

6 WAYS TO STRENGTHEN TANF

Families experiencing poverty need access to cash assistance to help them afford their basic needs and maintain stability. Families use assistance provided by the Temporary Assistance for Needy Families (TANF) program to pay for rent, utilities, diapers, food, transportation, and other necessities. Unfortunately, families in need may not have access to the program. These recommendations to strengthen TANF come from an analysis of existing research and data.

6. Reform TANF to be more responsive during times of economic downturns.

There is no adjustment for inflation nor rise and fall in TANF benefits with economic cycles that most TANF recipients will face at some point. Building an inflation or economic crisis adjustment into the TANF block grant would keep its value flexible and help individuals with the greatest need during hard times.⁹

1. Hold states accountable for employment outcomes specifically for Black families.

Under current rules, states are penalized when they fail to meet or exceed work participation rates (WPRs) that are met through work requirements (WRs). WRs would make it harder for families to meet basic needs, without improving employment outcomes.¹ The Fiscal Responsibility Act of 2023 requires outcome-based employment and earnings measures to incentivize states to promote economic mobility for TANF recipients rather than require them to just meet arbitrary hourly requirements. State TANF agencies should present state plans that address how outcomes data will inform policies and practices to improve job quality outcomes for families.²

5. Provide funding to replicate effective training and education programs that lead to better jobs.

Throughout the program's history, TANF recipients have been concentrated in jobs that pay low wages. To promote economic mobility, there is a need to increase funding to help prepare individuals, including TANF recipients, for better jobs and careers.⁸

2. Eliminate the Caseload Reduction Credit

The caseload reduction incentivizes states to deny and remove aid to needy families without considering employment status or ability to work. Although recent TANF legislation has taken strides to address this issue, the incentives to deny families are still a major concern.¹

4. Distribute TANF reserve funds where they are needed the most.

States should commit to spend most of their TANF reserves on basic cash assistance and other forms of direct aid for people in need.⁵ Among all racial groups, Black Americans are the second most likely to experience poverty, with 21% living below the poverty threshold. Black Americans are more likely to live in states where TANF benefits are the lowest.^{6,7}

3. Provide adequate support and services for individuals who face significant challenges.

Limited access to transportation and child care likely adds significant stress for TANF recipients, making it difficult for them to secure stable employment.³ Additionally, these individuals may encounter more obstacles during their job search, particularly due to health challenges, which can further hinder their ability to find work.⁴

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