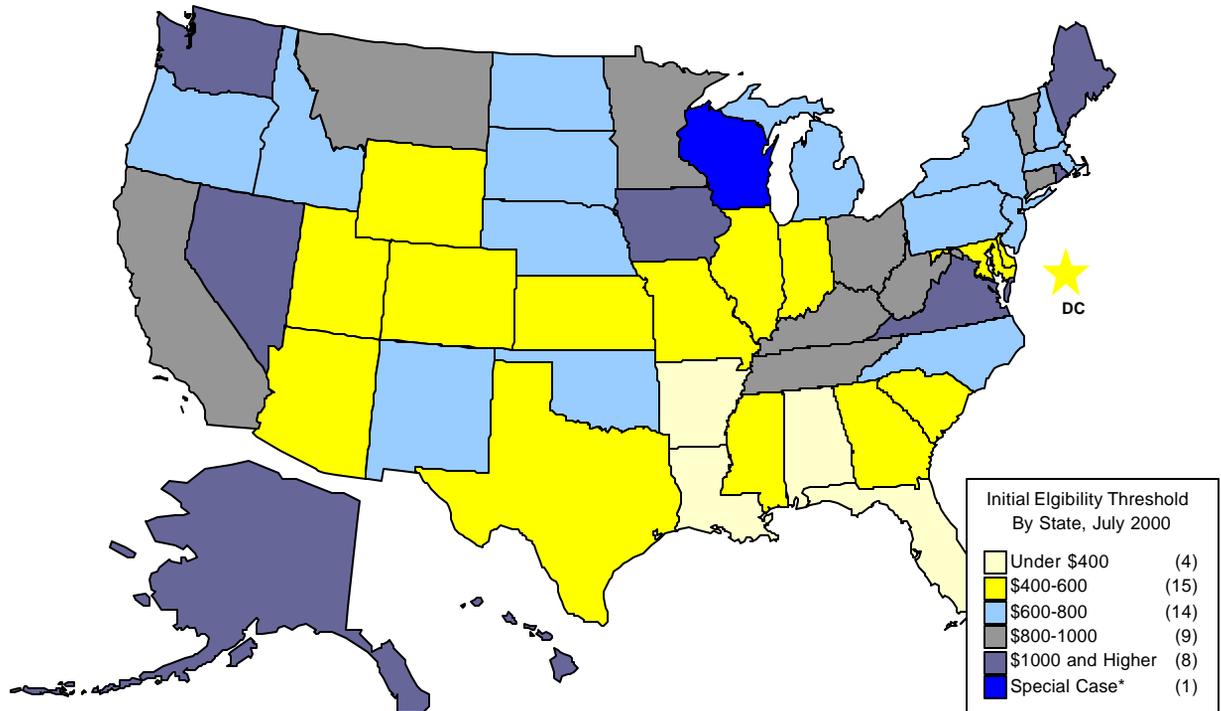




Fast Facts on Welfare Policy

Initial TANF Income Eligibility Thresholds



*No initial eligibility threshold was calculated for Wisconsin since its residents employed full time or deemed capable of full-time employment at application do not receive a cash benefit.

Under TANF there is extremely wide variation across the states in the maximum amount of earnings that a family can have and still become eligible for cash aid — an amount referred to as the initial eligibility threshold.

A state's initial eligibility threshold under TANF is the net result of all the state's financial eligibility rules governing applicants — the limitations placed on gross income, the rules for deductions from gross income in determining net income, and any limitations placed on net income. Combining all those rules, the initial earned income thresholds for a family of three in 2000 ranged from \$205 per month in Alabama to \$1,641 in Hawaii. As of 2000, a single parent earning the minimum wage of \$5.25 could work full time in 12 states and still become eligible, but would have to work less than half-time in seven states (and as little as nine hours per week in Alabama) to qualify for TANF.

Between 1996 and 2000, 35 states either reduced the threshold, left it unchanged, or increased it by less than the amount of inflation.

Source: [The Welfare Rules Database](#) The Urban Institute's *Assessing the New Federalism* project. 2000.