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Temporary Assistance for Needy Families: Racial Equity Snapshot

Administration for Children and Families
East Coast: Regions 1-4

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ADMINISTRATION FOR
CHILDREN & FAMILIES

OFFICE OF FAMILY ASSISTANCE

OFA Priorities

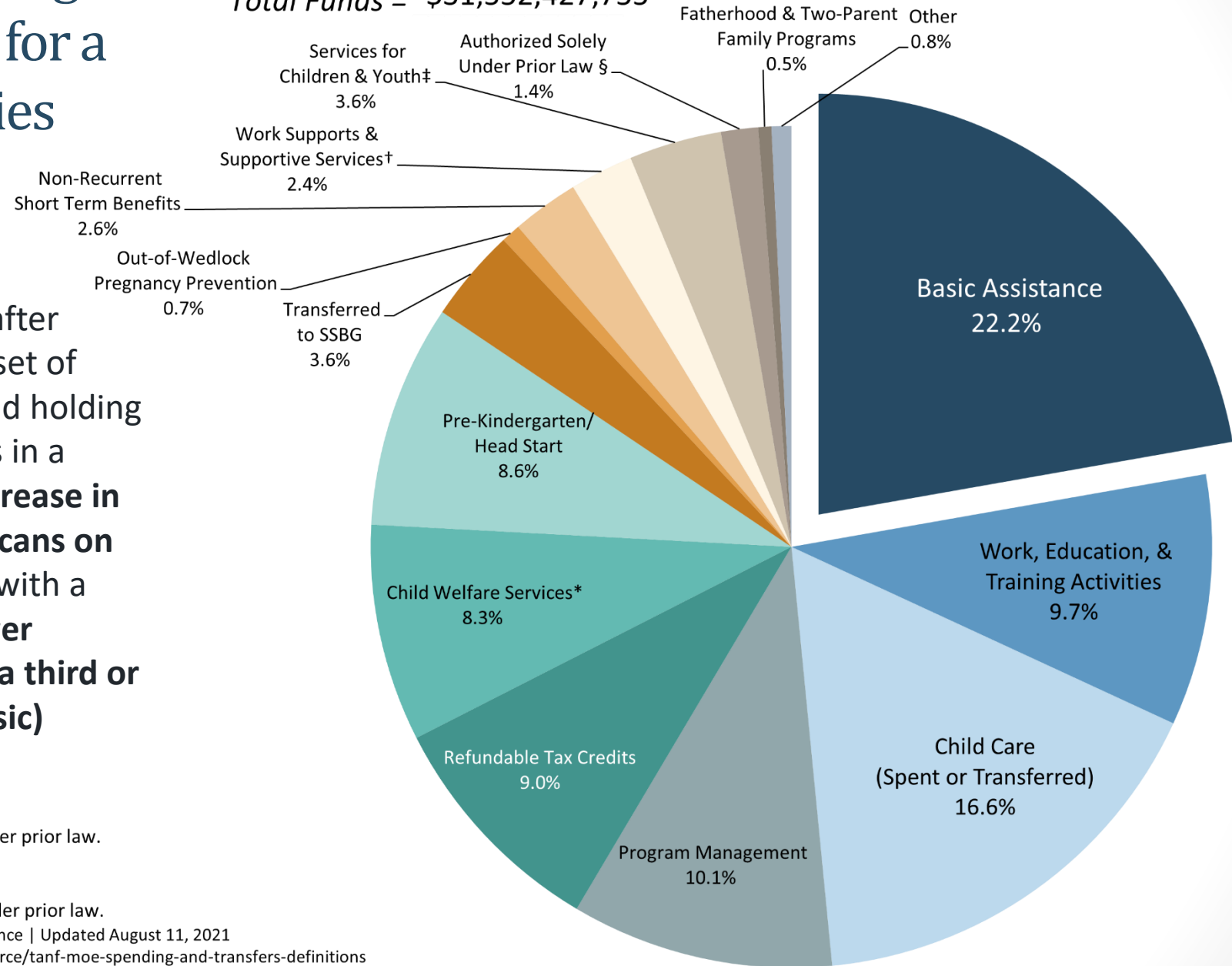
- Strengthen TANF as a safety net and work program
- Apply a racial equity lens to our work
- Improve use of, access to, and quality of TANF data to inform program improvement

TANF is a flexible funding stream used by states for a wide variety of activities

“Hardy et.al. (2019) found that, after controlling for a comprehensive set of economic and political factors and holding the percent of African Americans in a state constant, a **one percent increase in the percentage of African Americans on the TANF caseload** is associated with a **nearly one percentage point lower likelihood that the state spends a third or more of TANF funds on cash (basic) assistance.**”

TANF and MOE Spending and Transfers by Activity, FY 2020: United States

Total Funds = \$31,552,427,755



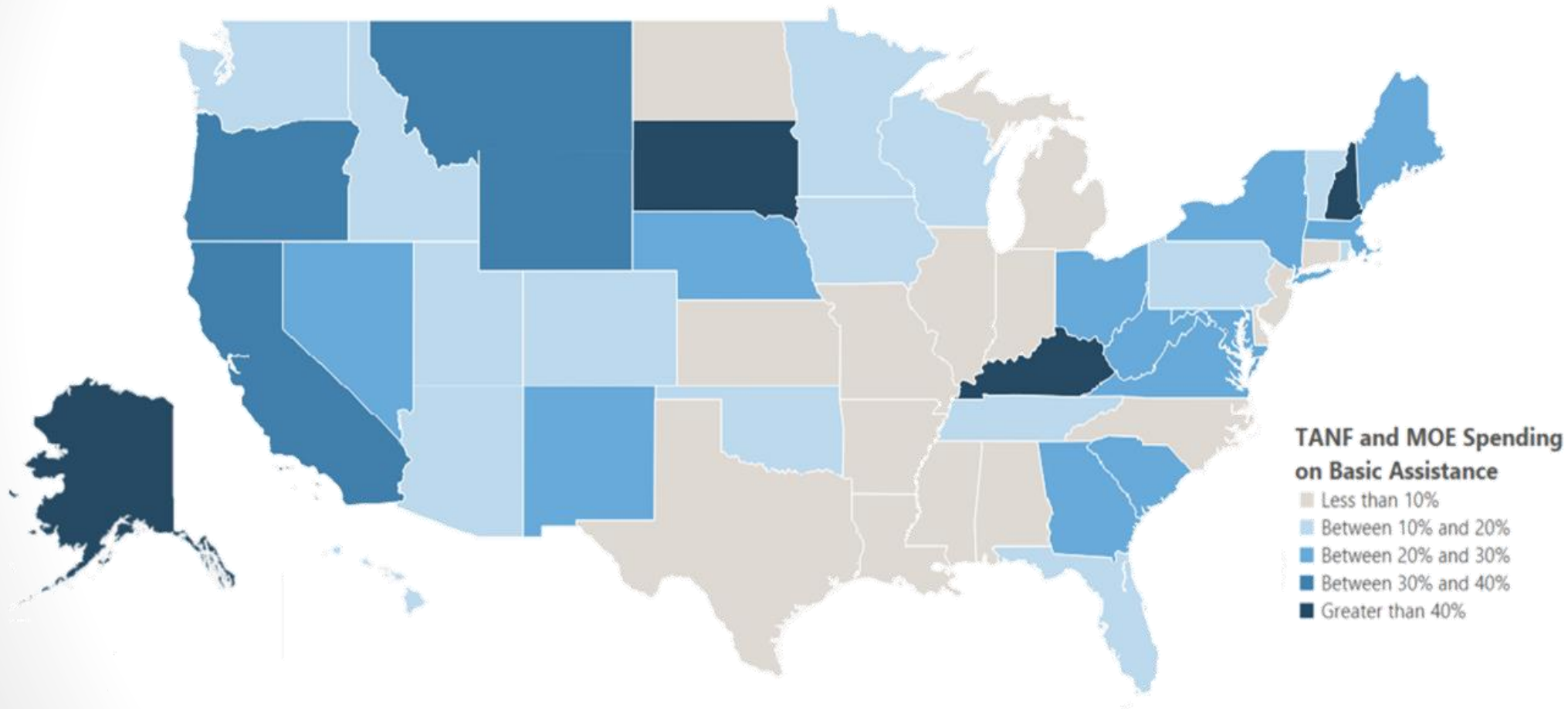
* Includes Foster Care/Child Welfare authorized solely under prior law.

† Includes Financial Education and Asset Development.

‡ Includes Home Visiting.

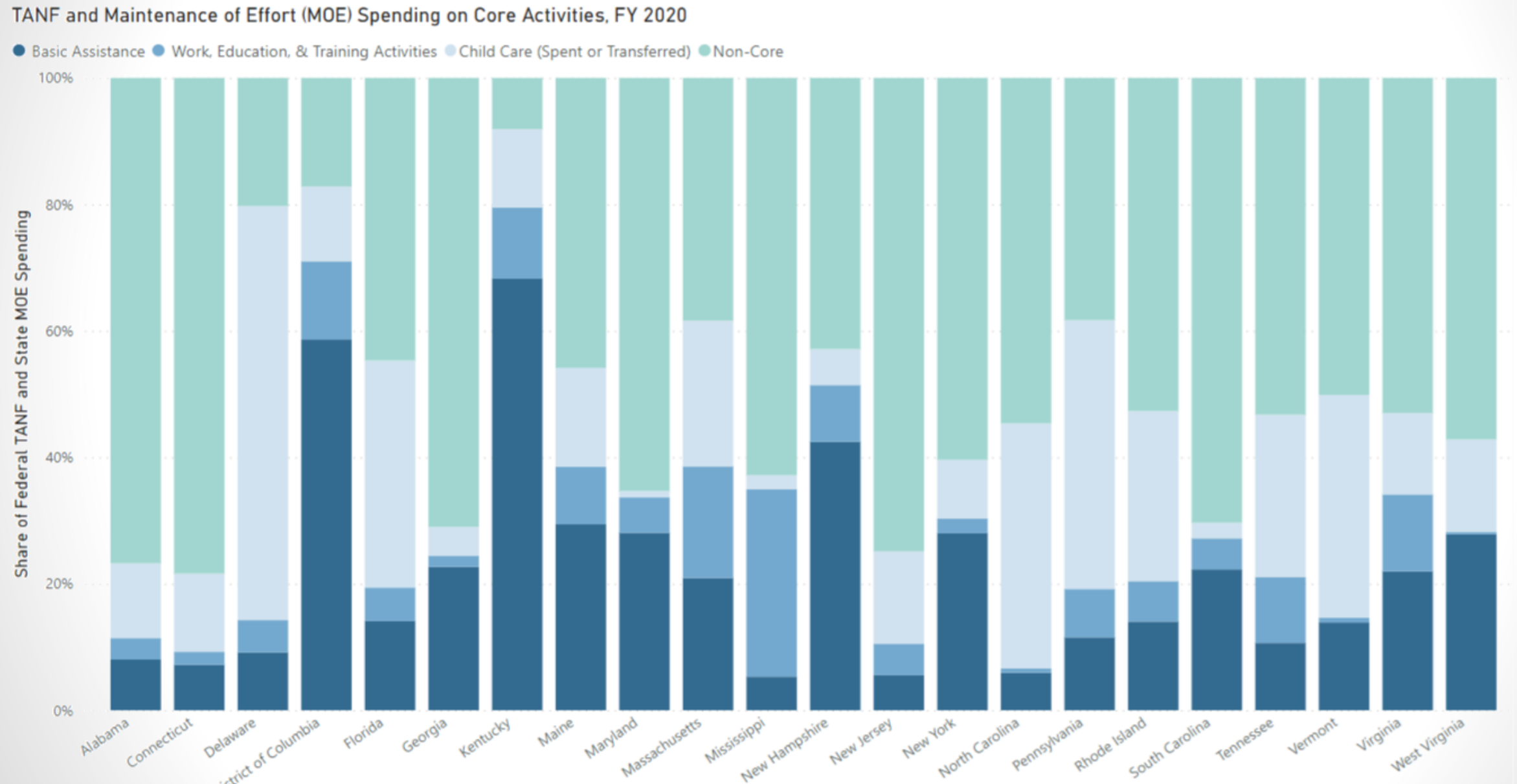
§ Excludes Foster Care/Child Welfare authorized solely under prior law.

TANF and MOE Spending on Basic Assistance, FY 2020



TANF & MOE spending on Core Activities, FY 2020

Basic assistance is a small share of TANF & MOE spending in many states

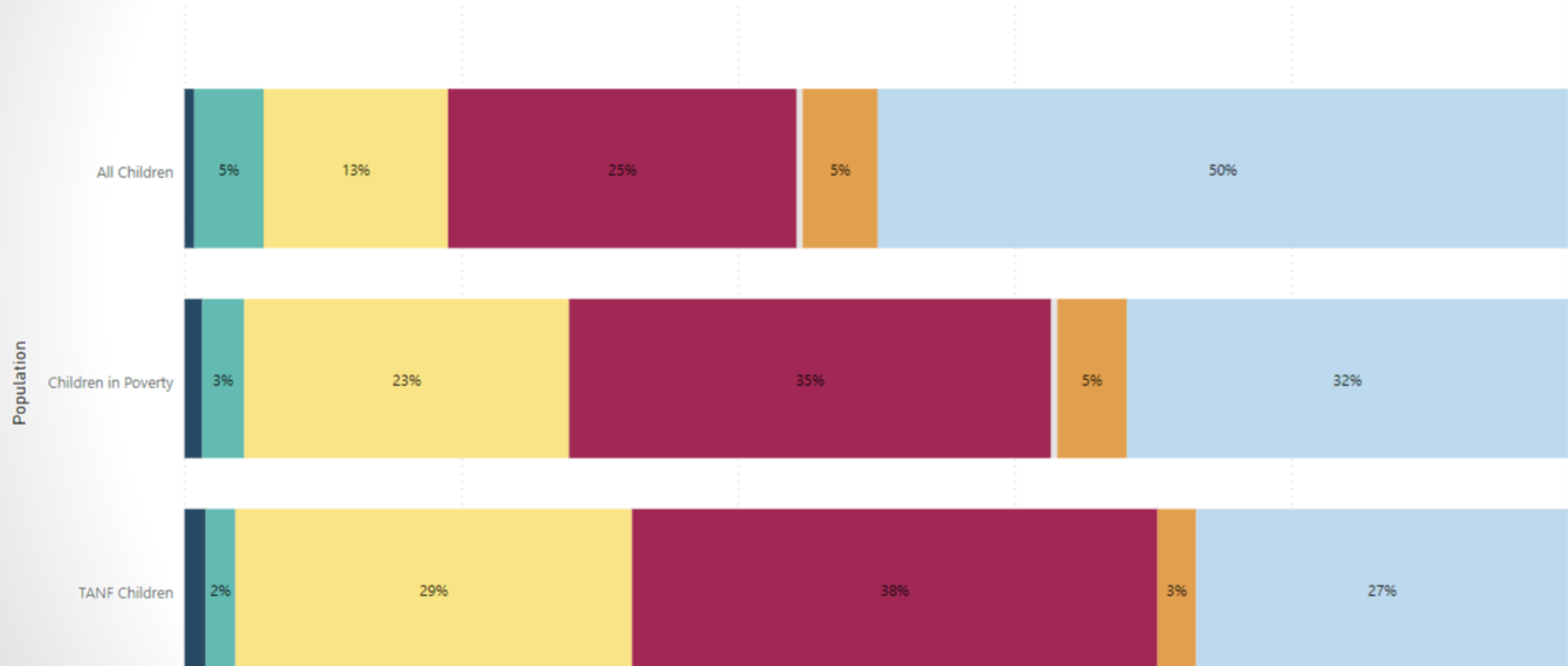


Source: HHS/ACF/Office of Family Assistance. TANF Expenditure Data.

Hispanic and Black children are overrepresented in poverty

Share of Children by Race/Ethnicity and Population

Race/Ethnicity ● American Indian/ Alaska Native ● Asian/ Native Hawaiian/ Pacific Islander ● Black ● Hispanic ● Other ● Two or more races ● White



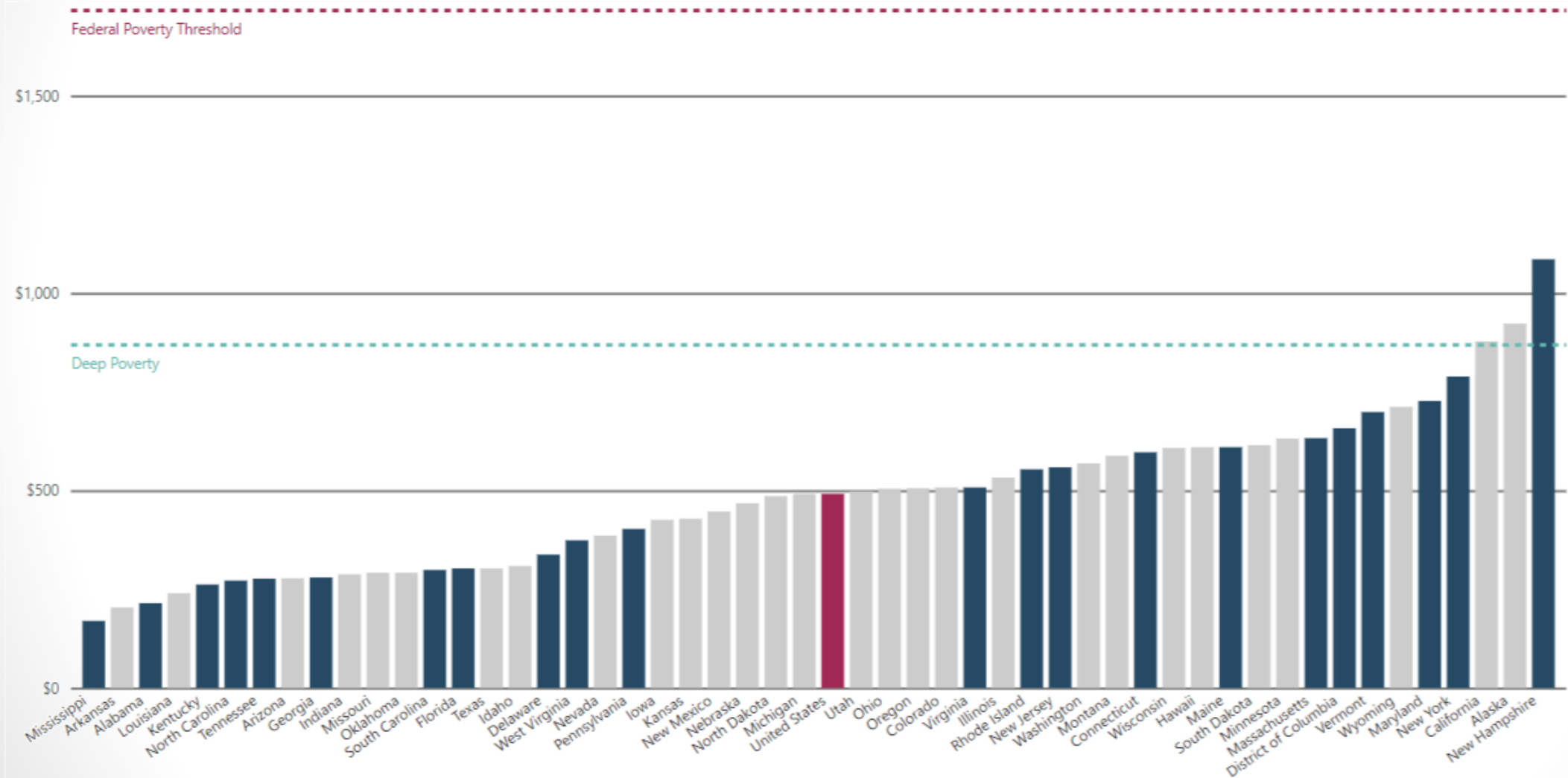
Notes: Races are non-Hispanic except for "Hispanic," which may be of any race. For TANF data, "Unknown/Reported in Error" was proportionally redistributed.

Sources: HHS/ACF/Office of Family Assistance, TANF Administrative Data; US Census Bureau, American Community Survey, 2016-2020, *IPUMS-USA*, University of Minnesota, www.ipums.org.

States set policies determining TANF eligibility and benefit levels

“...the percent of a state’s population that is African American or Hispanic is associated with lower benefit levels (Hawes and McCrea 2017).”

Maximum Monthly TANF Benefit for a Family of Three with No Income, July 2020

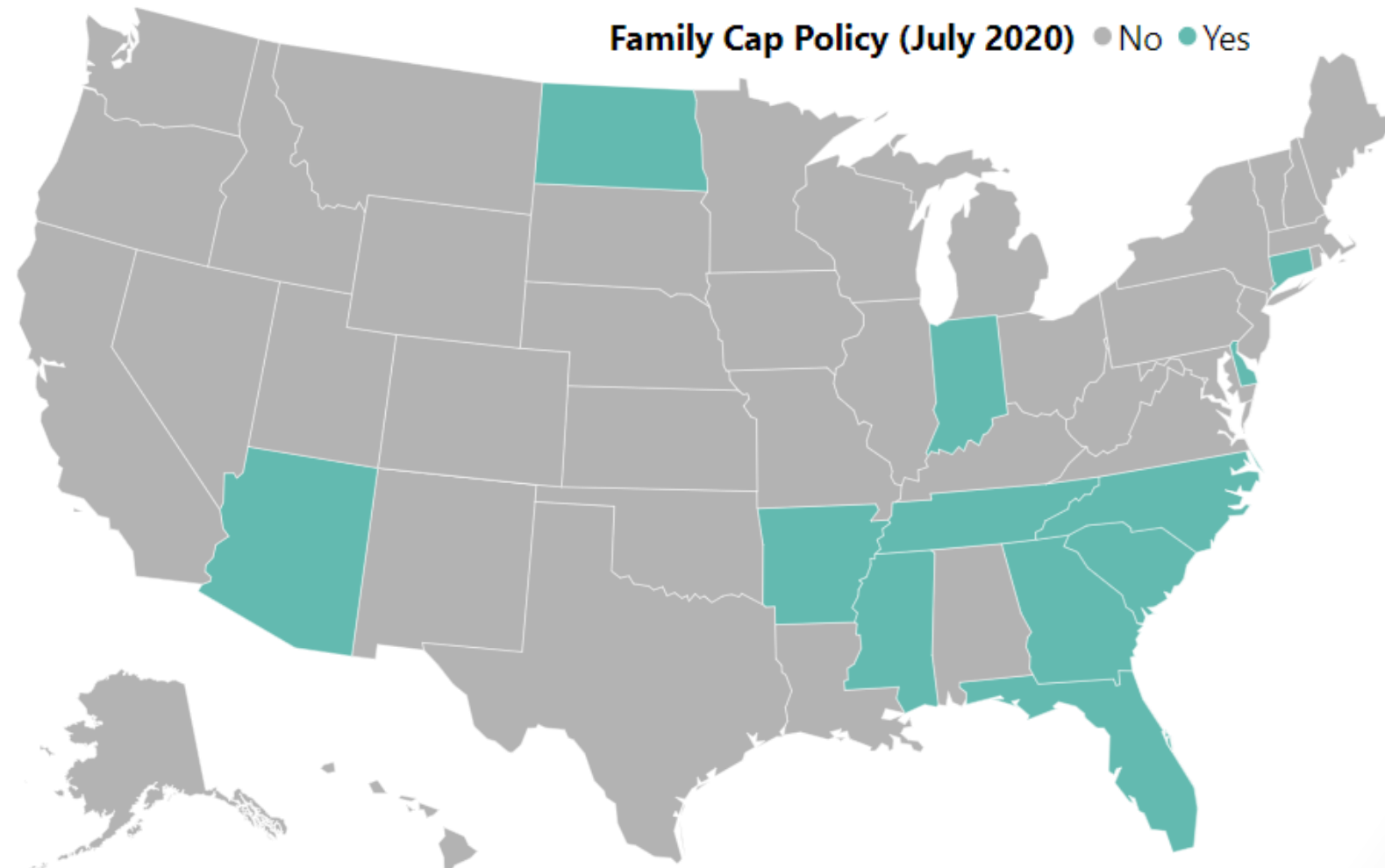


Source: Urban Institute, Welfare Rules Database, Table II.A.4, https://wrd.urban.org/wrd/Data/databook_tabs/2020/II.A.4.xlsx

Family Cap Policies

“States with a higher proportion of African American recipients generally have... **stricter policies**, like **shorter eligibility periods**, stricter sanctions, and **family caps**.(McDaniel 2017).”

“A type of policy often referred to as a ‘family cap’ prevents or limits an increase in a family’s benefit when another child is born. In the states with this type of policy, the benefit increase an assistance unit would otherwise receive for adding another member to the unit is limited (Shantz 2020).”

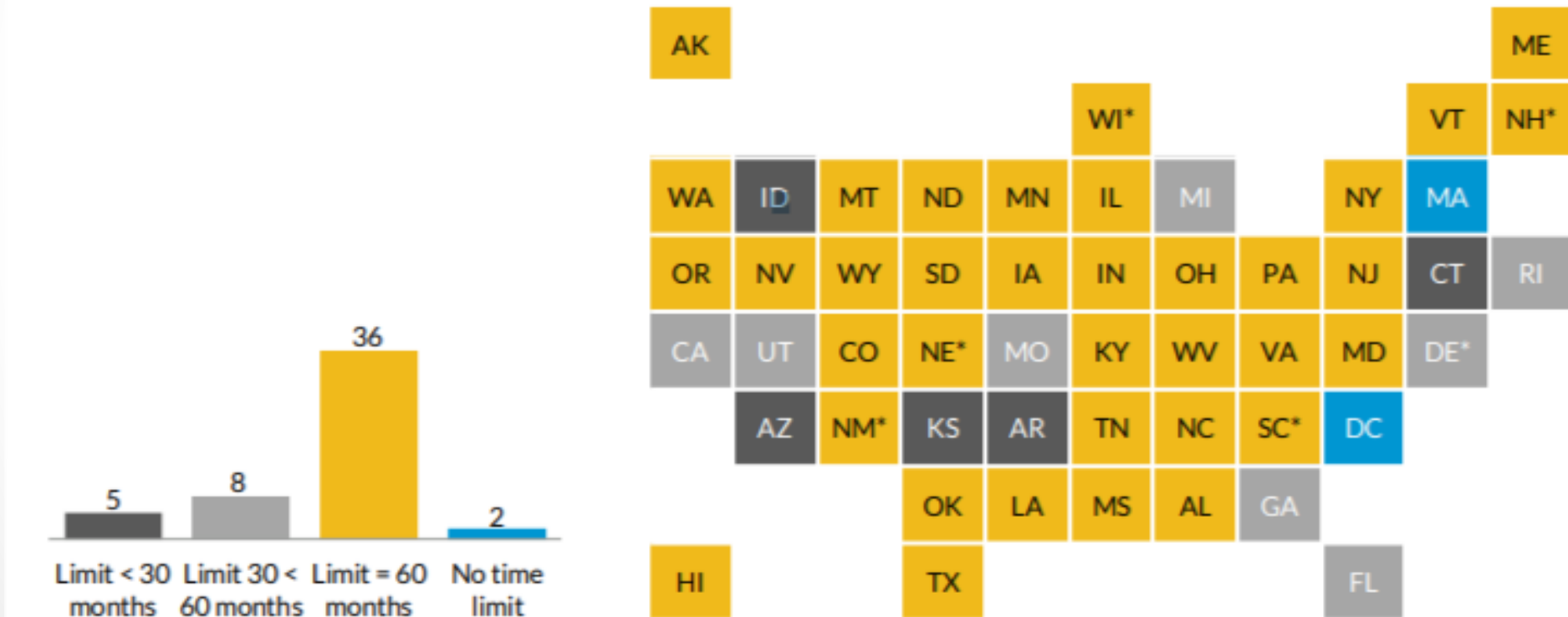


Lifetime limits

“States with a higher percentage of Hispanics in their caseload are more likely to have shorter eligibility periods (Gais and Weaver 2002)” (McDaniel 2017)

See *TANF Time Limits and Racial Disproportionality in Washington State*

Lifetime Limit on the Number of Months of TANF Assistance, 2020 (Standard Policies)



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).

Source: Urban Institute, Welfare Rules Database, <https://www.acf.hhs.gov/sites/default/files/documents/opre/wrd-2020-databook-companion-piece-feb2022.pdf>

More areas for analysis

- Other policies with disparate impacts by race/ethnicity (e.g., sanctions, upfront work requirements, denials, etc.)
 - “Cheng, Lo, and Weber (2017), analyzing a nationally representative sample, found that restrictive TANF policies (e.g., immediate work requirement, no work exemption based on child’s age, no dollar portion of monthly income excluded during eligibility determination) deter African Americans, especially, from entering TANF or push them out of TANF.”
 - “Generally, African Americans and Hispanics are sanctioned at higher rates than whites after controlling for factors like their work history and the ages of their children (McDaniel 2017).”
- Employment outcomes by race/ethnicity
- Participation in work activities by race/ethnicity
- Impact of COVID by race/ethnicity, policy changes

Sources

- Office of Family Assistance, [State TANF Data and Reports](#)
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 - Hawes, D.P. & McCrea, A.M. (2017). Give us your tired, your poor, and we might buy them dinner: Social capital, immigration, and welfare generosity in the American states. *Political Research Quarterly*, 71(2), 1-14.
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- McDaniel, Marla, Tyler Woods, Eleanor Pratt, and Margaret C. Simms. 2017. [Identifying Racial and Ethnic Disparities in Human Services: A Conceptual Framework and Literature Review](#). OPRE Report #2017-69. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.
- Meyer, Laura and Ife Floyd, Center on Budget and Policy Priorities (CBPP) [Cash Assistance Should Reach Millions More Families to Lessen Hardship](#) (2020).
- Shantz, Katie, Ilham Dehry, Sarah Knowles, Sarah Minton, and Linda Giannarelli (2020). [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.
- Washington State Economic Services Administration (2021). [Examining Temporary Assistance for Needy Families Time Limit and Sanction Data Disaggregated by Race and Ethnicity](#).