

What Was the TANF Participation Rate In 2016?

Linda Giannarelli

July 2019

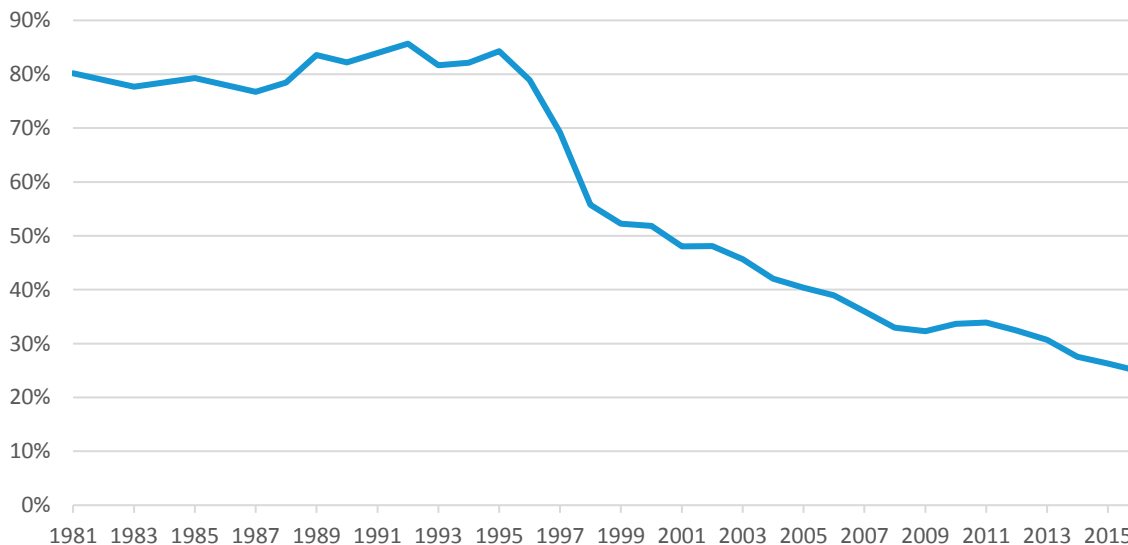
The Temporary Assistance for Needy Families (TANF) program provides eligible low-income families with cash aid, commonly referred to as “welfare.” However, not every family that is eligible for TANF under their state’s policies receives benefits. In 2016, an estimated 24.9 percent of eligible families received cash grants, slightly less than the 26.3 percent estimated for 2015.

How Has the Participation Rate Changed over Time?

The proportion of eligible families receiving cash welfare was much higher under the Aid to Families with Dependent Children (AFDC) program, the program TANF replaced. In 1995, the last full year of AFDC, the participation rate among eligible families was 84.3 percent. The TANF participation rate was 69.2 percent in the program’s first full year in 1997, and has fallen almost every year since.

FIGURE 1

AFDC and TANF Participation Rates, 1981–2016



Sources: Caseload data from the Administration for Children and Families and eligibility estimates produced by the TRIM3 model.

Notes: The rates reflect the portion of eligible US families receiving regular monthly cash aid from federal funds or separate state programs. Families receiving small worker supplement payments and families receiving cash aid through solely state-funded programs (which are not administratively considered to be TANF) are not counted as recipients for purposes of the participation rate estimates. For 1982, 1984, 1986, and 1991, the rates shown in the chart are interpolated.

Who Is Eligible for TANF, and Why Do They Not All Get Cash Aid?

To be eligible for TANF, families must have a child or a pregnant woman and comply with rules including work requirements and cooperating with child support enforcement efforts. States set the [detailed eligibility rules](#), including the income limits and earnings disregards; income must generally be very low to qualify.

Families that are eligible for a cash grant from TANF might not participate in the program for several reasons. Possible reasons include the following:

- being unaware of eligibility
- feeling that they do not need the benefit (for example, a young mother living with her parents might be eligible but decide not to apply for benefits)
- feeling discouraged from applying, or that the rules are too burdensome for the level of benefits
- wanting to “save” the use of TANF cash aid for when they might need it more (families can generally receive TANF cash aid for a maximum of 60 months)
- not complying with program requirements (in these participation rates, families who have lost cash help from not complying with a requirement are counted as having chosen not to participate)

How Do We Estimate the Participation Rate?

The participation rates shown in figure 1 are estimated by comparing the program’s actual caseload with the number of families estimated to be eligible for cash aid. (In some research, the term “participation rate” means the share of all low-income families getting benefits, but that is not the definition used here.)

The caseload number is the average monthly number of US families receiving regular monthly aid either through TANF funding or closely tied state programs (“separate state programs,” or SSPs). We exclude families in the US territories and those receiving only small “worker supplement” payments (e.g., small additions to SNAP benefits funded by TANF for families with children). Moreover, in states that use “solely state-funded” (SSF) programs to fund benefits for some groups of families, those cases are not reported to the federal government as TANF cases, and they are excluded from the caseload counts used for these rates. (If SSF families were included in the numerator, the participation rate would be somewhat higher.) The program’s administrative data show that in 2016, 1.488 million families a month on average received cash benefits funded by TANF or SSPs. After subtracting families in the territories and families receiving small worker supplements, we estimate that 1.213 million families received regular monthly TANF or SSP cash benefits on average in 2016.

Eligibility estimates are produced year-by-year using the TRIM3 microsimulation model, which is funded and copyrighted by the Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (ASPE), and developed and maintained by Urban Institute staff. TRIM3 applies the detailed state-by-state TANF eligibility rules to information in the Current Population Survey’s Annual Social and Economic Supplement. For 2016, the simulation shows 4.869 million families eligible for TANF cash aid in the average month.

The caseload of 1.213 million families divided by the 4.869 million estimated eligible families yields an estimated program participation rate of 24.9 percent.

More information on TANF participation rates over time and on participation rates in other programs will be available in ASPE’s forthcoming *Welfare Indicators and Risk Factors, Eighteenth Report to Congress*. Additional information on past participation rates are available in ASPE’s [previous annual reports to Congress](#); see ASPE’s latest annual report [here](#).