

Children & Welfare Reform

BY MATHEMATICA POLICY RESEARCH, INC., AND CHILD TRENDS

Welfare Programs and Policies: Bringing Children Back into the Picture

Prepared by Jennifer L. Brooks, Sharon M. McGroder, Martha J. Zaslow, Ayelish M. McGarvey, Robert Wood, and Megan Gallagher

Concerns for children's well-being were at the forefront in the creation of the first welfare policy in the United States. Yet children have often received little attention in recent discussions about the success of welfare reform. This issue brief aims to bring children back into the dialogue about welfare programs and policies. The brief begins with a discussion of why children have been and should remain a central focus when evaluating the effects of welfare programs and policies — highlighting the original goals of welfare and the prevalence of children in the welfare caseload. This brief then draws upon research to describe the characteristics of children receiving welfare, noting that they are a diverse, yet relatively disadvantaged group. Finally, the brief reviews the evidence on whether the 1996 welfare reform has substantially altered the well-being of children, finding that children do not seem to have experienced either widespread harm or substantial benefit from this round of welfare policy.

Why Focus on Children

Welfare reform has once again stepped onto the stage of public discourse. Two circumstances account for this renewed interest in the topic. For one, August 22, 2001 marked the five-year anniversary of the passage of the historic welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The law included a five-year time limit on eligibility for cash assistance for most welfare recipients, as well as stronger supports and requirements for making the transition from welfare to work. The five-year mark is raising questions about the well-being of families who are now reaching the time limit, or whose “clocks” are still ticking. Increased national attention is also due to the approaching deadline for the reauthorization of three programs addressed in the 1996 welfare law: Temporary Assistance for Needy Families (TANF), the new cash assistance program that replaced the longtime Aid to Families with Dependent Children (AFDC) program; the Food

Stamp Program; and the Child Care and Development Block Grant, which funds child care primarily for low-income families.

Despite widespread interest in the well-being of children, recent discourse has focused much more on adults than on children. Indeed, recent discussions about the success of welfare reform have often centered around evidence that sheds little light on how children are faring under the current policies. For example, some assume that having fewer families on the welfare rolls (a 52 percent decrease between January 1993 and January 1999)¹ and more adult welfare recipients working (a four-fold increase between 1992 and 1999)² will have beneficial implications for children. But these figures alone tell us little about the well-being of children in families receiving or moving off welfare, or how welfare reform has actually affected this well-being.

Some might ask *why* it is important to focus on children when discussing the effectiveness of welfare programs and policies. After all, the most widely publicized changes in cash assistance under welfare

reform, such as time limits and work requirements, were implemented with the primary goal of affecting *adult* behaviors, such as employment and marriage. Still, there are critical reasons to include children in any discussion of welfare policy:

- **Cash assistance programs were initiated for the explicit purpose of helping children.** Created through the Social Security Act of 1935, the Aid to Dependent

“... any evaluation of welfare policies and programs should examine the well-being of the individuals they historically were designed to help: children.”

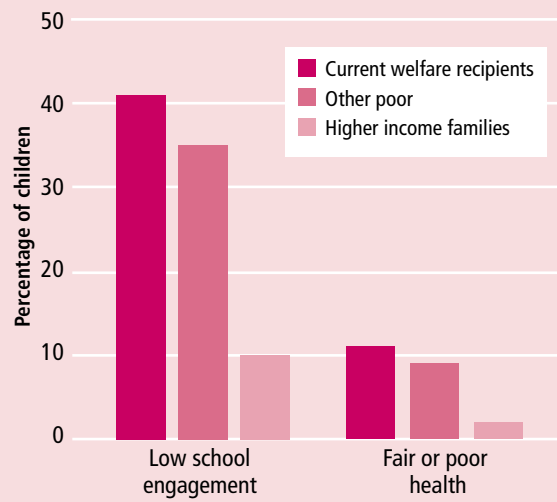
Children program — the predecessor of both AFDC and TANF — was designed largely to provide economic support to widows’ children so that their mothers would not have to work outside the home and families could stay together. A 1940 poster advertising the program showed a mother

with two children and the words: “So that dependent children can grow up in their own families, the Federal Government and the State provide cash allowances. More children will thus have a chance to live normal, wholesome lives in their own home.”³ Keeping this original intent in mind, any evaluation of welfare policies and programs should examine the well-being of the individuals they historically were designed to help: children.

- **The majority of those receiving welfare are children.** In fiscal year 1999, an average of 7.4 million people received welfare during a given month.⁴ Of these, 5.3 million — 72 percent — were children.⁵ The greater prevalence of children than adults on the caseload is easily understood: Adults cannot receive welfare without caring for a dependent child, and many adults are caring for more than one child. Since children represent the majority of the “consumers” of welfare, any analysis of the welfare program ought to consider how this program is affecting children’s lives.

- **Children receiving welfare are at greater risk for poor developmental outcomes than are most children in our society.** By definition, all of these children come from low-income families, a circumstance associated with higher levels of developmental problems in children. Children from poor families tend to have lower academic and cognitive functioning, poorer health, and more behavioral prob-

Figure 1. Percentage of children ages 6 to 17 with low levels of school engagement and percentage of children ages 0 to 17 whose current health is fair or poor, by welfare and poverty status, in 1999



SOURCE: National Survey of America’s Families. Figures cited in Tout, K., Scarpa, J., and Zaslow, M.J. (In press). *Children of current and former welfare recipients: Similarly at risk*. Washington, DC: Child Trends. See endnote 9 for greater detail regarding the measures and the definitions of the groups.

lems, on average, than their more advantaged peers.⁶ Thus, children receiving welfare are likely to be at higher risk for poor long-term development than the children in our society as a whole simply because they come from low-income families. Many children receiving welfare also come from single-parent families. In fiscal year 1999, for example, only 18.4 percent of adult welfare recipients were married. And many children receiving welfare have parents with low levels of education.⁷ Both growing up in a single-parent family and having parents with lower levels of education have also been associated with an increased risk of poorer child well-being across a wide range of outcomes.⁸ Because all of the children receiving welfare are poor and most have single parents and parents with relatively low levels of education, it follows that these children are likely to be at greater risk than are those not receiving welfare.

The data presented in Figure 1 provide greater evidence of this “developmental disadvantage.” The graph shows the percentage of children nationally who have low levels of school engagement and the percentage of children whose current health status is fair or poor, in light of the family’s level of income

and welfare status.⁹ For both indicators of well-being, children in families currently receiving welfare — like other poor children — had significantly higher levels of risk than children in higher income families. This difference is also found for a range of other developmental risks, including high levels of behavior problems, school suspensions and expulsions, and having a health condition that limits the child’s activity.¹⁰

Other research shows a similar pattern: Though there are wide variations in this group, children receiving welfare are at higher levels of developmental risk, on average, than children as a whole.¹¹ For instance, a study examining a sample of five- to seven-year-olds whose families had applied for or were receiving welfare found that, on average, these children scored well below what would be expected for children their age on a well-established test of cognitive school readiness.¹² Yet not all of these children are at high levels of risk. For example, in a study that looked at some of the same children, almost a quarter had scores on the test of school readiness that were appropriate for their age.¹³

Who Are the Children?

In order to consider the needs of children in discussions of welfare programs and policy, it is important to identify just *who* these children are. This section summarizes what recent data tell us about the characteristics of the children and families receiving welfare, beginning with basic descriptive information on the average monthly TANF caseload in

1999.¹⁴ These data, though a few years old, provide important demographic details about the children, adults, and families receiving welfare. We then supplement this broad picture with a more fine-grained view of the children’s experiences and environments available from national survey data and studies of local samples.

Demographic Overview of Children Receiving Welfare^{xv}

As noted above, an average of 5.3 million children were receiving welfare in a given month in 1999. Of these children, 3.9 million had a caregiver or parent in their household who was also receiving welfare, whereas 1.4 million (about 26 percent) were part of the “child-only” caseload (those in a family without an adult receiving welfare). About 96 percent of all of the children receiving welfare were U.S. citizens.

As Figures 2 and 3 show, children receiving welfare in 1999 were a heterogeneous group, both in terms of race and age. Nearly 40 percent were black, and almost a quarter each was white and Hispanic. Further, the majority of the children were between the ages of 2 and 11, yet more than one in ten were under age 2 and a quarter were 12 years and over.¹⁶

Table 1 provides information on the environments in which these children were living, providing characteristics of their families. For the 74 percent of children receiving welfare who were not part of the child-only caseload, it provides data on their adult caregivers as well.

Table 1. Characteristics of families and adults receiving TANF in 1999

Families receiving other forms of assistance:		Children per family:		Receiving disability benefits:	
Medical assistance:	98.3%	One:	42.3%	Percent of Adults:	1.3
Food stamps:	80.7%	Two:	29.0%	Percent of Children:	1.0
Housing subsidy*:	12.6%	Three:	15.9%	Adults’ age in years:	
Child care subsidy*:	4.2%	Four:	6.8%	Under 20:	6.2%
Adults’ marital status:		Five or more:	4.2%	20-29:	39.7%
Married:	18.4%	Average:	2.0	30-39:	33.8%
Single:	58.1%	Adults’ years of education:		40-49:	16.3%
Separated:	12.3%	1 through 6:	4.6%	Over 49:	3.9%
Widowed:	.8%	7 through 9:	10.9%		
Divorced:	8.3%	10 through 11:	28.0%		
		12 and over:	45.4%		

SOURCE: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research, and Evaluation. (2000). *Temporary Assistance for Needy Families Program: Third annual report to Congress*.

Note: Percentages may not always add up to 100 because of missing data

* = This percentage is noted as an underestimate in the U.S. Department of Health and Human Services (2000) report.

Contrary to prevailing stereotypes, the size of the families receiving welfare was fairly small: The mean number of family members was 2.8, and approximately 75 percent of the families had three or fewer members (data not shown). Most families had one or two children, which is comparable to the national average of 1.9 for all families with children.¹⁷

In addition to cash assistance, these families often drew upon multiple forms of public aid, with almost all families receiving medical assistance and more than 80 percent receiving food stamps. But other forms of assistance — housing and child care subsidies, for instance — were utilized far less even though most of these families were likely to be eligible for these services.

The data available on the characteristics of the adult TANF caseload indicate that adults receiving TANF were also both relatively disadvantaged and

rather diverse.

“Though there are wide variations in this group, children receiving welfare are at higher levels of developmental risk, on average, than children as a whole.”

Approximately 80 percent of these adults were single and only about 45 percent had completed 12 or more years of education.

The average age of the adults was 38, with an age range of from under 20 to more than 49.

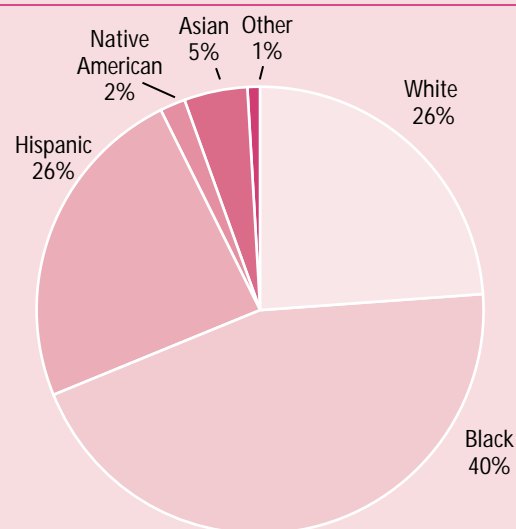
Despite a common perception that most welfare recipients are teen mothers, only about 4 percent

of the adult recipients were currently teen parents. Yet some of these adult recipients undoubtedly had given birth to their first children as teenagers. Finally, about 28 percent of adult recipients were employed in the average month in 1999, with another 44 percent unemployed but looking for work (not shown). About a quarter of the adults was not employed and not looking for work.

The Family Environments of Children Receiving Welfare

Caseload data and data from national surveys and local studies generally tell a similar story about families with an adult receiving welfare: Although they vary quite a bit, on average these families live under quite disadvantaged circumstances compared with the general population. For example, a large number of these families reported instability in their living environments or experiencing material hardship

Figure 2. Distribution of children receiving TANF in 1999, by race



SOURCE: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research, and Evaluation. (2000). *Temporary Assistance for Needy Families Program: Third annual report to Congress.*

(such as being unable to pay their bills). In one study, 40 percent of the parents surveyed reported that unemployment was a problem in their neighborhood. A similar percentage identified the presence of drug users and pushers as a neighborhood problem.¹⁸ These families also tended to report high levels of residential mobility: Approximately 70 percent of families in two studies reported having moved in the last two to four years.¹⁹ Likewise, approximately 35 percent of the adult recipients in two different studies reported some form of “food insecurity,” such as having to skip or cut a meal because they did not have enough money for food.²⁰

The struggles of these families extend past material hardship. They also include high levels of personal and emotional problems that have the potential to place children’s well-being at risk. For instance, these families seem to be experiencing high levels of domestic violence. Most studies on the prevalence of domestic violence among women receiving welfare find that between 50 and 60 percent of these women have experienced domestic violence at some time, while between 20 and 30 percent are experiencing it currently or have experienced it in the recent past.²¹ In comparison, national estimates suggest around a quarter of all women