.12*** (-3.57)				0.13*** (-3.31)
TANF %Family # 'Black'		3.14 (1.33)			1.56 (0.57)
TANF %Work # 'Black'			1.03 (0.06)		0.87 (-0.32)
TANF %Other # 'Black'				0.77 (-0.28)	
Black	2.68*** (5.23)	1.31*** (3.74)	1.37 (1.84)	1.19 (1.59)	2.71*** (3.55)
Household Controls	X	X	X	X	X
State Controls	X	X	X	X	X
Year Effect	X	X	X	X	X
Observations	150279	150279	150279	150279	150279

Control variables are identical to those displayed in Table 3 in primary analysis. Odds ratios presented with z scores in parentheses. Constant not displayed. X-standardized coefficients are presented for non-TANF state controls (unemployment rate, union density, minimum wage, and GDP per capita). * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table S4: Fixed Effects Linear Probability Model of Likelihood of Child Poverty, 2012 to 2014

	Random Slope: TANF Cash	Random Slope: TANF Family	Random Slope: TANF Work	Random Slope: TANF Other	Random Slope: All Interactions
TANF %Cash	0.050	0.0071	0.0051	-0.025	0.048
	(0.31)	(0.05)	(0.03)	(-0.18)	(0.30)
TANF %Work	0.15	0.12	0.15	0.12	0.12
	(1.04)	(0.78)	(1.07)	(0.75)	(0.79)
TANF %Family	-0.030	-0.033	-0.043		-0.046
	(-0.25)	(-0.28)	(-0.38)		(-0.38)
TANF %Other				-0.069	
				(-0.56)	
TANF %Cash # 'Black'	-0.19**				-0.18**
	(-2.81)				(-3.14)
TANF %Family # 'Black'		0.095			0.083
		(1.33)			(1.25)
TANF %Work # 'Black'			0.041		0.058
			(0.74)		(1.43)
TANF %Other # 'Black'				0.016	
				(0.52)	
Black	0.063***	0.014	0.0089	0.017	0.035*
	(4.03)	(1.20)	(0.41)	(0.97)	(2.31)
HH Controls	X	X	X	X	X
State Controls	X	X	X	X	X
Year Effect	X	X	X	X	X
State Effect	X	X	X	X	X
Observations	150279	150279	150279	150279	150279

Control variables are identical to those displayed in Table 3 in primary analysis. Z scores in parentheses. Constant not displayed. X-standardized coefficients are presented for non-TANF state controls (unemployment rate, union density, minimum wage, and GDP per capita). * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table S5: Multi-Level Linear Probability Models of Likelihood of Child Poverty using State-Specific Poverty Thresholds, 2012 to 2014

	Random Slope: TANF Cash	Random Slope: TANF Family	Random Slope: TANF Work	Random Slope: TANF Other	Random Slope: All Interactions
TANF %Cash	-0.029	-0.031	-0.031	-0.016	-0.029
	(-0.60)	(-0.63)	(-0.63)	(-0.29)	(-0.61)
TANF %Work	-0.019	-0.018	-0.019		-0.019
	(-0.60)	(-0.60)	(-0.62)		(-0.62)
TANF %Family	0.023	0.020	0.023	0.037	0.021
	(0.31)	(0.28)	(0.32)	(0.52)	(0.29)
TANF %Other				0.012	
				(0.40)	
TANF %Cash # 'Black'	-0.19*				-0.16
	(-2.41)				(-1.77)
TANF %Family # 'Black'		0.19			0.13
		(1.84)			(1.20)
TANF %Work # 'Black'			0.032		0.020
			(0.37)		(0.23)
TANF %Other # 'Black'				0.011	
				(0.16)	
Black	0.11***	0.037***	0.035	0.043**	0.085
	(3.92)	(3.47)	(1.11)	(2.60)	(1.58)
HH Controls	X	X	X	X	X
State Controls	X	X	X	X	X
Year Effect	X	X	X	X	X
Observations	150279	150279	150279	150279	150279

Control variables are identical to those displayed in Table 3 in primary analysis. Z scores in parentheses. Constant not displayed. Poverty threshold set at 50 percent of each states' respective median equivalized household income. X-standardized coefficients are presented for non-TANF state controls (unemployment rate, union density, minimum wage, and GDP per capita). * $p < 0.05$, ** $p < 0.01$, *** $p < 0.00$

Supplementary Appendix S6: Microsimulation estimate of poverty rates if racial inequities in states' TANF priorities were to be neutralized

An alternative approach to applying regression techniques to estimate the effects of racial inequity in states' TANF spending priorities on child poverty is to construct a counterfactual microsimulation that 'neutralizes' the estimated racial bias in the provision of cash assistance, and then reallocates the new sums of TANF funds as cash support.

Similar to the multi-level model, I construct this simulation over an average of the three most recent years of analysis (2012 to 2014) to ensure adequate state-level sample sizes. I explain this process in three steps, using the state of Illinois as an example throughout.

First, I multiply the estimated racial inequity in the prioritization of cash assistance (0.857, as detailed in Figure 3 and Table 3) by the percentage of black citizens in each state to produce a "racially-neutral" allocation of TANF cash for each state. In Illinois, for example, black residents made up an average of 14.3 percent of the state's population from 2012 to 2014. To compute the 'racially-neutral' allocation of cash assistance, I multiply the percent of black citizens in the state (14.3 percent) by the estimated racial bias in the prioritization of cash assistance (0.857). The product (12.3 percent) represents the counterfactual increase in the state's prioritization of cash assistance (thus, Illinois would now allocate 20.3 percent of its TANF budget toward the provision of cash assistance rather than average of 8 percent it actually spent during these years).

Second, I multiply the counterfactual increase in the state's prioritization of cash assistance by the state's total TANF budget to produce a new sum of funds to be distributed as cash assistance. In Illinois, multiplying the increased allocation (10.7 percent) by the state's total average TANF budget (nearly $1.2 billion per year from 2012 to 2014), results in a new sum of cash assistance ($145 million) to be allocated toward low-income families within the state.

Third, this new sum of funds is then divided and split evenly over all children who lived in poor households within the state that received any amount of TANF cash assistance. In Illinois, this would result in a $2,978 average increase in the annual value of TANF support for all children who live in a household receiving TANF.[10] I repeat this process for each state, then recalculate national poverty rates by race and observe the change in the black-white child poverty gap if these 'racially-neutral' TANF allocations were to exist.

Under this counterfactual scenario, the overall child poverty rate falls from 16.7 to 16.1 percent – a difference that equates to an average of approximately 407,350 children per year moved above the poverty line. Black children benefit disproportionately: their estimated poverty rate falls by 2 percentage points from 29.5 to 27.4 percent – the same poverty rate estimated within the multi-level model presented in Table 3. A T-test confirms that the difference between the counterfactual and observed black child poverty rates is statistically significant. In the counterfactual, the black-white child poverty gap falls to 97.3 percent – a decrease of 9.1 percentage points or, in relative terms, 8.6 percent.

[10] I also test a second redistributive scenario in which the new sum of cash assistance (again, nearly $122.3 million for Illinois) is allocated evenly over all children in single mother households (the primary target of TANF support), regardless of observed TANF receipt. The effect on the black-white child poverty gap is not statistically different from the effects found in the first simulation.

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