

Overview of TANF Policy: In 2020, Indiana provided TANF cash support to just 5% of families with children living below the poverty level, far below the national average (21%).¹ The state provides a maximum monthly benefit of \$260 for a family of three (15% of the 2024 Federal Poverty Level, or FPL). According to a report from the Department of Health and Human Services, as of 2021 **the state held TANF funds in reserve of \$113,987,751; the state received \$206,116,672 in federal block grants the following year, 2022.**²

A family of three in Indiana can be eligible for cash assistance while earning income up to \$598/month (or 28% FPL). Indiana maintains an asset limit of just \$1,000 for families during initial eligibility considerations; however, once receiving TANF benefits, families can retain up to \$10,000.

Assessment of TANF Policy: By **increasing maximum benefit amounts** and **extending income limits**, Indiana could lift more parents and children above the poverty level during periods of financial setback or acute need. **Mandating recurring benefit increases tied to inflation or cost-of-living assessments** would also ensure adequate support for families in the future. Legislative sources indicate that increases are planned, but implementation is not yet evident. Additionally, **eliminating or increasing the asset test** would enable families to retain more savings, making them more resilient against hardships and supporting their economic mobility. Indiana may also consider **eliminating TANF's full-family sanctions** by reducing rather than terminating benefits for parents not fulfilling the program's work requirements, as more states are doing. Because sufficient economic support during pregnancy and very early childhood is essential to children's healthy development, the state may further consider **providing cash assistance for pregnant people without children beginning early in pregnancy**. Legislative sources indicate support for this advancement, but administrative provisions do not currently indicate support in practice.³

¹ For more on TANF-to-poverty ratios, see <https://www.cbpp.org/research/income-security/state-fact-sheets-trends-in-state-tanf-to-poverty-ratios>.

² Block grants and spending priorities for 2022 for all states are accessible here: <https://www.acf.hhs.gov/ofa/data/tanf-and-moe-spending-and-transfers-activity-fy-2022>.

³ For research detailing effects of some state-level TANF policies and administrative practices on children and families, see <https://www.nccp.org/ec-profiles-pes-policies-related-research-and-resources/#parenting>.

Indiana’s Cash Assistance (TANF) policy: Family Independence Temporary Assistance Program		
HOW MUCH CASH ASSISTANCE CAN A FAMILY OF THREE RECEIVE?		
Flexibility	Current policy	Potential improvement
<p>Maximum benefit allowed</p> <p>What is the maximum monthly amount a family of three could receive in cash assistance?</p>	<p>\$260/month (or less than 15% FPL in 2024).</p>	<p>Increase the maximum benefit level.</p> <p>Example: Louisiana recently increased its maximum benefit for a family of three to \$484/month.</p>
<p>Recurring benefit increases</p> <p>Has the state mandated increases to these amounts in future, as the cost of living rises?</p>	<p>No.</p>	<p>Make recurring increases to the state’s Standard of Need or benefit amounts, tied to a cost-of-living or poverty measurement.</p> <p>Example: Ohio requires scheduled cost-of-living updates to TANF benefit amounts each year on January 1st.</p>
WHO IS ELIGIBLE FOR CASH ASSISTANCE?		
Flexibility	Current policy	Potential improvement
<p>Maximum income</p> <p>How much can a family of three earn and still be considered eligible to receive cash assistance?</p>	<p>A family of three cannot earn more than \$592/month (or 28% FPL).</p>	<p>Increase limits, disregards, and/or deductions as other states have done to enable families earning more to receive cash assistance.</p> <p>Example: A family of three in South Carolina can earn up to \$1,035/month (48% FPL) after disregarding 50% of the monthly gross countable earned income of each earner for up to four months.</p>
<p>Asset limit</p> <p>How much can a family maintain in savings while still being eligible for cash assistance?</p>	<p>Initially, Indiana’s asset limit is \$1,000. However, once receiving cash assistance, families can retain up to \$10,000.</p>	<p>Consider removing or further raising the asset limit to support families in retaining emergency funds and savings.</p>

		Example: Nebraska lifted its asset limit to \$6,000.
<p>Eligibility during pregnancy for parents without children</p> <p>Are pregnant people with no children in the household eligible for cash assistance?</p>	<p>Legislative sources suggest that this support may be provided, although administrative resources do not indicate the enactment of related provisions.</p>	<p>Consider providing eligibility to low-income pregnant people with no other children, as several other states have.</p> <p>Example: Ohio provides eligibility from the sixth month of pregnancy, and Washington in the first month.</p>
ADDITIONAL RULES AND RESTRICTIONS		
Flexibility	Current policy	Potential improvement
<p>Time limit</p> <p>Does Indiana allow families to receive cash assistance up to the federal limit of 60 months?</p>	<p>Yes, for children in the household. Some adults may have a limit of 24 months.</p>	<p>Consider maintaining the full lifetime limit for all household members, including adults, as many states do (e.g., Louisiana, Tennessee).</p>
<p>Lifting full-family sanctions</p> <p>Are other family members able to continue receiving cash benefits if an adult does not meet work requirements?</p>	<p>No. After a third sanction, a “lifetime disqualification” can result in permanent ineligibility for an entire household.</p>	<p>Lower the benefit amount in place of full-family sanctions if parents do not meet work requirements (e.g., Illinois).</p>
<p>Lifting drug felony bans</p> <p>Are persons convicted of drug-related felonies eligible for cash assistance?</p>	<p>Adults with prior convictions may be eligible if they are compliant with drug treatment program requirements.</p>	<p>Consider dropping the drug felony ban entirely, as many states have done (e.g., Illinois, Iowa).</p>
<p>Lifting the family cap for a new birth</p> <p>Can families receive additional cash assistance if they have another child while receiving assistance?</p>	<p>Yes.</p>	<p>N/A</p>