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Temporary Assistance for Needy Families Caseloads Early in the Pandemic

Experiences Varied by State

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This brief explores changes in Temporary Assistance for Needy Families (TANF) caseloads during the first year of the COVID-19 pandemic. We examine changes to the national and state caseloads by calculating percentage changes since before the pandemic began in February 2020. Overall, we find that the national caseload rose in the early months of the pandemic, peaking in June 2020, but fell below prepandemic levels by October 2020. Within the national caseload, state TANF caseload changes varied widely. In October 2020, caseloads ranged from 63 percent larger than prepandemic levels in Hawaii to 31 percent smaller in Mississippi.

The COVID-19 pandemic caused unprecedented disruptions to public health systems, employment, and daily life. The pandemic and resulting recession in spring 2020 included a greater drop in the employment-to-population ratio than during the Great Recession (Moffitt and Ziliak 2021). In May 2020, two in five adults reported the loss of a job or income in their family because of COVID-19 (Acs and Karpman 2020). Families faced greater need during the pandemic, including increased food insecurity, housing instability, and other material hardships (CBPP 2022). For example, in the month after the pandemic began, about 30 percent of all US adults reported that their families had experienced food insecurity; could not pay their rent, mortgage, or utility bills; and had gone without medical care because of the cost. Among adults with family incomes below the federal poverty level, more than 65 percent of respondents reported experiencing one or more of these hardships (Karpman et al. 2020). In May 2020, about 20 percent of parents in households with children reported experiencing food insecurity, and in September 2020 almost 25 percent of families with school-age children reported the same (Gupta, Gonzalez, and Waxman 2020; Waxman, Gupta, and Karpman 2020).

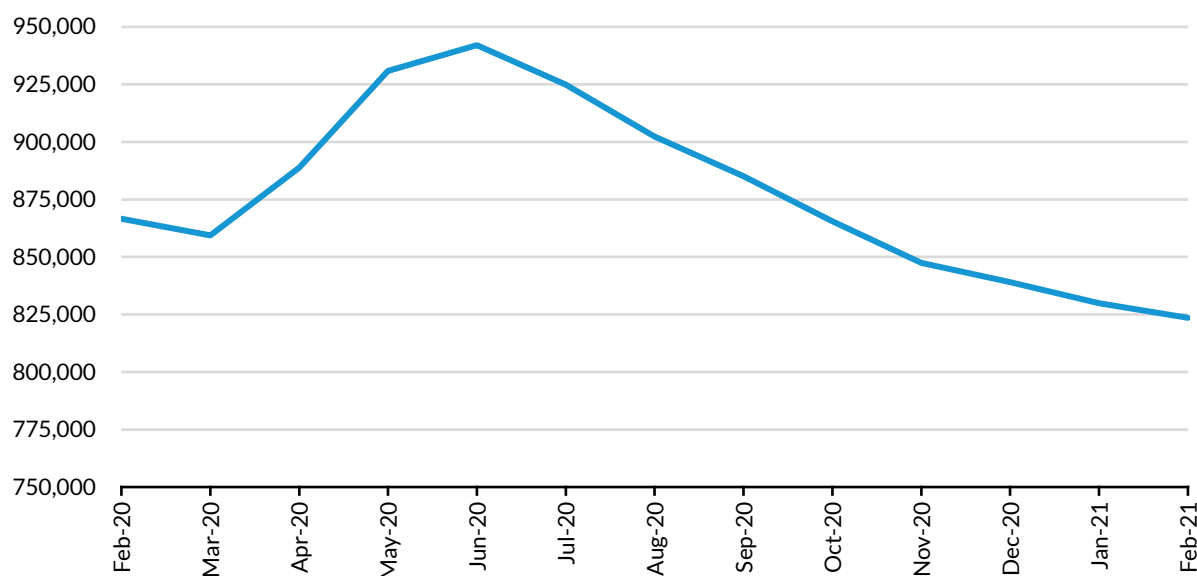
Amid the elevated hardship, some families sought assistance from TANF (Pavetti 2020; Shantz et al. 2020). In April 2020, TANF applications nationally were 20 percent higher than they had been in April 2019, though the situation varied by state.¹ Forty states experienced higher application volumes in April 2020 compared with 2019, including 10 states where the number of TANF applications more than doubled. How did TANF, a program intended to temporarily assist families and children in need, respond to increased levels of hardship and need among families during the COVID-19 pandemic?

Key Findings

National TANF Caseloads Increased during the Early Months of the Pandemic but Fell Below Prepandemic Levels through the Remaining Period

After the US experience of the pandemic began in March 2020, the national TANF caseload rose until June 2020 but then fell through the rest of the period (figure 1). Compared with February 2020, when 866,641 families received TANF cash assistance, the caseload climbed 8.7 percent to 942,048 families in June 2020. In October 2020, the national TANF caseload of 865,504 was 0.13 percent smaller than it had been in February.

FIGURE 1
National TANF Caseload from February 2020 to February 2021



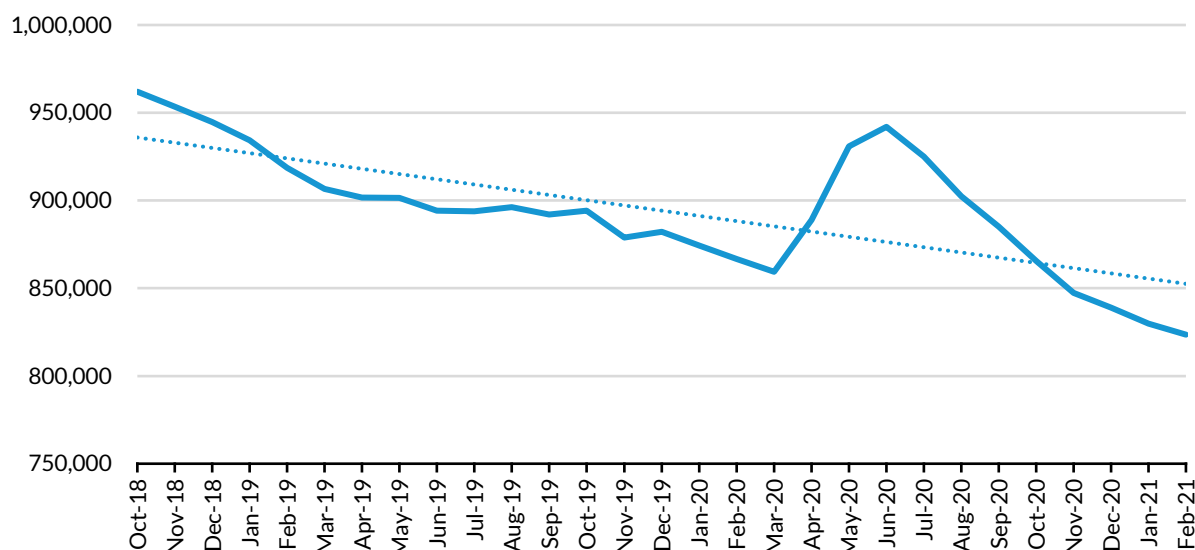
Sources: "TANF Caseload Data 2020" and "TANF Caseload Data 2021," US Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, last updated December 20, 2021, <https://www.acf.hhs.gov/ofa/programs/tanf/data-reports>.

Notes: This figure shows the TANF-only caseload total number of families. These numbers do not include separate state program caseloads or cash aid received through solely state funded programs.

Considering the 2020 changes in the context of TANF caseload changes over a longer period is useful. TANF caseloads have generally been falling since the program's inception in 1997—not from a decrease in need but because of fixed block grant funding, state flexibility in determining eligibility requirements, strict work requirements, and time limits (Shrivastava and Thompson 2022). Nationally, for every 100 families experiencing poverty, only 21 families received TANF cash assistance in 2019–20, compared with 68 families in 1996 when TANF was enacted. This ratio varies widely across states, with California's TANF program reaching 71 families for every 100 families experiencing poverty in 2019–20 and Louisiana's TANF program reaching only 4 such families (Shrivastava and Thompson 2022).

Figure 2 illustrates that the increase in the national TANF caseload in spring 2020 was an anomaly on an otherwise downward trajectory.

FIGURE 2
National TANF Caseload from October 2018 to February 2021



Sources: "TANF Caseload Data 2019," "TANF Caseload Data 2020," and "TANF Caseload Data 2021," US Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, last updated December 20, 2021, <https://www.acf.hhs.gov/ofa/programs/tanf/data-reports>.

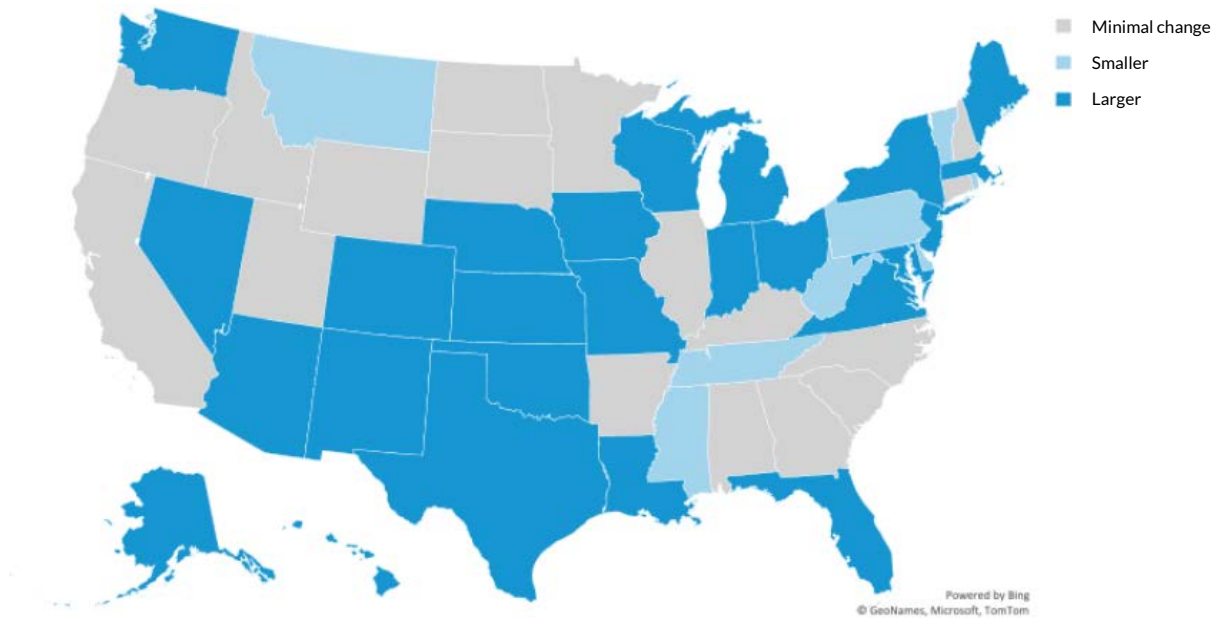
Notes: This figure shows the TANF-only caseload total number of families. These numbers do not include separate state program caseloads or cash aid received through solely state funded programs.

State TANF Caseload Changes Varied Greatly during the Pandemic, with Caseloads Rising Significantly in Some States while Falling in Others

Figure 3 shows whether state caseloads were smaller or larger in June 2020 than in February 2020. In 25 states, TANF caseloads were at least 5 percent larger, while in 8 states TANF caseloads were at least 5 percent smaller in June 2020. In 17 states, TANF caseloads did not change by more than 5 percent.

FIGURE 3

Change in State TANF Caseloads, Comparing February 2020 and June 2020



Sources: Authors' analyses of "TANF Caseload Data 2020" and "TANF Caseload Data 2021," US Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, last updated December 20, 2021, <https://www.acf.hhs.gov/ofa/programs/tanf/data-reports>.

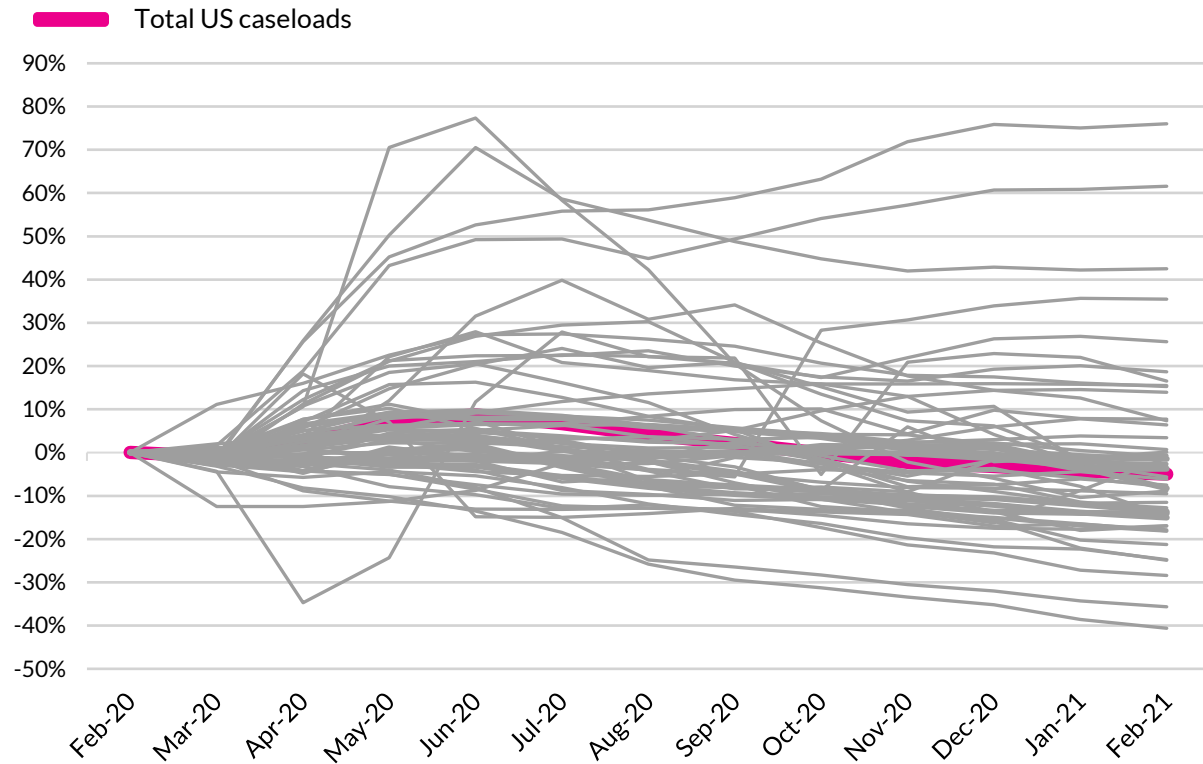
Notes: "Minimal change" means no greater than a 5 percent increase or decrease in caseloads. "Smaller" caseloads decreased by more than 5 percent, while "larger" caseloads increased by more than 5 percent. This figure shows the TANF-only caseload total number of families. These numbers do not include separate state program caseloads or cash aid received through solely state funded programs.

Figure 4 and table 1, showing the percentage change in states' TANF caseloads between February 2020 and June 2020, illustrate the wide variation in the trajectories of states' caseloads during the first year of the pandemic.

- Three states' caseloads remained at least 40 percent larger than in February 2020 from May 2020 until February 2021 (Hawaii, Indiana, and Maryland).
- In May 2020, only one state's caseload was 20 percent smaller than in February 2020; by February 2021, six states' caseloads were 20 percent smaller than in February 2020.
- Most states' caseloads did not grow or decrease by more than 10 percent compared with February 2020 from May 2020 until November 2020.

FIGURE 4

Percentage Change in State TANF Caseloads Compared with February 2020



Sources: Authors' analyses of "TANF Caseload Data 2020" and "TANF Caseload Data 2021," US Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, last updated December 20, 2021, <https://www.acf.hhs.gov/ofa/programs/tanf/data-reports>.

Notes: This figure shows the TANF-only caseload total number of families. These numbers do not include separate state program caseloads or cash aid received through solely state funded programs.

TABLE 1

Change in State TANF Caseloads, Comparing June 2020 with February 2020

Percentage change in state TANF caseloads from February 2020 to June 2020

State	Change	State	Change
Alabama	-1.29%	Montana	-9.74%
Alaska	6.45%	Nebraska	27.94%
Arizona	26.85%	Nevada	7.36%
Arkansas	2.87%	New Hampshire	2.29%
California	3.70%	New Jersey	27.27%
Colorado	6.72%	New Mexico	21.02%
Connecticut	0.77%	New York	9.17%
Delaware	-13.09%	North Carolina	3.78%
Florida	31.53%	North Dakota	4.61%
Georgia	-1.88%	Ohio	9.86%
Hawaii	52.64%	Oklahoma	5.13%
Idaho	-3.07%	Oregon	0.18%
Illinois	-1.39%	Pennsylvania	-5.34%
Indiana	49.26%	Rhode Island	-8.06%

State	Change	State	Change
Iowa	7.88%	South Carolina	-0.44%
Kansas	20.54%	South Dakota	-4.43%
Kentucky	1.73%	Tennessee	-8.45%
Louisiana	11.73%	Texas	5.46%
Maine	16.27%	Utah	-4.02%
Maryland	70.52%	Vermont	-14.82%
Massachusetts	5.59%	Virginia	5.04%
Michigan	77.34%	Washington	22.36%
Minnesota	1.20%	West Virginia	-7.45%
Mississippi	-13.48%	Wisconsin	9.21%
Missouri	9.64%	Wyoming	-1.94%

Source: Authors' analyses of "TANF Caseload Data 2020" and "TANF Caseload Data 2021," US Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, last updated December 20, 2021, <https://www.acf.hhs.gov/ofa/programs/tanf/data-reports>.

Notes: This table is based on the TANF-only caseload total number of families. These calculations do not include separate state program caseloads or cash aid received through solely state funded programs.

Discussion

The wide variation in state-level caseload changes during the first year of the pandemic aligns with the broader recognition that access to cash assistance, and the supports recipients receive, depends on the state where one lives (Hahn et al. 2017). States have the flexibility to determine many aspects of their TANF programs, including application requirements, benefit amounts, time limits, and more.

Additionally, state-level caseload changes did not happen in a vacuum. Though the timing and depth of the pandemic-related economic crisis varied by state (Hahn et al. 2021), so did states' choices about other pandemic-related policy changes. Some states chose to make a variety of pandemic-related policy changes, like suspending up-front job search requirements, not counting unemployment insurance as income, issuing good-cause exemptions for work requirements, removing work-related sanctions, and developing virtual learning activities (Shantz et al. 2020; 2022). One analysis of preliminary policy data early in the pandemic (Hembre 2021) found that states with more "pandemic-friendly" policies, as well as those with more lenient or generous policies before the pandemic, had more caseload growth. Pandemic-friendly policies included waiving in-person interviews, suspending or exempting work requirements, automatically extending or recertifying eligibility, adjusting time limits, and excluding Pandemic Unemployment Compensation, Pandemic Unemployment Assistance, and Pandemic Emergency Unemployment Compensation income from eligibility criteria. Hembre (2021) found that states with the largest growth in caseloads exempted or suspended work requirements and had an online application available.²

At a foundational level, basic structural components of TANF make it unlikely to respond quickly to increased need. TANF's predecessor, Aid to Families with Dependent Children, was more responsive, with welfare caseloads rising during the recessions of 1973–75, 1980–83, and 1990–91 (Zedlewski 2008). But unlike Aid to Families with Dependent Children, TANF is a fixed block grant to states that has not been adjusted for inflation since 1996. As a result, the grant has lost 40 percent of its value (Falk

and Landers 2021). Additionally, the block grant was based on state spending in the 1990s, baking in differences in funding across states. Though Congress appropriates an annual TANF contingency fund, these funds are typically spent quickly; most of the \$608 million appropriated for federal fiscal year 2020 was spent before the pandemic began (Falk 2020). States also often commit TANF funds to other purposes outside of cash assistance, including college scholarships, child care, and child welfare. In past recessions, states have been unlikely to pull back those funds (Hahn, Golden, and Edelman 2012).

During the Great Recession (2007–09), TANF caseloads had only a modest response to the recession. The national caseloads did not increase until seven months after the recession began. In 45 states, caseloads grew between December 2007 and December 2009 but with a wide degree of variation. In most states, the caseload increased by 14 percent or less (Pavetti, Finch, and Schott 2013). By December 2011, about 30 percent of states had smaller caseloads than they did at the start of the Great Recession in December 2007. Variation in unemployment rates across states did not explain the variation in state caseload changes (Pavetti, Finch, and Schott 2013).

TANF could be more responsive to changes in need. Broadly, an annual inflation adjustment to the TANF block grants and additional resources to support cash assistance and employment could support states in reaching more families in need (Hahn, Golden, and Edelman 2012). The federal government could make it easier for states to access additional federal funding during recessions (Hahn, Golden, and Edelman 2012). The federal government could also suspend federal rules regarding time limits and work requirements during recessions (Moffitt and Ziliak 2021). The federal government could redesign the contingency fund, require states to spend a minimum share of the block grant on direct assistance and work activities, and include the TANF-to-poverty ratio as a TANF performance measure (Pavetti, Finch, and Schott 2013).

State-by-state differences in caseload changes during the pandemic are the latest illustration of how state TANF policy choices affect the lives of people experiencing poverty and how federal TANF policies allow those differences to occur.

Notes

- ¹ “TANF Application Data (2010–2021),” US Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, April 23, 2019, <https://www.acf.hhs.gov/ofa/data/tanf-application-data-2010-2019>.
- ² This analysis derived caseload data from multiple sources, which may have included solely state funded or separate state program cases in some states.

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Errata

This brief was revised April 22, 2022. The title of figure 2 on page 3 has been corrected to say the national TANF caseload data start at October 2018. Figure 3 on page 4 shows that 25 states had larger TANF caseloads in June 2020 than in February 2020, 8 states had smaller, and 17 states had minimal changes; an earlier version, mistakenly labeled figure 5, said that 13 states had larger caseloads, 22 had smaller, and 16 had minimal changes. Figure 4 on page 5, previously mislabeled figure 6, now displays the state and territory caseloads with thin, gray lines and the US total caseloads with a thick, pink line to better convey that state caseloads varied widely. Table 1 has been added following figure 4 to provide

more detail about the trends shown in figures 3 and 4. In addition, unused acronyms have been deleted from the notes for figures 1 through 4, the first two paragraphs on page 6, and note 2.

About the Authors

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