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Updated August 5, 2021

## Chart Book: Temporary Assistance for Needy Families (TANF) at 25

Twenty-five years ago, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which created the Temporary Assistance for Needy Families (TANF) program as the nation's primary source of cash assistance to families with children when they fall on hard times or have very low incomes. TANF replaced Aid to Families with Dependent Children (AFDC), a program that had been in existence since 1935. Since TANF's creation, the accessibility and adequacy of cash assistance has fallen dramatically and, in some states, primarily in the South and where Black children are likelier to live, TANF cash assistance has all but disappeared.

TANF provides a vital support to families with the lowest incomes: cash assistance. Other anti-poverty programs, such as SNAP and refundable tax credits, have grown significantly and have had a [tremendous impact on reducing hardship](#), especially for Black and Latino families and individuals. Yet families with little or no cash income still need monthly cash assistance to be more economically secure.

**[Part I: TANF Cash Assistance Could Reach Millions More Families in Need](#)**

**[Part II: Higher TANF Benefit Levels Needed to Help Families Afford Their Basic Needs](#)**

**[Part III: States Should Invest More TANF Dollars in Cash Assistance, Supporting Work](#)**

**[Part IV: TANF Promised “Work, not Welfare” but Left Many Families with Neither](#)**

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## Why Cash Assistance Matters



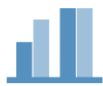
### Cash assistance helps families meet basic needs.

Every family has basic needs that can only be met with cash. Examples include diapers, personal hygiene products, and winter clothing.



### Cash assistance can stabilize families facing a crisis.

Cash assistance can meet a family's basic needs when they have lost a job, are fleeing domestic violence, or are in other destabilizing situations.



### Cash assistance can promote racial equity.

An antiracist cash assistance program can help reduce economic disparities that disproportionately harm Black and other children of color.



### Cash assistance can help children succeed.

Research shows that income poverty harms children and that cash assistance can improve low-income children's health as well as their future educational attainment and earnings.

Source: Ife Floyd et al., "TANF Policies Reflect Racist Legacy of Cash Assistance," August 4, 2021; National Academies of Science, Engineering, and Medicine, "A Roadmap to Reducing Child Poverty," 2019

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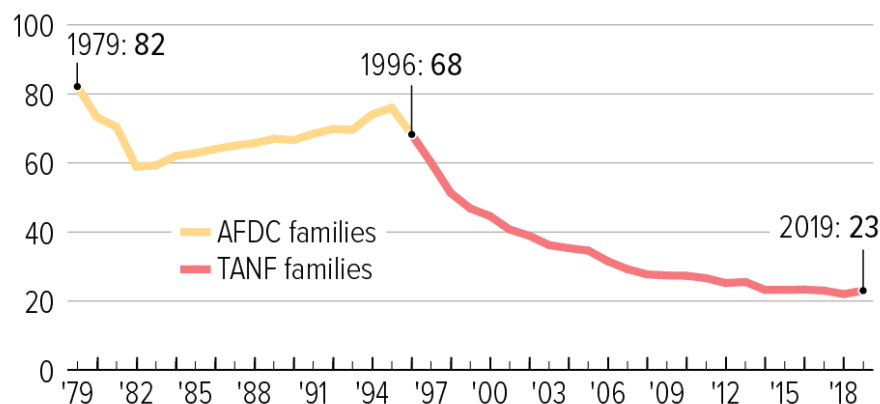
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## Part I: TANF Cash Assistance Could Reach Millions More Families in Need

The most consequential change in TANF over the last 25 years is the decline in the number of families receiving cash assistance. During this period, the national TANF average monthly caseload has [fallen dramatically](#) even as poverty and deep poverty (incomes below half of the poverty line) remained widespread. In 2019, 4.5 million families with children were living in poverty. And for every 100 families in poverty, only 23 received cash assistance from TANF, down from 68 families when TANF was enacted in 1996. This “TANF-to-poverty ratio” (TPR) is nearly the lowest in the program’s history.

### 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 Department of Health and Human Services and (since September 2006) caseload data collected by CBPP from state agencies

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If TANF had the same reach now as AFDC did in 1996, the impacts would be substantial. The program would have reached 3.1 million families living in poverty in 2019, 2 million more families than were actually reached by TANF.

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## TANF Could Be Serving 2 Million More Families



In 2019, TANF helped  
**1.1 million families.**

But if it had the same reach as it did in 1996, it could have helped  
**3.1 million families.**

Note: If Temporary Assistance for Needy Families (TANF) served 68 out of 100 families with children in poverty in 2019 as it did in 1996, compared to the 23 it actually served, it would have reached 3.1 million families.

Source: CBPP analysis of poverty data from the Census' Current Population Survey and TANF caseload data collected by CBPP from state agencies

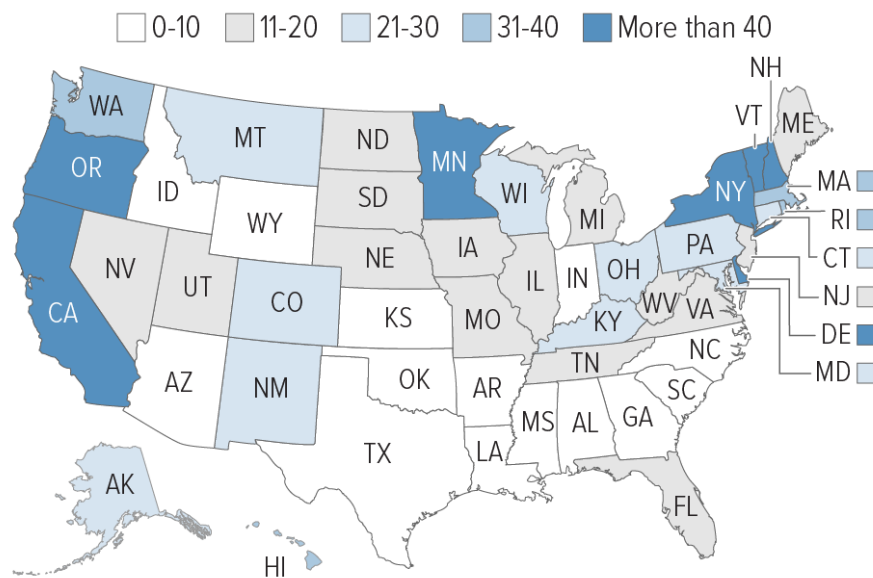
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There is also extreme and growing variation in state-level TPRs. In 2019, the TPR ranged from 70 in California to 4 in Louisiana. These data show that access to TANF largely depends on where families live. These geographic disparities reflect — and can widen — racial inequities in TANF: Black children are likelier, and Latino children are somewhat more likely, than white children to live in states with the lowest TPRs. 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.

## States’ TANF Cash Assistance Programs Reach Few Poor Families

Number of families receiving TANF benefits for every 100 families with children in poverty in 2019



Note: TANF = Temporary Assistance for Needy Families. Figures reflect two-year averages for 2018-19.

Source: CBPP analysis of poverty data from the Census’ Current Population Survey and TANF caseload data collected by CBPP from state agencies

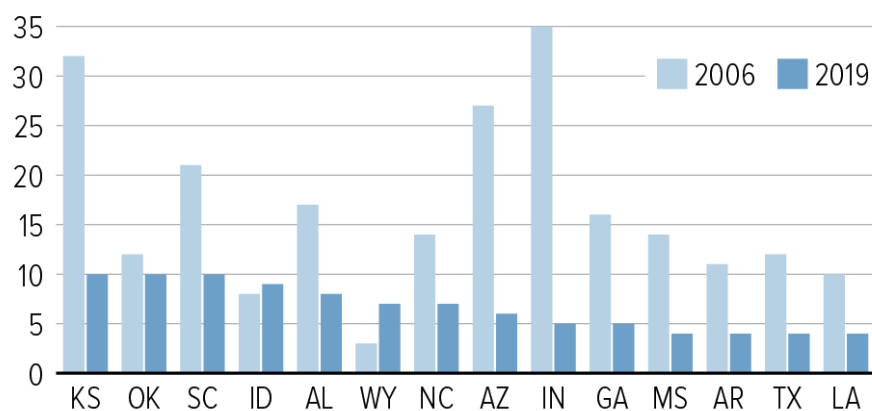
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An especially troubling trend is the number of states with TPRs of 10 or less, which has increased dramatically in the last 15 years. In 2019, 14 states had TPRs of 10 or less, compared to just three in 2006 and zero in 1996. Significant policy or administrative changes that made it harder for families to receive benefits account for these sizable declines.

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## TANF Serves Hardly Any Families Living in Poverty in Some States

Fourteen states had TANF-to-poverty ratios of 10 or less in 2019, compared with three in 2006



Note: TANF = Temporary Assistance for Needy Families. TANF-to-poverty ratio measures the number of families receiving TANF benefits for every 100 families with children in poverty. Figures reflect two-year averages for 2005-06 and 2018-19.

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

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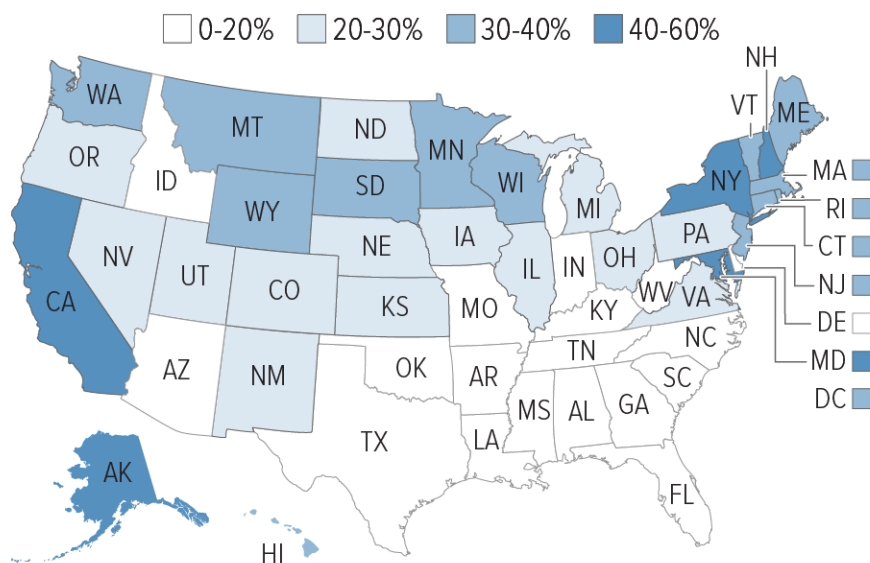
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## Part II: Higher TANF Benefit Levels Needed to Help Families Afford Their Basic Needs

Not only do fewer families in need receive TANF cash benefits, but [benefit levels](#) for those who do are inadequate. In 2020, the maximum TANF benefit for a family of three in *every* state was at or below 60 percent of the poverty line, and benefits fell below 20 percent in 18 states. Following a pattern similar to inadequate access, [the erosion of TANF benefits](#) has been more severe in states where Black children are likelier to live: a majority (55 percent) of Black children in the country live in a state with benefits at or below 20 percent of the poverty line, compared to 41 percent of Latino children and 40 percent of white children.

### Maximum TANF Benefits Leave Families Well Below Federal Poverty Line

Maximum TANF benefit as a percent of poverty line (for a family of three)



TANF = Temporary Assistance for Needy Families

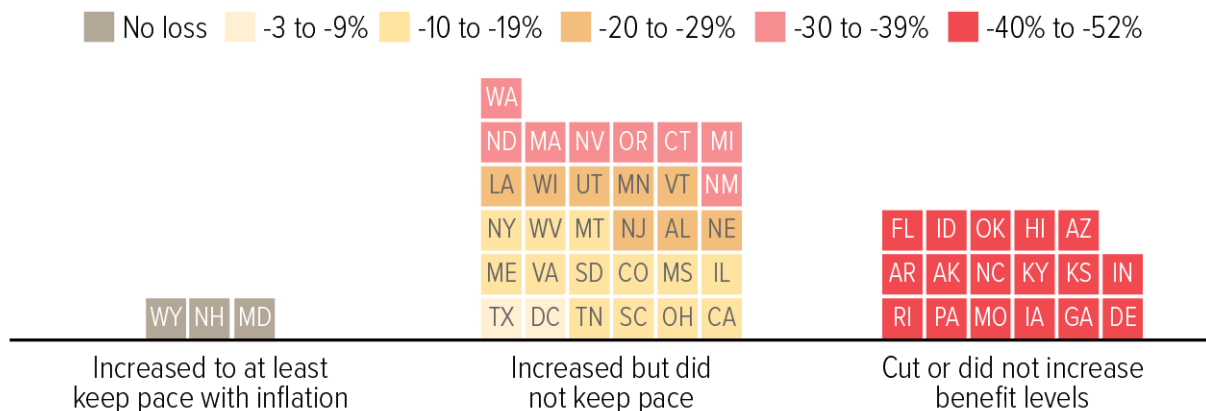
Note: The federal poverty level for a family of three in 2020 is \$1,810 per month in the 48 contiguous states and Washington, D.C.; Alaska and Hawai'i have higher poverty levels.

Source: 2020 Health and Human Services Poverty Guidelines. TANF benefit levels for a single-parent family of three were compiled by CBPP from various sources and are current as of July 1, 2020

TANF benefit levels were not adequate in most states at the start of the program, and most states have allowed their benefits to erode even further. In all but three states, the real (inflation-adjusted) value of TANF cash benefits has fallen since 1996. At the other extreme, one-third of states either did not increase or cut benefit levels since 1996 and have lost 40 percent or more of their value to inflation. In the remaining 31 states, benefit increases were not sufficient to keep pace with inflation, leading to an average value loss of 21 percent.

## Most States Have Not Sufficiently Increased TANF Benefits To Keep Pace With Inflation

Percent loss in real (inflation-adjusted) value of TANF benefits, 1996 to 2020



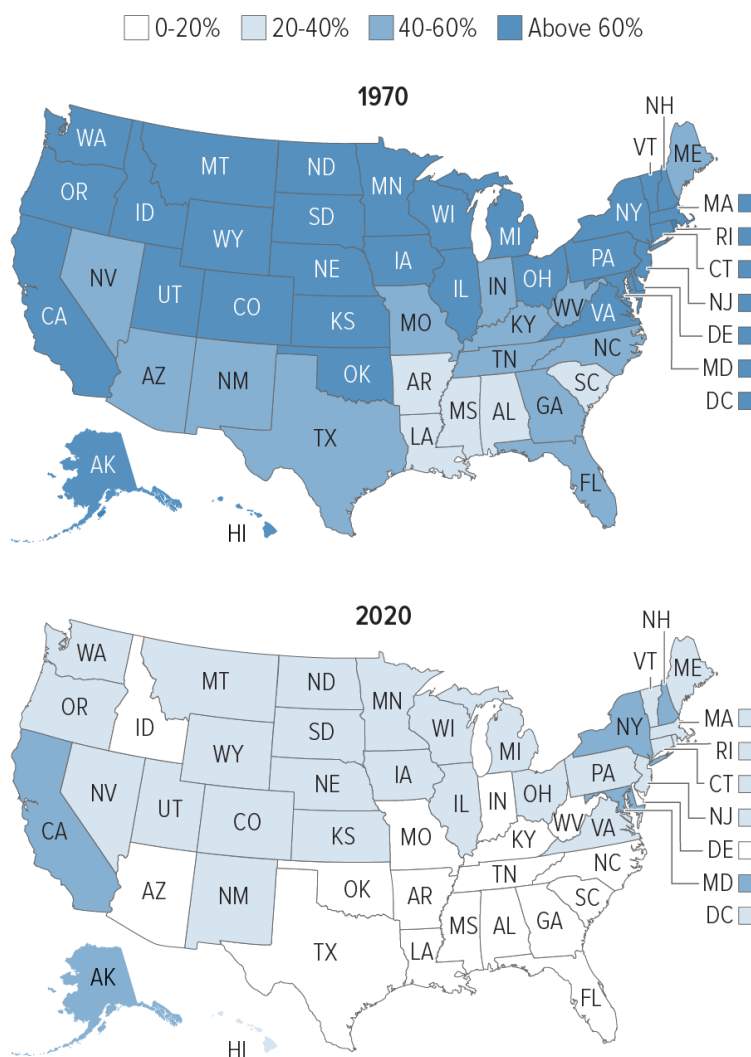
Note: TANF = Temporary Assistance for Needy Families. Benefits adjusted for inflation using the CPI-U-RS.

Source: July 1996 maximum TANF benefits for a family of three collected from Congressional Research Service and July 2020 benefits compiled by CBPP from various sources

The decline in benefits since 1996 follows a quarter-century of major declines in the real value of benefits provided through AFDC. Between 1970 and 1996, AFDC benefits fell by more than 40 percent in two-thirds of the states, after adjusting for inflation, leading to the gradual weakening of AFDC as an anti-poverty program. Even 50 years ago, regional disparities were evident: Southern states — as they do today — provided far lower benefits than the national median.

## Cash Assistance Historically Weak in Southern States, Now Weak in Most States

Maximum AFDC/TANF benefits by state as a share of federal poverty line, 1970 vs. 2020



Note: AFDC = Aid to Families with Dependent Children. TANF = Temporary Assistance for Needy Families. Calculations are based on the maximum AFDC/TANF benefit a family of three could receive in July of 1970 and 2020, respectively.

Source: 2020 Health and Human Services Poverty Guidelines. Prior to 1982, Poverty Guidelines were published by the Office of Economic Opportunity. 2020 TANF benefits collected by CBPP from various sources. 1970 AFDC benefits from Table 5.5 in HHS, "Aid to Families with Dependent Children: The Baseline," 1998.

## Part III: States Should Invest More TANF Dollars in Cash Assistance, Supporting Work

The TANF block grant fundamentally altered both the structure and allowable uses of federal and state dollars previously spent on AFDC and related programs. Under TANF, the federal government gives states a fixed block grant totaling \$16.5 billion each year. This amount has not increased since 1996 and when accounting for inflation, is now worth 40 percent less than when TANF was created. States are also required to sustain a certain level of *state* maintenance of effort (MOE) spending (totaling \$10 to \$11 billion per year), based on a state's level of spending for AFDC and related programs prior to its conversion to TANF in 1996.

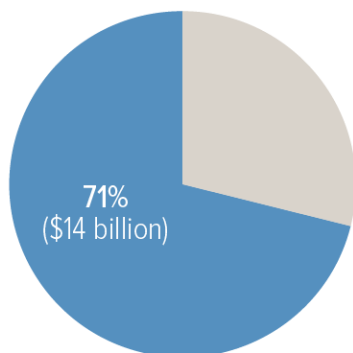
Before TANF's creation, virtually all AFDC funding, federal and state, went to providing cash benefits (i.e., basic assistance) to families with children. As TANF caseloads declined dramatically, states diverted funds elsewhere that had previously gone to families with very low incomes in the form of basic assistance. States used the flexibility the block grant gave them to redirect those funds, and [spending on basic assistance](#) has plummeted.

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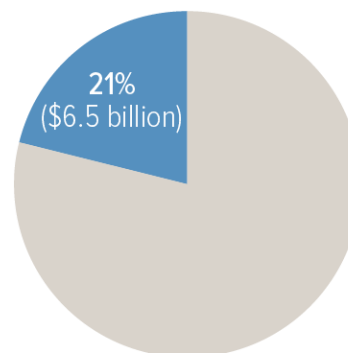
### States Spend Far Less on Basic Assistance Than They Did at TANF's Beginning

Total federal TANF and state MOE spending on basic assistance has declined 71 percent (inflation adjusted) since TANF's first year

Total TANF spending on basic assistance in 1997



Total TANF spending on basic assistance in 2019



Note: TANF = Temporary Assistance for Needy Families. MOE = maintenance of effort.

Source: CBPP analysis of Department of Health and Human Services TANF financial data

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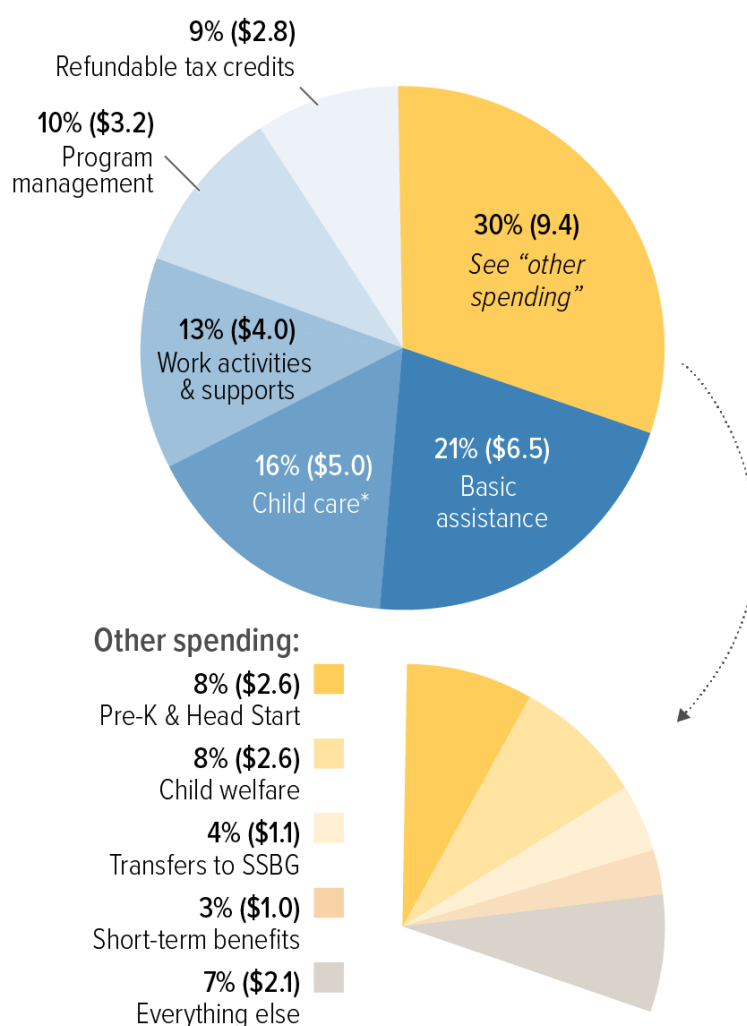
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A key feature of the TANF block grant is that states can use their federal TANF dollars and state MOE funds to support a range of activities related to promoting the [four purposes of TANF](#) specified in federal law, which are quite broad. Because of this, states have been able to shift funds that were previously used to provide cash assistance toward many other uses. Some of these funds have been used to fund programs and services, such as child care, that encourage and support employment among low-income families, while a significant portion (and in some states the

majority) of funds are neither used to meet families' ongoing basic needs nor to support work. While spending on areas such as pre-K and child welfare are important investments, states should use funding sources other than TANF for them. Moreover, unlike basic assistance, spending in these other categories are often not targeted to families with the lowest incomes. For instance, the majority of spending on work activities in several states is spending on college scholarship programs made available to families with incomes well above the poverty line — not preparing or connecting TANF participants to work opportunities.

## States Spend Few TANF Funds on Basic Assistance, Rest not Well Targeted to Lowest-Income Families

Spending (in billions of dollars) as share of total TANF spending, 2019



\*Includes transfers to Child Care and Development Fund

Note: TANF = Temporary Assistance for Needy Families; SSBG = Social Services Block Grant.

Source: CBPP analysis of Department and Health and Human Services 2019 TANF financial data

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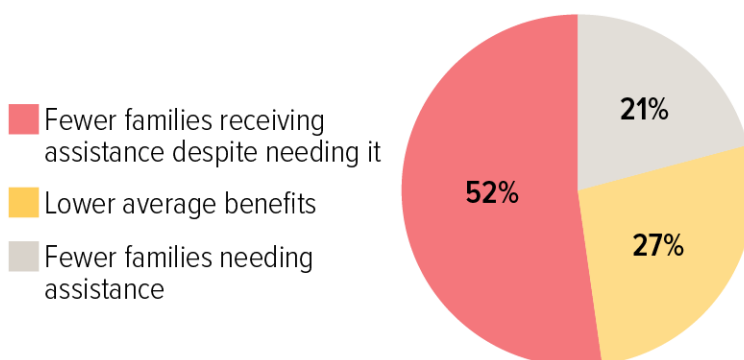
## Part IV: TANF Promised “Work, not Welfare” but Left Many Families With Neither

To explain the decline of TANF cash assistance, those who deem TANF a success point to demographic changes (e.g., increased employment among single mothers and a decline in single motherhood) that they claim has led to a lesser need for cash assistance. Those who deem it a failure point to the decline in the number of families in need receiving assistance and the value of cash benefits families receive.

Recent research shows that claims of TANF’s success are [vastly overstated](#). The real value of the total amount value of TANF cash assistance provided annually to families under TANF and its predecessor fell 78 percent between 1993 and 2016, according to a [recent study](#). Over half of that decline was due to fewer families participating in the program despite needing it, and over a quarter was due to lower average benefit levels. Just one-fifth of the decrease was due to reduced need, which includes any increase in employment that might have occurred.

### Bulk of Cash Assistance’s Decline Due to Worsened Access, Benefits — Not to Less Need

Decline in real value of total TANF/AFDC cash assistance (1993-2016) due to:



Note: TANF = Temporary Assistance for Needy Families; AFDC=Aid to Families with Dependent Children. TANF replaced AFDC in 1996. Families needing assistance were those whose incomes met their state’s eligibility criteria for AFDC/TANF.

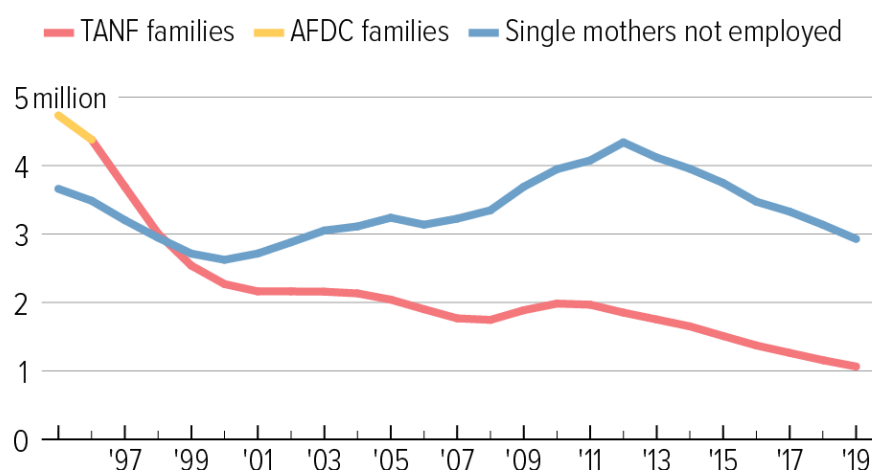
Source: Parolin, “Decomposing the Decline of Cash Assistance in the United States, 1993 to 2016”

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The story of TANF’s failure is a story of the consequences of [racist, anti-Black policies](#) for *all* families. Steep barriers, including discrimination in the labor market and in government policies, have led to disproportionate levels of poverty among Black mothers. Instead of addressing these barriers, policymakers attributed Black mothers’ circumstances to false and harmful stereotypes such as the “welfare queen,” which painted low-income Black people as unwilling to work. These stereotypes were also used to justify two key policy changes — work requirements and time limits — in TANF that, along with the block grant structure, have contributed to its weakening (and near demise in some states).

In large part because of work requirements, TANF today reaches few non-working families and leaves many families with children with no regular cash income. In 2019, 2.9 million single mothers did not work for pay, yet only 1.1 million families received TANF at some point during that same year. This suggests that many non-working single mothers may not have access to the employment opportunities and work supports that TANF is supposed to provide. In 1996, in contrast, the number of families receiving AFDC that year exceeded the number of non-working single mothers. [The COVID-19 pandemic's](#) impact on labor market participation were most acutely felt by single mothers, who continue to be left behind in the ongoing economic recovery; yet preliminary data suggest that caseloads in most states did not rise with the greatly elevated levels of hardship families faced during the pandemic.

## TANF Reaching Fewer Jobless Single Mothers



Note: TANF = Temporary Assistance for Needy Families; AFDC = Aid to Families with Dependent Children. TANF replaced AFDC after 1996.

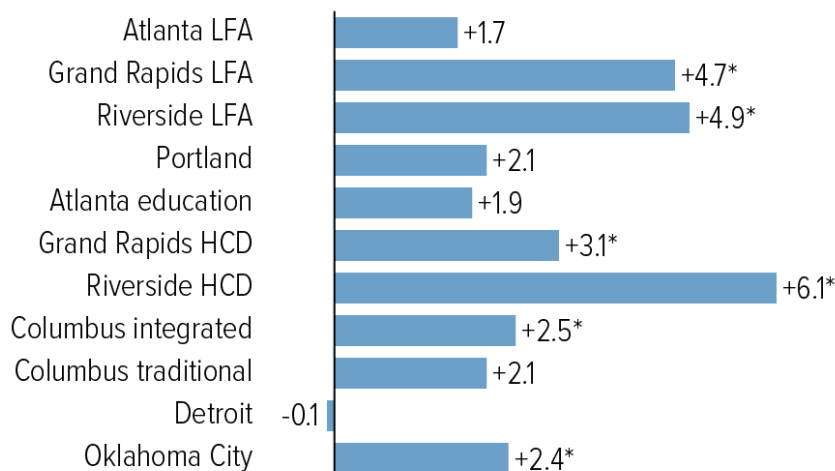
Source: Employment data are annual averages from the monthly Current Population Survey (CPS). AFDC/TANF caseload data from Department of Health and Human Services and (since 2006) caseload data collected by CBPP from state agencies

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Contrary to claims that work requirements help families reach economic independence, large randomized controlled trials, the gold standard of research, in the 1990s offer scientific evidence that AFDC/TANF work requirements caused [a rise in deep poverty](#) for recipient families. The study examined 11 pilot programs — local forerunners of TANF's work requirements — and found that while most of them slightly improved short-term employment and overall poverty rates, the deep poverty rates rose by a statistically significant amount in six of the 11 programs and didn't fall significantly as many families had their benefits reduced or taken away.

## 1990s Pilot Programs With Work Requirements Raised Deep Poverty

Percentage-point difference in deep poverty vs. those not assigned to work requirements



\*Statistically significant

Note: "Deep poverty" = those below one-half of the poverty line, counting earnings, SNAP (then called food stamps), and tax credits. LFA = Labor force attachment; HCD = human capital development. Under "integrated" pilots, enrollees had a single case manager to perform income maintenance, such as determining eligibility, and welfare-to-work functions, such as assigning enrollees to employment activities. "Traditional" pilots had two case managers to perform these functions.

Source: MDRC, [https://www.mdrc.org/sites/default/files/full\\_93.pdf](https://www.mdrc.org/sites/default/files/full_93.pdf), table ES-10

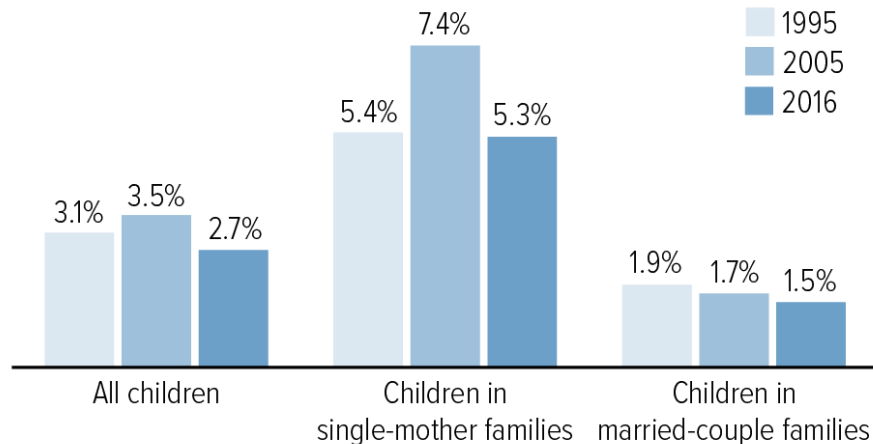
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During [TANF's first decade](#), work requirements and time limits contributed to a rise in deep poverty among children as millions of families lost cash assistance. Between 1995 and 2005, deep poverty rose from 5.4 percent to 7.4 percent among children in single-mother families, whom the replacement of AFDC with TANF most affected. The most suitable period for examining the effects of PROWRA is 1995 to 2005 because it extends from the year before the law's enactment until ten years later, when the law's major changes had mostly played out, and before significant additional changes in other low-income policies began blunting its negative impact on deep poverty.

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## Deep Poverty Rose Among Children in Single-Mother Families in Decade After 1996 Law Created TANF

Percent of children below half the poverty line, by family type



Note: Deep poverty = Those in families with incomes below 50 percent of the poverty line. Figures use Supplemental Poverty Measure (SPM) and 2018 SPM poverty line adjusted for inflation. Figures correct for underreporting of benefits from SNAP, Supplemental Security Income, and Temporary Assistance for Needy Families (TANF).

Source: CBPP analysis of SPM data from Columbia University Population Research Center (for 1995 and 2005) and U.S. Census Bureau (for 2016). Corrections for underreported benefits from Department of Health and Human Services/Urban Institute Transfer Income Model (TRIM)

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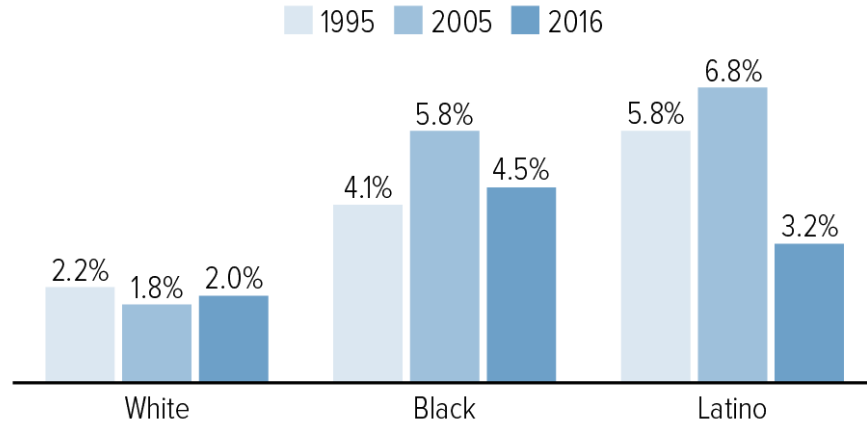
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When looking at changes in deep poverty among children in TANF's first decade, racial disparities are also evident. Black and Latino children experienced higher levels of deep poverty than white children during that same decade. Black families were at particular risk of deep poverty as TANF weakened, in part because of structural racism in the labor market and government policies. Studies have also shown that, all else being equal, states with higher concentrations of [Black residents](#) have more punitive and less generous TANF policies, and those states [spend less](#) on basic cash assistance. Black and other TANF participants of color are also significantly more likely to be sanctioned than white families. For Latino children, PRWORA's [reduction in access](#) to cash and other government assistance for undocumented and recently arrived immigrants also had a major effect on deep poverty. More recently, deep poverty rates receded for Black and Latino children due to the strengthening of other economic security programs and an improving economy, but racial disparities remain high.

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## Deep Poverty Rose Among Black and Latino Children in Decade After 1996 Law Created TANF

Percent of children below half the poverty line, by race and ethnicity



Note: Deep poverty = Those in families with incomes below 50 percent of the poverty line. Figures use Supplemental Poverty Measure (SPM) and 2018 SPM poverty line adjusted for inflation. Figures correct for underreporting of benefits from SNAP, Supplemental Security Income, and Temporary Assistance for Needy Families (TANF).

Source: CBPP analysis of SPM data from Columbia University Population Research Center (for 1995 and 2005) and U.S. Census Bureau (for 2016). Corrections for underreported benefits from Department of Health and Human Services/Urban Institute Transfer Income Model (TRIM)

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While employment that pays sufficient wages and provides regular hours can be a path out of poverty and toward financial stability, most TANF participants are *not on that path*, a recent look at [employment outcomes](#) of parents who left TANF in nine states found. Most parents worked before and after leaving TANF, but in unstable jobs where they often did not earn enough to escape deep poverty. [In Kansas](#), 7 in 10 parents worked in the year after they left TANF, but only half as many earned wages that kept them above deep poverty. Additionally, most Kansas leavers had no or very low earnings *four years later*. Parents who left TANF because their benefits were taken away because of work requirements or time limits fared even worse.

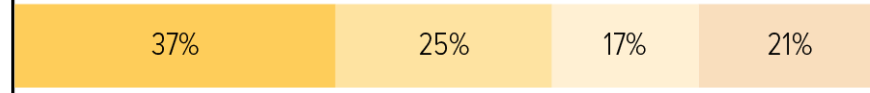
## In Kansas, Most Parents Below Half of Poverty Line Four Years After Leaving TANF

Annual earnings as share of federal poverty line

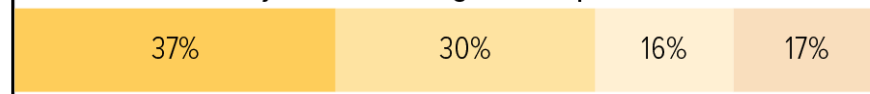
■ No earnings ■ Under 50% ■ 51-99% ■ 100%+

### Parents leaving TANF:

#### For any reason



#### Benefits taken away for not meeting work requirements



#### Benefits taken away due to time limit



Note: TANF = Temporary Assistance for Needy Families. Data are for those who left TANF in 2012. Earnings adjusted to 2016 dollars. The federal poverty line in 2016 was \$20,160 for a family of three.

Source: Mitchell, Pavetti, and Huang, "Life After TANF In Kansas: For Most, Unsteady Work and Earnings Below Half the Poverty Line," 2018

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This Chart Book reflects TANF policy in the 50 states and the District of Columbia. Data presented here do not reflect Tribal TANF programs or TANF programs operated by Guam, Puerto Rico, and the U.S. Virgin Islands.