



**WRITTEN TESTIMONY FOR THE RECORD  
FOR THE HEARING “WHERE IS ALL THE WELFARE MONEY GOING?  
RECLAIMING TANF NON-ASSISTANCE DOLLARS TO LIFT AMERICANS OUT OF  
POVERTY”  
WORK & WELFARE SUBCOMMITTEE, COMMITTEE ON WAYS & MEANS  
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Chairman LaHood, Ranking Member Davis, members of the subcommittee.

Thank you for the opportunity to present testimony today on the urgent matter of TANF policy and other policy solutions to effectively pull families out of poverty.

As we gather to discuss policies that deeply impact the lives of vulnerable individuals and families, we must acknowledge our shared goal: to ensure that federal assistance has the most impact possible on ending the scourge of poverty in America.

To date, many arguments on this issue have focused on imposing more restrictions on recipients to achieve this, which is proven to only exacerbate the inefficiencies present in current policy. In effect we are blaming the victims for their poverty, rather than interrogating the policies that allow these inadequacies to occur.

As the CEO of a direct service organization working with families living in Jackson, Mississippi’s affordable housing apartment complexes, I work each day with those who are meant to be served by the Temporary Assistance for Needy Families program. To paint a picture of my service population, it is mostly female head of household; Black mothers working full time – but still living on the fringes of poverty. Mississippi still uses the federal minimum wage of \$7.25 hourly. On average, the families we work with make less than \$13,000 annually. These women while working (in many instances multiple jobs) are simultaneously raising children without adequate childcare or other supportive services. The population I work with is the very population in which TANF was designed to support. However, I only know of one person out of the thousands I work with who is currently actually receiving TANF.

Brandy is a mother of four who has consistently worked while also raising her children. Like many low-wage workers, she has experienced brief breaks of unemployment while going between jobs that are often inconsistent in nature, such as waitressing and house cleaning. When she applied for TANF and didn't meet the state requirement of getting a job within a week of receiving her meager benefits, she was forced to be a "volunteer" at the Department of Human Service office, filing papers for less than minimum wage. Further citing her frustration with TANF during a Senate hearing in Mississippi Brandy stated: "When you apply for TANF, it takes nearly a month for your application to be processed. But when you need money in hand immediately, waiting a month for help only digs you further into the ground," she continued. "Communication with the office is poor. You can't directly contact your caseworker. And your caseworker is often changed without you knowing. It hurts to know that this program was taken advantage of by people who already make more money than I could ever imagine. A former quarterback received in a lump sum, over 300 times what I have ever received from TANF."

Unfortunately, Brandy's story is not unique. Ashala, isn't able to work a job she loves caring for the elderly because she cannot consistently afford the \$90 weekly daycare bill for her young daughter. Ashala and so many other low-income families have experienced the same frustrations when dealing with TANF. "The programs are just really difficult," she said. "If you work, then they cut down your food stamps, but then you can get TANF. But TANF is only around \$100 a month, which just isn't enough."

When speaking with families who have previously received TANF or made the cost benefit analysis not to apply, they regularly cite the burden of paperwork, the lack of supportive services, fear of being sanctioned, or the limited financial support provided as barriers to entry.

Mississippi's TANF program is filled with bureaucratic red tape and punitive sanction policies:<sup>1</sup>

- People don't lose TANF because they move out of poverty or because they've exhausted the assistance, they are eligible for.
- MS opts for the strictest sanction policies allowed under federal law for things as simple as missing an appointment with a case worker.
- Reasons other than employment and earnings account for 69.2-percent of closed TANF cases.
- Mississippi punishes the whole household with full family sanctions, including babies and toddlers.

This is not aiding, families; this is punishing them for experiencing poverty. It is also unnecessary, as contrary to misinformation spread by those intent on demonizing people

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<sup>1</sup> [TANF is currently not working for Mississippi's Poorest Families, but here's how it could – MLICCI \(mschildcare.org\)](https://www.mlschildcare.org/)

experiencing poverty, studies consistently show that most public assistance recipients actively seek employment when provided with adequate support and opportunities.<sup>2</sup>

In Mississippi, the head of Human Services states that 90% of people who apply for TANF do not receive it. Of roughly 190,000 children living in poverty in the state, just 2,600 receive the monthly aid.<sup>3</sup>

For the few who do make it through the cumbersome and invasive application process, the payments received are among the lowest in the nation. These restrictions are intended to prevent abuse of the system, but they are focused on blaming the victims — families trapped in a cycle of generational poverty within a system that only holds them down further — while the actual perpetrators of fraud have been those overseeing the program.

If anything can be learned by the TANF scandal in Mississippi, in which “non-assistance” funds went to paying for horse stables rather than keeping funds in the “basic assistance” category in order to help families pay for necessities like diapers for babies living in poverty, it’s that we are focused on the wrong problem. Additional restrictions on recipients are not the answer — in fact, research shows that work requirements imposed on TANF have likely led to the worsening of deep poverty<sup>4</sup>. Instead of increasing burdens that reduce the efficiency of the program and further push parents and children into poverty, we should cut out bureaucratic red tape.

That is exactly what Springboard To Opportunities has done with the Magnolia Mother’s Trust, a program we started five years ago because so many government programs — including TANF — do not work. Launched in 2018, the Magnolia Mother’s Trust (MMT) meets the economic needs of vulnerable families. MMT provides \$1,000 in unconditional cash monthly for one year to Black mothers living in affordable housing apartment complexes in Jackson, Mississippi. Instead of endless applications and heavy restrictions, the Magnolia Mother’s Trust has zero work requirements, red tape or restrictions. Families spend their money on basic needs like childcare, groceries, and utility bills, while also having the ability to plan for the future by starting their own business or getting a degree that helps them obtain a higher-paying job.

In addition to cash support, MMT mothers receive one-on-one support from staff who help them identify their goals during the program and the steps that they need to take to get there. Staff are trained to provide compassionate support that honors where each individual is at that time and provides steps and support based on individual needs. Participants are also invited to regular programming that they identify as needed. These can include opportunities to practice and learn more about self-care exercises and mental health supports to courses on building credit and

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<sup>2</sup> [Evidence Doesn’t Support Claims of Success of TANF Work Requirements | Center on Budget and Policy Priorities \(cbpp.org\)](#)

<sup>3</sup> [Advocates say state still isn't aiding the poor after welfare scandal - Mississippi Today](#)

<sup>4</sup> [Microsoft Word - 11-13-18tanf.docx \(cbpp.org\)](#)

establishing relationships at banks that can help them with financial goals. Additionally, participants are provided with a community of support from other mothers.

For many in the program, this is one of the highlights they talk most about. Mothers are able to offer advice and support to one another in hard times and come out recognizing that they are not alone and have others they can lean on and learn from within their own community.

The program is also highly effective in helping recipients become more economically secure. Mothers are better able to provide for their children, who in turn perform better in school. Our latest evaluation found the program made it 15 times more likely that moms had money in savings for the inevitable emergencies that arise when raising children. More than a quarter of families were able to move out of subsidized housing. The number of moms who reported feeling stress related to finances was cut in half. The amount of moms who were employed rose by more than 50%. These results are lasting, with our longitudinal research showing that families continue to reap the benefits of the one-year program even years after it ends<sup>5</sup>. Moms like Tiyonda, who was unable to afford childcare prior to MMT. Thanks to the assistance provided by the program, she put her two kids in daycare so she could work full-time. She's now able to put gas in her car, cover her bills and ensure there's always food in the fridge.

Cash assistance programs, such as MMT, that are grounded in trust and dignity provide a model for the necessary support that mothers trapped in poverty need to thrive. Sustained economic mobility requires major policy changes and structural shifts. The programmatic impact of MMT can provide a significant "springboard" for mothers. However, restructured and improved government support systems that honor those who use their resources are needed to sustain the positive momentum.

This is supposed to be the point of cash assistance programs but is almost never the reality. That's because our current public assistance system fails to adequately address the structural barriers that perpetuate poverty, especially among marginalized communities. Trusting people works, punishing them does not. Investing in the well-being of vulnerable populations is not only a moral imperative, but also fiscally responsible — reducing long-term costs and societal burdens.

By loosening restrictions on TANF, as we've done with the Magnolia Mother's Trust that provides cash assistance without work requirements, we can provide greater access to essential resources and opportunities, enabling individuals and families to break free from the cycle of poverty and achieve economic security.

Thank you for your attention, and I look forward to answering any questions you may have.

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<sup>5</sup> [Alumni Study Executive Summary \(springboardto.org\)](https://springboardto.org/alumni-study-executive-summary)

## APPENDIX



## The Context

Launched in 2018 by Springboard to Opportunities, the **Magnolia Mother's Trust is the country's longest-running guaranteed income program, having served 230 Black mothers over the course of three 1-year cohorts<sup>1</sup>**. Meeting the economic needs of one of the most vulnerable populations, MMT provides \$1,000 in unconditional guaranteed income for one year to Black mothers living in subsidized housing in Jackson, Mississippi.

Despite evidence of significant positive outcomes,<sup>2</sup> **proponents of guaranteed income continue to contend with pejorative attitudes towards poverty and harmful narratives about social welfare** which are not based on evidence but rather are rooted in anti-blackness, classism, and sexism.<sup>3</sup> As a result, some policymakers are reluctant to fully embrace guaranteed income as a solution to economic insecurity and poverty.

As the longest-running guaranteed income program, MMT is uniquely positioned to enhance the evidence for guaranteed income programs **by documenting the longer-term impacts and lifting up the voices of participants' children.**

Springboard to Opportunities partnered with Social Insights Research for this **Alumni Study<sup>4</sup>** with mothers from the past three Magnolia Mother's Trust cohorts and some of their children. The study captures a robust long-term perspective on the impacts on mothers and their children's lives within the context of current social policies.

The **132 mothers** and **10 children** we heard from have been working to thrive amidst the dire realities of the prevailing economic conditions of the COVID-19 pandemic, soaring inflation, and unpredictable job markets.<sup>5</sup> The conditions of low-income Black mothers are the result of historical intersecting systems of race, class, and gender and ongoing exploitation in labor, housing, and financial markets. These broader social inequalities, however, are often framed as individual-level problems. This cultural messaging is amplified by stereotypes attached to single Black mothers. **MMT moms are striving to ensure that their families have the resources they need within a societal context that seeks to diminish them rather than build them up.**

## The Children

While in the program, mothers felt great pride in being able to provide for their children more assuredly and to operate from a place of abundance rather than scarcity. The children experienced the types of fundamental changes that have life-long impacts. For example, the children were able to:

- learn and practice financial skills such as budgeting and saving, giving them a sense of financial independence;
- experience improved parent-child interactions because they got to spend more quality time with their moms;
- have richer, more varied life experiences that come with travel and extracurricular activities.

*"I think this program is a good example of [giving families resources that strengthen their agency] I think it does that for the kids as well. You can see that these [things] can change. They don't have to just stay in [the state of] not having a lot of money."  
- child of MMT program participant*



1. First 3 cohorts: 2018-2019 (n=20), 2020-2021 (n=110), and 2021-2022 (n=100)

2. Neighly et al. (2022). An examination of cash transfers in the US and Canada. *Economic Security Project*. <https://economicsecurityproject.org>

3. Bhattacharya et al. (2021). Why all guaranteed income is narrative work. Best practices for centering dignity, race, and gender in cash-based programs. *Insight Center*. [https://insightcced.org/wp-content/uploads/2021/12/INSIGHT\\_NarrativesGL\\_brief\\_7.pdf](https://insightcced.org/wp-content/uploads/2021/12/INSIGHT_NarrativesGL_brief_7.pdf)

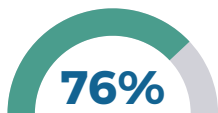
4. The full details of the study methods and the comprehensive findings are available in the *full Alumni Study Report*

5. Desmond, M. (2023). Why Poverty Persists in America. *Washington Post*. <https://www.nytimes.com/2023/03/09/magazine/poverty-by-america-matthew-desmond.html>

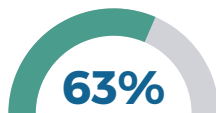


MMT had a positive impact on parenting efficacy, parent-child relationships, and children's mental health.

As a result of MMT...



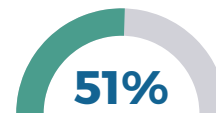
of moms reported more confidence in their parenting



reported their children noticed a positive difference in their lives



reported their children continue to experience joyful moments



reported more positive interactions with their children

## Self-Efficacy, Confidence, Mental Health

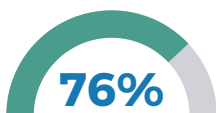
"MMT made me **believe** in myself."

**Self-efficacy is one's belief in their ability to achieve their goals and overcome obstacles to obtain success.**<sup>6</sup> Studies show that self-efficacy is a critical internal resource for Black mothers as a means of coping with and navigating against oppressive systems.<sup>7</sup> MMT positively impacted mothers' self-efficacy both during and after the program. **83% reported feeling more in control of their lives** as a result of MMT. This increased feeling of control was significantly correlated\* with their self-efficacy, suggesting an association between MMT program participation and long-term shifts in self-efficacy.

The average self-efficacy score was 4.1 on a scale of 1 to 5. Moms with higher self-efficacy were significantly\* more likely to have:

- positive perceptions of MMT's impact
- higher income
- money in savings
- stable employment
- lower mental health distress
- better parent-child relationships
- more confidence in their parenting

As a result of MMT...



feel more confident in themselves



feel more confident in their ability to accomplish goals



feel more hopeful about their future



feel more hopeful about their children's future

**These findings highlight the importance of *intrapersonal* gains in facilitating sustained impacts and disrupt the narrative that guaranteed income programs are demotivating.**

*"They used to come and do meditations with us. And I had never thought about it before MMT. **Even now, 3 years later, I meditate every single day.**"*

*"Most single moms, we had this doubt in our minds, because we got to do this by ourselves. But being in the program, let me realize, okay, **you can do it.**"*

*"So it really helped me on my budgeting skills, being able to know my limits and what not to do. **It gave me hope.** It's a big push for me to be like, 'Yeah, okay, I can get out and do this.' I did end up saving and leaving [subsidized housing]."*

## Long-Term Economic Mobility

Even after the program ended, many mothers continue to report changes in their lives that were seeded or launched during the program. Mothers identified Magnolia Mother's Trust as a direct reason they were motivated to go back to school or seek out additional educational opportunities. Some shared how this trickled down into talking to their children about attending college.

*"I have been able to **pay off debts, pay interest off on my vehicle, pay a down payment on my house that I'm moving in the next couple of weeks.**"*

*"MMT helped me to gain a financial foundation. **I was able to create a savings account that I still have today.** I was also able to pay for my first arm of grad school. I'll always be grateful."*

6. Bandura, A. (1977). Self-efficacy: Toward a unifying theory of behavioral change. *Psychological Review*, 84(2), 191–215. <https://doi.org/10.1037/0033-295X.84.2.191>

7. Anton, M. et al. (2015). Socioeconomic status, parenting, and externalizing problems in African American single-mother homes: A person-oriented approach. *Journal of Family Psychology*, 29(3), 405. <https://psycnet.apa.org/manuscript/2015-24732-005.pdf>

\*Correlations reported are statistically significant at  $p < .05$ .

*"MMT was a **booster** for me. I was able to go back to school & receive a certificate in Business Management."*

At the time of Alumni Study Survey,

- **61%** reported being employed
- **42%** reported positive shifts in their jobs or careers
- **19 moms** were enrolled in an education program
- **18 moms** completed a degree or education program since MMT
- **14 moms** earned certification or a professional license since MMT
- **14 moms** started or grew their own business

**These findings disrupt the assumption that providing unrestricted guaranteed income to economically marginalized people diminishes their desire and will to work. The findings are also consistent with existing evidence that suggests guaranteed income does not negatively impact the labor force<sup>8</sup>.**

## Systemic Barriers

The progress made by the mothers while in the program was significantly impacted by systemic inequalities in the labor market, housing, opportunities for building wealth, government assistance programs, and other social mobility factors. Within the intersection of multiple oppressions, mothers persist in crafting pathways to financial well-being. For example, moms applied money management skills learned during the MMT program to budget and save even with the more limited finances after the program ended.

### Income & Employment Challenges

Despite being employed and even having multiple jobs, the mean monthly income for the mothers is **\$751 - \$1000**. Many of them reported **inconsistent work income or jobs that did not pay a living wage**.

Work income is often not enough to meet expenses or to substitute the guaranteed income they received during the program. Funds they had set aside for a "rainy day" while in MMT are often being used for day-to-day expenses. Moms' shared that their progress toward financial independence is also stifled by lack of access to affordable childcare or employers who are not sensitive to parental demands. With these barriers in place, it is not surprising that some moms are not where they would want to be financially post-MMT.

- **11%** have money in savings
- **67%** have at least one type of debt
- **65%** feel stressed about money
- **81%** can't *always* pay bills on time

*"Once I get [money], it's going out to bills. I'm a little relieved now because I got the opportunity to do this other job. Right now, I probably have four jobs. Just trying to juggle to keep those bills and stuff under control and eventually try to save."*

*"[My financial situation] now is nothing like it was when I was getting that money every month. Sometimes I get paid, **my whole check be gone on bills**. Then the kids have something going on in school, so I'm like, we need to borrow [money]."*

### Government Assistance

Most MMT moms have no choice but to rely on government assistance to take care of their households. **94% of moms rely on at least one type of government assistance program.**

While these programs offer support, they limit upward mobility in many ways. When asked to compare MMT to public assistance, most moms focused on the fact that MMT comes with "no strings attached," whereas government assistance programs have restrictions based on income, household size, and how you can use the funds. Some moms also remarked on the **holistic nature of MMT, which centers moms' experiences, giving them a voice and providing support that helps them reach personal goals.**

*"People feel like everybody that's on stamps don't want work, don't want to do nothing for themselves. But that's truly not the case. Some people just, **this is something they need to survive.**"*

*"**In [MMT], they actually listen to us and care about the issues that we face. They don't get into your business or look down on you.**"*

**The biggest barriers to financial stability and upward mobility are systemic. Government assistance does not always fully meet moms' needs and punitive policies stifle their growth. Although most alumni moms are employed, the lack of livable wages and accommodations for parents in the workplace makes it difficult to progress toward financial stability.**

## Conclusion

Guaranteed income programs, such as MMT, that are grounded in trust and dignity provide a model for the necessary support that mothers trapped in poverty need to thrive. **Sustained economic mobility requires major policy changes and structural shifts.** The programmatic impact of MMT can provide a significant "springboard" for mothers. However, restructured and improved government support systems that honor those who use their resources are needed to sustain the positive momentum.

*"It also just let me know that even though struggles can come... you can always change it. You just have to strive. I do know that with the confidence that they gave me back in the program, even if I run into a bumper in the road, I can strive and try a little harder to reach that confidence again. To just don't throw the towel in.  
**That's what MMT gave me.**"*



## Recommendations

### 1. Policymakers must consider a multi-year federal guaranteed income program as a sustainable and transformative pathway to upward mobility for poor families.

A federal guaranteed income program that is not limited by time and is instead based on recipients' specific circumstances would provide the safety-net mothers living in poverty need to boost their self-efficacy and have a sustainable path towards the overall well-being of their families. In addition, it is imperative for federal and state governments to institutionalize policies such as the Child Tax Credit as a more permanent and consistent means of supporting economically marginalized families. These types of shifts would be transformative and ultimately contribute to the permanent (rather than temporary) movement out of poverty.

### 2. Government programs should prioritize policies that incorporate the voices of those they are serving.

When designing their programs, government support systems must actively engage the expertise of mothers who access their services. As experts of their own experiences, mothers who are economically marginalized are uniquely positioned to articulate their needs, rather than having their needs defined by others. This would ensure policies that center humanity and dignity and increase economic stability instead of revoking or reducing support at the first sign of or due to a temporary improvement in their economic situation.

### 3. Public benefits programs must shift towards asset- and trust-based perspectives.

Public benefits programs often approach mothers from a paternalistic and deficit-based perspective. There is an opportunity for these programs to learn from community-based organizations such as Springboard to Opportunities to take an asset-based approach that builds on mothers' self-efficacy and works in partnership with the mothers. Government benefits programs should incorporate opt-in community support groups that focus on building support networks. Programs should also provide accessible space and resources for culturally relevant self-care programming. These should not be "required" as mothers should be trusted to access the resources they need and are able to attend based on their specific circumstances.

### 4. Government programs should provide targeted financial support to those who have transitioned out of subsidized housing.

There is a need for government-instituted initiatives that offer focused assistance to families who have moved out of public housing to ease their transition, enabling them to sustain their progress and move forward without setbacks. This approach would foster self-efficacy among the families and promote sustainable outcomes.

### 5. Philanthropic institutions and the broader guaranteed income community must continue to play a role in the absence of government supports and structural changes.

In the absence of the shifts recommended for government supports, philanthropic institutions need to continue supporting organizations that are filling the gaps by implementing and generating evidence for guaranteed income programs and advocating for more widespread institutionalization of such programs.

### 6. Funders and guaranteed income programs should continue to explore dual-generational perspectives in their evidence-generation and narrative change efforts.

There is a pressing need to counter the pejorative attitudes toward cash transfer programs by disseminating stories that center the voices of the mothers and their children. Supporting research that emphasizes the humanity and dignity of all who benefit from guaranteed income program initiatives is crucial for strengthening narrative change work.



# Springboard TO Opportunities

## POLICY POINTS

### Temporary Assistance for Needy Families

**Temporary Assistance for Needy Families, or TANF, is a government program aimed at supporting families with basic needs for a limited time frame. TANF replaced Aid to Families with Dependent Children (AFDC) in 1996. Although TANF reaches far fewer families than AFDC once did, the programs share some similarities. Both have provided cash assistance to low-income families; many individuals may know this under the title of “welfare.”**

## The Basics

TANF is funded through both the federal and state governments. The federal government gives states money for TANF programs through a fixed block grant. However, states must spend money to get the grant. The state’s contribution is called “maintenance of effort” or MOE spending. States can choose to spend their TANF funds in a variety of ways, and money does not all go as a direct cash benefit to low-income families. In fact, there are four broad purposes that states are allowed to use TANF funds for, outlined in the 1996 law:

1. Assisting families in need so children can be cared for in their own homes or the homes of relatives;
2. Reducing the dependency of parents in need by promoting job preparation, work, and marriage;
3. Preventing pregnancies among unmarried persons; and
4. Encouraging the formation and maintenance of two-parent families.

States define what constitutes a “needy” family for the first and second purposes and do not have to limit assistance to needy families for the third and fourth purposes.<sup>1</sup> This leaves a lot to the discretion of individual states, including the requirements for who receives cash benefits, and how much families can receive if they do qualify for the program. However, states do have to meet certain standards required by federal law relating to work requirements for a specific percentage of families.

For many families in Springboard communities, TANF is seen as taboo. In 2021, Mississippi had the lowest approval rate for TANF benefits per month in the nation at 71%.<sup>2</sup> In addition to applications regularly being denied, many residents do not apply for TANF because they are keenly aware of the lack of accessibility to the program. Furthermore, many mothers speak of the figurative hoops that must be jumped through in order to complete the application or maintain benefit status.

Further exacerbating the stressful environment of raising children without sufficient resources, some individuals are required to volunteer for the Department of Human Services for less than minimum wage if they do not quickly identify employment. This affects their ability to find gainful employment and does not provide significant cash assistance to strengthen their support.

## The Issues

***For a mom like Ashala, the paperwork and requirements weren’t worth it for such a small amount of money. She was working in the food service industry and trying to be a full-time caregiver for her grandparents. The only way she could maintain both was to pay for childcare for her daughter, which was \$90 per week. The \$170 she could receive monthly from Mississippi’s TANF program (recently raised to \$260) wasn’t worth it, especially if it could not even cover the cost of childcare.***

## Reimagining What’s Possible

As we’ve seen the impacts on a local and national scale of the pitfalls of TANF, recommendations include an overhaul of the program to prioritize the needs of the people who could benefit most from the program. Some of these recommendations involve creating a less burdensome on-boarding process and prioritizing increased, consistent, and direct cash transfers. We also believe

that punitive policies that guide TANF, involving work requirements and other paternalistic prerequisites, should be removed. There are widespread learnings from years of program failure that could allow TANF to effectively support parents in gaining more education, skills, and access to high quality jobs that can support their short and longer-term success.

<sup>1</sup> Policy Basics: Temporary Assistance for Needy Families. (2022, March 1). Center on Budget and Policy Priorities. <https://www.cbpp.org/research/family-income-support/temporary-assistance-for-needy-families>

<sup>2</sup> Mississippi’s Temporary Assistance for Needy Families (TANF) Program at 25. (2022, October). Mississippi Low-Income Child Care Initiative. <https://www.mschildcare.org/wp-content/uploads/2022/10/MS-TANF-at-25-October-2022.pdf>