
Updated October 14, 2020

State TANF Agencies Can Help Connect TANF Households With Federal Economic Impact Payments

By Liz Schott

While they are among those most in need of extra cash, many families receiving assistance through Temporary Assistance for Needy Families (TANF) may miss out on CARES Act stimulus payments for which they are eligible because they do not file federal taxes and thus have to file a form to get the payments.¹ These payments, of \$1,200 per adult and \$500 per dependent child, can provide a lifeline to families whose low TANF benefits may be their only source of income. The additional funds can help a family gain a measure of housing or financial stability and relieve stress on the family.

Many TANF families are frequently in and out of the labor force and are not required to file federal income taxes due to their low income; TANF benefits do not count as income for IRS purposes. This means they will not get the automatic payments the IRS is sending to tax filers and recipients of certain federally administered benefits, such as Social Security and Supplemental Security Income. Instead they must complete the IRS “Non-Filer” tool, a simplified online form for people not required to file a tax return, by November 21 to receive it this year, or file a 2020 tax return next year to receive it in 2021.²

That’s where state and county TANF agencies have a key role to play. They can conduct an aggressive outreach program to inform families of the steps to take and help them navigate the process to get a payment. That process could prove challenging for many TANF families, such as those who are experiencing homelessness or have limited English proficiency, limited literacy levels, or limited access to use of technology. TANF agencies have a unique opportunity to reach the families they serve because they are in touch with them frequently. In addition, if federal policymakers issue additional stimulus payments to boost economic demand and reduce hardship, state and county efforts now to connect eligible TANF families with the tax system should pay dividends in helping these people access any future rounds of payments.

¹ CBPP estimates that about 12 million low-income Americans are at risk of not receiving this payment because they must file a form in order to receive it. For more information, see Chuck Marr *et al.*, “Aggressive State Outreach Can Help Reach the 12 Million Non-Filers Eligible for Stimulus Payments,” CBPP, updated June 16, 2020, <https://www.cbpp.org/research/federal-tax/aggressive-state-outreach-can-help-reach-the-12-million-non-filers-eligible-for>.

² The IRS portal is at <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>.

Payments Can Make a Big Difference for TANF Families

A typical TANF family — a single parent with two children — could receive a \$2,200 CARES Act payment (technically called an Economic Impact Payment); these funds would not count as income for TANF eligibility purposes. This is a significant cash infusion for such a family, representing about *six months* of TANF benefits in a typical state and up to a year’s worth in the lowest-benefit state. The funds would go to extremely low-income families whose TANF benefits aren’t adequate to meet basic needs in normal times and who face extra needs due to the pandemic. The extra money could make a difference in avoiding homelessness, or ending it. It also could allow a family to stock up on cleaning items or toiletries, pay utility bills, or in other ways attain or maintain some economic stability.

The extra money also could have longer-term positive impacts that further state policy goals. Income support during early childhood can improve the lives of children living in poverty. For example, it can reduce the “toxic stress” caused by a scarcity of resources, which has lasting negative consequences for children’s brain development and physical health.³ Income support also can improve children’s academic, health, and economic outcomes, the National Academies of Sciences’ report on reducing childhood poverty finds.⁴ Even relatively small or non-recurrent infusions of cash, like those from the stimulus payments, can make a difference.⁵

State and County Agencies Uniquely Equipped to Reach Families

State and county TANF agencies have a direct line to families that are seeking or receiving TANF, directly communicating with them on a regular basis to establish and maintain their eligibility. Caseworkers may have even more contact with TANF recipients in coming months because many states extended benefits during the pandemic’s early stages, postponing renewals until the summer. These routine contact points create opportunities to provide information on how to get the stimulus payments and to help families navigate the process.

TANF is a particularly “high-touch” program; many parents must connect monthly with a caseworker employed or contracted by the TANF agency in order to report and document participation in work activities. States, counties, and employment service contractors can use these frequent connections to offer information and hands-on assistance.

Even in a time of social distancing, with many offices closed and face-to-face contact limited, there is much that the TANF agency or contractors can do. In fact, social distancing challenges make agencies’ outreach efforts even more important since they have contact information to directly reach a family. Agencies may also have contracts with service providers that have some of the

³ Arloc Sherman and Tazra Mitchell, “Economic Security Programs Help Low-Income Children Succeed Over Long Term, Many Studies Find,” Center on Budget and Policy Priorities, July 17, 2017, <https://www.cbpp.org/research/poverty-and-inequality/economic-security-programs-help-low-income-children-succeed-over>.

⁴ National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, 2019, <https://www.nap.edu/read/25246/chapter/2#6>.

⁵ Greg Duncan and Katherine Magnuson, “The Long Reach of Early Childhood Poverty,” *Pathways*, Winter 2011, https://inequality.stanford.edu/sites/default/files/PathwaysWinter11_Duncan.pdf.

highest-touch contact with some of the most disadvantaged recipients, and the agency can push messages and materials out through these contractors as well.

While states should post information on how to access these stimulus payments on the agency website, they can also take more direct outreach actions, including:

- Setting up a texting or email campaign to provide information about the payments and how to get help;
- Including messages about the payments in any emails or notices sent to recipients;
- Posting information on the online account system website through which recipients submit information and check benefit status;
- Including information about the payments in the agency call center’s “on hold” messages; and
- Reminding caseworkers to discuss the payments and provide information when talking with families about their financial and eligibility issues and providing scripts or messages for the workers to use. The workers could reiterate that the payments do not count as income for TANF eligibility purposes.

The Get It Back Campaign has created outreach resources with sample promotional materials, including scripts, press release text, blog posts, and social media materials.⁶

TANF Families May Need Help Accessing Payments

Those who do not receive automatic payments will face hurdles in accessing the stimulus payments and may need assistance. They must either file federal taxes for 2019 or complete the IRS Non-Filer tool. While simpler than a full tax return, the Non-Filer tool still requires a user to create an online account, enter certain personal information (including direct deposit information, if available), verify their email address, and submit the form.

TANF recipients may find steps such as setting up an account with the IRS or entering bank information for direct deposit daunting. For those who are unbanked, the IRS offers other direct deposit, quick payment options — namely, prepaid cards or payment apps such as Cash App, Venmo, and PayPal — but this approach, too, requires setting up the payment method and entering a routing number. If the IRS lacks direct deposit information for a given individual, it will mail a paper check or, in some cases, a prepaid debit card, but these options are expected to take much more time and will delay receipt by a family in need.

As many social service organizations are not yet back in their offices, TANF families may not have access to storefront community-based services where they might get help in navigating some of these processes. The TANF or contractor caseworkers who have the most contact with recipients can be trained to offer assistance in navigating the IRS portal. They also can be equipped with referral and contact information to VITA (Volunteer Income Tax Assistance) or other tax-preparation assistance that could help TANF recipients navigate the portal or file a full tax return.

⁶ See the “Stimulus Payment Outreach Resources” at <https://www.citcoutreach.org/tax-filing/coronavirus/>. Additional toolkit materials will be posted to that site as they become available.

Additional Opportunity to Help the Most Disadvantaged Children

Most TANF families also receive SNAP and Medicaid benefits. If governors and human services agencies conduct aggressive outreach and education for recipients of SNAP or Medicaid — a much larger group than TANF recipients — these efforts can dovetail nicely with the more intensive and hands-on TANF efforts by providing another source of information for TANF families.

Also, outreach efforts to connect families to the stimulus payments for which they qualify can provide an opportunity to extend TANF cash assistance to families that are eligible for it but don't receive it, many of whom have little or no earnings. As more families have been excluded from or cut off from TANF over the years, the number of families disconnected from both work and cash assistance has grown. Given the importance of ongoing income support for the well-being and future prospects of children, states and counties should not overlook the opportunity to connect SNAP or Medicaid families with no income to TANF. This can be incorporated into the same outreach efforts or can be a separate effort that targets, for example, SNAP families that the state knows have zero income.