



Temporary Assistance to Needy Families (TANF)

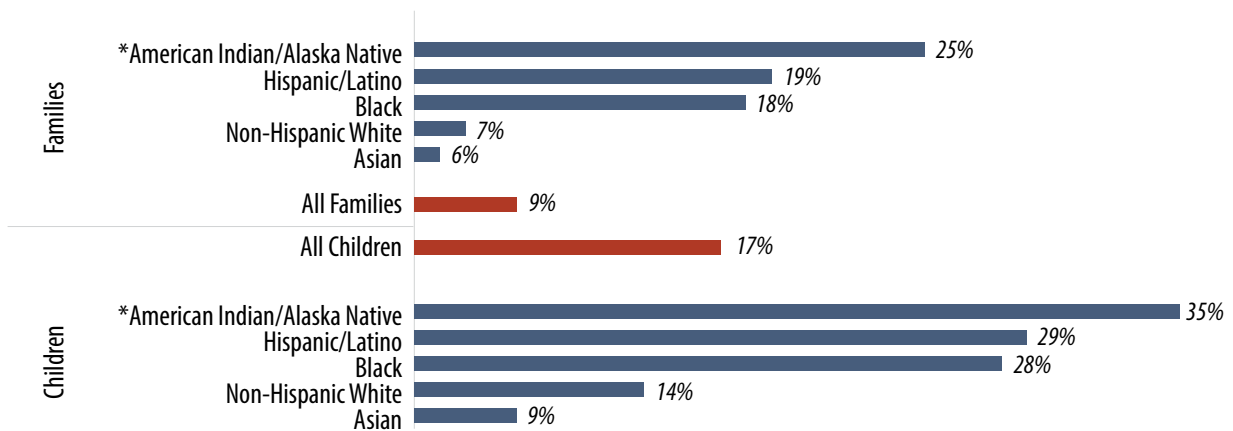


2021 Chartbook

Temporary Assistance for Needy Families (TANF) Helps the Poorest Families Meet Their Most Basic Needs

- All Missourians benefit when children grow up with the resources they need to thrive and become healthy, self-sufficient adults. Yet nearly one in six Missouri children and one in eleven families live in poverty.ⁱ
- Children who experience poverty are more likely to have physical and mental health problems, lower educational attainment, and increased employment challenges, and to engage in risky behavior, compared to their wealthier peers.ⁱⁱ
- Due to longstanding barriers that limit income and wealth accumulation opportunities (stemming from practices like redlining, segregation, anti-immigrant policies, and discrimination), both Black & Hispanic/Latino families and children are disproportionately likely to live in poverty.
- Temporary Assistance for Needy Families (TANF) cash assistance is designed to help lift families and children out of poverty and is a critical tool to begin addressing barriers to opportunity stemming from systemic racism.

Percent of Missouri Children and Families Living in Poverty by Race/Ethnicity



**Due to smaller sample size, the margin of error is greater for the American Indian and Alaska Native estimated percent.*

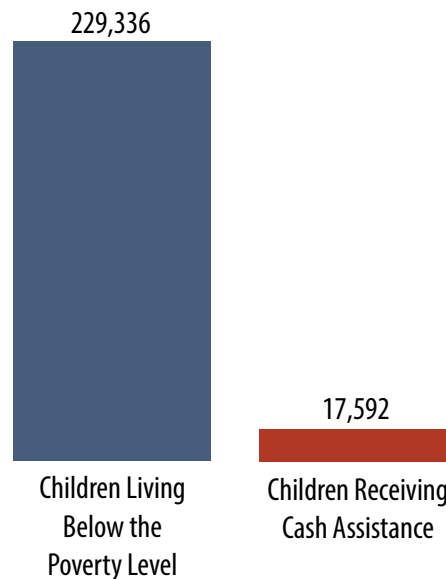
Note: The official statistical standard for measuring poverty in the United States was developed in the 1960s. It assumes that households with incomes above the poverty thresholds are able to afford their most basic needs. The 2020 federal poverty guideline for a family of four is \$26,200 per year, and \$12,760 per year for a single person household.ⁱⁱⁱ

Source: Missouri Budget Project analysis of U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates, Tables S1702 and B17020B-D, B17020H, and B17020I.

TANF Cash Assistance Enrollment & Expenditures

- Despite the benefits of flexible cash assistance, years of disinvestment — combined with increasingly restrictive eligibility — mean that today TANF serves only a small share of Missouri families who live in poverty.
- The average monthly cash benefit amount per family was \$223 in FY 2019.^{iv}
- More than three of every four TANF recipients are children (77%).^v
- Nearly nine of every ten TANF parents/caretakers are female (88%).^{vi}

Only 7% Of Missouri Children Living In Poverty Receive Cash Assistance



Note: Poverty data is for children under 18 years old. Number of children receiving cash assistance is FY 2019 monthly average.

Sources: U.S. Census Bureau, 2014-2019 American Community Survey 1-Year Estimates, Tables S1702 and S1701. Missouri Department of Social Services, Family Support Division Annual Report, FY 2019.

TANF Helps Families Improves Children's Health and Financial Outcomes



Boosting the income of families with low wages has been shown to improve children's academic performance, as well as economic and health outcomes throughout their lives.^{vii}



Unlike other types of public assistance, cash assistance allows families to purchase basic necessities, such as toothpaste, diapers, clothing, and gas. Furthermore, the flexibility of cash helps families afford unexpected or irregular expenses like their children's school supplies or medication.



Families who reach TANF lifetime limits are likely to have significant barriers to employment, such as physical and mental health problems, substance abuse, lower cognitive functioning, and lower levels of education. They are also more likely to live in households with older and disabled individuals.^{viii}



The reduction or loss of TANF benefits due to sanctions and lifetime limits is associated with increased hospitalizations, food insecurity, evictions, and homelessness.^{ix} Additionally, the restriction of access to TANF benefits (e.g., work requirements, time limits, drug testing, etc.) is associated with increased rates of child maltreatment and foster care placement.^x

TANF Cash Assistance Eligibility

- TANF provides cash assistance to families with children based on income and family size, for a period not to exceed 45 months total in a lifetime (with some exceptions due to age, disability, and hardship).^{xi}
- To receive cash assistance, two-parent, nondisabled households must work 35 hours per week if children are under age 6 and the household does not receive federally funded childcare, or 55 hours per week for all other households.^{xii}
- Single parents (or two-parent households in which one parent is disabled) must work 30 hours per week if their children are age 6 and over, or 20 hours per week if their children are under age 6.^{xiii}
- Applicants who use controlled substances and refuse treatment, and those with prior felony drug convictions, cannot receive cash assistance for themselves. However, their children can receive cash assistance.
- TANF recipients are prohibited from using their cash assistance electronic benefit transfer (EBT) cards in liquor stores, gaming establishments, and establishments that provide adult entertainment. EBT cards cannot be used to purchase lottery tickets, alcohol, or tobacco products.
- Applicants cannot have assets valued at more than \$1,000, except for their home and one household member's car. After acceptance into the program, assets cannot be valued at more than \$5,000.

2019 Monthly Income Limits for TANF Eligibility by Household Size				
Household Size	1 person	2 person	3 person	4 person
Gross Income (185% Need Standard)	\$727 <i>(\$8,724)</i>	\$1,254 <i>(\$15,048)</i>	\$1,565 <i>(\$18,780)</i>	\$1,832 <i>(\$21,984)</i>
Net Income After Allowable Deduction (34.526% Need Standard)	\$136 <i>(\$1,632)</i>	\$234 <i>(\$2,808)</i>	\$292 <i>(\$3,504)</i>	\$342 <i>(\$4,104)</i>

Note: Annual income limit is italicized in parentheses.

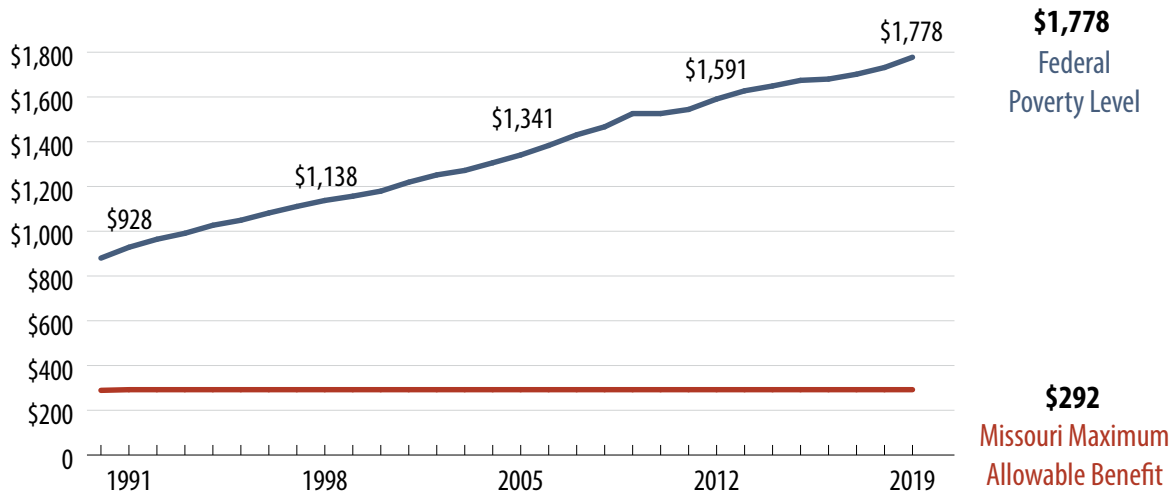
Sources: Missouri Department of Social Services (DSS) Temporary Assistance Manual, Appendix B: Consolidated Standard-Percentage of Need Table.
 Missouri DSS, "Income Guidelines for Temporary Assistance, MO HealthNet for Kids (MHK), MO HealthNet for Families (MHF), MO Healthnet for Pregnant Women (MPW) and Uninsured Women's Health Service (UWHS)."

TANF Cash Assistance Benefit Levels

- The maximum cash assistance a Missouri family of three can receive is \$292 per month — well below the national median of \$486 per month.^{xiv}
- The maximum benefit has not changed since 1991, when it was 31.5% of the federal poverty level (FPL). It is now 16.4% of the federal poverty level—half its 1991 value.^{xv}
- If Missouri’s maximum benefit had kept up with inflation, at 31.5% FPL, it would be equal to \$559 per month today.
- Missouri’s maximum allowable benefit of \$292 is the 13th lowest among all states and the District of Columbia. Fourteen states and the District of Columbia have increased their benefit levels since 2018, including Missouri’s neighbors Illinois, Nebraska, and Tennessee.^{xvi}
- Transitional Employment Benefit (TEB): Recipients who work and become ineligible for cash assistance due to increased wages, can receive a \$50 per month transitional benefit for 6 months.

Missouri’s Maximum Allowable Benefit Amount Has Not Been Changed, or Adjusted for Inflation, Since 1991

Monthly Dollars for a Family of Three



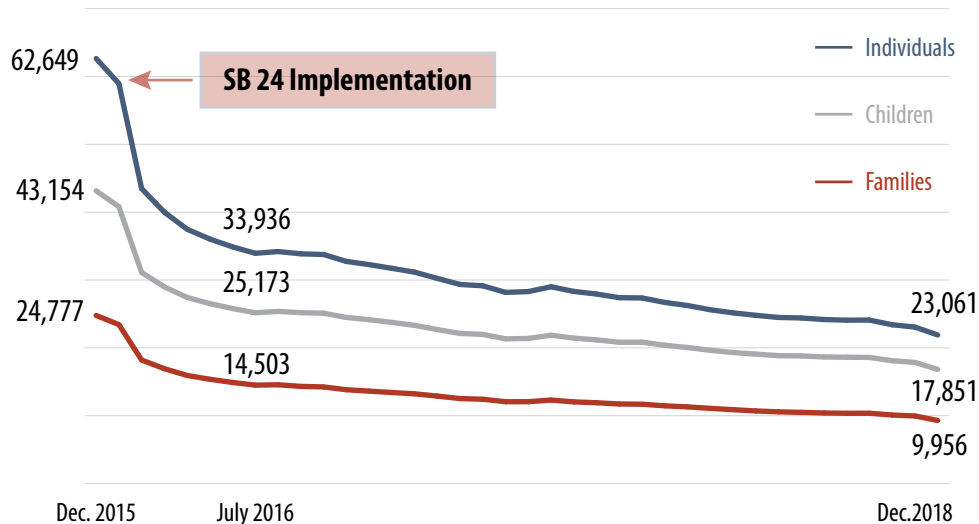
Source: U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation (ASPE) Federal Poverty Guidelines.

Impact of Senate Bill (SB) 24

- Missouri Senate Bill 24, implemented January 1, 2016:
 - Decreased the lifetime limit that families could receive assistance from 60 months to 45 months.
 - Implemented full-family sanctions, meaning that if one family member is non-compliant with eligibility rules, the entire family (including children) loses cash assistance, as opposed to just the member who is non-compliant.^{xvii}
- Between federal fiscal years (FFY) 2016 and 2019, nearly 5,000 households (including 10,848 children) lost TANF assistance due to the 45-month time limit.^{xviii}
- Over 13,600 households (including 23,556 children) lost TANF assistance due to full family sanctions between FFY 2016 and FFY 2019. Only 2,045 (15%) of those households returned to compliance.^{xix}

TANF Enrollment Is Now Less Than Half What It Was Before SB 24 Was Implemented

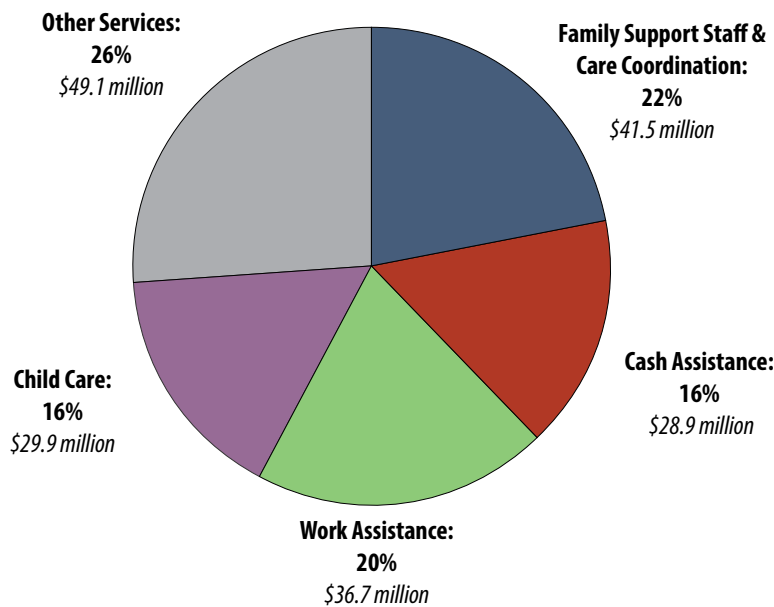
Total Recipients By Month December 2015 – December 2018



Source: Missouri Department of Social Services, Family Support Division, Monthly Management Reports

Allocation of TANF Funds

- TANF is a block grant program, meaning the federal government gives states a specific amount of funds to operate their programs, while also granting states broad flexibility in how those funds are used.
- In order to receive federal funding for TANF programs, states must spend their own dollars, called the maintenance of effort (MOE) requirement, on programs that meet the goals defined in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.^{xx}
- Missouri’s MOE requirement is \$128.1 million. In return for meeting its MOE, Missouri receives an annual federal basic block grant of \$216.3 million.^{xxi}
- Only 16% of federal TANF block grant funds were allocated for cash assistance in FY 2020.^{xxii}



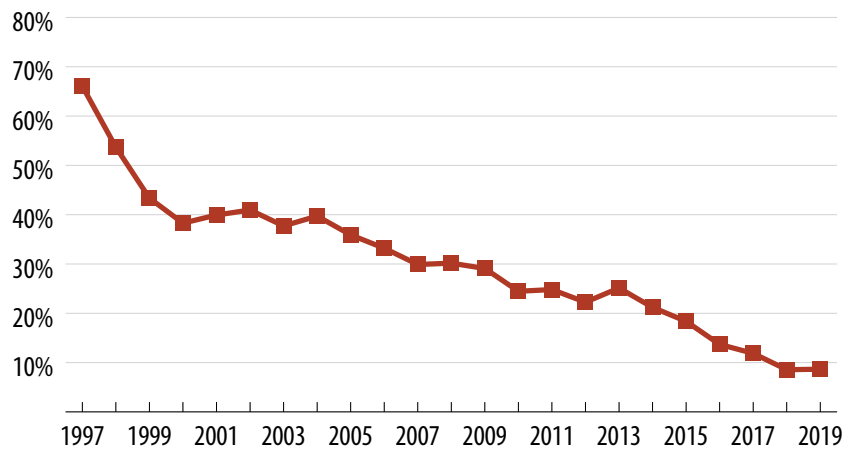
*Other Services:	Million \$
Child and Youth Mentoring, Education, & Job Training	\$12.9
Food Banks	10.0
Adult Education and Job Training	5.3
Child Abuse/Neglect and Residential Treatment	5.2
Alternatives to Abortion	4.3
Community Partnership	4.2
Healthy Marriage and Fatherhood	2.5
Domestic Violence	2.2
Infant Mortality Reduction	2.0
Homeless Prevention	0.5
State-Owned Building Costs	0.1

Note: Missouri transferred over \$39 million of federal TANF block grant funds to the Child Care and Development Block Grant (CCDBG) and the Social Services Block Grant (SSBG). Chart reflects remaining TANF funds. Source: MBP analysis of data obtained from the Missouri Department of Social Services.

The Amount of TANF Funds Used for Cash Assistance Has Dramatically Declined

- Although states can spend TANF funds on a variety of services (e.g. child care, mentoring programs, employment assistance), most families with low incomes fundamentally rely on the flexibility of cash assistance to help pay for basic necessities, such as utilities, transportation, clothing, laundry, personal hygiene products, and children’s school supplies.
- Despite families’ overwhelming need for cash assistance, Missouri spent less than 9% of total TANF funds on cash assistance in FFY 2019. This is nearly 85% less than the state spent in 1997 during the early stages of the TANF program.^{xxiii}
- In FFY 2019, Missouri’s share of TANF funds spent on cash assistance was lower than all but 10 states in the nation. Neighboring state Kentucky ranked the highest, spending 69% of TANF funds on cash assistance. Tennessee, Iowa, Oklahoma, and Nebraska are also ranked higher than Missouri.^{xxiv}

Percent of Missouri’s Total TANF Funds Used for Cash Assistance By Year
Federal Fiscal Years 1997-2019



Notes

- i. U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates, Tables S1702 and S1701.
- ii. National Academies of Sciences, Engineering, and Medicine. (2019). “A Roadmap to Reducing Child Poverty” (G. Duncan & S. L. Menestrel, eds.). Washington, D.C.: National Academies Press. <https://doi.org/10.17226/25246>
- iii. Federal poverty guidelines are simplified versions of the official poverty thresholds used by the U.S. Census Bureau. Source: U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation (ASPE) Federal Poverty Guidelines 2020. Available at <https://aspe.hhs.gov/poverty-guidelines>.
- iv. Missouri Department of Social Services, Family Support Division Annual Report, FY 2019. Available at <https://dss.mo.gov/re/pdf/fsd/FY2019FSDAnnualReport.pdf>
- v. Percent of children is calculated using FY 2019 monthly average recipients. Source: Missouri Department of Social Services, Family Support Division Annual Report, FY 2019, Table 1. Available at <https://dss.mo.gov/re/pdf/fsd/FY2019FSDAnnualReport.pdf>
- vi. Data is from June 2019. Source: Missouri Department of Social Services, Family Support Division Annual Report, FY 2019, Figure 4. Available at <https://dss.mo.gov/re/pdf/fsd/FY2019FSDAnnualReport.pdf>
- vii. Sherman, A., & Mitchell, T. (2017, July 13). “Economic Security Programs Help Low-Income Children Succeed Over Long Term, Many Studies Find.” Center on Budget and Policy Priorities. Available at <https://www.cbpp.org/research/poverty-and-inequality/economic-security-programs-help-low-income-children-succeed-over>
- viii. Pavetti, L., & Kauff, J. (2006). “When Five Years Is Not Enough: Identifying and Addressing the Needs of Families Nearing the TANF Time Limit in Ramsey County, Minnesota.” Mathematica Policy Research, Inc. Available at <https://www.mathematica-mpr.com/our-publications-and-findings/publications/when-five-years-is-not-enough-identifying-and-addressing-the-needs-of-families-nearing-the-tanf-time-limit-in-ramsey-county-minnesota>; DeMaster, Dana. (2008). “At the Limit: December 2006 Minnesota Family Investment Program (MFIP) Cases that Reached the 60 Month Time Limit.” Minnesota Department of Human Services. Available at <https://edocs.dhs.state.mn.us/lfsrver/Legacy/DHS-5092B-ENG>; Hetling, A., Patterson, K., & Born, C. (2006). The TANF Time Limit: Comparing Long-Term and Other Welfare Leavers. Family Welfare Research and Training Group. Available at https://www.academia.edu/6281743/The_TANF_TIME_Limit_Comparing_Long-term_and_Other_Welfare_Leavers; Farrell, M., Rich, S., Turner, L., Seith, D., & Bloom, D. (2008). “Welfare Time Limits: An Update on State Policies, Implementation, and Effects on Families,” The Lewin Group and MDRC. Available at https://www.acf.hhs.gov/sites/default/files/opre/welfare_time_limits_an_update_on_state_policies_implementation_and.pdf.
- ix. Butler, Sandra (2013). “TANF Time Limits and Maine Families: Consequences of

Withdrawing the Safety Net. University of Maine.” Available at <https://www.semanticscholar.org/paper/TAN-F-Time-Limits-and-Maine-Families%3A-Consequences-Butler/fc33da155818ee1234f41e18662583faad55dbdb>; Skalicky, A. & Cook, J. T. (2002) “The Impact of Welfare Sanctions on the Health of Infants and Toddlers,” Children’s Sentinel Nutrition Assessment Program. Available at https://childrenshealthwatch.org/wp-content/uploads/welfare_7_02.pdf

x. Ginther & Johnson-Motoyama. (2017). “Do State TANF Policies Affect Child Abuse and Neglect?”

xi. Children must be either under the age 18, or attending high school and expected to graduate before age 19.

xii. The Missouri Department of Social Services defines work participation as engaging in education, training, and work experience activities directly related to employment. Work requirement exemptions may be given to custodial caretakers with children under 12 weeks old, individuals with disabilities or those caring for disabled household members, some pregnant and postpartum individuals, victims of domestic violence, individuals lacking child care or transportation, and recipients with an active case with the Department of Social Service’s Children’s Division. Adults age 60 and over are not required to work.

xiii. Ibid

xiv. Burnside, A., Floyd, I. (2019). “Policy Brief: More States Raising TANF Benefits to Boost Families’ Economic Security,” Table 2. Available at <https://www.cbpp.org/research/family-income-support/policy-brief-tanf-cash-benefits-are-too-low-to-help-families-meet>

xv. Calculations based on data from U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation (ASPE) Federal Poverty Guidelines for a family of three, years 1991 and 2019. Available at <https://aspe.hhs.gov/prior-hhs-poverty-guidelines-and-federal-register-references>

xvi. Increase is from July 2018 to July 2019 for a family of three. Burnside, A., Floyd, I. (2019). “Policy Brief: More States Raising TANF Benefits to Boost Families’ Economic Security.” Available at <https://www.cbpp.org/research/family-income-support/policy-brief-tanf-cash-benefits-are-too-low-to-help-families-meet>

xvii. A person is considered non-compliant if they fail to report required hours of work activity each week.

xviii. SB24 Annual Reports, 2016, 2017, 2018, 2019.

xix. SB24 Annual Reports, 2016, 2017, 2018, 2019.

xx. The four goals of the TANF program are to: (1) provide assistance to needy families so that children can be cared for in their own homes or in the homes of relatives; (2) end the dependence

of needy parents by promoting job preparation, work, and marriage; (3) Prevent and reduce the incidence of out-of-wedlock pregnancies; (4) Encourage the formation and maintenance of two-parent families. States are given wide flexibility in determining how to spend MOE and TANF funds to meet these goals.

xxi. States are required to spend 80 percent (or 75 percent if they meet work participation rate thresholds) of their 1994 contribution to Aid to Families with Dependent Children (AFDC) programs. AFDC was replaced by TANF in 1996. In some years, the state may receive additional federal contingency funds. Additionally, states are allowed to carryover unused TANF funds from previous years.

xxii. Missouri transferred over \$39 million of federal TANF block grant funds to the Child Care and Development Block Grant (CCDBG) and the Social Services Block Grant (SSBG). Sixteen percent of remaining TANF funds were allocated for cash assistance. MBP analysis of data obtained from the Missouri Department of Social Services.

xxiii. Calculated by dividing basic assistance expenditures by the total federal and state funds spent on TANF programs and transferred to the Child Care and Development Block Grant (CCDBG) and the Social Services Block Grant (SSBG). Data source: U.S. Department of Health and Human Services “TANF Financial Data” reports from fiscal years 1997 through 2019 (2018 data is the most recent year available).

xxiv. Analysis of data from the U.S. Department of Health and Human Services “TANF Financial Data – FY 2019.”