

OVERVIEW

Family Investment Program (FIP) (TANF)	Iowa	U.S. Average or Total
Annual (federal-only) block grant amount	\$130,558,068	\$16,488,600,000 (total)
% of TANF block grants spent on cash assistance, 2024	9.6%	21.8%
% families who participated in TANF per 100 families with children living in poverty, 2022-23	13%	20%
Total # families receiving TANF in 2025	4,107	848,631 (total)
% of cases designated "Child-Only" in 2025	39.8%	39.3%
"Unobligated balance" (or stockpiled amounts, which must be used for cash assistance or admin)		
TANF Funds "unobligated balance," as of 2024	\$130,547,550	\$7,986,470,560 (total)
"Unobligated balance" as share of total block grant amount	100.0%	49.5%
Change (+ or -) in "unobligated balance" from 2023	+ \$55,214,492	+\$241,306,628

IOWA'S CASH ASSISTANCE (TANF) POLICY

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>	\$426/month, or 20% of the Federal Poverty Level (FPL).	<p>Consider increasing the maximum benefit to provide more support to families during challenging periods.</p> <p>Example: Ohio provides a maximum benefit of \$623/month.</p>
<p>Recurring benefit increases</p> <p>Has Iowa mandated increases to these amounts, as costs of living increase?</p>	No.	<p>Consider making recurring increases, tied to costs of living or a poverty measurement.</p> <p>Example: Ohio mandates annual cost-of-living updates.</p>

Flexibility	Current policy	Potential improvement
<p>Deductions for calculation of benefit amount</p> <p>Can parents deduct some earnings or expenses from their income when calculating the benefit amount?</p>	<p>Parents can deduct 20% of earned income and then 58% from remaining income as a “work incentive deduction.”</p>	<p>The state could consider a larger deduction for a period after family member becomes employed.</p> <p>Example: Rhode Island allows a deduction of 100% of earned income when an adult first gains employment while in the state’s works program for up to six months.</p>

HOW ELSE DOES IOWA DETERMINE THE GENEROSITY OF CASH ASSISTANCE?

Flexibility	Current policy	Potential improvement
<p>Time limit</p> <p>Does Iowa allow families to receive cash assistance up to the federal limit of 60 months?</p>	<p>Yes.</p>	<p>N/A</p>
<p>Transitional cash benefits for families who become ineligible after receiving cash assistance</p> <p>Will parents and caregivers who are newly ineligible for cash assistance receive additional cash support for a limited period?</p>	<p>No.</p>	<p>Consider providing a portion of the benefit, to avoid benefit cliffs and support economic stability.</p> <p>Example: Wyoming provides 50% of families’ former assistance amounts for up to six consecutive months.</p>

Flexibility	Current policy	Potential improvement
<p>Providing one-time cash payments to families in with specific financial needs</p> <p>Does Iowa provide a formal diversion program to support families with specific short-term needs?</p>	No.	<p>Consider providing a generous one-time “diversion” payment that can help families with critical expenses (such as car repairs), enabling caregivers to remain employed and deferring the need for cash assistance.</p> <p>Examples: Pennsylvania, Illinois, and Kentucky provide diversion payments.</p>
<p>Eligibility for monthly assistance less than six months after a diversion payment</p> <p>Can families who receive diversionary payments apply for monthly assistance within six months afterward?</p>	N/A	N/A
<p>Providing assistance with housing</p> <p>Does the state provide housing vouchers with TANF funds?</p>	No.	<p>Providing housing vouchers alongside cash assistance can ease high costs for eligible families.</p> <p>Examples: Hawaii and Maine provide housing vouchers worth several hundred dollars along with TANF cash assistance.</p>
<p>Providing assistance with diaper purchases</p> <p>Does Iowa provide assistance to families with diaper expenses using TANF funds?</p>	No.	<p>Providing assistance with diaper costs provides significant support for families with young children.</p> <p>Examples: Hawaii and Washington provide diaper assistance.</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 for cash assistance eligibility?</p>	<p>Parents' gross income must not exceed \$1,571/month.</p>	<p>Consider increasing the gross income limit to provide support to more families.</p> <p>Example: Minnesota parents can earn up to \$3,211/month.</p>
<p>Deductions for assessment of benefit eligibility</p> <p>Can families deduct a portion of earnings or some expenses from their income to meet income eligibility requirements?</p>	<p>Parents can deduct 20% of earned income for assessment of eligibility.</p>	<p>Consider increasing disregards in order to provide support for more families.</p> <p>Example: Several states permit families to disregard 50% of their income during eligibility assessment.</p>
<p>Asset limit</p> <p>How much can a family maintain in savings while still being eligible for cash assistance?</p>	<p>\$2,000</p>	<p>Consider eliminating the asset limit to support families' retention of savings.</p> <p>Example: Ohio has eliminated asset tests for cash assistance eligibility.</p>
<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>No.</p>	<p>N/A</p>
<p>Provision of federal TANF cash assistance to immigrant families who are lawful permanent residents (LPRs) *after* five years' residence in US</p> <p>Can parents who hold green cards access cash assistance in Iowa once they have been in the country <i>for five years or longer</i>?</p>	<p>Yes.</p>	<p>N/A</p>

Flexibility	Current policy	Potential improvement
<p>Use of state funds to provide cash assistance to immigrant families who are lawful permanent residents (LPRs) with less than five years' residence in US</p> <p>Can parents who hold green cards access cash assistance in Iowa if they have been in the country for <i>less than five years</i>?</p>	No.	<p>Consider using state funds to provide cash assistance to these parents.</p> <p>Example: Maryland provides cash assistance to some caregivers before five years' residence.</p>

HOW DOES IOWA TREAT CHILD SUPPORT OWED TO A FAMILY APPLYING FOR AND RECEIVING CASH ASSISTANCE?

Flexibility	Current policy	Potential improvement
<p>Child support pass-through</p> <p>Does Iowa "pass through" a portion of the payments received by the state in child support for the family?</p>	No.	<p>Consider "passing through" at least a portion of child support payments to support economic stability.</p> <p>Example: Mississippi provides up to \$100 of any child support to the household.</p>

WHAT ARE IOWA'S WORK REQUIREMENTS FOR CASH ASSISTANCE?

Flexibility	Current policy	Potential improvement
<p>Provision of cash assistance to out-of-work parents before they search for a job</p> <p>Does Iowa provide eligibility to parents without a search for employment?</p>	Yes, there is no job search required.	N/A
<p>Counting educational activities as "core" work requirements</p> <p>Does Iowa provide count postsecondary education as "core" work activities for cash assistance?</p>	Yes.	N/A

Flexibility	Current policy	Potential improvement
<p>Exemption for caregivers of infants</p> <p>Are parents or caregivers caring for a child under twelve months of age exempt from work requirements?</p>	<p>No. Exemptions apply for parents of children under three months.</p>	<p>Consider providing an exemption from work requirements for the first year of life, to support parents' mental health and children's development.</p> <p>Example: Georgia and Mississippi provide exemptions for parents with children up to twelve months of age.</p>
<p>Other exemptions from work requirements</p> <p>What are other conditions for exemptions from work requirements?</p>	<p>None.</p>	<p>Consider adding other exemptions, including:</p> <ul style="list-style-type: none"> • Pregnancy • Caregiver's disability • Care of any person living in the home with a disability • Domestic violence

WHICH RESTRICTIONS ON CASH ASSISTANCE HAS IOWA EASED?

Flexibility	Current policy	Potential improvement
<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, the state withdraws the benefit for the entire household.</p>	<p>In cases of non-compliance with work requirements, consider only reducing the benefit amount instead and eliminating full-family sanctions.</p> <p>Examples: Arkansas merely reduces the benefit.</p>
<p>Lifting drug felony bans</p> <p>Are persons convicted of drug-related felonies eligible for cash assistance?</p>	<p>Yes. Iowa modified their ban to require rehabilitation only.</p>	<p>N/A</p>



Flexibility	Current policy	Potential improvement
Refraining from drug testing applicants or recipients Does Iowa refrain from enforcing drug testing of caregivers who are either receiving or applying for cash assistance?	Yes.	N/A
Lifting the family cap for a new birth Can families receive additional cash assistance if they have another child while receiving assistance?	Yes, Iowa has never enacted a family cap.	N/A

NOTES ON SOURCES:

TANF state profiles were compiled by extensive review of administrative guidelines including those published in state TANF manuals. Additionally, NCCP researchers referred to enacted state legislative resources.

NCCP gratefully acknowledges the of states' TANF-to-poverty ratios as developed and provided by the Center on Budget and Policy Priorities:

Center on Budget and Policy Priorities. (2025, April 11). *AFDC and TANF caseload and poverty data*. <https://www.cbpp.org/research/income-security/afdc-and-tanf-caseload-and-poverty-data>

We have drawn on the publication of federal data on states' TANF block grant spending, including financial data, spending allocations, and caseload information:

Office of Family Assistance. (2026, February 10). *TANF and MOE spending and transfers by activity, FY 2024*. Administration for Children and Families, U.S. Department of Health and Human Services. <https://acf.gov/ofa/data/tanf-and-moe-spending-and-transfers-activity-fy-2024>

Office of Family Assistance. (2025). *TANF caseload data 2025*. Administration for Children and Families, U.S. Department of Health and Human Services. <https://acf.gov/ofa/data/tanf-caseload-data-2025>