

# New Mexico

TANF State Profile Summary 2025/2026

## OVERVIEW

| New Mexico Works (NMW) (TANF)                                                                         | New Mexico    | U.S. Average or Total       |
|-------------------------------------------------------------------------------------------------------|---------------|-----------------------------|
| Annual (federal-only) block grant amount                                                              | \$109,919,847 | \$16,488,600,000<br>(total) |
| % of TANF block grants spent on cash assistance, 2024                                                 | 14.6%         | 21.8%                       |
| % families who participated in TANF per 100 families with children living in poverty, 2022-23         | 18.0%         | 20%                         |
| Total # families receiving TANF in 2025                                                               | 6,914         | 848,631<br>(total)          |
| % of cases designated "Child-Only" in 2025                                                            | 44.5%         | 39.3%                       |
| <b>"Unobligated balance" (or stockpiled amounts, which must be used for cash assistance or admin)</b> |               |                             |
| TANF Funds "unobligated balance," as of 2024                                                          | \$52,675,668  | \$7,986,470,560<br>(total)  |
| "Unobligated balance" as share of total block grant amount                                            | 47.9%         | 49.5%                       |
| Change (+ or -) in "unobligated balance" from 2023                                                    | -\$27,256,048 | +\$241,306,628              |

## NEW MEXICO'S CASH ASSISTANCE (TANF) POLICY

| HOW MUCH CASH ASSISTANCE CAN A FAMILY OF THREE RECEIVE?                                                                             |                                                                       |                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Flexibility                                                                                                                         | Current policy                                                        | Potential improvement                                                                                                                                                                           |
| <p><b>Maximum benefit allowed</b></p> <p>What is the maximum monthly amount a family of three could receive in cash assistance?</p> | <p>\$549/month or 24% of the Federal Poverty Level (FPL) in 2026.</p> | <p><b>Consider increasing the maximum benefit level to support families with children during challenging periods.</b></p> <p><b>Example:</b> Colorado provides as much as \$649/month.</p>      |
| <p><b>Recurring benefit increases</b></p> <p>Has New Mexico mandated increases to these amounts, as costs of living increase?</p>   | <p>No.</p>                                                            | <p><b>Consider making recurring increases, tied to a cost-of-living or poverty measurement.</b></p> <p><b>Examples:</b> Nebraska and Colorado mandate routine increases to benefit amounts.</p> |

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| Flexibility                                                                                                                                                           | Current policy                                                                                                                            | Potential improvement                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Deductions for calculation of benefit amount</b></p> <p>Can parents deduct some earnings or expenses from their income when calculating the benefit amount?</p> | <p>Yes. First, single parents deduct \$125, and two-parent families deduct \$250. Then all may deduct 50% of remaining earned income.</p> | <p><b>Consider allowing larger deductions during the first few months of assistance.</b></p> <p><b>Example:</b> In Nevada, each employed household member can deduct 100% of their gross earnings for the first three months; 75% for the next three months; and 65% for the next three months.</p> |

## HOW ELSE DOES NEW MEXICO DETERMINE THE GENEROSITY OF CASH ASSISTANCE?

| Flexibility                                                                                                                                                                                                                                       | Current policy                                                                                               | Potential improvement |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------|
| <p><b>Time limit</b></p> <p>Does New Mexico allow families to receive cash assistance up to the federal limit of 60 months?</p>                                                                                                                   | <p>Yes.</p>                                                                                                  | <p>N/A</p>            |
| <p><b>Transitional cash benefits for families who become ineligible after receiving cash assistance</b></p> <p>Will parents and caregivers who are newly ineligible for cash assistance receive additional cash support for a limited period?</p> | <p>Yes, families can receive up to \$200/month for up to 18 months through the Transition Bonus Program.</p> | <p>N/A</p>            |
| <p><b>Providing one-time cash payments to families in with specific financial needs</b></p> <p>Does New Mexico provide a formal diversion program to support families with specific short-term needs?</p>                                         | <p>Yes.</p>                                                                                                  | <p>N/A</p>            |

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| Flexibility                                                                                                                                                                                                     | Current policy                                                   | Potential improvement                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Eligibility for monthly assistance less than six months after a diversion payment</b></p> <p>Can families who receive diversionary payments apply for monthly assistance within six months afterward?</p> | <p>No. The state imposes a 12-month period of ineligibility.</p> | <p><b>Consider providing the grant followed by a period of ineligibility of no more than three months.</b></p> <p><b>Example:</b> Arizona provides diversion payments to families who are then ineligible for monthly assistance for just three months.</p> |
| <p><b>Providing assistance with housing</b></p> <p>Does the state provide housing vouchers with TANF funds?</p>                                                                                                 | <p>No.</p>                                                       | <p><b>Providing housing vouchers alongside cash assistance can ease high costs for eligible families.</b></p> <p><b>Examples:</b> Hawaii and Maine provide housing vouchers worth several hundred dollars along with TANF cash assistance.</p>              |
| <p><b>Providing assistance with diaper purchases</b></p> <p>Does New Mexico provide assistance to families with diaper expenses using TANF funds?</p>                                                           | <p>No.</p>                                                       | <p><b>Providing assistance with diaper costs provides significant support for families with young children.</b></p> <p><b>Examples:</b> Hawaii and Washington provide assistance with diapers for families with very young children.</p>                    |

| WHO IS ELIGIBLE FOR CASH ASSISTANCE?                                                                                                                                                        |                                                                                                                                           |                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Flexibility                                                                                                                                                                                 | Current policy                                                                                                                            | Potential improvement                                                                                                                                                                                                                                                                        |
| <p><b>Maximum income</b></p> <p>How much can a family of three earn and still be considered for cash assistance eligibility?</p>                                                            | <p>\$1,829/month, or 85% FPL, adjusted October 1 every year.</p>                                                                          | <p><b>Consider increasing the gross income limit to provide potential eligibility to more families.</b></p> <p><b>Examples:</b> In Nevada, families can earn up to \$2,888/month to be considered for eligibility. Florida maintains a gross income limit of 185% FPL, or \$4,109/month.</p> |
| <p><b>Deductions for assessment of benefit eligibility</b></p> <p>Can families deduct a portion of earnings or some expenses from their income to meet income eligibility requirements?</p> | <p>Yes. First, single parents deduct \$125, and two-parent families deduct \$250. Then all may deduct 50% of remaining earned income.</p> | <p>N/A</p>                                                                                                                                                                                                                                                                                   |
| <p><b>Asset limit</b></p> <p>How much can a family maintain in savings while still being eligible for cash assistance?</p>                                                                  | <p>Families can retain up to \$1,500 in liquid assets like cash and checking and savings accounts.</p>                                    | <p><b>Consider eliminating the asset limit to support families' ability to save.</b></p> <p><b>Example:</b> Colorado has eliminated the asset test.</p>                                                                                                                                      |
| <p><b>Eligibility during pregnancy for parents without children</b></p> <p>Are pregnant people with no children in the household eligible for cash assistance?</p>                          | <p>Yes, during the third trimester of pregnancy.</p>                                                                                      | <p><b>Providing cash assistance during pregnancy is critical for early development outcomes and in reducing parental stress.</b></p> <p><b>Examples:</b> Oklahoma and Colorado provide assistance throughout all trimesters.</p>                                                             |

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| Flexibility                                                                                                                                                                                                                                                                                                           | Current policy                                                            | Potential improvement |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------|
| <p><b>Provision of federal TANF cash assistance to immigrant families who are lawful permanent residents (LPRs) *after* five years' residence in US</b></p> <p>Can parents who hold green cards access cash assistance in New Mexico once they have been in the country <i>for five years or longer?</i></p>          | Yes.                                                                      | N/A                   |
| <p><b>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</b></p> <p>Can parents who hold green cards access cash assistance in New Mexico if they have been in the country <i>for less than five years?</i></p> | Yes.                                                                      | N/A                   |
| <b>HOW DOES NEW MEXICO TREAT CHILD SUPPORT OWED TO A FAMILY APPLYING FOR AND RECEIVING CASH ASSISTANCE?</b>                                                                                                                                                                                                           |                                                                           |                       |
| Flexibility                                                                                                                                                                                                                                                                                                           | Current policy                                                            | Potential improvement |
| <p><b>Child support pass-through</b></p> <p>Does New Mexico “pass through” a portion of the payments received by the state in child support for the family?</p>                                                                                                                                                       | Yes.                                                                      | N/A                   |
| <b>WHAT ARE NEW MEXICO’S WORK REQUIREMENTS FOR CASH ASSISTANCE?</b>                                                                                                                                                                                                                                                   |                                                                           |                       |
| Flexibility                                                                                                                                                                                                                                                                                                           | Current policy                                                            | Potential improvement |
| <p><b>Provision of cash assistance to out-of-work parents before they search for a job</b></p> <p>Does New Mexico provide eligibility to parents without a search for employment?</p>                                                                                                                                 | Yes, there is no job search required to complete the application process. | N/A                   |

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| Flexibility                                                                                                                                                                                                       | Current policy                                                                                                                                                                                                                                                                                | Potential improvement                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Counting educational activities as “core” work requirements</b></p> <p>Does New Mexico provide credit for all educational activities, including college, as “core” work activities for cash assistance?</p> | <p>Yes, through the Education Works Program.</p>                                                                                                                                                                                                                                              | <p>N/A</p>                                                                                                                                                                                                                                                                                                                                        |
| <p><b>Exemption for caregivers of infants</b></p> <p>Are parents or caregivers caring for a child under twelve months of age exempt from work requirements?</p>                                                   | <p>Yes, exemptions apply for single parents of children under 12 months.</p>                                                                                                                                                                                                                  | <p>N/A</p>                                                                                                                                                                                                                                                                                                                                        |
| <p><b>Other exemptions from work requirements</b></p> <p>What are other conditions for exemptions from work requirements?</p>                                                                                     | <p>Other conditions for exemption include:</p> <ul style="list-style-type: none"> <li>• Care of an ill spouse or child.</li> <li>• Pregnancy during third trimester.</li> <li>• Being completely “impaired.”</li> <li>• Pregnant in third trimester.</li> <li>• Domestic violence.</li> </ul> | <p><b>Consider adding other exemptions, including:</b></p> <ul style="list-style-type: none"> <li>• Being a single parent and unable to find childcare for a child under six years;</li> <li>• Care of any ill or incapacitated family member.</li> <li>• Pregnant in any trimester if determined by a physician to be unable to work.</li> </ul> |

## WHICH RESTRICTIONS ON CASH ASSISTANCE HAS NEW MEXICO EASED?

| Flexibility                                                                                                                                                       | Current policy                                                                  | Potential improvement                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Lifting full-family sanctions</b></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 will enact full-family sanctions although not immediately.</p> | <p><b>In cases of non-compliance with work requirements, consider only reducing the benefit amount instead and eliminating full-family sanctions.</b></p> <p><b>Examples:</b> California and Oregon merely reduce the benefit.</p> |

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| Flexibility                                                                                                                                                                                            | Current policy                              | Potential improvement |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------|
| <p><b>Lifting drug felony bans</b></p> <p>Are persons convicted of drug-related felonies eligible for cash assistance?</p>                                                                             | Yes.                                        | N/A                   |
| <p><b>Refraining from drug testing applicants or recipients</b></p> <p>Does New Mexico refrain from enforcing drug testing of caregivers who are either receiving or applying for cash assistance?</p> | Yes.                                        | N/A                   |
| <p><b>Lifting the family cap for a new birth</b></p> <p>Can families receive additional cash assistance if they have another child while receiving assistance?</p>                                     | Yes, New Mexico 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>