

Overview of TANF Policy: In 2020, South Carolina provided TANF cash support to 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 \$272 for a family of three (13% 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 \$3,701; the state received \$336,228,135 in federal block grants the following year, 2022.**²

North Carolina **maintains the 60-month lifetime limit** on TANF cash assistance for families but requires households to take a 36-month break from receipt after 24 cumulative months of cash assistance. It has also **modified the eligibility ban for those convicted of drug-related felonies.**

Assessment of TANF Policy: By **increasing maximum benefits, extending income limits, and removing its asset limit**, North Carolina 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.

North Carolina could 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. The state could also repeal the “family cap” preventing additional support for babies born to parents while they are already receiving cash assistance. Further, the state may consider **providing cash assistance for pregnant people without children**, given that sufficient economic support during pregnancy and very early childhood is essential to children’s healthy development.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>.

North Carolina’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>\$272/month (or 13% FPL in 2024).</p>	<p>Increase the Standard of Need, or 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, 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>While there is not a gross income limit for cash assistance in North Carolina, there is a net income test.</p> <p>A family of three cannot earn more than \$544/month (25% FPL) <i>after</i> disregarding 27.5% of total income and deducting some childcare expenses.</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) <i>after</i> disregarding 50% of the monthly gross countable</p>

		earned income of each earner for up to four months.
<p>Asset limit</p> <p>How much can a family maintain in savings while still being eligible for cash assistance?</p>	\$3,000.	Consider eliminating the asset limit, as other states have (Louisiana, Ohio).
<p>Eligibility during pregnancy for parents without children</p> <p>Are pregnant people with no children in the household eligible for cash assistance?</p>	No.	<p>Consider providing eligibility to low-income pregnant people with no other children, as several other states have.</p> <p>Example: Georgia has passed legislation in favor of this measure, and Maryland provides it from the first month of pregnancy.</p>
ADDITIONAL RULES AND RESTRICTIONS		
Flexibility	Current policy	Potential improvement
<p>Time limit</p> <p>Does North Carolina allow families to receive cash assistance up to the federal limit of 60 months?</p>	The lifetime limit is 60 months, with a requirement that benefits must stop for 36 months after 24 months of continuous assistance.	Consider maintaining the 60-month lifetime limit without restrictions, as other states have (e.g., Mississippi, Kentucky).
<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>	No. If a parent is noncompliant with work requirements, the family’s benefits can be reduced or terminated.	Lower the benefit amount in place of full-family sanctions if parents do not meet work requirements (e.g., Maryland).
<p>Lifting drug felony bans</p> <p>Are persons convicted of drug-related felonies eligible for cash assistance?</p>	Yes. North Carolina has modified the ban so that parents can be eligible six	Consider eliminating the ban entirely, as some states have done (e.g., Mississippi).

	months after release from custody.	
<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>	No.	<p>Consider eliminating the family cap, as most states have (e.g., Georgia, Missouri).</p>