

American Rescue Plan: TANF Emergency Assistance

The American Rescue Plan (ARP), signed into law March 11th, includes \$1 billion dollars in Pandemic Emergency Assistance (PEA) funds that can be used to help families with the lowest incomes address immediate hardship or cover additional expenses related to the pandemic.

Over \$14.5 million of the funds are allocated to Missouri.ⁱ To provide economic relief to these families as quickly as possible and minimize the administrative burden for both the state and families, Missouri can make a one-time cash payment to Temporary Assistance to Needy Families recipients.

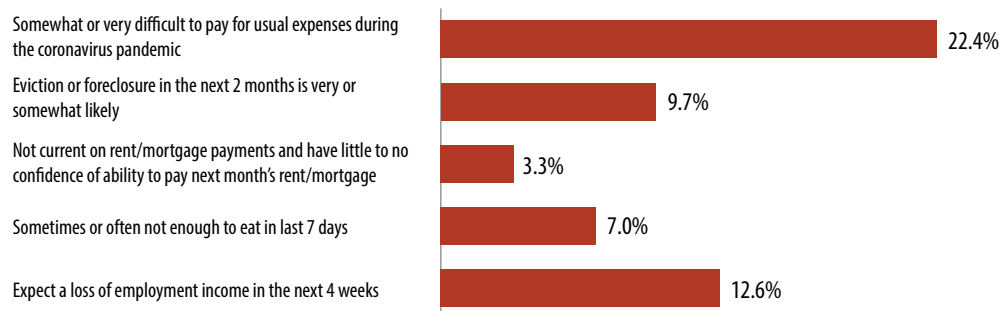
American Rescue Plan Pandemic Emergency Assistance Fund Details

State Allocation	\$14,530,873
Expenditure Deadline	Funds must be spent by September 30, 2022.
Restrictions	<ul style="list-style-type: none"> No more than 15% of funds (\$2,179,630) can be used for administrative costs. Funds may supplement, but may not supplant, other federal, state, or tribal funds.
Eligible Use of Funds	<ul style="list-style-type: none"> Families with children who have great need Nonrecurrent short term benefits for a specific crisis or episode(s) of need that do not exceed a total of four months Benefit can be in the form of cash (e.g., direct payment to families), or non cash (e.g., diapers, clothing allowance, food, school supplies) Funds can be used for one program, or distributed among several programs

Missouri's unemployment rate of 4.2% is still above pre-pandemic levels.ⁱⁱ This likely underestimates the number of Missouri households experiencing hardship because it does not account for those who have had work hours reduced, are ineligible for or have exhausted their unemployment insurance benefits, or have had to quit work or work fewer hours to care for children attending virtual schools.

Thousands of Missouri Households Are Experiencing Tremendous Hardship

Percentage of Adults Reporting Household Hardship in Missouri



Note: Percent estimates are based on data collected March 17-29, 2021. Source: United States Census Bureau Household Pulse Survey Interactive Tool, Week 27.

PEA funds can be used to help families with the lowest incomes who are experiencing both increased hardship, as well as additional expenses (e.g., cleaning supplies, face coverings, school supplies), because of the pandemic.

To provide economic relief to these families as quickly as possible, the following recommendation should be considered for the distribution of PEA funds:

One Time Cash Payment to Temporary Assistance to Needy Families (TANF) Recipients

A one-time cash payment to TANF recipients is the quickest way to get PEA funds into the hands of families with the greatest need.

- Families who receive TANF are far more likely than non-TANF recipients to be evicted from their homes, despite the federal eviction moratorium.ⁱⁱⁱ
- Furthermore, Missouri’s maximum allowable monthly TANF benefit of \$292 for a family of three is among the lowest in the country.^{iv} It is 16% of the federal poverty level.^v

A one-time estimated payment of \$1,882 distributed to nearly 7,718 TANF-participating households, or \$1,054 per child participant, would provide much needed assistance for families struggling with pandemic related expenses and hardships.^{vi}

Instead of one large payment, the state may opt to provide each family up to four monthly payments of \$470, or \$263 per child each month.

The additional payments can help families pay for diapers, clothing and school supplies, pandemic related expenses such as protective equipment and cleaning supplies, as well as other basic necessities.

This is also a preferred use of PEA funds because it is quick and not administratively burdensome. Distributing payments to known TANF recipients does not require the development of a new program or application process. Nor are families burdened with additional paperwork and eligibility requirements.

States Providing Additional Payments to Families Receiving TANF During the Pandemic^{vii}

Oklahoma	Issued an additional \$200 per month for two months to families receiving TANF.
Illinois	Issued a one time payment of \$500 to alleviate food insecurity among TANF participating families.
North Carolina	Issued a one time payment of \$265 per child receiving TANF.
Alabama	Issued a \$400 per month “Emergency Health Preparedness Allowance” for three months to families receiving TANF.
West Virginia	Issued a one time payment of \$500 to TANF recipients.
Rhode Island	Issued an additional one time payment equal to a family’s monthly TANF cash benefit. This means a family of three received an additional \$554.

Notes

- i. U.S. Department of Health & Human Services, “Pandemic Emergency Assistance Fund Allotment – States.” Retrieved from <https://www.acf.hhs.gov/ofa/data/pandemic-emergency-assistance-fund-allotment-states>
- ii. U.S. Bureau of Labor Statistics, Unemployment Rates for States, February 2021
- iii. Sophia Fox-Dichter, “Cash assistance (TANF) recipients suffer the brunt of evictions despite the moratorium,” February 17, 2021. Retrieved from <https://socialpolicyinstitute.wustl.edu/cash-assistance-tanf-recipients-suffer-the-brunt-of-evictions-despite-the-moratorium/>
- iv. Burnside, A., Floyd, I. (2019). “Policy Brief: More States Raising TANF Benefits to Boost Families’ Economic Security.” Retrieved from <https://www.cbpp.org/research/family-income-support/policy-brief-tanf-cash-benefits-are-too-low-to-help-families-meet>
- v. Calculations based on data from U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation (ASPE) Federal Poverty Guidelines for a family of three, year 2021. Retrieved from <https://aspe.hhs.gov/prior-hhs-poverty-guidelines-and-federal-register-references>
- vi. One-time payment was calculated by dividing Missouri’s estimated Pandemic Emergency Assistance (PEA) allotment by Missouri’s February 2021 TANF family and child caseloads. Source: Missouri Department of Social Services, Family Support Division, Monthly Management Report, February 2021.
- vii. Ali Safawi and Ife Floyd, “TANF Benefits Still Too Low to Help Families, Especially Black Families, Avoid Increased Hardship,” October 8, 2020. Retrieved from <https://www.cbpp.org/research/family-income-support/tanf-benefits-still-too-low-to-help-families-especially-black>