



# Graphical Overview of State TANF Policies as of July 2019

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If a family needs help covering their expenses during a period of financial hardship, will they qualify for temporary cash assistance? If so, how much assistance can they receive each month, and for how long can they receive it? The answers to these questions depend not only on the family's circumstances but also on where they live.

The primary program that provides cash aid to families in need is called Temporary Assistance for Needy Families, or TANF.<sup>1</sup> TANF is a block grant, meaning the federal government provides each state with a set amount of money that the state combines with its own funding to meet the program's goals. In the average month of Federal Fiscal Year (FFY) 2019, about 917 thousand families received cash aid from TANF (from

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<sup>1</sup> The TANF program provides cash and noncash aid (e.g., transportation assistance and child care assistance). In this brief, we focus on policies regarding cash aid.

federal money or state funding that is also considered TANF); the average monthly benefit for a family of three with no other income was \$474.<sup>2</sup> Each state sets its own policies for exactly who can get help, how much they can receive, and for how long. These policies can vary greatly across states.

In this brief, we present selected state policy differences for TANF cash aid. The policies are taken from the Welfare Rules Database (WRD), a publicly accessible resource maintained by the Urban Institute and funded by the Office of Planning, Research, and Evaluation within the Administration for Children and Families in the US Department of Health and Human Services. The WRD tracks state policies over time, from 1996 to the present. The database includes hundreds of variables related to

- initial eligibility,
- benefit amounts,
- work and activity requirements, and
- ongoing eligibility and time limits.

This brief is a companion to the 2019 Welfare Rules Databook and provides a graphical overview of some of the policy differences across states.<sup>3</sup> We describe and present policies related to initial eligibility, benefit amounts, and ongoing eligibility. Finally, we provide information about additional resources available from the WRD.

## Diversion and Initial Eligibility Requirements

Families must satisfy several requirements before they can qualify for TANF cash assistance for the first time or qualify again after a period of not receiving assistance.<sup>4</sup> To be eligible, an applicant family must pass both financial and nonfinancial tests. A key financial test is that the family's countable income must be under the state's eligibility limit. Nonfinancial tests include special requirements for noncitizens and, in some states, requirements to look for a job.

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<sup>2</sup> For more information on TANF and State Separate Program-Maintenance of Effort (SSP-MOE) caseload data for total families, see "TANF Caseload Data 2019," Administration for Children and Families, May 27, 2020, <https://www.acf.hhs.gov/ofa/resource/tanf-caseload-data-2019>. (Figures for SSP-MOE cases include families receiving very small worker supplement amounts. Also, these caseload data do not count families receiving cash aid that is solely state funded.) For more information on benefit amounts, see table II.A.4 in the Welfare Rules Databook. The average of \$474 is calculated using one value per state (the policy affecting the largest portion of the caseload).

<sup>3</sup> For the 2019 Welfare Rules Databook see Shantz, Katie, Ilham Dehry, Sarah Knowles, Sarah Minton, and Linda Giannarelli, *Welfare Rules Databook: State TANF Policies as of July 2019*, OPRE Report 2020-141 (Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2020). Both the Welfare Rules Databook and this graphical overview present the policies that were in place as of July 1, 2019.

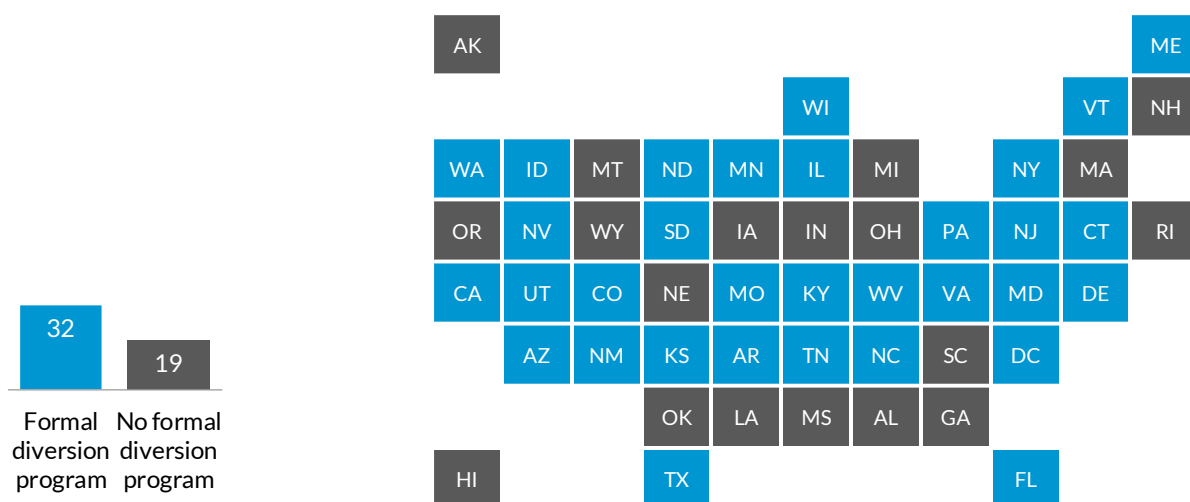
<sup>4</sup> The group of people who together apply for or receive TANF—often termed the "assistance unit"—is determined based on state-specific policies that are described in the Welfare Rules Database. The assistance unit might not include all members of a family who live together, and in some circumstances may include nonrelatives. For simplicity, this brief uses the term "family" to refer to the assistance unit.

## Do States Try to Divert Some Families from Becoming TANF Recipients?

Sometimes, a family that comes to apply for monthly cash aid will be “diverted.” Under formal diversion programs, states offer families the choice to receive a lump-sum cash payment to help meet their immediate needs rather than starting to receive a monthly TANF benefit. The lump-sum cash payment may be paid directly to the family or to a vendor for the family’s expenses. Families that accept diversion payments are usually not allowed to apply for monthly TANF benefits for some period (or if they apply during that time, the state may impose some penalty, such as subtracting the diversion payment from their initial TANF benefits). Thirty-one states and the District of Columbia used formal diversion programs in 2019 (figure 1).

FIGURE 1

### Formal TANF Diversion Programs, 2019



Source: Welfare Rules Database.

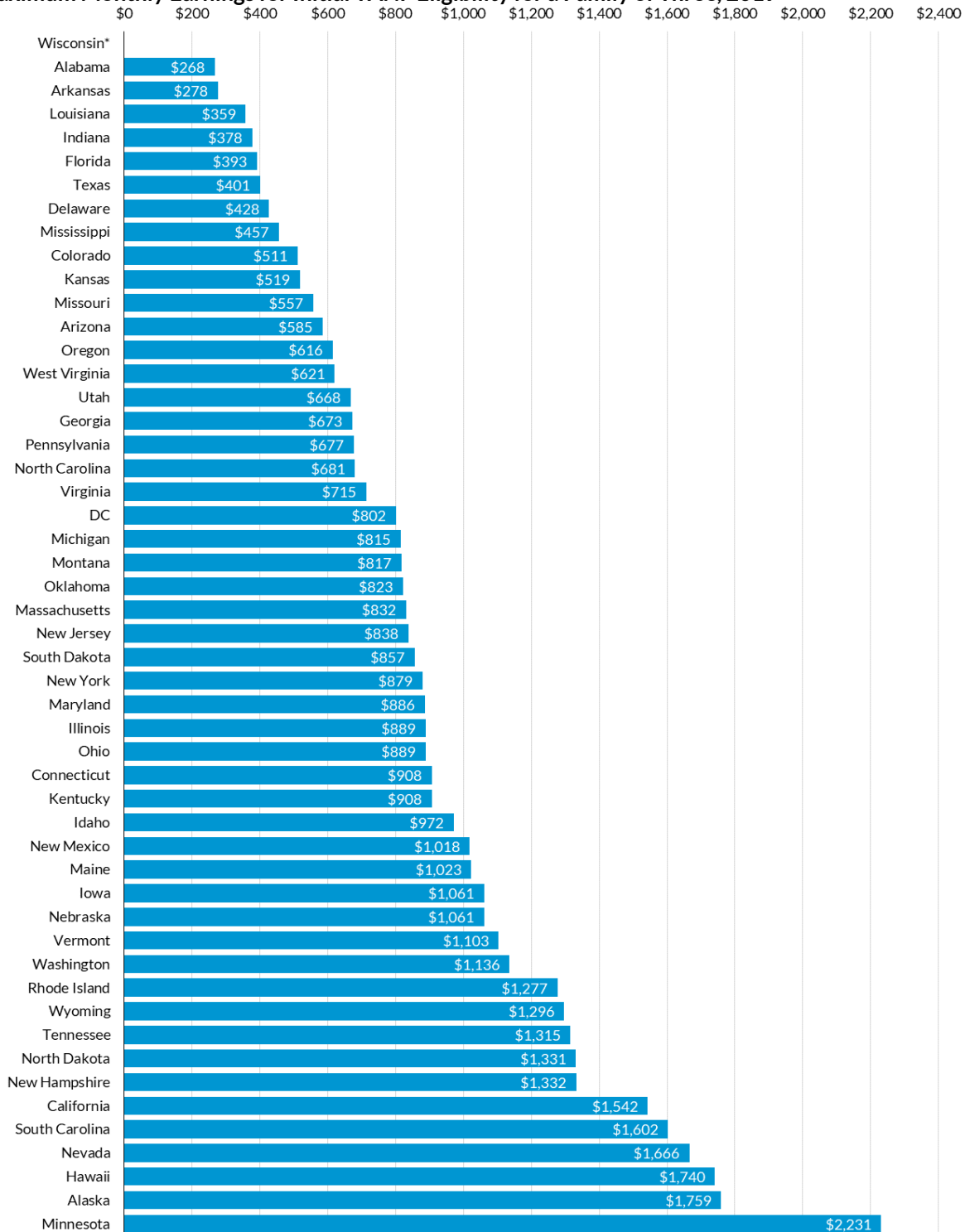
## How Much Income Can Families Have and Still Be Eligible for TANF?

Families must have very low income to be eligible for TANF. Specifically, they must have countable income below their state’s income threshold for a family of their size. Those income thresholds vary widely; however, the income thresholds alone do not allow a clear comparison of states’ eligibility policies, because states also vary in the types of income they count and how they measure income, particularly how much a family’s earnings are disregarded when determining countable income.<sup>5</sup>

<sup>5</sup> In 2019 in Montana, for example, a three-person family could have been eligible for TANF if their countable income was below \$463. Because Montana’s 2019 eligibility determination process disregarded the first \$200 of earnings and 25 percent of remaining earnings, a three-person family in Montana could have had earnings as high as \$817 and still been technically eligible for TANF.

FIGURE 2

Maximum Monthly Earnings for Initial TANF Eligibility for a Family of Three, 2019



Source: Welfare Rules Database.

Notes: Wisconsin does not provide cash assistance if the family has earned income, but applicants may earn up to \$2,045 and still be eligible for noncash assistance. If the amounts vary by county or region within a state, the amount shown applies to the majority of the state.

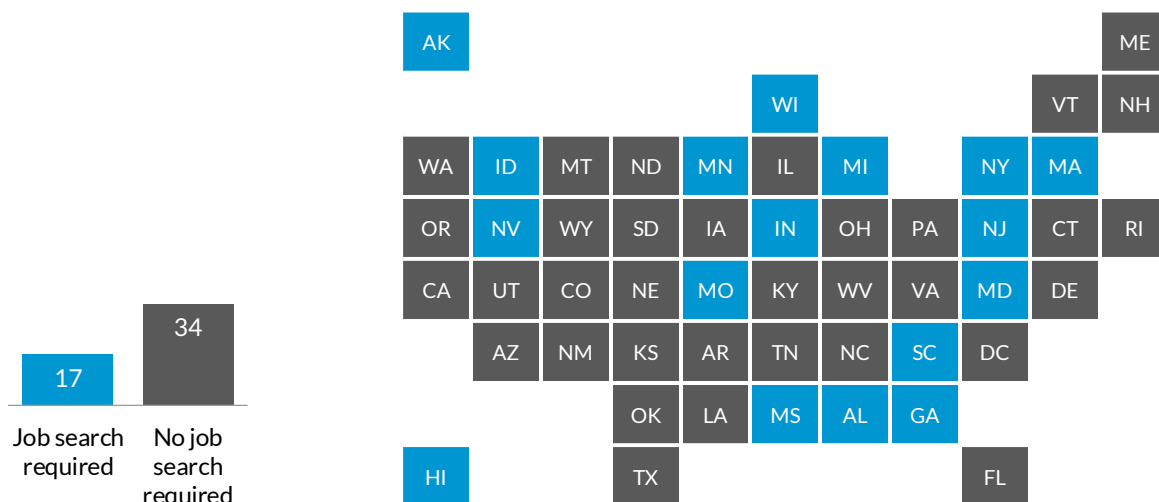
To compare states' eligibility limits consistently, we compute the maximum amount of earnings an applicant can have and still be technically eligible for cash assistance in each state (figure 2).<sup>6</sup> In 2019, the maximum monthly earnings that a family of three could have and still be initially eligible for TANF ranged from \$268 in Alabama to \$2,231 in Minnesota (figure 2).

## Are Unemployed TANF Applicants Required to Look for a Job?

When a parent who is out of work applies for TANF, some states require that the parent look for a job either before the application is processed or while the application is processed.<sup>7</sup> In states with this policy, applicants must prove they searched for jobs at a certain number of businesses or participated in the state's job-related programs. The goal of these requirements is for applicants to find jobs so that they will either no longer need assistance or be employed by the time they begin receiving assistance (meaning that they might need less assistance or need assistance for a shorter period). In 2019, 17 states required that applicants search for a job as a condition of application (figure 3).

FIGURE 3

### States Requiring a Job Search at TANF Application, 2019



Source: Welfare Rules Database.

<sup>6</sup> Technical eligibility does not mean the family will necessarily receive a cash benefit; it means they will have passed all eligibility tests and will be eligible for some positive amount. Most states distribute a cash benefit only if it is greater than \$10. The calculation assumes the assistance unit includes one parent and two children, has only earned income, has no child care expenses, contains no children subject to a family cap, has no special needs, pays for all shelter costs with no subsidies, and is subject to the benefit standard that applies to the majority of the state's caseload.

<sup>7</sup> Not all parents are expected to work, and non-parent caretakers may also be expected to work under some circumstances.



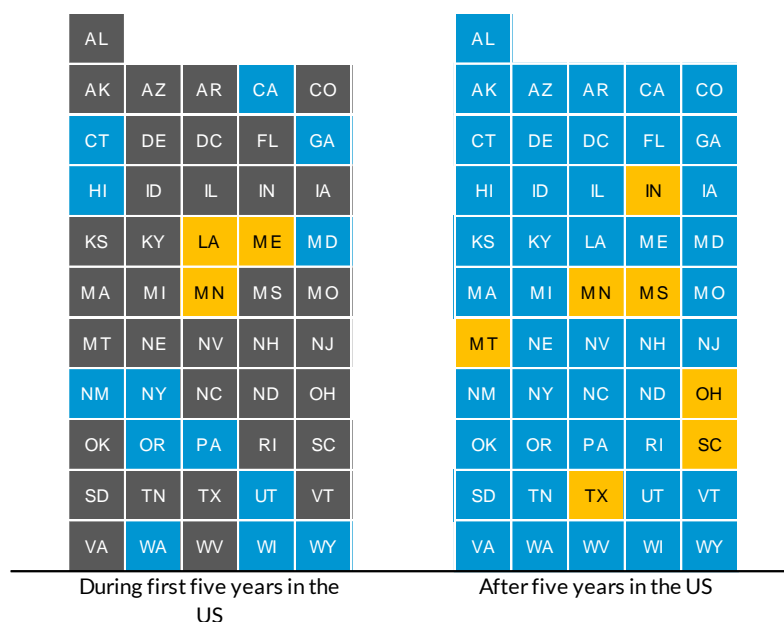
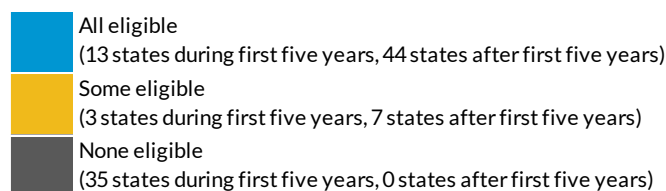
## Can Lawful Permanent Residents Receive TANF?

If a family immigrates to the US and needs cash aid before they become citizens, they will sometimes be eligible for TANF benefits, but not always. Complex rules govern whether noncitizens are eligible for TANF. Some rules are consistent across the country: in all states, unauthorized immigrants and temporary residents are never eligible, but refugees or asylees can be eligible for at least their first five years in the country, and noncitizens who currently or previously served in the military, can be eligible at any point.

For lawful permanent residents (often referred to as holders of “green cards”), eligibility depends in part on where they live. Under federal law, most lawful permanent residents must live in the country for five years before they can be eligible for federal TANF benefits. States, though, can use their own funding to provide assistance to some lawful permanent residents before they have met the five-year residency requirement.<sup>8</sup> States are allowed to use federal money to provide cash aid to lawful permanent residents after they have lived in the country for five years, but they do not have to do so.

FIGURE 4

### TANF Eligibility for Lawful Permanent Residents, 2019



Source: Welfare Rules Database.

<sup>8</sup> More information about the federal guidelines and complex rules regarding noncitizens can be found in the 2019 Welfare Rules Databook.

In 2019, lawful permanent residents who had been in the country less than five years were eligible to receive state-funded benefits in 13 states if they met the state's other eligibility requirements (figure 4). In three other states, some lawful permanent residents were potentially eligible before the five-year mark. In Louisiana, certain American Indians born in Canada may be regarded as lawful permanent residents for purposes of eligibility and were potentially eligible in their first five years. Additionally, lawful permanent residents were potentially eligible in their first five years if they were receiving assistance for blindness or disability or were children under 18 years old. In Maine, lawful permanent residents were potentially eligible in their first five years if they were elderly or disabled, victims of domestic violence, or suffering from a hardship while waiting for work documentation. In Minnesota, lawful permanent residents were generally potentially eligible before the five-year mark, but if they were ages 18 to 70, were receiving state-funded aid, and had lived in the country more than four years, they were required to be in literacy classes or working toward citizenship to keep their aid.

Forty-three states and the District of Columbia considered lawful permanent residents potentially eligible for federally funded TANF assistance once they met the five-year residency requirement and conformed with other eligibility requirements. An additional five states considered them potentially eligible after five years only if they could be credited with 40 quarters of work, Indiana only considered them eligible if they previously held refugee status, and Minnesota generally allowed eligibility but required lawful permanent residents ages 18 to 70 to be in literacy classes or working toward citizenship if also receiving state-funded aid.

## Benefit Amounts and Sanctions

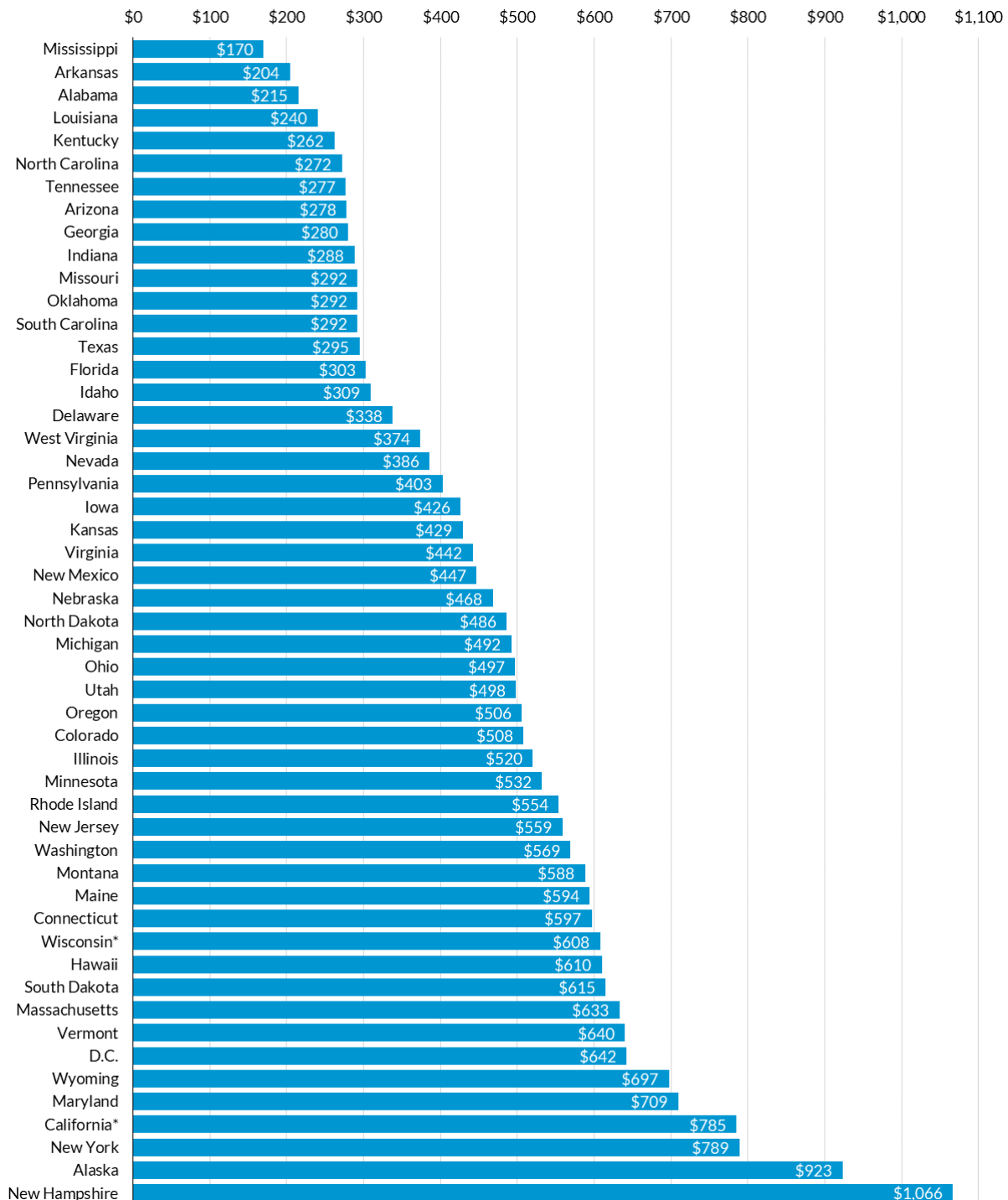
The amount of assistance families can receive depends on the family's characteristics (especially the family's size and income) combined with state rules for benefit computation and income disregards. Families that do not comply with various program requirements (such as work requirements) may see their benefits reduced or suspended.

### What Is the Maximum Monthly TANF Benefit Families Can Receive?

The amount of TANF benefits a family receives is determined by state-defined formulas. Many state formulas start with a dollar amount (usually referred to as a payment standard), subtract the family's net income (total countable income minus disregards), and pay the entire amount of the difference (sometimes called the income deficit). In such cases, families with no income receive the full payment standard, and families with some income may receive less. Some states will not pay more than a maximum benefit (which is set lower than the payment standard), and others pay only a percentage of the income deficit. Payment standards almost always vary by family size, but they may also vary based on family structure, the type of income the family has, or the area of the state where the family lives.

FIGURE 5

**Maximum Monthly TANF Benefit for a Family of Three with No Income, 2019**



**Source:** Welfare Rules Database.

**Notes:** Dollar amounts are the amounts awarded to a single parent family with two children and no income who live in the most populous area of the state. In the following states, the policies vary by specific TANF program or group of recipients, and the data shown are for specific programs or groups: Wisconsin (W-2T program) and California (nonexempt families).



Because of all the variations, we compute the benefit in each state for a consistent family type: a single-parent family with two children and no income who lives in the most populous area of the state. The monthly benefit in this situation ranged from \$170 in Mississippi to \$1,066 in New Hampshire in 2019 (figure 5).<sup>9</sup>

## **How Much Will a Family's Monthly Benefits Decrease if They Do Not Comply with Work Requirements?**

In most cases, individuals who are work-eligible and receiving TANF are required to participate in work activities, which vary by state. If the adults do not comply with the requirements, the state can impose a sanction.<sup>10</sup> A sanction is a penalty that typically reduces the family's benefits for a certain period or until the adults comply with the requirement. States can define their program requirements, the penalties for families who do not meet those requirements, and how families can resolve the situation and once again receive their full benefit.

Sanctions typically have stages progressing from least to most severe. The most severe sanction varies substantially across states. In 2019, 30 states closed the family's TANF case, ending their benefits, as the most severe sanction for noncompliance with work requirements (figure 6). In the other states, the most severe sanction was either a total loss of benefits (17 states) or a partial loss of benefits (3 states and the District of Columbia), but recipients were able regain the full benefit by complying with program requirements for a certain number of months.<sup>11</sup>

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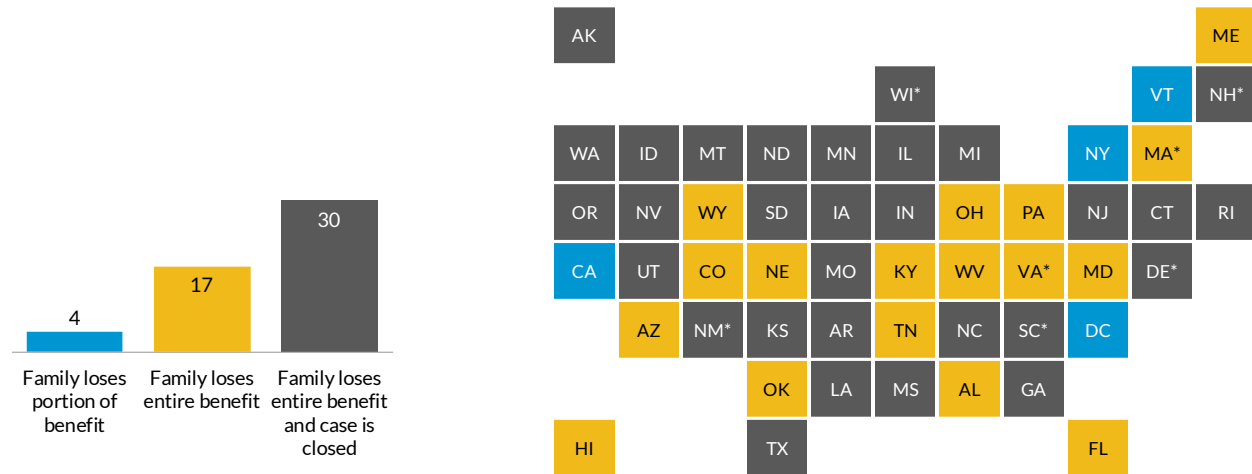
<sup>9</sup> The calculation assumes the assistance unit contains no children subject to a family cap, no assistance unit members have special needs, the unit pays for all shelter costs with no subsidies, and the unit is subject to the benefit standard that applies to most of the state's caseload.

<sup>10</sup> The policies captured here apply to individuals who are work-eligible and are counted as part of the TANF assistance unit and do not include other adults living in the family. For example, in many states, a grandparent may receive TANF for his or her grandchild without the grandparent being considered a TANF recipient (i.e., a "child-only unit"). The Deficit Reduction Act of 2005 defines the individuals expected to work according to federal policy, termed "work-eligible individuals"

<sup>11</sup> When the sanction results in case closure, the family may need to reapply for benefits. This may also affect a family's eligibility for other types of assistance, such as when a family is eligible for child care subsidies due to participation in the TANF program.

FIGURE 6

## Most-Severe Sanctions for Noncompliance with TANF Work Requirements for a Single Parent Head of Family Unit, 2019



Source: Welfare Rules Database.

**Notes:** In the following states, the policies vary by specific TANF program, and the data shown are for specific programs or groups: Delaware (time-limited assistance), Massachusetts (nonexempt recipients), New Hampshire (New Hampshire Employment Program (NHEP)), New Mexico (New Mexico Works (NMW) program), South Carolina (All, except Challenging Adults through Rehabilitation, Education, and Services (CARES) program), Virginia (Virginia Initiative for Education and Work (VIEW)), Wisconsin (W-2 Transition (W-2T) and Community Service Jobs (CSJ) programs).

## Ongoing Eligibility Requirements

Families who begin receiving a benefit must continue to meet state-defined financial tests to remain eligible. Even for families who remain low-income, however, benefits are usually time limited. Some states provide transitional assistance to families leaving TANF.

### After One Year, How Much Income Can Families Have and Continue to Receive TANF Assistance?

To continue to receive TANF benefits after initially becoming eligible, a family must have countable income (total income minus disregards) that results in being eligible for a benefit, and depending on the state, they may also have to continue to pass other financial tests. In many states, the countable income definition for families already receiving TANF uses a more generous earned income disregard than is used for families initially applying for benefits. In some states, the portion of earnings disregarded also changes depending on the number of months the family has combined TANF and earnings.<sup>12</sup> These variations effectively change

<sup>12</sup> As an example, Indiana disregards the first \$120 of earnings and one-third of remaining earnings for the first four months that a family has TANF and earnings, then \$120 of earnings for the next eight months, then \$90 of earnings for the remaining time the family receives TANF benefits.

the maximum amount of earnings a family can have while remaining eligible (compared with the amount of earnings the family can have at initial eligibility as shown in figure 2).

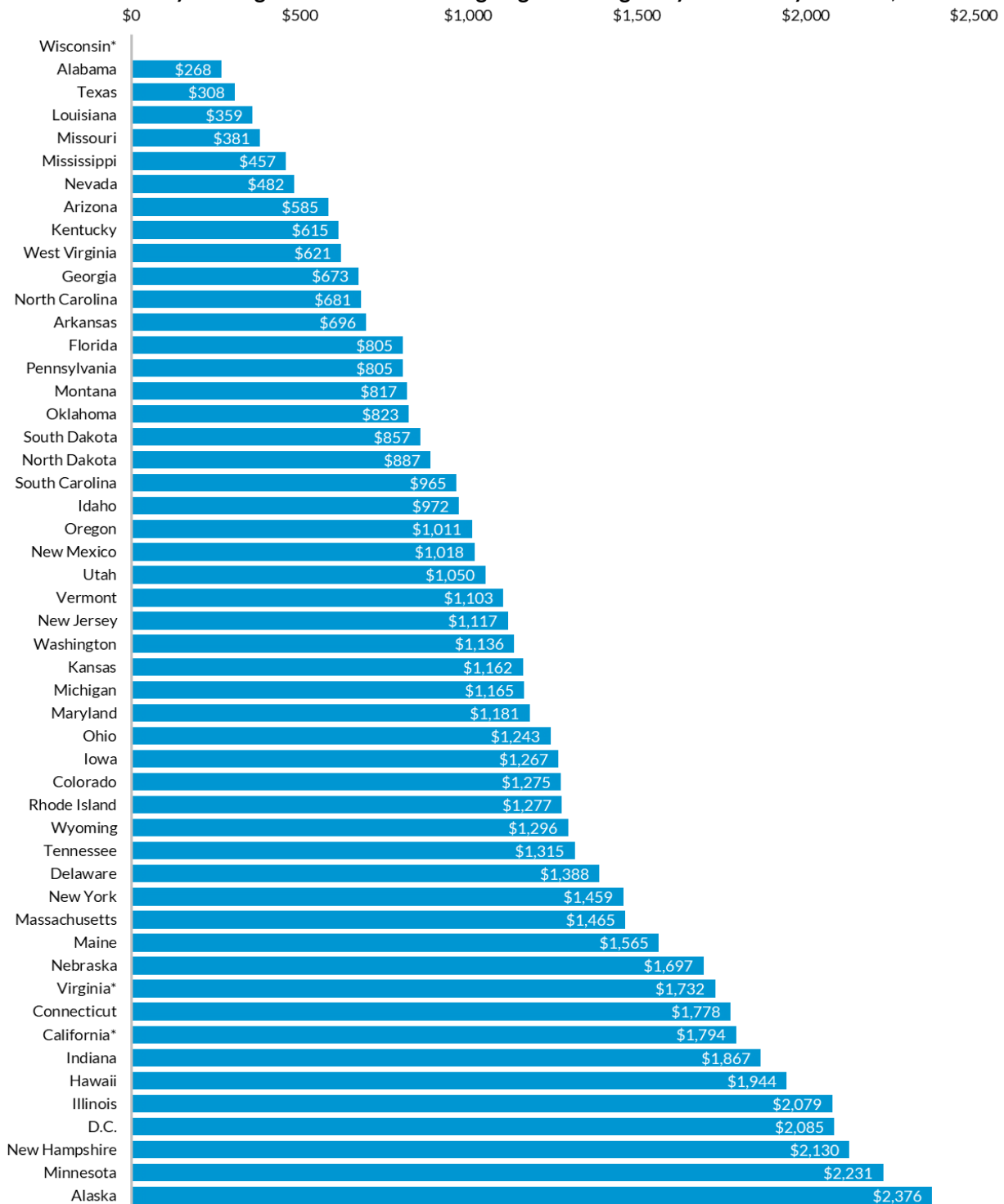
Here we focus on the maximum earnings a family of three could have and remain eligible for benefits in the 13th month of receiving assistance. In 2019, the maximum earnings ranged from \$268 in Alabama to \$2,376 in Alaska (figure 7).<sup>13</sup>

Comparing this with the information presented earlier on the maximum possible earnings for initial eligibility, in about half of the states, the maximum earnings point for eligibility in the 13th month of assistance (figure 7) is *higher* than at application (figure 2) because of higher disregards for recipients than for applicants. For example, in Ohio, a three-person family must have earnings below \$889 to initially become eligible, but they can remain eligible at the 13-month point if their earnings are below \$1,243. In contrast, in six states, the maximum possible earnings point is *lower* after one year than at application because some portion of the state's earnings disregards expire after a certain number of months. In the remaining states, the maximum possible earnings amount is the same after one year as it is at application.

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<sup>13</sup> The calculation assumes the assistance unit includes one parent and two children, has only earned income, has no child care expenses, contains no children subject to a family cap, has no special needs, pays for all shelter costs with no subsidies, and is subject to the benefit standard that applies to the majority of the state's caseload.

FIGURE 7

**Maximum Monthly Earnings at 13 Months for Ongoing TANF Eligibility for a Family of Three, 2019**

**Source:** Welfare Rules Database.

**Notes:** Wisconsin does not provide cash assistance if the family has earned income, but applicants may earn up to \$2,045 and still be eligible for noncash assistance. In the following states, the policies vary by specific TANF program or group of recipients, and the data are for the following programs or groups: California (nonexempt recipients) and Virginia (VIEW). If the amounts vary by county or region within a state, the amount shown applies to the majority of the state.

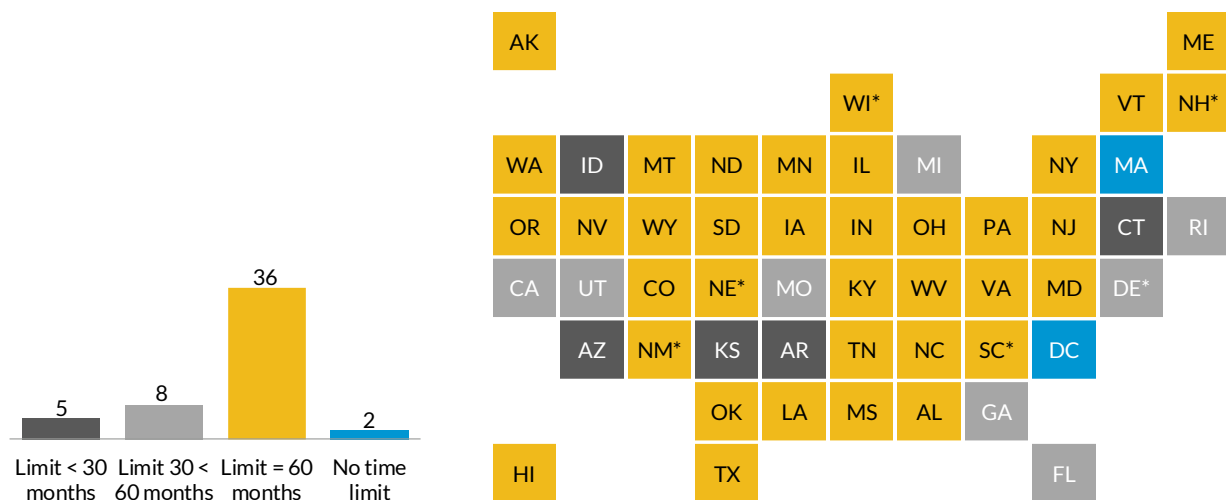
## How Many Months Can Families Receive TANF over Their Lifetime?

Federal rules set a lifetime limit on how long families containing an adult who receives federally-funded benefits (i.e., not a “child-only” family) can receive TANF benefits. States impose two basic types of limits on recipients: (1) lifetime limits (including the federal 60-month limit and in some cases, a shorter, state-determined limit), after which the entire benefit is permanently eliminated, or (2) other intermittent state time limits (such as periodic time limits, benefit waiting periods, or benefit-reduction time limits), which interrupt or reduce benefits for a certain period but do not eliminate them. Both types of time limits may terminate benefits for the entire family or just the adults in the family.

Figure 8 shows the lifetime limits used in each state; details about additional time limits can be found in the Databook and in the WRD. In 2019, 36 states had a lifetime limit of 60 months, 13 states had a lifetime limit ranging from 12 to 48 months, and Massachusetts and the District of Columbia, had no lifetime limit. States with time limits may use exemptions and extensions that allow benefits to continue past the limit, creating additional variation in their policies. States may use their own funds to pay benefits not allowed by the federal time limit.

FIGURE 8

### Lifetime Limit on the Number of Months of TANF Assistance, 2019



Source: Welfare Rules Database.

Notes: In the following states, the policies vary by specific TANF program or group, and the data shown are for following programs and groups: Delaware (time-limited assistance), Nebraska (time-limited assistance), New Hampshire (NHEP), New Mexico (NMW program), South Carolina (All, except CARES programs), and Wisconsin (W-2T, CSJ, and TEMP).





## More Information from the Welfare Rules Database

The policies discussed in this brief are a small subset of the policies available from the WRD. The WRD tracks TANF policies for the 50 states and the District of Columbia. The database contains hundreds of variables designed to capture detailed TANF policies over time.

Information from the database is available for public use through the project's website (<https://wrd.urban.org>). From the project website, users can access the data in two ways:

- **Annual databooks.** The annual databook highlights key policies as of July of each year. The databook contains prepared tables showing policies for (1) initial application and eligibility requirements, (2) benefit amounts, (3) work and activity requirements, and (4) ongoing eligibility requirements and transitional assistance. The databook also contains tables showing selected policies over time. All annual databooks are available for download.
- **Online search tool.** The online search tool provides access to the full database detail. The search tool allows users to access information beyond what is included in the annual databooks, including hundreds of detailed policy variables and policies for any point in time back to 1996. Users can select the information they are interested in and produce custom tables through a point-and-click online interface.

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