

## OVERVIEW

North Carolina Work First (NCWF) (TANF)	North Carolina	U.S. Average or Total
Annual (federal-only) block grant amount (for 2024)	\$300,437,627	\$16,488,600,000 (total)
% of TANF block grants spent on cash assistance, 2024	3.1%	21.8%
% families who participated in TANF per 100 families with children living in poverty, 2022-23	4%	20%
Total # families receiving TANF in 2025	6,235	848,631 (total)
% of cases designated "Child-Only" in 2025	84.8%	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	\$45,178	\$7,986,470,560 (total)
"Unobligated balance" as share of total block grant amount	0.0%	49.5%
Change (+ or -) in "unobligated balance" from 2023	+ \$45,178	+\$241,306,628

## NORTH CAROLINA'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>	\$272, or 12% of the Federal Poverty Level (FPL) in 2026.	<p><b>Consider increasing the maximum benefit level to provide more support during challenging periods.</b></p> <p><b>Examples:</b> West Virginia provides \$542/month, and Maryland provides \$753/month.</p>
<p><b>Recurring benefit increases</b></p> <p>Has North Carolina mandated increases to these amounts, as costs of living increase?</p>	No.	<p><b>Consider making recurring increases, tied to a cost-of-living or poverty measurement.</b></p> <p><b>Examples:</b> Nebraska, Wyoming, and Texas mandate recurring increases.</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, parents may subtract 27.5% of their gross earned income.</p>	<p><b>To provide more support, consider allowing parents to deduct more from their income.</b></p> <p><b>Example:</b> In Arkansas, employed parents are allowed to take a 20% work-related deduction followed by a 60% work incentive deduction.</p>
<p><b>HOW ELSE DOES NORTH CAROLINA DETERMINE THE GENEROSITY OF CASH ASSISTANCE?</b></p>		
Flexibility	Current policy	Potential improvement
<p><b>Time limit</b></p> <p>Does North Carolina allow families to receive cash assistance up to the federal limit of 60 months?</p>	<p>Not without restrictions. Families must take a 36-month break from assistance after receiving cash assistance for 24 months.</p>	<p><b>Consider maintaining the lifetime limit of 60 months without restrictions, as many states do, so that families can access support whenever setbacks occur.</b></p> <p><b>Examples:</b> Alabama, Iowa, and Kentucky maintain the 60-month limit without restrictions.</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>No.</p>	<p><b>Consider providing a portion of the benefit once parents increase earnings, to avoid benefit cliffs and support economic stability.</b></p> <p><b>Examples:</b> Georgia and Kansas provide some transitional assistance to families no longer receiving assistance.</p>

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<p><b>Providing one-time cash payments to families in with specific financial needs</b></p> <p>Does North Carolina provide a formal diversion program to support families with specific short-term needs?</p>	<p>Yes.</p>	<p>N/A</p>
<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>Yes. The state imposes no ineligibility period.</p>	<p>N/A</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.</p>
<p><b>Providing assistance with diaper purchases</b></p> <p>Does North Carolina 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 receiving TANF cash assistance.</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>Families can earn up to \$4,442/month, or 200% FPL in gross income to be considered potentially eligible.</p>	<p>N/A</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, parents may deduct 27.5% of their gross earned income during the eligibility assessment.</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>Parents may retain up to \$3,000 in checking and savings accounts.</p>	<p><b>Consider eliminating the asset limit to support families' retention of savings.</b></p> <p><b>Example:</b> Alabama has eliminated the consideration of cash assets or resource tests for eligibility.</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>No.</p>	<p><b>Providing cash assistance during pregnancy is critical for early development outcomes and in reducing parental stress.</b></p> <p><b>Example:</b> Louisiana and Tennessee provide cash assistance to pregnant people starting in the sixth month of pregnancy, and Oklahoma provides it from the start of pregnancy.</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 North Carolina 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 North Carolina if they have been in the country <i>for less than five years</i>?</p>	No.	<p><b>Consider using state funds to provide cash assistance to these parents.</b></p> <p><b>Example:</b> Maryland provides cash assistance to some caregivers before five years' residence, using state funds.</p>

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

Flexibility	Current policy	Potential improvement
<p><b>Child support pass-through</b></p> <p>Does North Carolina “pass through” a portion of the payments received by the state in child support for the family?</p>	Yes.	N/A

## WHAT ARE NORTH CAROLINA’S WORK REQUIREMENTS FOR CASH ASSISTANCE?

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 North Carolina provide eligibility to parents without a search for employment?</p>	Yes, there is no job search required.	N/A

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Flexibility	Current policy	Potential improvement
<p><b>Counting educational activities as “core” work requirements</b></p> <p>Does North Carolina provide credit for all educational activities, including college, as “core” work activities for cash assistance?</p>	No.	<p><b>Consider allowing postsecondary attendance and vocational education to count as a “core” work activity.</b></p> <p><b>Examples:</b> Several states allow specific types of postsecondary education for different periods to exempt parents for other work activities, including Kentucky.</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>	Yes, exemptions may apply for single parents of children under 12 months.	N/A
<p><b>Other exemptions from work requirements</b></p> <p>What are other conditions for exemptions from work requirements?</p>	<p>Other conditions for exemptions include:</p> <ul style="list-style-type: none"> <li>• Inability to work because of immigration status</li> <li>• Care of a family member with a disability living in the home</li> </ul>	<p>The state could consider additional exemptions, including:</p> <ul style="list-style-type: none"> <li>• Pregnancy</li> <li>• Being “incapacitated”</li> <li>• Inability to obtain child care/transportation</li> </ul>

## WHICH RESTRICTIONS ON CASH ASSISTANCE HAS NORTH CAROLINA 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>	No, state withdraws the benefit for the entire household.	<p><b>In cases of non-compliance with work requirements, consider only reducing the benefit amount.</b></p> <p><b>Examples:</b> Arkansas merely withdraws a portion of the benefit, never enacting a full-family sanction.</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>	<p>Yes, although those with out-of-state convictions or certain classes of offense remain ineligible.</p>	<p><b>Consider modifying or eliminating the ban on assistance for those with drug-related felony convictions to provide support for families in challenging times.</b></p> <p><b>Examples:</b> Alabama, Arkansas, and Mississippi consider those with felony convictions eligible as long as they meet other requirements.</p>
<p><b>Refraining from drug testing applicants or recipients</b></p> <p>Does North Carolina refrain from enforcing drug testing of caregivers who are either receiving or applying for cash assistance?</p>	<p>No.</p>	<p><b>Consider making treatment available to all parents and refrain from any drug testing, since it does not effectively support low-income parents or children.</b></p> <p><b>Examples:</b> Florida and Alabama refrain from drug testing applicants and recipients.</p>
Flexibility	Current policy	Potential improvement
<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>	<p>No.</p>	<p><b>Consider discontinuing the family cap in order to support early development and reduce parental stress after birth.</b></p> <p><b>Examples:</b> Alabama has never enacted a family cap, since it did not originate in federal guidelines. Georgia repealed its family cap in 2023.</p>

### 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>