
Updated February 18, 2021

Policy Brief: Cash Assistance Should Reach Millions More Families to Lessen Hardship

Access to TANF Hits Lowest Point Amid Precarious Economic Conditions

By Aditi Shrivastava and Gina Azito Thompson

The Temporary Assistance for Needy Families (TANF) block grant is designed to provide temporary cash assistance to families in poverty — primarily those with no other means to meet basic needs — but its reach has shrunk considerably over time.¹ In 2020, for every 100 families in poverty, only 21 received cash assistance from TANF, down from 68 families when TANF was first enacted in 1996. Amid the COVID-19 pandemic and the resulting economic crisis — a precarious time for families — this “TANF-to-poverty ratio” (TPR) is the lowest in the program’s history. (See Figure 1.) If TANF had maintained the same reach to families in poverty as its predecessor, Aid to Families with Dependent Children (AFDC), had in 1996, 3.44 million families would have received TANF in 2020, about 2.38 million more than reported for that year.²

Our analysis finds that:

- TANF provides temporary cash assistance to few poor families and its reach continues to shrink, both nationally and in nearly every state. Though TANF caseloads grew in many states in 2020, the program’s benefit levels are extremely low in many states, falling far short of what families need to meet their basic needs.³

¹ For more detail, see Aditi Shrivastava and Gina Azito Thompson, “Access to TANF Hits Lowest Point Amid Precarious Economic Conditions,” CBPP, updated February 18, 2022, <https://www.cbpp.org/research/family-income-support/tanf-cash-assistance-should-reach-millions-more-families-to-lessen>.

² The official poverty measure is used in this policy brief because it is the closest measure for approximating families who might be eligible for TANF benefits, and who would benefit from its extended reach. The official poverty measure does not include stimulus payments, which contributed substantially to annual income for many families with low incomes in 2020.

³ For more detail, see Ali Safawi and Cindy Reyes, “States Must Continue Recent Momentum to Further Improve TANF Benefit Levels,” CBPP, updated December 2, 2021, <https://www.cbpp.org/research/family-income-support/states-must-continue-recent-momentum-to-further-improve-tanf-benefit>.

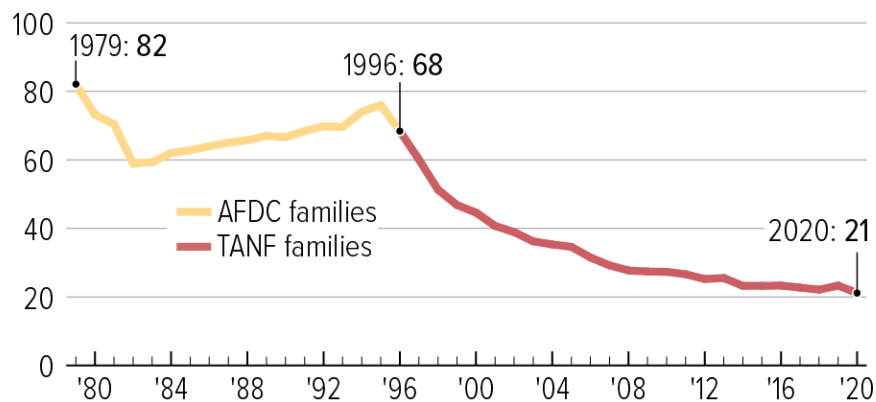
- A history of racist policies that limited Black mothers’ access to family cash assistance programs continues to contribute to racial disparities in access to TANF today. Nationally, Black children are less likely than white children and somewhat less likely than Latino children to have access to TANF assistance when their families fall into crisis.⁴
- TANF lifts far fewer families out of deep poverty (that is, incomes below half of the poverty line) than AFDC and has put poor children at risk of much greater hardship. Research shows that even relatively small amounts of additional family income make a difference to children’s well-being, now and in the future.

TANF is overdue for significant permanent improvements. The states and the federal government have a critical role in ensuring that families with the lowest incomes have access to a minimum level of support to meet their basic needs. The TANF block grant shifted that responsibility to states, which — with no national standards to hold them accountable for providing assistance to families in need — acted in their own self-interest, not in the best interest of families in poverty and particularly of families of color. State and federal policy changes should focus on serving more families who need assistance, alleviating the program’s deep racial disparities, and ensuring that adequate resources are available to achieve these goals.

FIGURE 1

TANF’s Reach Declined Significantly Over Time

Number of families receiving AFDC/TANF benefits for every 100 families with children in poverty



Note: TANF = Temporary Assistance for Needy Families, AFDC = Aid to Families with Dependent Children

Source: CBPP analysis of poverty data from the Census’ Current Population Survey and AFDC/TANF caseload data from the Department of Health and Human Services and (since September 2006) caseload data collected by CBPP from state agencies

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

⁴ For more on the racist history of AFDC and TANF benefit levels, see Ife Floyd *et al.*, “TANF Policies Reflect Racist Legacy of Cash Assistance,” CBPP, August 4, 2021, <https://www.cbpp.org/research/family-income-support/tanf-policies-reflect-racist-legacy-of-cash-assistance>.

As TANF Responded Unevenly to the Pandemic, TANF-to-Poverty Ratio Continued Falling in Most States

Amid the nationwide hardship that resulted from the pandemic in 2020, the number of families receiving TANF benefits increased in some states but stayed the same or fell in others over the course of the year. Nationally, the average monthly TANF caseload declined between 2019 and 2020, but that metric misses the rise and fall of the caseload during the year. In fact, caseloads rose at the beginning of the pandemic in early 2020 and fell by the end of the year. Some of this decline likely is attributed to the availability of pandemic federal unemployment benefits and other financial assistance, such as Economic Impact Payments.

Before 2020, the TPR declined because TANF caseloads had fallen much more than the number of families experiencing poverty. In 2020, the TPR declined because the average monthly TANF caseload fell while the number of families in poverty increased.

The national TANF-to-poverty ratio misses the extreme — and growing — variation among the states. In 2020 the TPR ranged from 71 in California and Vermont to just 4 in Arkansas, Louisiana, Mississippi, and Texas.⁵ (See Table 1.) The TPR fell in most states between 2006 (the last time TANF was reauthorized) and 2020 for several reasons: state responses to federal policy changes when TANF was reauthorized and in response to the pandemic, adoption of more restrictive policies as part of a broader attack on economic security programs, and policy changes to restrict access and reduce costs during the Great Recession of 2007-2009, among other factors. The TPR dropped by 10 or more points in 25 states over this period; in 14 of those states, it dropped by 20 points or more.

An especially troubling trend is the number of states with TPRs of 10 or less. In 2006, only three states (Idaho, Louisiana, and Wyoming) had such low ratios. The list grew during the Great Recession and has continued growing since then. In 2020, 14 states — Alabama, Arizona, Arkansas, Georgia, Indiana, Kansas, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Texas, Utah, and Wyoming — had TPRs of 10 or less.

Unequal Access to TANF Persists, Harming Black Families and Children

A history of racist policies that aimed to limit Black mothers' access to family cash assistance programs, from strict work requirements and time limits to invasive behavioral requirements, continues to contribute to racial disparities in access to TANF today.

Forty-one percent of the nation's Black children live in states with TPRs of 10 or less, compared to 33 percent of Latino children and only 28 percent of white children.⁶ Nationally, therefore, Black

⁵ To improve the reliability of the state-level poverty data, we created two-year averages of the poverty numbers; we also transformed the caseload data into two-year averages to calculate the TPRs. The years cited here are for the latter of the two years.

⁶ CBPP analysis of 2020 U.S. Census population estimates collected from Kids Count Data Center, "Child Population by race in the United States," Annie E. Casey Foundation, September 2021, <https://datacenter.kidscount.org/data/tables/103-child-population-by-race?loc=1&loct=2#detailed/2/2-52/false/574/68,69,67,12,70,66,71,72/423>.

children are less likely than white children and somewhat less likely than Latino children to have access to TANF assistance when their families fall into crisis.

Moreover, if Black families do manage to receive TANF cash benefits, they are likelier to live in states with the lowest benefit levels, which do little to help families meet their basic needs.⁷ And research finds that all else equal, states with larger African American populations have less generous and more restrictive TANF policies.⁸ These policies impact everyone, regardless of race: today, states that historically denied Black families have simply opted to help few families at all.⁹

Stronger Cash Assistance Would Improve Children’s Prospects

The decline in access to TANF benefits has left many of the families experiencing the deepest poverty without resources to meet their basic needs. TANF does far worse than AFDC in reaching families, particularly those with children and those in deep poverty. TANF benefits are not sufficient to lift families out of poverty in any state, and while AFDC lifted more than 2.9 million children out of deep poverty in 1995, by 2020, most states had more families living in deep poverty than receiving TANF.¹⁰

The evidence is clear that when families have more income, children do better in the future. Even relatively small amounts of income make a difference. Among families with incomes below \$25,000, children whose families received a \$3,000 annual income boost when the children were under age 6 earned 17 percent more as adults and worked 135 more hours per year after age 25 than otherwise-similar children whose families didn’t receive the income boost, research finds.¹¹ That research suggests that TANF policy changes that cut families’ income, such as harsher sanctions or shorter time limits or significantly reduced benefits, could harm young children now and in the future. More recently, a major study found that cash assistance directly improves infant brain development associated with higher language, cognitive scores, and better social skills.¹²

⁷ Diana Azevedo-McCaffrey and Ali Safawi, “To Promote Equity, States Should Invest More TANF Dollars in Basic Assistance,” CBPP, January 12, 2022, <https://www.cbpp.org/research/family-income-support/to-promote-equity-states-should-invest-more-tanf-dollars-in-basic>.

⁸ Heather Hahn *et al.*, “Why Does Cash Welfare Depend on Where You Live?” June 2017, https://www.urban.org/sites/default/files/publication/90761/tanf_cash_welfare_final2_1.pdf; Joe Soss *et al.*, “Setting the Terms of Relief: Explaining State Policy Choices in the Devolution Revolution,” *American Journal of Political Science*, Vol. 45, No. 2, April 2001, <http://urban.hunter.cuny.edu/~schram/ssvosettingthetermsofrelief.pdf>; Joe Soss *et al.*, “Welfare policy choices in the states: Does the hard line follow the color line?” 2003, <https://www.irp.wisc.edu/publications/focus/pdfs/foc231b.pdf>.

⁹ Floyd *et al.*, *op. cit.*

¹⁰ CBPP analysis of Supplemental Poverty Measure (SPM) data from Columbia Center on Poverty and Social Policy (1995) and IPUMS-CPS (2017). Data correct for underreporting of income from SNAP, Supplemental Security Income, and TANF/AFDC with Department of Health and Human Services/Urban Institute Transfer Income Model (TRIM). In earlier editions of this policy brief, CBPP used a different methodology to calculate these figures. These new estimates use the SPM and the latest available data from the Department of Health and Human Services/Urban Institute TRIM.

¹¹ Greg J. Duncan and Katherine Magnuson, “The Long Reach of Early Childhood Poverty,” *Pathways*, Winter 2011, http://www.stanford.edu/group/scspi/media/pdf/pathways/winter_2011/PathwaysWinter11_Duncan.pdf.

¹² Danilo Trisi, “Cash Assistance Boosted Infants’ Brain Development Study Shows,” CBPP, January 26, 2022, <https://www.cbpp.org/blog/cash-assistance-boosted-infants-brain-development-study-shows>.

TANF Should Do More to Help Families Meet Basic Needs

TANF is overdue for significant improvements. State and federal policy changes should focus on serving more families who need assistance, alleviating the program's deep racial disparities, and ensuring that adequate resources are available to achieve these goals. For example, states should lift income thresholds and asset tests, remove barriers to access, and stop cutting off families who are still struggling. Additionally, federal policymakers should hold states accountable for serving families in need, require states to direct a specific share of TANF resources to families receiving cash assistance, and increase the block grant and index it to inflation.

Table 1

State TANF-to-Poverty Ratios Over Time

State	1995-96	2005-06	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Ratio Change '05-06 to '19-20
Alabama	32	17	12	11	10	9	8	8	7	-10
Alaska	132	32	29	30	27	20	20	22	20	-13
Arizona	42	27	8	7	6	6	6	6	6	-21
Arkansas	33	11	6	5	5	5	5	4	4	-7
California	101	66	65	65	66	65	68	70	71	4
Colorado	66	18	20	20	26	34	34	23	20	2
Connecticut	82	48	31	30	23	21	22	27	22	-26
Delaware	99	45	33	39	38	36	39	44	35	-10
Florida	55	20	12	11	12	13	12	13	13	-7
Georgia	82	16	6	5	5	6	5	5	5	-11
Hawai'i	108	71	50	40	38	38	34	35	34	-37
Idaho	32	8	7	7	7	8	8	9	11	3
Illinois	87	17	17	18	17	14	15	14	16	-1
Indiana	61	35	8	7	7	7	6	5	5	-29
Iowa	64	40	27	27	22	21	21	19	23	-17
Kansas	52	32	13	10	10	8	8	10	9	-23
Kentucky	55	29	19	19	20	24	21	21	21	-8
Louisiana	48	10	4	4	4	4	4	4	4	-6
Maine	91	52	30	24	22	19	18	19	22	-29
Maryland	97	32	29	27	30	39	33	25	29	-4
Massachusetts	81	46	38	34	38	38	34	40	43	-3
Michigan	88	40	18	16	14	12	11	11	11	-29
Minnesota	93	51	40	49	57	47	41	47	60	9
Mississippi	39	14	10	8	7	6	6	4	4	-11

Table 1

State TANF-to-Poverty Ratios Over Time

State	1995-96	2005-06	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Ratio Change '05-06 to '19-20
Missouri	118	38	28	29	19	14	13	11	11	-26
Montana	41	21	17	16	17	26	33	25	23	2
Nebraska	54	52	19	17	20	21	18	17	20	-32
Nevada	71	20	16	18	22	22	19	20	18	-2
New Hampshire	100	62	24	25	25	28	30	46	46	-16
New Jersey	108	42	23	20	20	19	15	16	16	-26
New Mexico	44	32	22	22	22	21	21	24	27	-5
New York	79	41	39	40	43	42	42	42	39	-2
North Carolina	74	14	7	7	7	7	6	7	5	-9
North Dakota	48	23	13	10	8	9	10	13	12	-11
Ohio	89	33	26	22	22	24	25	25	25	-8
Oklahoma	41	12	7	7	8	9	9	10	8	-3
Oregon	50	26	47	43	37	35	40	48	49	23
Pennsylvania	87	45	31	29	30	28	25	26	25	-20
Rhode Island	113	64	30	34	35	29	35	35	26	-38
South Carolina	40	21	12	11	11	10	10	10	9	-12
South Dakota	42	22	19	17	17	20	23	20	18	-4
Tennessee	67	51	25	25	23	23	22	18	15	-36
Texas	47	12	5	4	4	4	4	4	4	-9
Utah	59	21	9	9	9	9	10	11	9	-12
Vermont	80	79	78	54	47	55	50	49	71	-7
Virginia	56	31	25	23	19	18	16	15	18	-13
Washington	76	63	33	27	25	26	29	34	39	-24
West Virginia	68	27	18	17	16	17	16	18	10	-8

Table 1

State TANF-to-Poverty Ratios Over Time

State	1995-96	2005-06	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Ratio Change '05-06 to '19-20
Wisconsin	81	23	26	24	20	20	23	23	20	-3
Wyoming	45	3	5	5	5	6	6	7	7	4

Source: CBPP analysis of poverty data from the Current Population Survey and AFDC/TANF caseload data from the Department of Health and Human Services and (since September 2006) caseload data collected by CBPP from state agencies