TANF Caseload Data

Beginning in 2006, this analysis uses caseload data collected directly from the states rather than the official data reported by the U.S. Department of Health and Human Services (HHS), as the state data more consistently reflect the number of families with children receiving cash assistance in each state over time. These data differ from the official HHS TANF data in two important ways. First, they include cases in solely state-funded programs. In most cases, these families had been in state TANF programs but were shifted to a solely state-funded program after passage of the Deficit Reduction Act of 2005 (DRA) because states anticipated these families would not be able to meet TANF work participation requirements and would negatively impact the state’s work participation rate. These cases are not included in the data maintained by HHS. While not on the TANF caseload, these families continue to receive the same or comparable benefits in these state-funded programs as they received when they were on TANF.

Second, unlike the HHS data, the state data exclude cases in worker supplement programs, which provide cash payments to working families for a set period of time. These programs also were created after the passage of the DRA. Because these supplements make additional people eligible or make current recipients eligible for a longer period of time, HHS counts them as increasing the TANF caseload. Often, states provide a very small cash grant to these families — as little as $8 to $10 per month. The main purpose of these small grants is to increase the percentage of TANF families who are meeting their work participation requirement and hence to help states meet their work-participation-rate requirement.

Including solely-state funded programs and excluding worker supplement programs in the caseload data used for our analysis allows us to have a more consistent trend of the number of families receiving cash assistance in each state over time. We decided to include families in solely-state funded programs because those families are receiving TANF-like services and would have been part of the regular TANF caseload if it was not for the new policies enacted by the DRA. We decided to exclude families in the worker supplement programs because the cash assistance those families receive is very small and not comparable to the assistance received by regular TANF recipients.

Data on the Number of Families with Children in Poverty

The number of families with children in poverty was calculated using CPS data and the official Census poverty thresholds. We counted related subfamilies and primary families in a single household as one family but counted and determined the poverty status of unrelated subfamilies separately. “Deep poverty” refers to families with incomes below half the poverty line, which today is about $11,000 for a family of four. Two years of CPS data were merged to improve reliability for state estimates.

Ratio of Families on TANF to Families in Poverty

Ratios are calculated by dividing the number of TANF cases (based on administrative data from HHS or, since 2006, data collected from states by CBPP) by the number of families with children in...
poverty (CPS data). We use two-year averages for these calculations in order to improve reliability.

These ratios should not be interpreted as the percentage of families with children in poverty served by TANF because the number of families on TANF is not a perfect subset of the number of families in poverty. It is possible for a family to be above poverty and receiving TANF benefits, for example — because some families may be poor in the months they receive TANF assistance but have higher incomes the remainder of the year, or because states may choose to encourage work by permitting partial TANF benefits to continue for certain families who obtain earnings that put their total annual income slightly above the poverty line, or because in some households, large extended families may contain more than one eligible TANF case unit. For these reasons, it's possible for a state to have more than 100 TANF families for every 100 families with children in poverty.

Using the Alabama ratio as an example, the data should be described as follows: In 1994-95, for every 100 Alabama families with children in poverty, the AFDC program served 34 families. In 2009-10, some 17 families participated in TANF for every 100 families with children in poverty.

In Alaska and Hawaii, the TANF-to-Poverty Ratio is above 100 in 1994-95 because the HHS poverty guidelines used in determining program eligibility are significantly higher in these two states than the Census poverty thresholds used in determining the number of poor families. (This is not the case for any of the other 48 states. HHS poverty thresholds are set higher in Alaska and Hawaii to allow for higher costs of living in these two states but do not vary elsewhere. The Census Bureau’s poverty thresholds do not vary for any state.)