



INDIANA COMMUNITY ACTION POVERTY INSTITUTE

Research and Public Policy

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Institute Report Highlights Progress, Further Improvements Needed to Ensure TANF Supports Hoosier Families

Indianapolis, IN – Today, the Indiana Community Action Poverty Institute released [*Strong Families, Strong Indiana: The Past, Present, and Future of Indiana's Temporary Assistance for Needy Families Program*](#). The report examines the impact of Indiana's bipartisan 2023 TANF reform legislation, arguing that while the state has made the program more family-friendly in supporting Hoosiers with children, more progress is needed to realize TANF's promise to strengthen families and communities. Data from the report highlights how prior to the reform, TANF only reached 5% of children in poverty, and offered eligible households average benefit amounts below \$200/month. Both program reach and benefit amounts have improved since the 2023 reform, particularly with an expansion of eligibility to include pregnant individuals, which has resulted in an average of just over 100 pregnant participants in the program each month.

This research comes at a critical time--the Family and Social Services Administration of Indiana recently released projected FY 2026 TANF spending, including increased funding for direct assistance to families. Such direct cash assistance, the report finds, is especially critical to households with young children at a time when unpaid leave, reduced childcare availability, and the cost of essentials hits these families particularly hard. In 2023, Indiana spent just 4% of the state's TANF budget on direct assistance, a percentage starkly below the national average of 25% budget allocation. Current projections place FY 2026 funding at 12%, still likely below the national average, yet significantly increased since 2023.

"A core finding of this research was that flexibility in funds through direct cash assistance and or other short-term cash benefits for moments of transition--such as when a newborn is welcomed into a household--is a critical way that TANF can promote well-being for households with young children," said Zia Saylor, Researcher at Indiana Community Action Poverty Institute. "We are heartened by the improvements we are seeing, and hope for continued attention to the needs of Hoosier children."

Erin Macey, Director of the Indiana Community Action Poverty Institute, emphasized that "TANF uplifts children and their families during temporary hardship, allowing them to thrive and grow to their fullest potential. Ensuring that this program effectively serves Hoosier families is central to the work we do at the Indiana Community Action Poverty Institute. We look forward to continuing to work with policymakers and state officials who are improving TANF's capacity to improve financial well-being for families - especially those with young children."

As with other Institute research projects, this work was grounded in the experiences and direction of the Institute's Advisory Council, with several members serving as readers for an early draft of the report. While analysis was conducted separately from the Council, their lived experience was critical to highlighting TANF as an area of need within the community and providing additional context that spoke to individuals' experiences with the program.

The full report, published with support from the Pritzker Children's Initiative, is now [available online](#).

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About the Indiana Community Action Poverty Institute

The Indiana Community Action Poverty Institute engages in research and promotes public policies to help Hoosier families achieve and maintain financial well-being. We believe that when Hoosiers are financially stable, they can achieve their full potential and better contribute to their communities. The Institute is a program of the Indiana Community Action Association.