Massachusetts Cash Assistance – A MassBudget Data Droplet

The cash assistance program was created to be a reliable back-up for the lowest-income families; today the program reaches only a small share of families in need.

Cash assistance (Transitional Assistance for Families with Dependent Children or TAFDC) provides a small monthly cash grant to families with children or to pregnant people only if they have little or no income. The amount of this grant is not enough to provide economic stability or help a family get back on its feet during hard times. Nor can this grant come even close to covering the costs of rent, diapers, school supplies, or other basic necessities.

Even with a recent legislatively-authorized 9.1 percent increase in the grant amount, the current monthly TAFDC cash grant of $712 for a family of three with no countable income amounts to about $8,500 a year. People who pay rent in the private housing market receive an extra $40 per month to cover the cost of rent.

Unfortunately, even though TAFDC was originally designed to be an economic safety net for families in need, the TAFDC cash assistance amount is so low it does not even bring families out of “deep poverty.” People in deep poverty have incomes at half the official poverty threshold or less. The poverty threshold for a family of three in 2022 is an income of $23,030 a year, putting deep poverty at $11,515.

TAFDC caseload fluctuates with the economy. Caseload tends to increase during economic recessions. For example, when unemployment increased during the most recent short recession, TAFDC caseload went up for a short period. Caseload has been increasing again with the expiration of federal unemployment and COVID relief and benefits.

From its beginning the program was built upon punitive narratives about poor people, especially Black women. This led to complicated rules about who would be “entitled” to the program. Unless specifically exempted, participants are expected to look for work or go to school when receiving benefits.

When first created, the federal Aid to Families with Dependent Children (AFDC) cash assistance program was intended to be an important income support for many low-income families. “Welfare reform” in the 1990s converted AFDC into a block grant that provides funding for the current TAFDC program. The shift to block grant funding also gave states significant latitude to spend the federal funds on a wide variety of programs beyond just direct cash assistance to low-income families.

The “AFDC/TAFDC-to-poverty ratio” shows the extent to which benefits reach families in need. In 2019, for every 100 families with incomes under the federal poverty line, only 40 received TAFDC. While AFDC in its earliest year reached all or almost all poor families in Massachusetts, over the last decade and a half TAFDC has reached fewer than half (see graph).