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Temporary Assistance for Needy Families: Where it Stands Today

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The Temporary Assistance for Needy Families (TANF) program has been providing limited supports and, in some cases, cash assistance to low- or no-income families with children for nearly 25 years. While the federal government has been assisting families with TANF funds for decades, they continue to work with state governments to ensure the program's sustainability and adjust eligibility requirements to best serve their residents.

A block grant created by the Personal Responsibilities and Work Opportunities Reconciliation Act of 1996, TANF is a joint federal and state program. It requires a Maintenance of Effort (MOE), or state-appropriated funds, for a state to be eligible for federal matching funds. In other words, states must spend a specified minimum amount of their own funds or they risk losing all federal funds.

States have significant flexibility in how they allocate the funds and what programs and services they will provide, as long as they meet one of the four federally determined requirements. These requirements include:

- Providing assistance to needy families so that children may be cared for in their own homes or in the homes of relatives.
- Ending the dependence of needy parents on government benefits by promoting job preparation, work and marriage.
- Preventing and reducing the incidence of out-of-wedlock pregnancies and establishing

Did You Know?

- There were 2,009,869 TANF recipients nationwide in 2019.
- Since TANF's enactment in 2996, benefit levels have declined by at least 20% in inflation-adjusted value in 33 states.
- Only 22.7% of combined federal and state TANF funds were spent on direct cash aid to recipients; the rest was allocated to services and programming for families.

annual numerical goals for preventing and reducing the incidence of these pregnancies.

- Encouraging the formation and maintenance of two-parent families.

There are certain basic federal eligibility requirements that individuals must meet to receive services, including being pregnant or responsible for a child under the age of 19, having very low to no income, and being a U.S. national, citizen, legal or permanent resident.

Federal Action

When TANF was signed into law in 1996, the funding was set to expire at the end of 2002. Since that time, Congress has mostly provided funding through a series of short-term extensions with the exception of The Deficit Reduction Act of 2005. The act directed the U.S. Department of Health and Human Services to create new regulations around work requirements and extended TANF for one of its longest extensions—from 2005 through 2010. Since 2010, it continues to be temporarily extended for short periods. There appears to be bipartisan consensus in Congress that the current TANF program requires some reforming, but there remains disagreement about how to improve it.

NCSL, in partnership with the other "Big Seven"—the national associations representing state and local governments and their elected officials—and American Public Human Services have formed a coalition to advocate on behalf of their members to request that Congress reauthorize the program for a full year. During that full year, the organizations are requesting that Congress and the administration collaborate with them to come up with solutions to improve the TANF program and its ability to be more sustainable.

State Action

States have significant flexibility in how they spend TANF funds. Each state can create additional eligibility requirements on top of what the federal government mandates. States can determine who qualifies for TANF benefits and how much cash assistance or supports each individual can receive. States also set the maximum income recipients can earn while receiving TANF benefits, maximum monthly benefits for TANF recipients, and any work requirements to qualify for and continue receiving payments.

As of 2018, 17 states require TANF applicants to be searching for employment to qualify for TANF payments. They are Alabama, Arkansas, Georgia, Hawaii, Idaho, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Hampshire, New York, South Carolina and Wisconsin. The maximum monthly income for eligibility for a family of three ranges from $268 to $2,227, depending on the state. TANF programs vary greatly, as each is designed to address the unique needs of the state.

In Indiana, children under 18 and their parents or specified relatives are eligible for TANF if they fall under a certain income limit. For a family of three, gross monthly income must be $592 or less to qualify. Some adults are required to participate in the state's Indiana Manpower Placement and Comprehensive Training program and complete 20 hours of job search activities while receiving benefits. A family of three in Indiana with no income is eligible for $288 in TANF payments each month.

In Washington, residents eligible to receive TANF benefits are those who are pregnant or responsible for the care of children and with resources of $6,000 or less. Families are limited to 60 months of TANF benefits in their lifetime and some adults are required to participate in the state's WorkFirst program. The program matches families with a caseworker to help them find and retain a job and offers some coverage for costs related to finding employment. A family of three with no income in the state of Washington is eligible to receive a monthly TANF payment of $569.

In the 2020 legislative sessions, four states—Arizona, Illinois, Maine and Virginia—and the District of Columbia enacted nine laws related to TANF eligibility. Legislation included increasing the amount of income that can be disregarded when calculating benefits, creating emergency payments related to natural disasters and allowing people convicted of drug-related felonies to be eligible for benefits.

The coronavirus (COVID-19) pandemic has also led to some changes in state TANF programs as states work to address the public health and economic crisis. Most changes to TANF due to COVID-19 have occurred through executive order. A recent report from the Urban Institute notes that several states have created exemptions or extensions for TANF due to the COVID-19 pandemic.

Additional Resources

- NCSL and Big 7 TANF Extension Letter to Congressional Leadership
- NCSL's Child Support Pass-Through and Disregard Policies for Public Assistance Recipients
- Temporary Assistance for Needy Families (TANF) Legislative History, Congressional Research Service
- About TANF, Administration of Children and Families
- TANF, U.S. Government Benefits
- State TANF Spending in FY 2015, Administration of Children and Families
- TANF Caseload Data 2019, Administration of Children and Families
- Welfare Rules Databook: State TANF Policies as of July 2018, Office of Planning, Research and Evaluation and the Urban Institute

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