



Temporary Assistance for Needy Families: Workforce Outcomes

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What is TANF?

- Temporary Assistance for Needy Families (TANF) is a federal block grant
- Provides \$16.6 billion annually to states, territories, and federally-recognized indigenous tribes to provide short-term financial assistance to low-income families with children
- States have flexibility to provide a range of services including workforce training activities, childcare assistance, and refundable tax credits
- New Mexico maintains the federal 60-month (5-year) lifetime limit on receiving assistance
- **Core goals of TANF:**
 - Provide assistance to families so that children can be cared for in their own homes
 - **End the dependence of parents on government benefits by promoting job preparation and work**
 - Prevent and reduce the incidence of out-of-wedlock pregnancies
 - Encourage the formation and maintenance of two-parent families

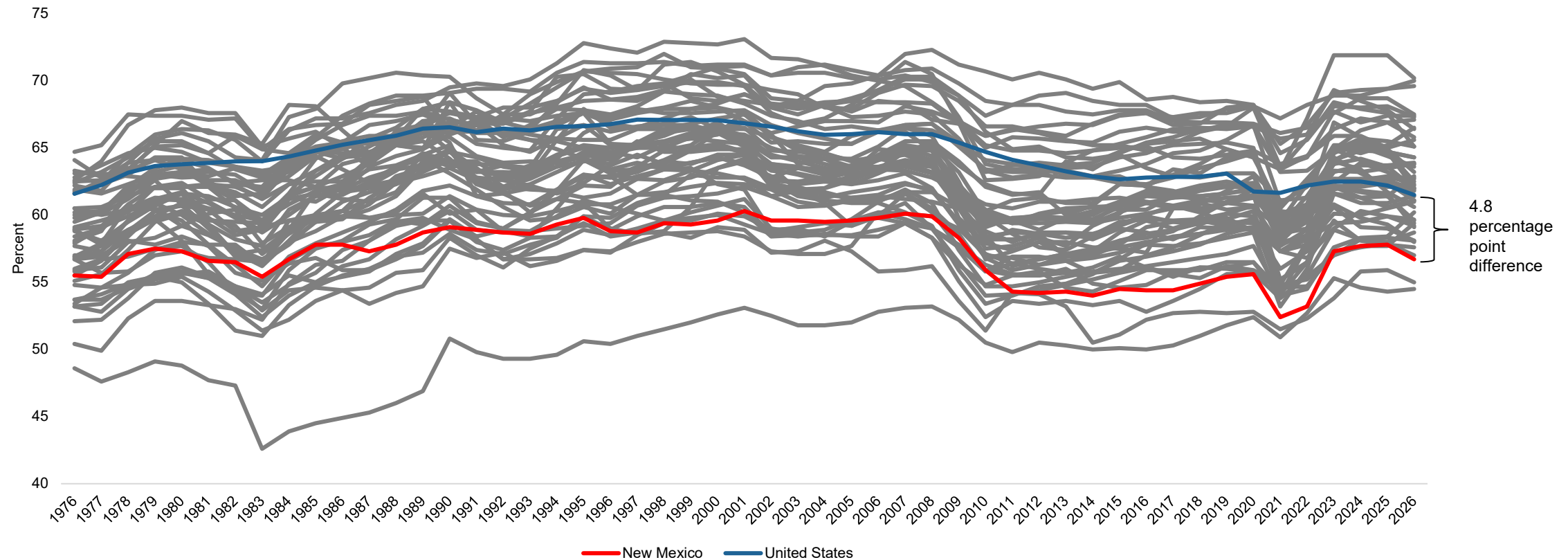


Key Takeaways

- Because TANF is issued in a block grant, states have some freedom in how the funds are spent across four broad purposes
- New Mexico allocates a higher proportion of its TANF dollars than most states, however, the state struggles with producing desired outcomes including exiting recipients into high-wage jobs
 - TANF recipients in New Mexico face barriers and poor outcomes when it comes to employment
- The most successful TANF work programs combine education, training, and support services to help low-income individuals find sustainable, high-income jobs



Labor Force Participation Rates, 1976-2026



TANF Work Requirements

In compliance with federal law, non-exempt adults must work, volunteer, or participate in approved training.

This can include:

- Unsubsidized and subsidized employment
- Job search
- Education and Training
- Community Service
- Vocational Rehabilitation

Single Parent Families	Required Hours/Month
Child under six	86
Child over six	129
Two Parent Families	
Receiving childcare assistance	237
Not receiving childcare assistance	151
One parent is disabled and not receiving	129

Limited participation available in New Mexico for recipients include individuals who are:

- In their third trimester
- Caring for a child under a certain age or a disabled family member
- Experiencing a disability or inability
- Domestic violence survivors



New Mexico Works

- In 2021, Workforce Solutions Department (WSD) took over program administration of New Mexico Works (NMW), New Mexico's TANF program, from HCA to streamline services and improve workforce outcomes.
- According to the WSD, the NMW “connects TANF participants to exciting career opportunities through Career Link and Wage Subsidy Programs.”
- Under HCA NMW was geo-specific and only urban recipients received services
- Under WSD the program is state-wide
- **Key Takeaway Today:** Career Link continues to grapple with placements for participants and connects participants to low-wage jobs



Career Link vs. Wage Subsidy

Career Link:

Private-sector, part-time employment

- Places participants with private industry employers, 20hrs/week
- Employers receive a financial incentive at no cost to hire eligible participants

Wage Subsidy:

Government-agency, full-time placement

- Places TANF participants into full-time (40hrs/week) jobs within government agencies
- Positions last up to twelve months



TANF Benefits

Annual TANF Recipient Guidelines		
Household Size	85% FPL	NM Works Cash Net Income
1	\$ 13,308	\$ 3,924
2	\$ 17,988	\$ 5,268
3	\$ 22,656	\$ 6,600
4	\$ 27,336	\$ 7,956
5	\$ 32,004	\$ 9,300
6	\$ 36,684	\$ 10,644
7	\$ 41,364	\$ 11,988
8	\$ 46,032	\$ 13,608

- For a family of three living in Deming, a single mother could work about 36 hours a week and still be eligible for TANF if she was making minimum wage.
- In Santa Fe, that same mother could work about 28 hours a week and still be eligible for TANF.



Programmatic vs. Cash Assistance Spending for TANF Block Grant

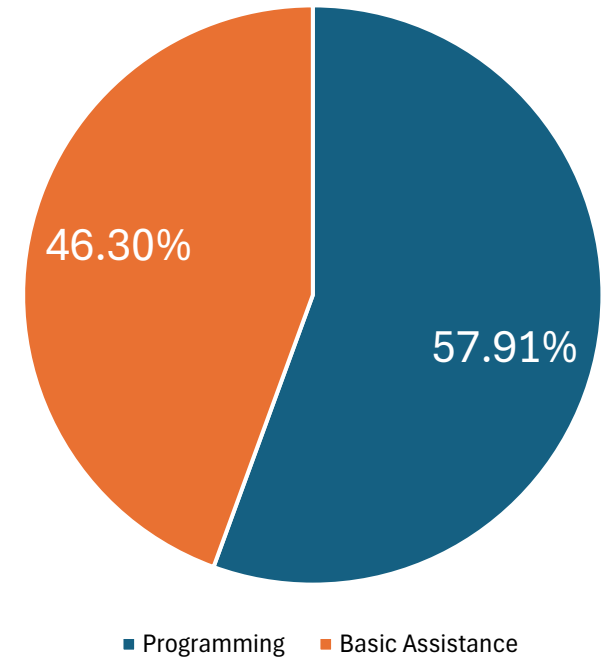
Programmatic Purposes:

- Help participants find, obtain, and remain in work by building necessary skills
- Remove barriers to work

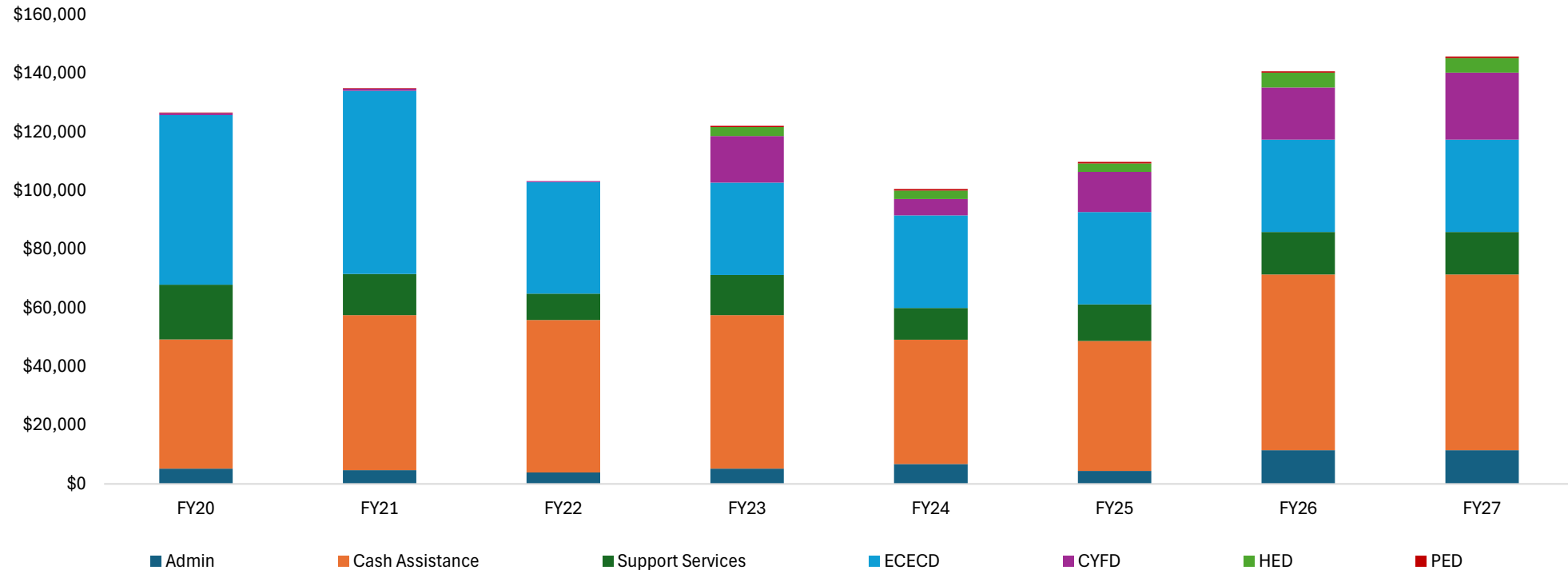
Basic Cash Assistance:

- Help families temporarily meet basic needs

New Mexico's TANF Spending, FY25



TANF Spending in New Mexico, FY20-FY27 (in thousands)



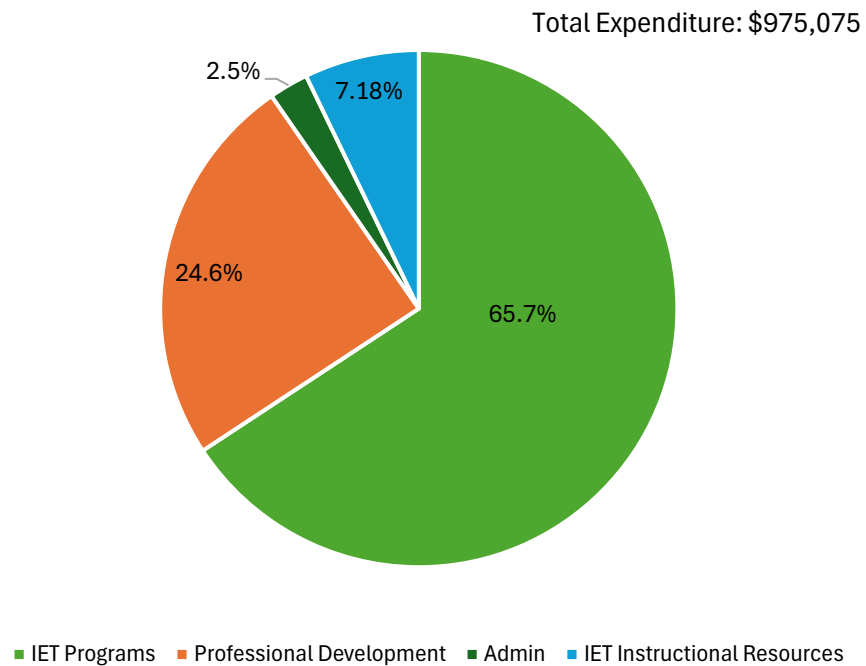
Note: FY20-FY25 reflect actuals, FY26 reflects the OpBud, and FY27 reflects what was appropriated

Source: LFC Files

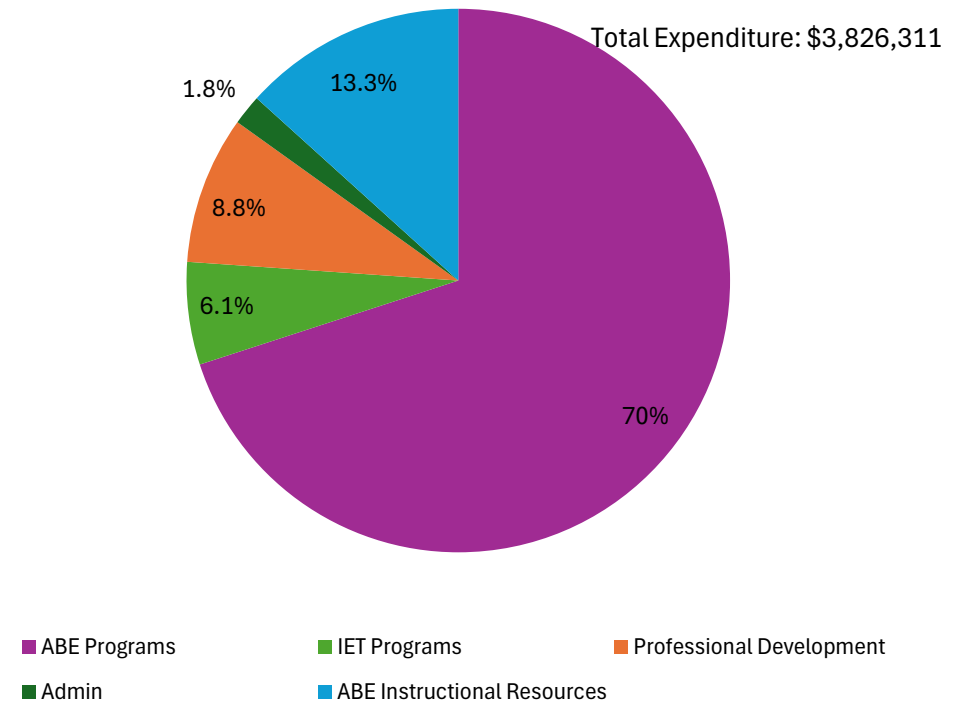


HED TANF Spending

Integrated Education and Training (IET) Expenditure



Adult Education (AE) Expenditure



Source: HED



Who was on TANF in FFY24?

Nationwide

1 in 165 participated



...

1 in 4 were employed



New Mexico

1 in 124 participated

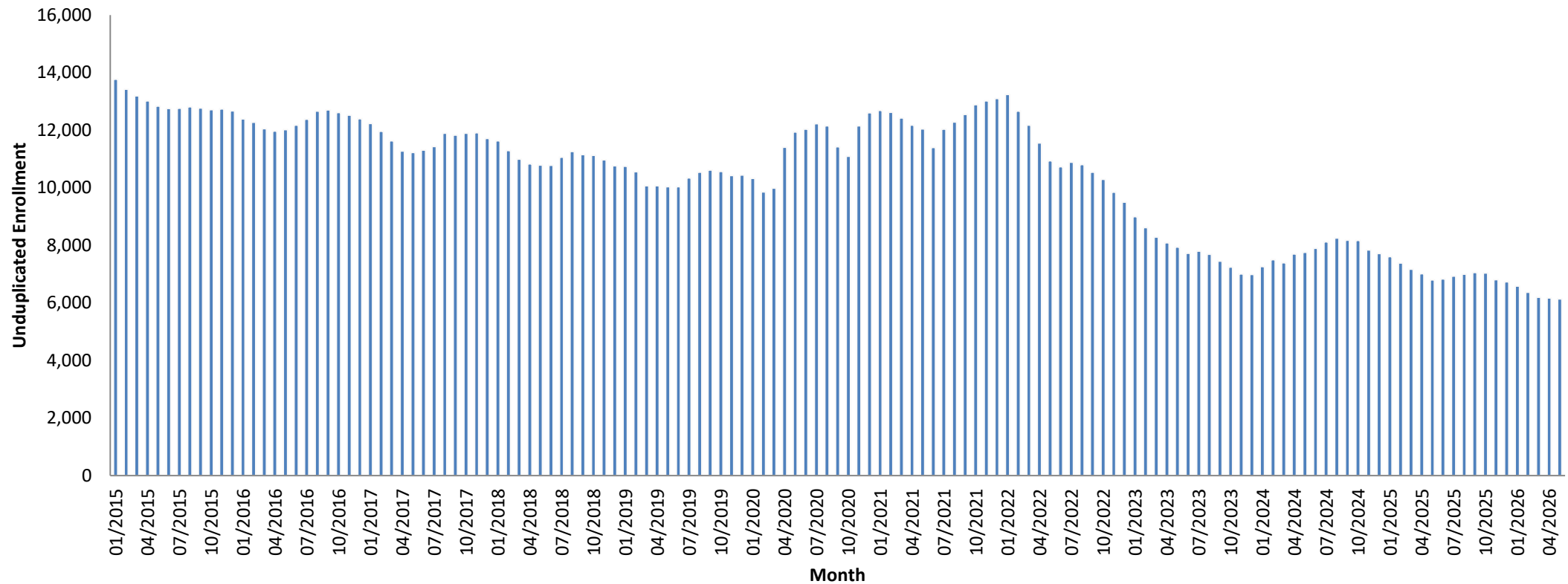


...

1 in 11 were employed



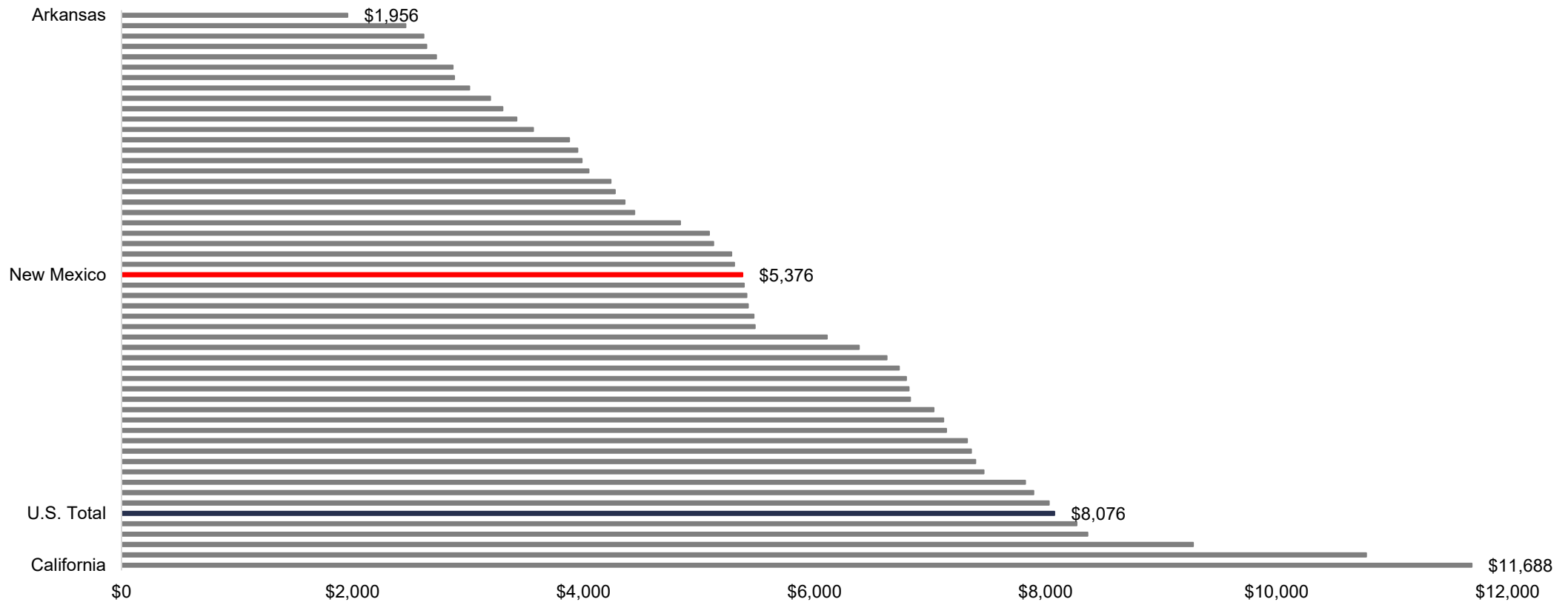
New Mexico TANF Enrollment, January 2015 – May 2026



Source: HCA



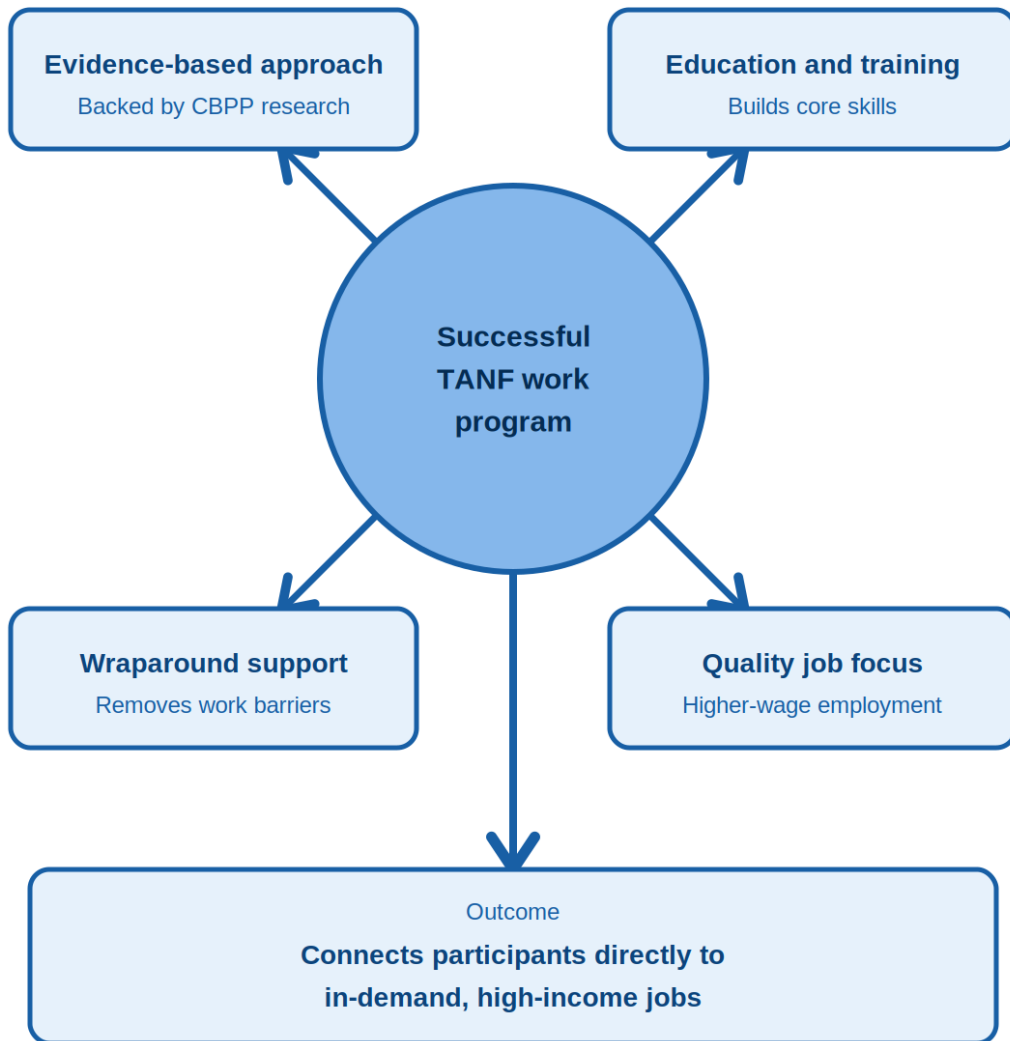
Average Annual Amount of Cash Assistance Families on TANF Receive by State (FFY24)



Source: ACF



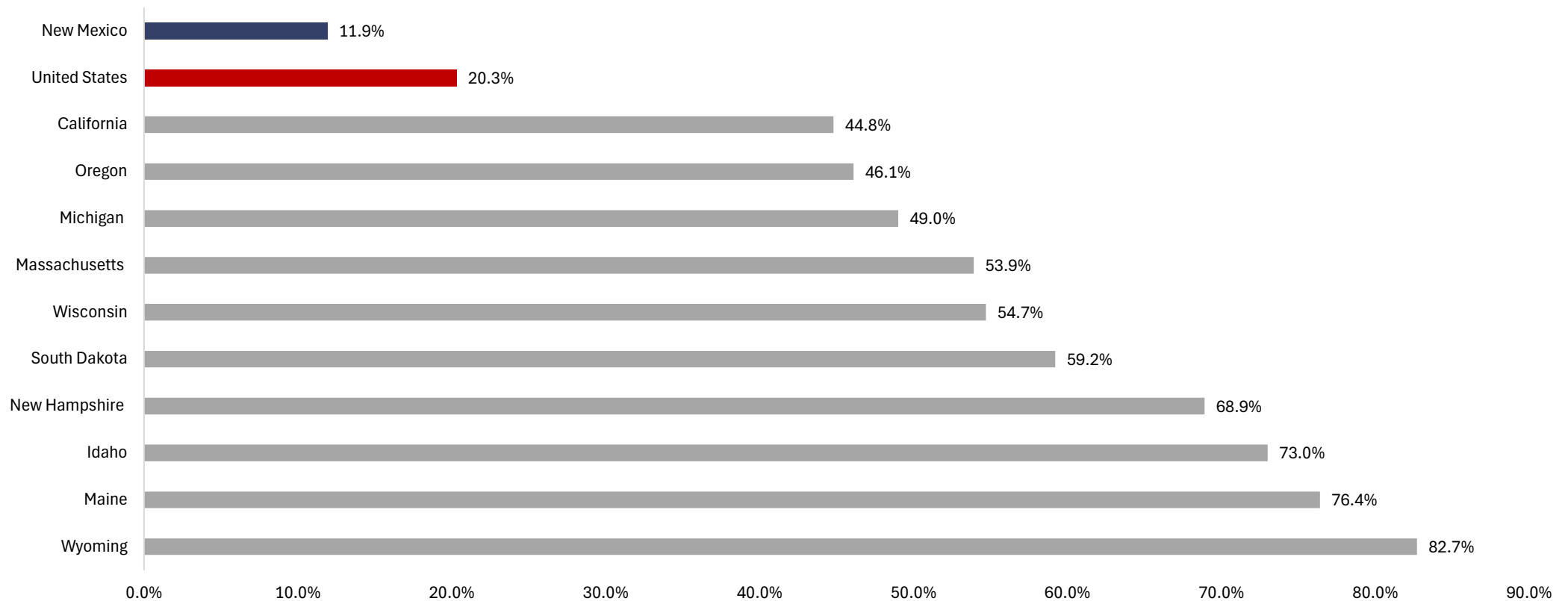
Successful TANF Work Programs



Source: CBPP

- Nationally, TANF prioritizes getting participants into employment as quickly as possible
 - As a result, participants tend to end up in unstable, low-wage jobs
 - This includes the New Mexico Works program

TANF Work Participation Rates



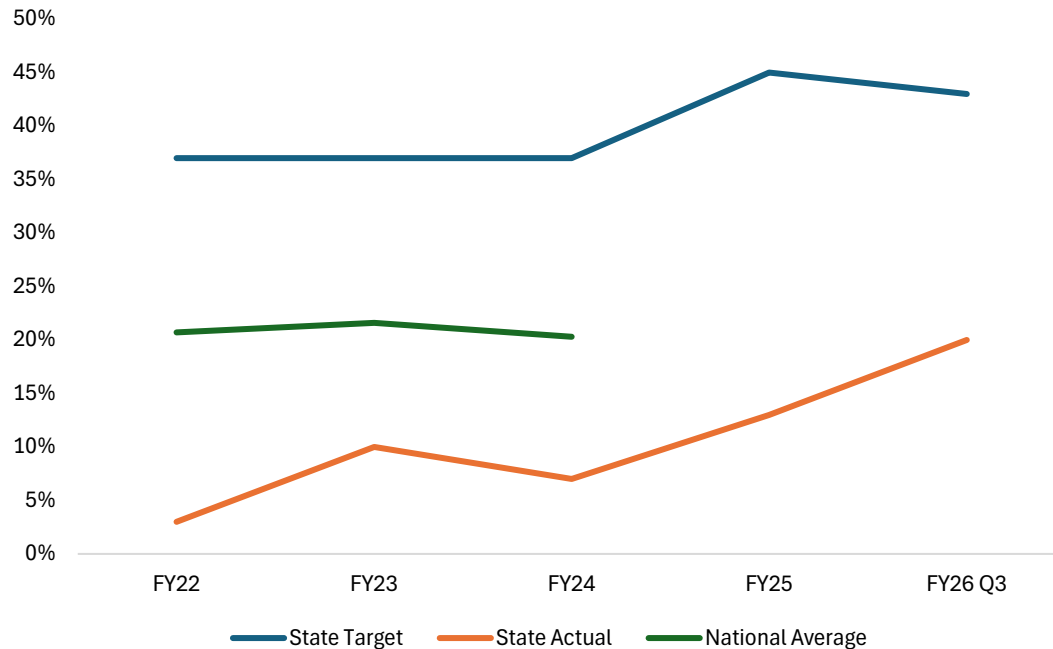
Successful TANF Work Programs

- California and Washington both have extremely successful TANF programs
- These programs focus on mandatory job search, training, or education
- The programs also provide childcare assistance, transportation assistance, access to housing, and health services
- The programs focus on providing wrap-around services that collaborate with multiple agencies and the community



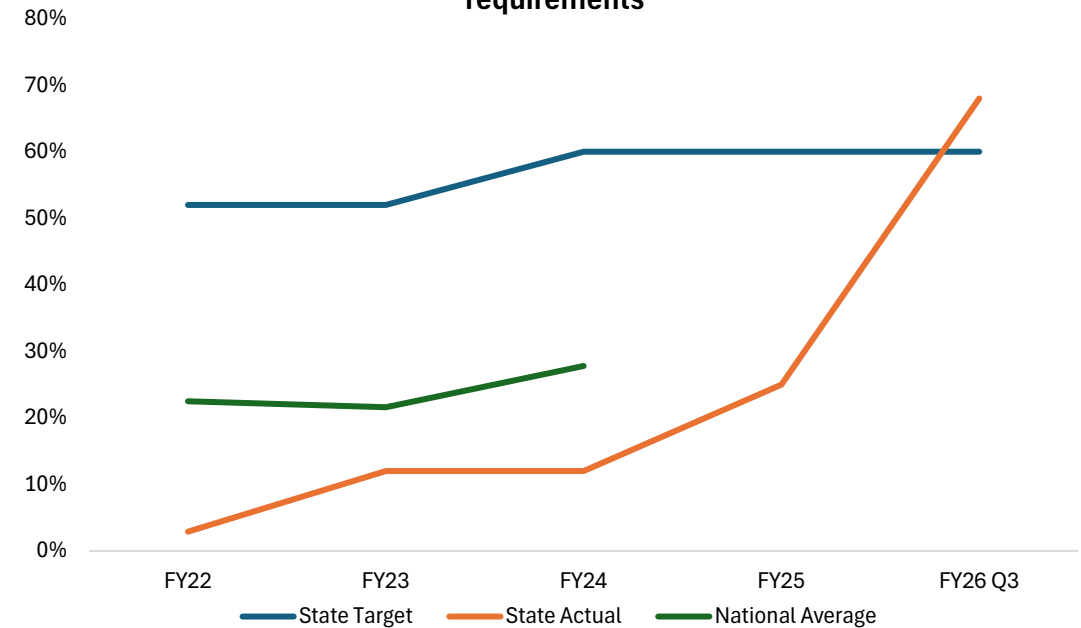
TANF Performance

All families receiving TANF meeting federally required work requirements



**From FY22-FY26, this performance measure has consistently received a red rating according to LFC standards.

Two-parent recipients of TANF meeting federally required work requirements

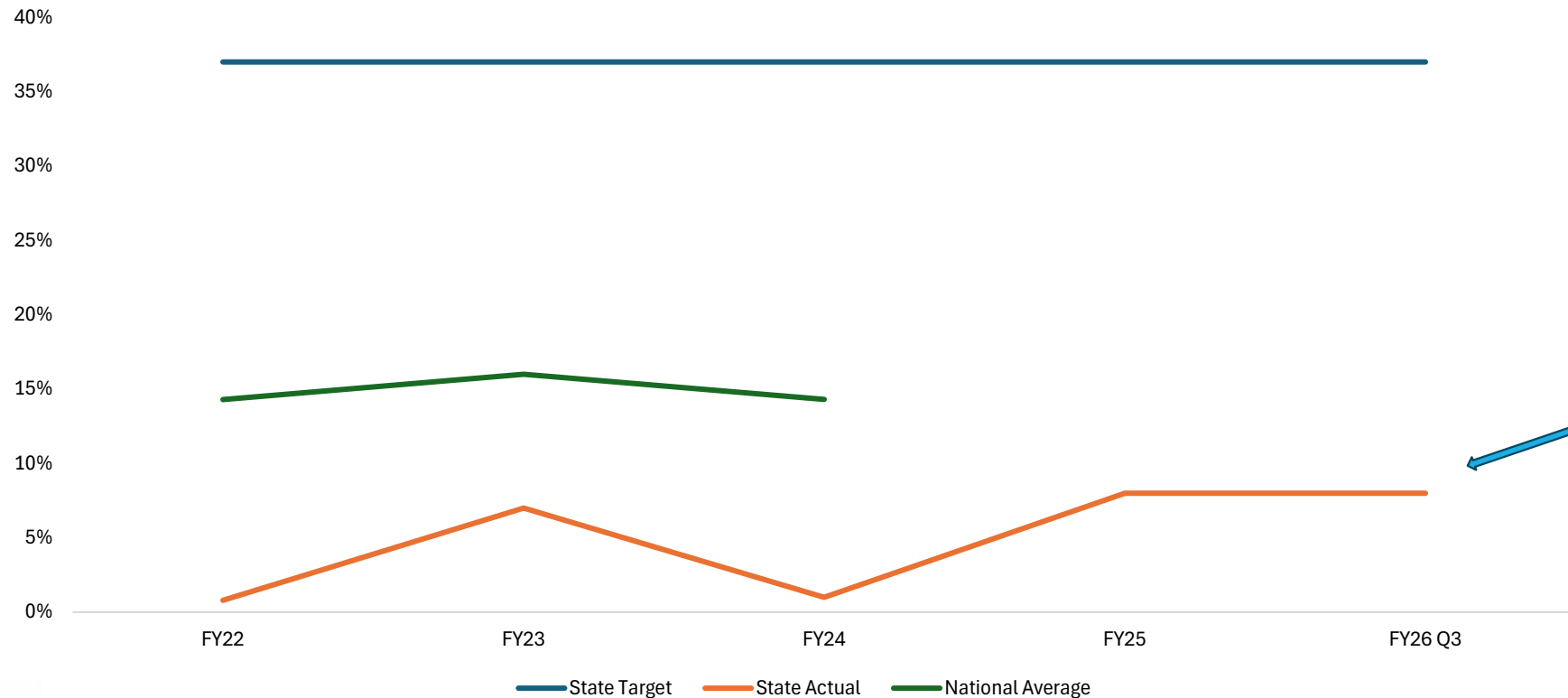


**LFC gave this performance measure a red rating up until FY26 Q3, when HCA exceeded its target of 60 percent of two-parent recipients meeting federally required work requirements.



TANF Performance

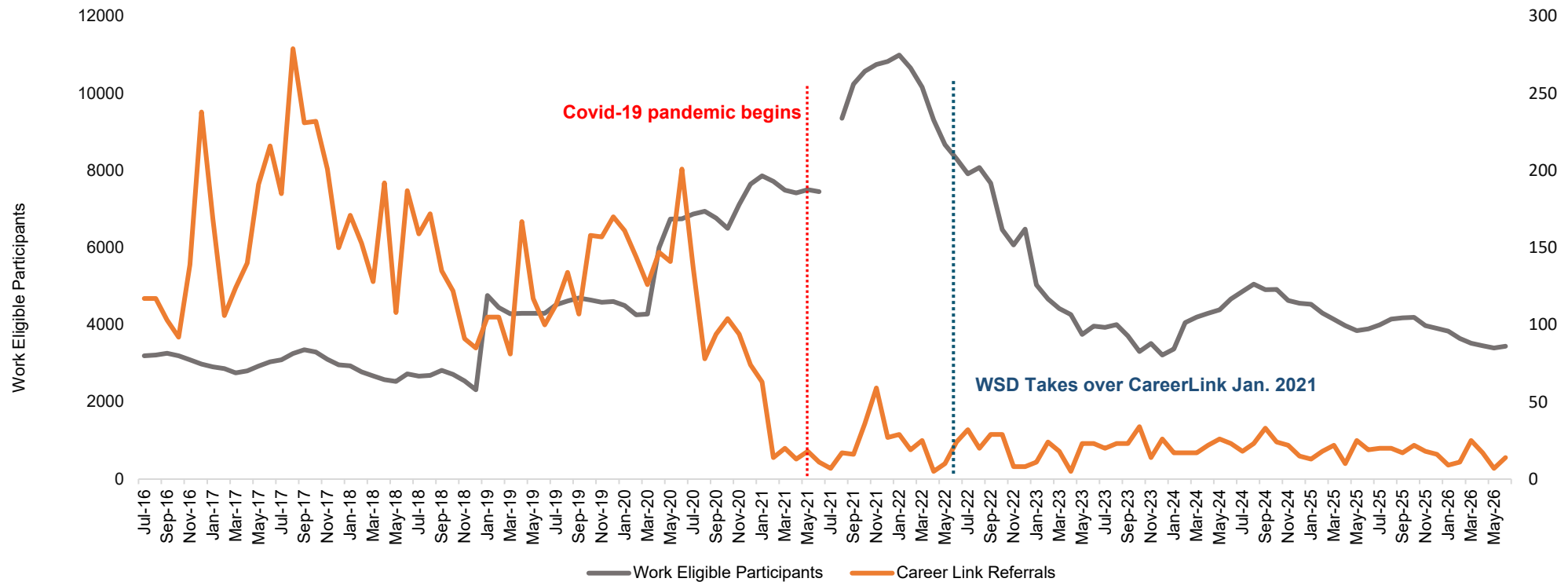
TANF recipients successfully exiting cash assistance due to work-related income



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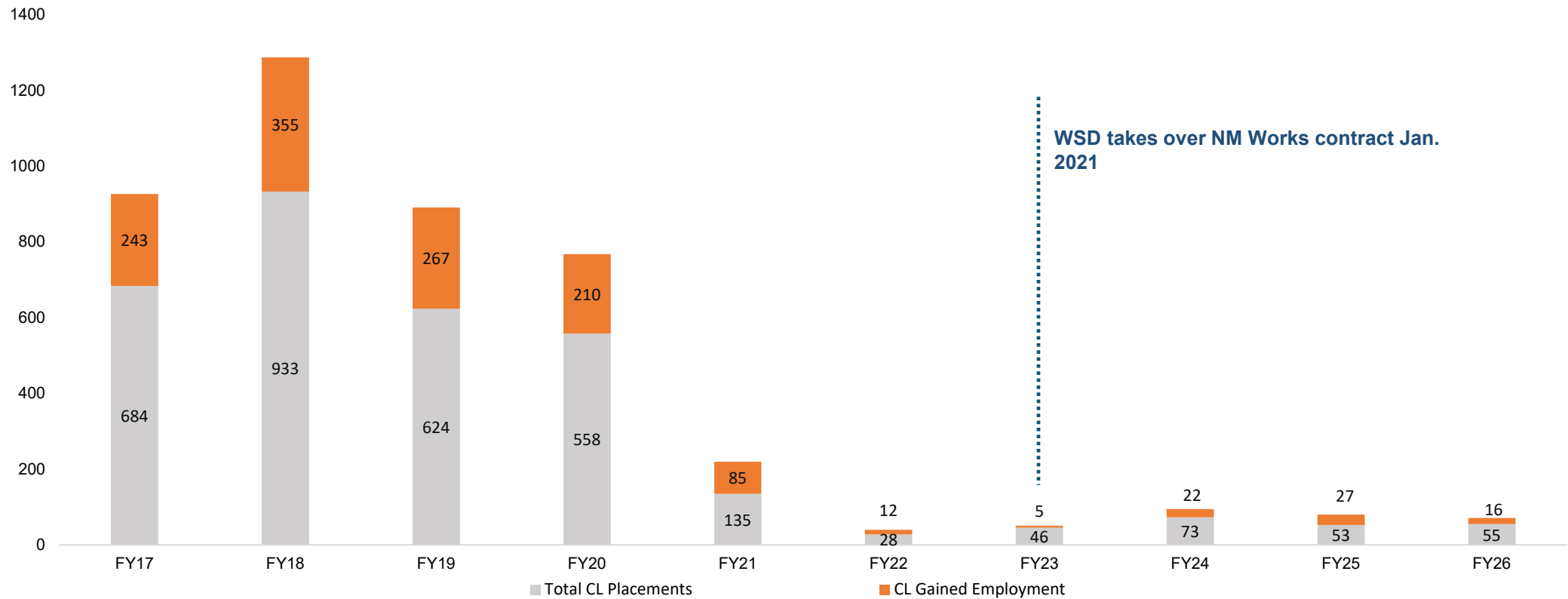
Decline in Number of Career Link Referrals



Source: HCA Income Support Division



Career Link Placements and Employments



Source: HCA Income Support Division

Note: FY26 excludes June 2026



Average Hourly Income Rate for Exiting Career Link Participants by County

	FY23 Average	FY24 Average	FY25 Average	FY26 Average
Chaves		\$14.00	\$15.00	\$12.00
Cibola		\$16.00		
Curry		\$12.00	\$13.33	\$13.00
Dona Ana	\$12.83	\$14.74	\$14.17	\$13.81
Grant	\$15.00			
Lea				\$15.00
Luna				\$12.50
Bernalillo		\$17.13	\$15.36	\$16.35
San Miguel		\$16.00		
Sandoval	\$14.50	\$18.50		
Valencia		\$15.00	\$14.95	
Average Hourly Rate	\$14.11	\$15.42	\$14.56	\$13.78
Average Annual Rate	\$29,351.11	\$32,075.64	\$30,287.77	\$28,653.24

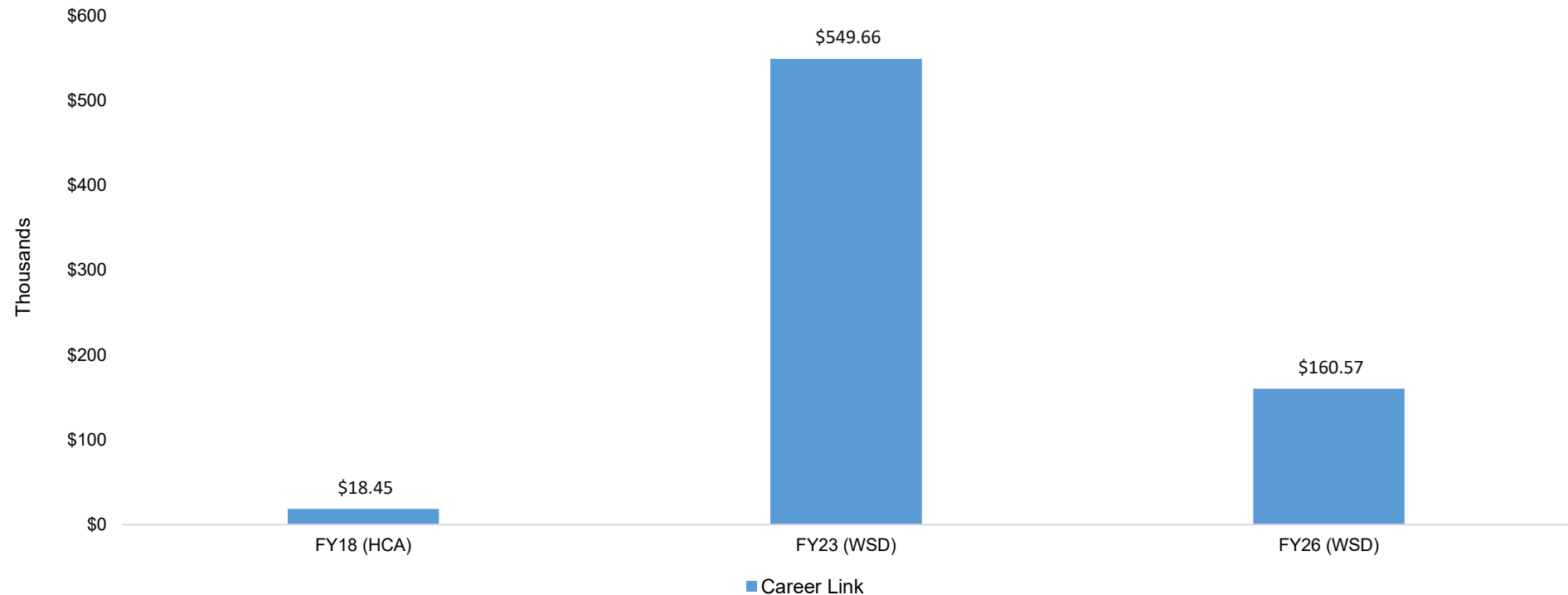
Note: If county is not present, there were no placements

Source: WSD

According to the MIT Living Wage Calculator, a single mother with 2 children would need to make \$49.62 an hour to make a living wage in New Mexico.



Cost per Successful Employment Placement (in thousands)



Source: LFC Analysis of HCA Data



LFC Research on How to Increase Employment for Individuals who Face Barriers

- [Policy Spotlight: Stacking of Income Supports](#)
- [Program Evaluation: Improving New Mexico's Workforce Participation](#)
- [Action Plan: Reconnecting Disconnected Youth](#)
- [Dashboard: Pathways to Prosperity](#)
- [Presentation: Pathways to Prosperity](#)



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For More Information

- <http://www.nmlegis.gov/lcs/lfc/lfcdefault.aspx>
 - Session Publications – Budgets
 - Performance Report Cards
 - Program Evaluations

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