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ABSTRACT

This issue of "The Future of Children" examines whether programs implemented by the federal welfare reform law accomplished the goal of reducing the number of children growing up in poor, single-parent families and whether these programs benefited children. This examination coincides with debates in Congress on the reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act. This collection of articles includes "Statement of Purpose" (Richard E. Behrman); "Children and Welfare Reform: Analysis and Recommendations" (Margie K. Shields and Richard E. Behrman); "The 1996 Welfare Law: Key Elements and Reauthorization Issues Affecting Children" (Mark H. Greenberg, Jodie Levin-Epstein, Rutledge Q. Hutson, Theodora J. Ooms, Rachel Schumacher, Vicki Turetsky, and David Engstrom); "Reforms and Child Development" (Aletha C. Huston); "Experimental Studies on Welfare Reform and Children" (Martha J. Zaslow, Kristin A. Moore, Jennifer L. Brooks, Pamela A. Morris, Kathryn Tout, Zakia A. Redd, and Carol A. Emig); "Welfare Reform and Child Care Options for Low-Income Families" (Bruce Fuller, Sharon L. Kagan, Gretchen L. Caspary, and Christiane A. Gauthier); "Family Economic Resources in the Post-Reform Era" (Sheila Rafferty Zedlewski); "Welfare Reform, Fertility, and Father Involvement" (Sara S. McLanahan and Marcia J. Carlson); "Welfare Reform and Parenting: Reasonable Expectations" (P. Lindsay Chase-Landsdale and Laura D. Pittman); and "Five Commentaries: Looking to the Future" (Wendell E. Primus, Ron Haskins, Fernando A. Guerra, Eloise Anderson, and Barbara B. Blum). (SM)




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Statement of Purpose

The primary purpose of *The Future of Children* is to promote effective policies and programs for children. The journal is intended to provide policymakers, service providers, and the media with timely, objective information based on the best available research regarding major issues related to child well-being. It is designed to complement, not duplicate, the kind of technical analyses found in academic journals and the general coverage of children's issues by the popular press and special interest groups.

The 1996 federal welfare reform law, the Personal Responsibility and Work Opportunity Act, sought to reduce the number of children growing up in poor, single-parent families by requiring mothers to move from welfare to work and by promoting marriage. This journal issue examines how well programs implemented under the 1996 law are accomplishing these goals, and how they are affecting children's development and well-being. Whether or not the law is having positive effects on children is important not only for the children involved, but for all of our citizens. Untoward effects on child development translate into educational failure, increased crime and violence, and reduced productivity among adults, which are costs that impact all of society.

The articles presented here summarize the knowledge and research about how low-income children have been faring since passage of the welfare reform law in 1996. Overall, as of the fall of 2001, low-income children had been faring fairly well. Child poverty rates were down, and fewer children were living in families

headed by single mothers. At the same time, many families who had left welfare were still struggling economically, and many remaining on the rolls faced serious barriers to employment. Even among families moving successfully from welfare to work, the effects on children were not always positive. As our nation enters a period of economic downturn, the future of low-income children becomes even less certain. Reauthorization of the federal welfare reform law in 2002 offers a critical opportunity to reexamine the purpose and goals of the law, and ensure that programs are structured to have positive effects on children.

We welcome your comments and suggestions regarding this issue of *The Future of Children*. Our intention is to encourage informed debate about the well-being of children under welfare reform. To this end, we invite correspondence to the Editor-in-Chief. We would also appreciate your comments about the approach we have taken in presenting the focus topic and welcome your suggestions for future topics.

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Children and Welfare Reform

Page 1 **Statement of Purpose**

Richard E. Behrman, M.D.

Page 5 **Children and Welfare Reform: Analysis and Recommendations**

Margie K. Shields, M.P.A., and Richard E. Behrman, M.D.

An analysis of how low-income children have been faring since federal welfare reform was enacted in 1996, and how welfare and other income support programs can be restructured to offer the greatest promise for improving children's chances to succeed in life.

Page 27 **The 1996 Welfare Law: Key Elements and Reauthorization Issues Affecting Children**

*Mark H. Greenberg, J.D., Jodie Levin-Epstein, Rutledge Q. Hutson, J.D., M.P.H.,
Theodora J. Ooms, M.S.W., Rachel Schumacher, M.P.P., Vicki Turetsky, J.D.,
and David M. Engstrom, M.Sc., M.A.*

A description of how the 1996 law changed the social policy landscape across a broad array of programs and initiatives affecting children, and the issues likely to emerge before Congress in 2002 when reauthorization of the law is debated.

Page 59 **Reforms and Child Development**

Aletha C. Huston, Ph.D.

A framework for understanding and assessing the impact of welfare and income support programs on children's healthy development through the influences these programs have on children's environments at home and in the community.

Page 79 **Experimental Studies of Welfare Reform and Children**

*Martha J. Zaslow, Ph.D., Kristin A. Moore, Ph.D., Jennifer L. Brooks, Ph.D.,
Pamela A. Morris, Ph.D., Kathryn Tout, Ph.D., Zakia A. Redd, M.P.P., and Carol A. Emig, M.P.P.*

A synthesis of findings from the first seven experimental evaluations of welfare programs, distilling and presenting evidence concerning the impacts of various reform strategies on children of different ages.

Page 97 **Welfare Reform and Child Care Options for Low-Income Families**

*Bruce Fuller, Ph.D., Sharon L. Kagan, Ed.D., Gretchen L. Caspary,
and Christiane A. Gauthier, M.S.Ed.*

An assessment of the research concerning the role child care can play in promoting children's development and life opportunities, and the efforts to extend access to high-quality child care options in low-income neighborhoods.



Volume 12 – Number 1

- Page 121 **Family Economic Resources in the Post-Reform Era**
Sheila Rafferty Zedlewski, M.P.A.
A discussion of the relationship between economic resources and child well-being and how family economic resources have changed under welfare reform, including an overview of states' innovative uses of welfare funds to expand supports for working poor families.
- Page 147 **Welfare Reform, Fertility, and Father Involvement**
Sara S. McLanahan, Ph.D., and Marcia J. Carlson, Ph.D.
An examination of the important role that fathers play in children's lives, how public policies have affected childbearing and father involvement, and the need for better programs to increase fathers' financial and emotional support of children in low-income families.
- Page 167 **Welfare Reform and Parenting: Reasonable Expectations**
P. Lindsay Chase-Lansdale, Ph.D., and Laura D. Pittman, Ph.D.
An assessment of the research concerning the impact of welfare reform on various dimensions of parenting, and the need for further research to understand how states' welfare reform programs could more effectively support positive parenting practices.
- Page 187 **Five Commentaries: Looking to the Future**
A series of responses from experts representing various disciplines and backgrounds to the question: "How can supports and services for low-income families be improved under welfare reform to help ensure positive outcomes for children?"
Wendell E. Primus, Ph.D.
Ron Haskins, Ph.D.
Fernando A. Guerra, M.D., M.P.H.
Eloise Anderson
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- Page 208 **List of Acronyms**
- Inside back cover **Selected Bibliography**

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Children and Welfare Reform: Analysis and Recommendations

Children do best when they grow up in low-conflict families, with parents who are married to each other and who earn enough to meet their family's needs. The evidence on this is strong and widely accepted.¹ The challenge for our nation's welfare system is to determine how best to help children in families that do not have the support of both parents and that do not have enough income. About half the children born in the 1980s will spend some time in a single-parent family before age 18.² More than one-third will spend some of their childhood living in poverty.³

The federal welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, sought to reduce the number of children growing up in poor, single-parent families by promoting marriage and requiring mothers to move from welfare to work. This journal issue examines not only whether the programs implemented since reform accomplished these goals, but also whether they benefited children. Such an examination is especially timely as Congress begins to debate reauthorization of the federal welfare reform law (which expires in September 2002) and as an economic downturn changes the prospects for families striving for greater self-sufficiency.

This article reviews the main themes of the journal issue by summarizing what the new social policy landscape

looks like for children, how low-income children are faring in this new landscape, and how welfare programs, and related support services might be restructured to better promote children's well-being. The 1996 law essentially transformed U.S. welfare programs into employment programs. Riding the wave of a strong economy, these new programs successfully moved many mothers from welfare to work, and improved many children's lives as a result—many, but not all. Even in very prosperous times, some families were unable to overcome their barriers to employment, and many families who found employment still needed additional supports to help make ends meet. As the economy weakens, the need for supports is likely to grow.

Reauthorization of the federal welfare reform law offers a critical opportunity to reexamine the goals of reform. If the ultimate goal of promoting work and marriage is not just to end families' dependence on government benefits, but also to improve disadvantaged children's chances for success in life, then more attention must be paid to structuring programs for low-income families in ways that promote positive child development and well-being. This is important not only for the children themselves, but for all of society, as we all pay the costs of educational failure, increased crime and violence, and reduced worker productivity—costs that inevitably result when children fail to get the nurturing and supports they need to achieve their potential.

The New Social Policy Landscape since Reform

Passage of the federal welfare reform law in 1996 brought many changes to the broad array of programs serving low-income children and their families, as detailed in the article by Greenberg and colleagues in this journal issue. Prior to reform, all children in poor families that met state eligibility criteria were entitled to assistance under the Aid to Families with Dependent Children (AFDC) program, although many states set the threshold so low that only the poorest families qualified. The federal government reimbursed states for at least half the cost of providing this assistance, with no cap on expenditures. AFDC receipt also assured ready access to other benefits, such as Medicaid and food stamps. Families who participated in AFDC-related work programs were provided with child care assistance,⁴ but these programs were often underfunded and involved only a fraction of eligible families. Most mothers receiving AFDC payments stayed home and cared for their children themselves.

Program structures, priorities, and funding streams all changed dramatically with passage of the 1996 law. The AFDC program was replaced with a block grant to the states called Temporary Assistance for Needy Families (TANF). Funding levels for TANF were based on states' historical expenditures under AFDC. Families' entitlement to assistance ended, and the links between cash assistance and other benefits and services were severed. Instead, the law gave states increased flexibility to design their own welfare programs and support services for low-income families. At the same time, the law's focus, as indicated by its title, was to increase parental responsibility and work, and a major theme was to move families off welfare and into employment. Thus, families receiving TANF cash assistance had to meet several important new rules, such as more stringent work requirements, sanctions for noncompliance, and time limits. The law also increased funding for child care to facilitate mothers' employment, and strengthened the child support enforcement program to help ensure that fathers would contribute to the support of their children.

Two other key themes in the 1996 law were promoting marriage and reducing out-of-wedlock births.

Provisions of the law that addressed these goals focused primarily on allowing more liberal eligibility criteria for two-parent families and imposing more stringent requirements on unmarried minor teen parents. The law also called on the U.S. Department of Health and Human Services to establish a strategy for preventing out-of-wedlock teen pregnancies, and provided new funding for abstinence education and bonuses for states with the highest reductions in out-of-wedlock births.

The law changed benefits and services for low-income children in other ways as well. For example, it restructured two significant funding streams for prevention of child maltreatment and services to reunify families split apart by child abuse or neglect, potentially reducing the total amount of funding for such programs. The law also modified the definition of childhood disability, restricting children's eligibility for assistance from the Supplemental Security Income (SSI) program. An estimated 100,000 children lost their eligibility under the new definition in 1996,⁵ and another 70,000 adolescents lost benefits when eligibility redeterminations were conducted between 1997 and 2000.⁶ Finally, the law restricted legal immigrants' eligibility for many services and benefits, including cash assistance, food stamps, and Medicaid. Some restrictions on legal immigrants have since been lifted, but most remain ineligible for food stamps, and those entering the country after passage of the law are ineligible for nearly all federal benefits for five years.⁷

The changes that resulted from the 1996 law could affect poor children in many ways, both directly and indirectly. For the most part, however, the underlying premise of the law was that children would benefit from seeing their parents leave welfare and go to work. In fact, as noted in the article by Chase-Lansdale and Pittman in this journal issue, many lawmakers expected the promotion of job preparation, work, and marriage to improve parenting practices and child well-being, as well as reduce dependence on government benefits. It appears, however, that the links between reform efforts, improved parenting, and positive child outcomes are not as simple or straightforward as envisioned.

How Low-Income Children Are Faring

Overall, low-income families have fared well since reform, both economically and structurally. Poverty rates have declined, and fewer children are being raised in single-mother households. The primary goal of the 1996 law was to end families' dependence on government benefits, and efforts to address this goal have been very successful. Bolstered by the strong economy of the 1990s and policies that help "make work pay," such as the earned income tax credit (EITC) and expanded health insurance programs for low-income children,⁸ many families moved off welfare and into jobs. In August 1996, 4.4 million families were receiving cash assistance. As of September 2000, the number of families receiving cash assistance had declined by half, to just 2.2 million.⁹

The dire predictions made by some critics when the law was passed—that the number of homeless and destitute families would skyrocket, and that there would be a massive migration of children from welfare to foster care—have not materialized.¹⁰ Yet even in a strong economy, many families who left welfare were struggling, and many remaining on the rolls faced serious barriers to employment. What can be gleaned from the research about how low-income children are faring since welfare reform in terms of their economic well-being, family structure, and daily life experiences is summarized below.

Economic Well-Being and Its Implications

Welfare reform policies clearly have helped many poor families take advantage of economic opportunities over the past five years and move successfully from welfare to work. More than half the families no longer receiving cash assistance are working, and the combination of earnings and other work supports has boosted the incomes of most single-mother families. Poverty rates declined from 14% in 1996 to 11% in 2000, and child poverty rates also have fallen, from 21% to 16%.¹¹

Recent findings from evaluations of welfare-to-work demonstration programs point to the importance of increasing family economic resources to improve children's outcomes. Although these demonstrations were implemented before reform, they included many features similar to those enacted in the 1996 law, such as

work requirements, time limits, and financial incentives to work. Results show that, for the most part, families' participation in these programs had no widespread impacts on children. When impacts were found, some were positive and some were negative, but most were weak. Even when programs resulted in more positive impacts, the children in these families still lagged behind national norms for positive child development. Nevertheless, some patterns have emerged that reinforce the theory that increasing families' employment and income is good for children.

As discussed in the article by Zaslow and colleagues in this journal issue, children in families participating in programs that increased employment and income tended to do better in school and have fewer behavioral problems than children in families not participating in the programs.¹² Positive impacts were found most often among school-age children. Programs with the most positive impacts on children were those that increased families' employment and income through earnings supplements without a mandatory work requirement, such as in an early version of the Minnesota Family Investment Program.¹³

In addition to having positive impacts on children, programs that increased both employment and income through incentives without a mandatory work requirement also had small but significant impacts on the parenting practices of mothers who participated. (See the article by Chase-Lansdale and Pittman.) Compared with nonparticipant mothers and those required to work 30 hours a week, long-term recipient mothers participating in these programs had lower levels of depression and harsh parenting. These mothers were also more likely to marry if single, more likely to stay married if married, and less likely to experience domestic violence. According to Chase-Lansdale and Pittman, the critical factor leading to these positive impacts appears to be that the mothers could work less than full time and still benefit from income gains compared with mothers not participating.

When programs helped families gain jobs but did not increase their income, the evaluations of the pre-reform welfare-to-work demonstrations found few impacts on children. The impacts that did occur were mixed. Children in participant families tended to score

higher on assessments of their cognitive skills, but also to receive more reports of behavioral problems, compared with children in families not participating in the programs.¹⁴ When programs resulted in families making no economic progress or experiencing a setback, the effects on children tended to be negative across all types of outcome measures.

Thus, when families move from welfare to work without an increase in income, the impacts on children are less likely to be positive. Unfortunately, this is likely to be the case for many families leaving welfare since reform. As described in the article by Zedlewski in this journal issue, many families leaving welfare for work enter low-paying jobs with no employer-provided benefits, and about 40% of families that have left welfare are not working. Economic resources have declined among many of the poorest families due to the loss of benefits such as welfare and food stamps. Census Bureau data show that between 1995 and 1997, total annual resources for the poorest 10% of single-mother families declined by \$814, on average, from \$5,687 to \$4,873; among the next poorest 10%, resources declined by \$319, from \$11,584 to \$11,265.¹⁵

The decline in economic resources among poor families is especially sobering because it occurred during a period of sustained economic growth. Following the attack on the World Trade Center on September 11, 2001, jobs have been disappearing rapidly in manufacturing, services, and transportation—especially low-wage jobs, the types of jobs that welfare recipients would likely fill. During October and November 2001, more than one million jobs were lost, and according to the U.S. Bureau of Labor Statistics, the increase in the jobless rate has been particularly severe for blue-collar workers.¹⁶ Thus, until the economy rebounds, many more poor families are likely to experience declines in their economic resources.

Family Structure

Family structures for low-income children appear to be changing for the better, although any link to welfare reform policies is dubious, as noted in the commentary by Haskins in this journal issue. Between 1995 and 2000, the percentage of children living with both married parents continued to decline among families above 200% of poverty level, but the percent-

age remained unchanged, at about 50%, among children in families below 200% of poverty.¹⁷ In addition, the percentage of low-income children living with a single mother declined slightly, from 34% to 33%, whereas the percentage living with a mother and a cohabiting male increased from 5% to 6%. Also, teen births have continued to decline over the past decade. Between 1990 and 1997, the teen birth rate decreased from 60 to 52 per 1,000 women ages 15 to 19.¹⁸

To the extent that fewer children are being raised by teen parents and single parents, child well-being is likely to have improved. As discussed in the article by Huston in this journal issue, both adolescent and single parenting are associated with lower educational and occupational attainment by mothers and higher developmental risks for children. Young and single mothers are at high risk of poverty and generally provide less stimulating and supportive home environments than those provided by older and married mothers. Although experimental evaluations have found few impacts on young children's development linked to single parenting, other studies of older children have found that adolescents with single mothers are at greater risk of dropping out of school than are adolescents living with both biological parents.¹⁹

However, the data suggest that many single mothers are not rearing their children alone. As discussed in the article by McLanahan and Carlson in this journal issue, 41% of all nonmarital births in the early 1990s occurred to cohabiting couples.²⁰ In what McLanahan and Carlson refer to as "fragile families," many unmarried parents are working together to raise their children, either by sharing a household or maintaining frequent contact. Such father involvement is important—both financially and emotionally—to children's development.

Single-parent families, especially those with no male present, are much more likely to be poor, and the children are more likely to suffer adverse effects on their development and well-being.²¹ In 1998, for example, the poverty rate for female-headed families with children was 39%, compared with 8% for male-present families with children.²²

In addition, positive father involvement, particularly by fathers who live with their children, has been linked

to less frequent behavioral and emotional problems among children and adolescents, including delinquency, substance use, anxiety, and depression.²³ Moreover, a recent analysis of several studies found that increased father involvement—such as father-child closeness and authoritative parenting—was associated with significant gains in children's academic achievement and reductions in behavioral problems.²⁴

Thus, evidence of increased involvement of males in single-mother households might be a positive indicator for child well-being—with three important caveats. First, it is the presence of fathers, not unrelated males, that is linked to positive effects on children. For example, studies have found that children's school performance and behavior generally do not improve if their mother marries someone other than the biological father, even though family income is, on average, substantially greater.²⁵ Second, many low-income families are coping with conflict and domestic violence. In one large study of welfare recipients, for example, 28% reported having been abused by an intimate partner in the previous year.²⁶ To have positive impacts on children, increased male presence must not bring increased family conflict or domestic violence. Finally, cohabiting couples' relationships are more vulnerable than those of married couples, and if the relationship ends, father-child contact is more likely to diminish.²⁷

Children's Daily Lives

The movement of mothers from welfare to work has brought significant changes to the daily lives of many children. As increasing numbers of low-income mothers move into jobs, young children are spending more hours in nonmaternal care, and older children are likely to be spending more time unsupervised. At the same time, many low-income children live in families who are receiving welfare, yet are not participating in a welfare-to-work program. For some, the situation is temporary, but for others, the reasons for lack of participation are likely to persist for some time. In other cases, children's families are not working, but they are not receiving welfare or other benefits due to such reasons as loss of eligibility, sanctions, or time limits. Little information exists on how children in these families are faring.

Children in Families Moving from Welfare to Work

As discussed in Huston's article, welfare policies designed primarily to change the economic and personal behavior of parents can impact the nature and quality of the environments where children spend their time, at home, at school, and in the community. Changes in children's environments in turn can affect their development. Considerable evidence documents the links between each of these factors, but the connections are complex. Policies that require low-income mothers to work could have a number of different impacts—either positive or negative—on children's environments and thus their development and well-being. Therefore, where and how low-income children spend their time while their mothers work warrants greater attention.

Low-income families' access to subsidies is a key factor in their decisions about where their children spend time during work hours. As a result of changes to child care programs stemming from the 1996 welfare reform law, total federal and state funding for child care for welfare and working poor families has increased dramatically, from \$2.8 billion in 1995 to \$8.0 billion in 2000.²⁸ Federal and state spending on preschools and after-school programs has also grown.²⁹ The movement of mothers from welfare to work, together with this increased funding for child care, has changed the daily environments of many low-income children.

Infants and Toddlers

Infants and toddlers need safe, high-quality child care if they are to benefit from their mothers moving from welfare to work. Under reform, states are encouraged to require single parents on welfare to seek work when they have a child as young as one year old, and can require single parents of even younger children to participate in welfare-to-work programs. As a result, 16 states now have work requirements for single parents with children under age one. In 11 states, parents with children as young as 12 weeks old are required to participate in work activities.³⁰ Survey data gathered in 1997 indicate that among families with children under age three, low-income working mothers rely mostly on the other parent or a relative for care, whereas a greater percentage of higher-income families rely on formal center-based care, a family child care home, or a nanny.³¹

The research literature is mixed about whether requiring mothers of young children to work has positive or negative effects on the children. On the one hand, some evidence suggests that when a family's income increases, young children benefit, especially young children living in families below poverty level.³²⁻³⁴ Moreover, some studies suggest that younger children's enrollment in full-time, high-quality child care can be beneficial, especially for children in low-income families.^{35,36} On the other hand, other studies indicate that parent-child interaction may be harmed when infants spend extended lengths of time in child care.³⁷

What seems to emerge from these studies is that while increased income is likely to have positive impacts on young children, the effects of nonmaternal child care can be either good or bad depending on the quality of care, the number of hours in care, and the quality of maternal care provided in the home as the alternative. Evaluations of prereform welfare demonstrations found few impacts on the youngest children studied, suggesting that infants and toddlers may not be affected by their families' participation in welfare-to-work programs as much as expected. The data are limited, however. Further research concerning the impacts of different types of care on young children is needed.

Preschoolers

Preschoolers, especially those from low-income families, appear to benefit from high-quality child care centers—that is, child care characterized by caregivers who are sensitive, responsive, and talk frequently with the children, and a setting that is well-stocked with a breadth of learning and play materials.³⁸ Low-income children ages three to five who were placed in high-quality centers did better on school readiness scores than children in home-based settings.³⁹ It has been estimated that at least one million preschool-age children moved into new child care settings between 1996 and 1998 following changes under welfare reform.⁴⁰ Studies indicate that the majority of welfare families rely on informal arrangements when they begin to participate in work activities, yet as discussed in the article by Fuller and colleagues in this journal issue, families moving off welfare and into more stable, full-time employment are more likely to choose centers and family child care homes over less formal care providers, such as relatives or neighbors.

Total hours of care, stability of care, and type of care all can affect children's development, but the quality of care appears to have by far the greatest influence.³⁵ For example, some evidence indicates that preschool children spending long hours in care may be more aggressive, assertive, and defiant than children spending less time in care.⁴¹ Studies also show, however, that children who benefit from high-quality daily interactions in their child care settings tend to display better cognitive and language development, school readiness, and early school achievement, compared with children in settings with less engaged caregivers.⁴² Although the effects of child care are modest overall compared to the stronger influence of the home environment,⁴³ high-quality care has been found to be especially effective in improving outcomes for children growing up in poverty or facing other family-based risks.³⁹

School-Age Children

More low-income school-age children could benefit from participation in structured after-school activities. Although the number of programs is increasing, many low-income school-age children still are likely to be left in self-care while their mothers work.

As a result of greater availability of child care subsidies tied to welfare reform, as well as other initiatives to create more and better after-school programs for youth, an increasing number of low-income school-age children are attending structured programs after school while their mothers work. For example, in 2001, nearly \$850 million in federal funding was provided for the 21st Century Community Learning Centers initiative, a program designed to provide expanded learning opportunities for school-age children in a safe, drug-free, supervised environment.⁴⁴ Tens of thousands of other after-school programs are offered by schools, youth organizations, religious groups, and local governments throughout the country.⁴⁵

Moreover, studies suggest that school-age children can benefit from time spent in structured after-school activities, as opposed to self-care.^{45,46} In one study, for example, low-income first and third graders who spent more time in self-care were less socially competent and received lower academic grades in sixth grade, compared with low-income children who spent less time on their own.⁴⁷ After-school activities can provide children

with opportunities to explore new skill areas, discover their talents, and build self-esteem.⁴⁸ After-school programs also can serve as a safe haven in neighborhoods where crime rates are high and the time after school can expose children to deviant peers, illegal activities, and violence.⁴⁹

Although data are limited, there is some evidence that in families with mothers moving from welfare to work, an increasing number of school-age children may be left home alone. Prereform data indicate that working poor families were more than twice as likely to leave their school-age children in self-care than were non-working poor families (15% versus 8%).⁵⁰

Adolescents

Potential effects on adolescent children received virtually no attention during the debates leading to welfare reform. The tacit assumption seemed to be that adolescents would be affected less than younger children by what their parents might be required to do. However, as summarized in the article by Zaslow and colleagues, evaluations of prereform welfare-to-work demonstration programs generally found negative impacts for this age group, even in programs that increased families' employment and income, and that had positive impacts on younger children. (For an overview of each of the programs evaluated, see Box 1 in the article by Zaslow and colleagues.) For example, in the Minnesota Family Investment Program, a higher percentage of mothers rated their adolescent children's school performance below average compared with ratings of adolescent children by control group mothers. In Canada's Self-Sufficiency Project, mothers enrolled in the program reported that their children had more school behavioral problems, and adolescents themselves reported more smoking and drinking. And in the Florida Family Transition Program, adolescent children in the program group were more likely than those in the control group to have been suspended from school or to have been rated lower on school achievement.

The reasons for these negative impacts are unclear. Possible explanations range from an erosion in parenting quality and monitoring to an increase in adolescent responsibilities within the household.⁵¹ However, these findings reflect only three studies. Additional data for this age group from other evaluations are due to be

released in early 2002, which may help to clarify how teens are being affected by reform.

Children in Families Not Moving from Welfare to Work

Families not participating in welfare-to-work activities account for over two-thirds of the welfare caseload, on average, nationwide.⁵² Some of these families are subject to work requirements and are not participating. But more than half the caseload comprises two major categories of families not subject to work requirements: families with adults who are exempt from requirements for "good cause," and families with no adult recipients in the household, referred to as "child-only" cases. Because neither of these types of families is required to participate in welfare-to-work programs, they receive little attention from program administrators or researchers, and as a result, not much is known about how the children in these families are faring.

"Good Cause" Exemptions

Among the two million adults on welfare nationwide during fiscal year 1999 (on average, per month), 28% were not required to participate in either work or education activities.⁵³ Most were exempt for "good cause," such as having poor health or a disability, caring for a household member with a disability, being advanced in age, being the victim of domestic violence, not being able to find suitable child care, or caring for a young child.⁵⁴ Use of exemptions varies widely among states.^{30,53} For example, Arizona and Vermont exempted more than 75% of their adult recipients from work requirements in 1999, whereas Nebraska and Oregon exempted fewer than 20%.⁵⁵

Exemptions can protect vulnerable families from sanctions and time limits, but they also may remove any sense of urgency about providing families with the services they need to overcome their problems.⁵⁶ When families are struggling with barriers that affect family functioning as well as employability, the risk to children can be great. In households coping with serious problems such as substance abuse and maternal depression, some children are resilient and do fine, in general, however, children in such households are at increased risk for harmful consequences.⁵⁷ As discussed in the commentary by Guerra in this journal issue, without intervention, such families can sometimes spiral downward to

domestic violence, child neglect or abuse, and removal of children from the home.⁵⁸ The majority of children in the foster care system are from families on welfare.⁵⁹

Studies have found that the screening tools used by welfare offices to identify serious family problems, and the services provided to address these problems, are inadequate.⁶⁰ Moreover, though many families are exempted only temporarily, others may remain so indefinitely, awaiting services that are in short supply.⁶¹ Aside from the fact that children in these families continue to receive benefits, little is known about their well-being.

"Child-Only" Cases

In 1999, about 770,000 families (29% of the total caseload) were "child-only" cases, down from a peak of 978,000 cases in 1996.⁶² Because these families receive cash payments only for the child, not the adults in the household, they are not subject to work requirements or time limits. Child-only cases are created when adults are ineligible to receive benefits, such as when children are not living with their parents and the caretaker adults are ineligible,⁶³ when parents receive SSI benefits, or when citizen children are living with noncitizen parents.⁶⁴

Some researchers have suggested that child-only cases may require intensive interventions to address families' problems, but these cases generally are not being screened to identify such needs.⁶⁵ As with children in families with exemptions, little is known about the well-being of children in families receiving child-only benefits.

Children in Families Disconnected from Benefits

Welfare caseloads have declined rapidly. This would be a cause for celebration if all the families no longer receiving welfare were doing well. However, studies show that poor households are not earning enough to explain the steep drop in cash assistance and other supports. Many children still live in poverty, but without welfare and other benefits that they likely would have received prior to passage of the 1996 law.⁶⁶ Although little is known about the well-being of children in these poor families, it is unlikely they are faring better as a result of welfare reform.⁵⁶

Reasons for families becoming disconnected from benefits vary, ranging from burdensome administrative pro-

cedures to loss of eligibility and the impact of sanctions and time limits. For example, some families have been discouraged from seeking benefits, or they abandoned the effort in the face of the complex administrative procedures for enrolling and maintaining eligibility. In his commentary, Guerra describes the difficult circumstances many poor families face, and the precariousness of their daily lives. Time-consuming, bureaucratic procedures to obtain benefits simply add to the demands on these families, causing many to be disconnected from the services and supports they may be eligible to receive and may need to cope with their problems.

Other families are disconnected from benefits because changes to the welfare reform law made them ineligible. (See the article by Greenberg and colleagues.) In particular, certain groups of legal immigrants are no longer deemed "qualified" to receive benefits. Some states have established state-funded substitute programs for immigrants, but these programs have not filled the gap left from the loss of federal assistance, and participation rates remain low. Also, many U.S. citizen children of immigrant parents do not access benefits they are eligible to receive. As noted in the commentary by Primus in this journal issue, food stamp participation among such children fell by 74% between 1994 and 1998, compared with a 24% decline among other families with children.

Still other families lost benefits because they exhausted their time limits or failed to comply with program requirements. Data from the U.S. Department of Health and Human Services indicate that in 1999, about 156,000 families left welfare due to sanctions.⁶² Greenberg and colleagues note that families whose cases are closed due to sanctions are likely to have low education levels, little or no work history, and more serious employment barriers.⁶⁷

Little is known about the development and well-being of children in poor families disconnected from benefits. But, as Primus notes in his commentary, many families who leave welfare without finding a job are floundering. Indeed, evidence of hardship has been found in surveys of families who have left welfare. For example, two waves of families leaving welfare were interviewed in the National Survey of America's Families, one group in 1997 and another in 1999. About half the

respondents in both groups said they have had to cut the size of meals or skip them because they did not have enough food in the past year. About 40% said they were unable to pay the mortgage, rent, or utility bills at some point in the past year.⁶⁸

In sum, fewer children are living in poverty; however, those children who are living in poverty are less likely to be receiving the benefits they would have prior to reform. Many poor families are disconnected not just from welfare, but also from other supports they need to help make ends meet. At the same time, low-income children are more likely now to be living in a home with a male present. If that male is the father and not violent, a child is likely to benefit, but more information is needed to understand who the cohabiting males are and how they interact with these children. Finally, as more low-income mothers move into the workforce, their children are spending more time in nonmaternal or self-care. Time spent in structured programs can be positive, but the quality of the program is key. Among families still receiving welfare, most are not involved in work activities and little is known about how their children are faring.

Restructuring the Safety Net for Low-Income Children

Welfare programs and other supports focus primarily on moving mothers from welfare to work. This may be a good first step, but it does not guarantee positive outcomes for children. Reauthorization of the federal welfare reform law offers a critical opportunity to reexamine the purpose and goals of the law in terms of providing an effective safety net for low-income families and their children.

Before the economic downturn took hold in the fall of 2001, a nationwide poll found that more than half of those surveyed viewed poverty as a big problem.⁶⁹ Of those aware of the new welfare law, 61% thought it was working well, mostly because it requires people to work. At the same time, respondents voiced strong support for providing more assistance to help families trying to move off welfare into work. Large majorities of those surveyed said they supported expanding job training programs (94%) and public employment (82%); improving public schools in low-income areas

(94%); increasing the minimum wage (85%) and tax credits for low-income workers (80%); and expanding subsidized day care (85%), medical care (83%), and housing (75%). Especially now, as the economy slows, having strong supports in place for the families of low-wage workers and the unemployed is crucial.

What we have learned about how low-income children are faring in this new social policy landscape can point to ways the safety net could be strengthened to offer the greatest promise for improving children's chances to succeed in school and in life. Three key strategies address what is most important for low-income children: helping families achieve an adequate standard of living, helping them provide stable and supportive homes, and helping them access quality child care and after-school programs and activities.

Adequate Family Resources

A family's economic resources influence child well-being, because they are necessary to meet children's basic needs for food and shelter. In addition, a family's economic resources influence the quality of environments children experience at home, in child care, at school, and in the community. (See the articles by Huston and by Chase-Lansdale and Pittman.) Children in families with adequate resources tend to be healthier and to do better in school; they are less likely to be involved in criminal behavior and are more likely to graduate from high school and to earn higher incomes as adults.⁷⁰

Welfare-to-work programs that increase family income as well as employment have been shown to have the potential to improve children's academic progress and, to a lesser extent, their behavior. For example, subsidy programs that increase economic resources in low-income working families by as little as \$1,200 to \$4,000 per year have been shown to have positive impacts on the development of preschool and elementary-school-age children.⁷¹ Important steps needed to help low-income working families attain adequate resources include stronger efforts to connect them to support services and to help them find better jobs and move up career ladders to higher wages.

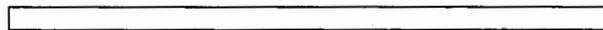
Connecting Working Families to Support Services

As discussed in the article by Zedlewski, government supports such as the EITC (which refunds a portion of

earnings to low-income taxpayers), food stamps, health insurance, and subsidized health care and child care are essential to maintaining sufficient economic resources for families earning low wages. Studies show that participation in the EITC is generally strong, with about 85% of eligible families receiving the credit.⁷² But the same is not true of other programs intended to help make work pay.

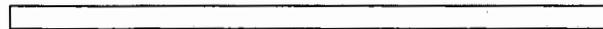
Many families who have left welfare are not using other, nontax supports to augment their earnings. For example, one study found that 57% of families leaving welfare were not receiving food stamps even though they were eligible.⁷³ Half the families with incomes below 50% of poverty were not receiving food stamps. Similar trends have been noted in Medicaid coverage and receipt of child care subsidies. In the Urban Institute study of families leaving welfare between 1997 and 1999, only 22% reported receiving government help in paying for child care after three months.⁷⁴

As noted in Primus's commentary, when families are not receiving welfare, they may be unaware of their eligibility for food stamps, Medicaid, child care assistance, and other supports. Blum's commentary in this journal issue also notes that differences in income, assets, citizenship, and recertification standards create confusion and errors in determining the eligibility of families seeking benefits across various programs. In addition, services are often provided at times and in locations that make access difficult for low-income working families. Without extensive outreach and advocacy to address such problems, available benefits may never reach many eligible families. Programs adopted following the 1996 law should be judged by their ability to restore and increase participation among the working poor.



Recommendation

Welfare and other support programs should extend outreach efforts to ensure that low-income families who are no longer, or who never have been, on welfare receive the supports and services they need until they earn sufficient income to provide an adequate standard of living for their families.



Job Retention and Advancement

Getting a job and moving off welfare does not assure that a family will have adequate economic resources. As discussed in the article by Zedlewski, even when working full time at a minimum wage job and receiving all available supports, families do not have adequate resources. For example, the Urban Institute study of welfare leavers found that median monthly wages were \$1,093 in 1999.^{68,75} According to studies in eight states, the average monthly earnings of former recipients during the first three months after leaving welfare were even less, generally ranging from about \$733 to \$900.⁷¹

Some studies have found that at least half of families leaving welfare have fewer economic resources than they would have had if they had stayed on welfare. Many, in fact, end up returning to the rolls. In the Urban Institute study, for example, 29% of families leaving welfare between 1995 and 1997 returned to welfare, as did 22% of those leaving welfare between 1997 and 1999.⁶⁸

After mothers find work, they need supports to help them keep their jobs and increase their earnings. As of October 1999, 34 states were providing case management for at least some recipients who had found jobs or who no longer received cash assistance.⁷⁶ Generally states provide postemployment support services such as transportation aid, help in purchasing work clothes or tools, and payment of work-related fees. It is unclear whether these efforts have actually helped increase steady work, however. Some evaluations have found that they have no impact on how long families keep jobs or how much they earn.⁷⁷

Sixteen states had policies to support employer-based education and training services to promote job advancement. But most of these efforts served only a small number of families. Alternatively, some states were addressing the issue of job advancement by increasing access to postsecondary education or training that would enable unemployed parents to find better jobs.

The current welfare system rewards states for moving families off the rolls, but not for ensuring that those families gain steady employment and earn an ade-

quate income. To encourage states to develop better approaches to helping families keep their jobs and increase their earnings, an expansion of welfare's goals is needed.

Recommendation

Welfare programs should expand their goals to include reducing poverty and promoting family economic and child well-being. Job retention and advancement services for low-income families should be one of the strategies in support of this goal, and incentives should be provided to encourage development of more effective programs.

In particular, a greater emphasis on education and training is warranted. Many families currently receiving welfare could benefit from further education. In 1999, more than 40% of adults on welfare had less than a high school education.⁷⁸ As noted in the commentary by Haskins, many of the mothers now working for around \$7 per hour could earn more with additional education and training.

Prior to reform, welfare programs had education components that focused on helping recipients enhance their basic skills, but this approach demonstrated little success in moving families into higher-paying jobs.⁷⁶ Largely as a result of these findings, the 1996 law placed restrictions on education and training as a work activity, and on the length of time families could receive assistance. Under current rules, not more than 30% of recipients being counted toward a state's work participation rate can be participating in educational activities for no more than 12 months, including teen parents still completing high school. Research suggests, however, that when combined with other activities such as job search or work itself, education can play an important role in helping families find better jobs.⁷⁶ Further, training for low-income parents who are between jobs is a wise investment, especially during times of high unemployment.

In addition to improving a family's future earning potential, maternal educational progress appears to be linked to positive child outcomes.⁷⁹ As noted in the article by Chase-Lansdale and Pittman, parents with higher education levels tend to display more effective parenting through a variety of behaviors with positive implications for child outcomes.⁸⁰ Pre-existing differences in mothers' attributes, skills, and personalities likely influence both educational attainment and economic progress. Nevertheless, in Zaslow and colleagues' synthesis of findings from evaluations of prereform welfare-to-work demonstrations, maternal educational progress tracked more closely with favorable child outcomes than did economic progress—that is, increased educational attainment more consistently resulted in positive child outcomes than did increased family employment and income. Perhaps seeing a parent go to school provides an even better role model for children than seeing a parent go to work. Taken together, these findings suggest that welfare programs could promote more positive outcomes for children by enabling mothers to increase their education while receiving temporary cash assistance within established time limits.

Recommendation

Restrictions that discourage welfare recipients from participating in education and training as their work activity should be liberalized. Welfare programs should enable mothers to continue with their schooling past high school, and to enroll in other training and education programs to advance their careers.

Stable and Supportive Homes

Although having adequate economic resources is important, a nurturing and secure home environment, including the love and support of both biological parents, remains the most critical influence on young children's adjustment and well-being, even for children who spend substantial time in child care.³⁵ As described in the article by Huston, having the love

and encouragement of adult family members and other adults who are mentally healthy, responsible, constant, and reliable is extremely important to children's healthy development.

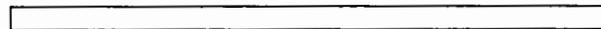
Lawmakers expected programs implemented under welfare reform to have a positive influence on parenting and the home environment, primarily as a by-product of efforts to promote job preparation, employment, and marriage. In addition, many states are using welfare funds to implement initiatives targeted directly at improving parenting, such as providing home visits to new parents or requiring certain welfare recipients to attend parenting classes.⁸¹ Although parenting behaviors are complex and difficult to change, welfare programs can help strengthen family functioning and the home environment in various ways depending on a family's circumstances. Different approaches are required depending on whether a family is moving from welfare to work, or is struggling with barriers to employment. In many situations, greater involvement of fathers can be a key strategy for strengthening families and promoting children's well-being both financially and emotionally.

Flexible Work Requirements

In families with a mother moving from welfare to work, parenting practices and the home environment could be affected by a change in family resources, family relationships, parents' time at home, and parents' personal sense of well-being. According to Chase-Lansdale and Pittman, the limited available literature on this topic indicates that, compared with unemployed single mothers, single mothers who choose to work may provide a more cohesive, stimulating, and organized family environment, and may do more to promote the value of education.⁸² But other studies have found that mothers who were required to participate in welfare-to-work programs experienced higher levels of depression and stress than those who were not required to participate.⁸³ In evaluations of prereform welfare-to-work demonstrations, few impacts on parenting were identified. One program that did have positive impacts on parenting, however, was a version of the Minnesota Family Investment Program that increased families' employment and income through earnings supplements without a mandatory work requirement.⁸⁴ Mothers in

this program generally decided to work part time or reduce some work hours.

These findings, though limited, suggest that welfare programs could strengthen families and promote positive outcomes for children by allowing greater flexibility concerning part-time work for single mothers, and by stopping the time limit clock on welfare benefits while families are working at least part time, but not earning enough to support themselves.



Recommendation

Welfare programs should provide sufficient supports to allow single mothers greater flexibility concerning part-time work schedules, and should stop the clock on time-limited benefits while parents are working either full or part time.



Addressing Barriers

Many low-income families live on the edge, both economically and functionally. According to data from the National Survey of America's Families in 1997 and in 1999, about three-quarters of adults on welfare had at least one potential barrier to employment, including very poor mental or physical health, limited education, minimal work experience, or family responsibilities that limit their ability to work, such as caring for an infant or a disabled child.⁷⁸

When families are struggling with serious barriers—such as substance abuse, maternal depression, and domestic violence—the problems not only present challenges in getting and keeping jobs, they also detract from parents' ability to provide stable and supportive homes for their children. Estimates of the percentage of welfare recipients with substance abuse problems range from 16% to 37%.⁸⁵ About 22% to 28% are estimated to be suffering from very poor mental health,⁷⁸ and 10% to 31% to be coping with domestic violence.⁸⁶

Some of these families are exempt from work require-

ments, whereas others are not, since states' policies on exemptions vary widely. But simply providing welfare and exempting families from work and time limit requirements will not enable most families to overcome their problems, enter the workforce, and provide stable and supportive homes for their children. The underlying conditions contributing to a family's precarious situation must be addressed.

Often these underlying conditions are rooted in the mothers' own childhoods. Many low-income mothers have grown up in families that did not provide good models of positive family functioning. They may have experienced sexual and physical abuse. Among participants in a New Jersey welfare-to-work program, for example, 20% report having been sexually molested as children.⁸⁶ Other studies indicate that the proportion of teen mothers with histories of sexual and physical abuse may be as high as 68%.⁸⁷ Thus, it should not be surprising that a large proportion of mothers on welfare have scars from the past that contribute to their difficulties in coping with their complex lives, and may lead them to substance abuse or involvement in high-conflict relationships.

In 1997, Congress enacted the Welfare-to-Work program to support state and local efforts to help the most disadvantaged welfare recipients (as well as non-custodial parents) address specific problems affecting their employment prospects and move into the labor force.⁷⁸ Some states have begun implementing programs to address families' barriers to employment, but most serve only a small percentage of those needing help and little information is available on program outcomes and effectiveness. Most caseworkers have limited training or skills to identify families with barriers.⁸⁸

To deal more effectively with families struggling with serious difficulties, a restructuring of services may be needed. As Anderson suggests in her commentary in this journal issue, families coping with mental illness or learning disabilities, for example, should be treated and monitored by the mental health system or the developmental disabilities system, not by welfare or employment programs. This does not mean that such families should not be encouraged to move from wel-

fare to work, only that specialized systems are better equipped to provide the supports that can enable these families to find appropriate work situations. Such systems are also better able to help these families connect with long-term parenting supports that may continue to be needed even after their economic situation improves.

Recommendation

Welfare programs should develop better strategies for identifying and addressing the problems of families with serious barriers to employment and healthy family functioning. Options that include integrating services with mental health systems and developmental disabilities systems should be explored.

Father Involvement

A large number of low-income children grow up in homes with no father. In 2000, nearly half of all families living in poverty were headed by a female with no husband present.⁸⁹ Although many unmarried parents work together to raise their children by cohabiting or maintaining frequent contact, father involvement for most low-income families in this situation is not stable and tends to decline over time. Yet research in the last decade has pointed to the range of contributions fathers can make in their children's lives, both financially and emotionally.⁹⁰ Welfare programs and other support services could be restructured in various ways to promote greater inclusion and involvement of low-income fathers in their children's lives.

For example, as discussed in the article by McLanahan and Carlson, most unmarried couples are closely connected to each other and invested in their new family when a baby is born. Thus, a window of opportunity exists around the time of birth to strengthen the connections between fathers and their children. In a study of approximately 3,700 children born to unmarried parents across the country in 2000, 99% of the new fathers who were interviewed expressed a desire to be involved in raising their children, and 93% of mothers

said they wanted the father to be involved.⁹¹ Targeting fatherhood programs to unmarried fathers at the time of a child's birth appears to offer the greatest promise of successful involvement.

In addition, the chances for positive father involvement would improve if a broader range of TANF services were targeted to two-parent families and noncustodial parents, as noted in the commentary by Primus. For example, programs that provide employment opportunities for fathers help increase their ability to pay child support and also make them more appealing as marriage partners.⁹² More successful programs that teach men to be good fathers and reduce family violence are also needed.

Finally, reducing the marriage penalties in programs aimed at helping low-income families—including welfare, food stamps, and Medicaid, as well as state and federal EITCs—has been noted as an important societal signal and support for marriage. The way these programs are currently structured, benefits generally decrease as household income increases. Because marriage results in one combined household income, a couple could lose thousands of dollars a year in benefits compared with what they would be eligible to receive if they each remained single.⁹³

Recommendation

Programs serving low-income families should remove any marriage penalties, and should provide services and benefits for fathers without reducing services and benefits for mothers.

Improving the child support system is also important, not only for increasing collections, but also for promoting more positive father involvement. Child support can significantly augment the wages of single-parent families. One study found that child support provided 14% of the income for families with incomes below 150% of poverty who were not on welfare, and 35% of the income among all families receiving some child support.⁹⁴ Other research found that \$1,000 in child support was associ-

ated with higher grades and fewer school problems among children, and that child support income was associated with a larger gain in children's well-being than an identical amount of income from other sources.⁹⁵ The positive effects of child support income are likely due to the fact that fathers who pay child support also tend to be more involved with their children.

Unfortunately, most poor children eligible for child support do not receive it. Child support is collected for only 44% of families who have left welfare and 25% of families on welfare.⁹⁶ In large part, low collection rates are due to a lack of support orders. Unless an order is established, it cannot be enforced. Among families receiving welfare in 2000, fewer than half had a support order established.⁹⁷ Increased efforts to establish support orders among low-income families is an important first step to increasing collections.

Low collection rates also stem from the fact that many fathers of poor children are themselves poor and have limited ability to pay.⁹⁸ Several demonstration projects were undertaken in the 1980s and 1990s to improve fathers' employment and earnings, but without much success, as discussed in the article by McLanahan and Carlson.⁹⁹ More recently, nearly \$2 billion in grants were awarded in 1998 and 1999 through the Welfare-to-Work program to help move noncustodial parents (and other hard-to-serve populations) into unsubsidized jobs.¹⁰⁰ As mentioned earlier, little information is available on the effectiveness of these programs, but an evaluation is under way.¹⁰¹

Beyond having few resources, fathers of children in welfare families generally have little incentive to pay child support because, for the most part, it goes to repay welfare expenditures and not to increase family income. Only a small amount, if any, is "passed through" to the family.¹⁰² However, a demonstration project in Wisconsin allowed all support to be passed through to TANF families, and the project appears to have had positive results. Noncustodial fathers participating in the program were more likely to establish paternity and pay support to their families, and family conflict around child support was reduced.¹⁰³

Recommendation

States should increase noncustodial parents' ability to pay child support by replicating successful programs that help them, along with custodial parents, find employment and increase earnings. Also, to increase the incentives for paying child support, policies should be adopted to ensure that children benefit financially when payments are made, even if their families receive welfare.

High-Quality Child Care and After-School Options

Welfare reform brought with it a clear mandate that low-income single mothers should work. An equally clear mandate is needed that while their mothers are at work, low-income children should have access to high-quality child care and after-school options in their neighborhoods. Providing quality environments for children not only enables mothers to work, but it is also an opportunity to enhance children's development and well-being. As discussed earlier, studies show that poor children are especially likely to benefit from positive experiences in child care and after-school programs.

The increases in funding for child care since welfare reform have helped many low-income families afford higher-quality options for their children. However, as discussed in the article by Fuller and colleagues, high-quality child care and after-school options for low-income families are often still constrained, both in terms of cost and supply.

Despite funding increases, state studies show child care subsidies are used by less than one-quarter of all eligible families.¹⁰⁴ Data compiled by the U.S. Department of Health and Human Services indicate that nationwide, of the 14.7 million children eligible to receive subsidies in 1999, only 1.8, or 12%, received them.¹⁰⁵ This percentage does not include families participating in Head Start or other state-funded preschool or child care programs, but subsidy utilization rates, especially among working poor families, are still low. Although eligible for assistance, working poor families tend to have less access to subsidies than families on or just leaving welfare, and the availability of high-quality programs in low-income communities is uneven. Fuller and col-

leagues identify several barriers to use of subsidies and high-quality care, including state eligibility criteria, copayment policies, reimbursement rates, burdensome administrative processes, and lack of high-quality centers in many low-income neighborhoods.

Though not eligible for child care subsidies, teens also benefit from participation in structured activities after school. Several studies have shown that participation in targeted prevention programs can reduce high-risk behaviors among teenagers.¹⁰⁶ For example, in four consecutive annual evaluations, participants in the Teen Outreach Program, sponsored by the Association of Junior Leagues International, were shown to be less likely than their nonparticipant peers to have experienced either pregnancy or school failure.¹⁰⁷ An evaluation of another youth development program, the Quantum Opportunities Program, also found significant positive effects on economically disadvantaged high school youths.¹⁰⁸ A five-year study of this program at four sites showed that participants had better high school graduation rates, higher enrollment in postsecondary education, lower teen pregnancy rates, and more community involvement compared with those who did not participate. A recent evaluation of the Children's Aid Society model found similar results.¹⁰⁹ In light of the initial negative impacts found on teens whose mothers participate in welfare-to-work programs, additional investment in programs for low-income youth may be warranted.

As low-income mothers move into the workforce and their children spend more time unsupervised or in child care and after-school programs, those experiences have an increasingly important influence on children's development and well-being. Low-income children of all ages could benefit from increased access to high-quality child care and after-school programs and activities.

Recommendation

Further efforts are needed at the federal, state, and local levels to expand child care subsidy programs for working poor families, and to strengthen the supply of high-quality child care and after-school options in low-income neighborhoods. Age-appropriate services are needed for all age groups, from infants to teens.

Conclusion

What have we learned from welfare reform about how best to help children in families that do not have the support of both parents and adequate income? The evidence is clear that moving mothers into jobs is a good first step, but further efforts are needed to promote better outcomes for children.

First, working poor families need to stay connected to supports, including job advancement and continuing education and training, to ensure that children have adequate resources. An adequate income is important to meeting children's basic needs and enabling families to provide healthier learning environments for children both inside and outside the home. Welfare and other income support programs need to continue to provide services and supports to families after they find jobs to help them increase their earnings and escape poverty. Welfare programs should also allow single mothers to work more flexible, part-time hours and pursue more education and training. Not only would this enhance a family's earning potential, but maternal educational advancement also appears to foster positive impacts on children's school performance and behavior. Such a strategy makes sense in the current economy, as finding and keeping low-wage jobs becomes increasingly difficult.

Second, barriers to healthy family functioning and greater father involvement need to be identified and addressed to ensure that children have stable, supportive homes. Many families are neither working nor participating in welfare-to-work programs for a variety of reasons, and more families are likely to join their numbers as the economy slows. Welfare programs need to develop better strategies for identifying families with serious barriers to employment and healthy family functioning, and to explore new ways of helping these families, such as by integrating services with mental health and developmental disabilities systems. Welfare and other income support programs also need to encourage greater father involvement by engaging fathers soon after a child's birth, and by adopting more even-handed policies providing access to services and benefits. Fathers, as well as mothers, need programs to help them find jobs and advance in their careers, and to

help them address their barriers to employment and positive family functioning.

And third, children and teens need high-quality child care and after-school activities in their neighborhoods to ensure that the time they spend while their mothers are at work plays a positive role in their lives. For low-income children especially, such programs can provide safe havens and a range of opportunities to enhance their development. Welfare programs need to work with child care agencies to expand access to child care subsidies for working poor families, and to expand the supply of high-quality options for children of all ages in low-income communities.

For the nation's welfare programs to improve the lives of low-income children, child well-being needs to be a top priority. This analysis has highlighted some of the ways that current welfare programs could be restructured to help promote healthier child development among low-income families. As the economy weakens and more families are forced to go on welfare, more funds will be needed for cash assistance and less will be available for some of the services described here as beneficial to children, such as programs to help families address barriers to positive family functioning as well as employment; programs to promote father involvement; and programs to improve the quality of child care, enrichment activities, and programs for teens. The present level of funding for welfare and other support programs needs to be maintained, at a minimum—and increased, if possible—to ensure that the progress made since reform in restructuring programs to help families move from welfare to work is not lost, and that a strong safety net for poor families is in place.

The goal of welfare programs should be to reduce poverty among families with children. Ending dependence on benefits should be the result of achieving this goal, not be the goal itself. Otherwise, programs will succeed only in moving families off the rolls, not in helping them escape poverty or improve their children's—and society's—chance for a brighter future.

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ENDNOTES

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A New Beginning

Welfare to Work

29

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The 1996 Welfare Law: Key Elements and Reauthorization Issues Affecting Children

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SUMMARY

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 changed the social policy landscape for children in many ways. It replaced the prior welfare program with block grants to the states entitled Temporary Assistance for Needy Families, and modified a broad array of other programs and initiatives affecting low-income children. This article describes the key themes dominating the debate over welfare reform in 1996, specifically:

- ▷ Increased state discretion in program design, leading to more variability in states' eligibility requirements and services provided to low-income families;
- ▷ More stringent work requirements even for parents of very young children;
- ▷ Time limits on the use of federal funds for cash assistance, and a strong focus on caseload reduction;
- ▷ Increased emphasis on parental responsibility, with stronger child support requirements; and
- ▷ Increased emphasis on reducing out-of-wedlock births, including bonuses to states with

the largest reductions, and special requirements for unmarried teen parents who seek welfare.

Although child well-being received little attention during the congressional debates in 1996, the authors conclude with the hope that improving child outcomes and child well-being will emerge as a key theme when the law is reauthorized in 2002.

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The enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 marked an extraordinary turning point in U.S. social policy. The legislation is probably best known for having repealed the Aid to Families with Dependent Children program and for providing states with block grants to design work-focused, time-limited welfare programs. However, the scope of the 1996 law was much more extensive. The law made major changes affecting a broad array of programs that provide services to low-income children, including child support enforcement, child care, Medicaid, food stamps, child welfare, and disability benefits. The law restricted services to immigrants and generally reduced federal protections for individuals while expanding state discretion and flexibility in numerous aspects of social policy. Also, the law prompted new and intensified discussions about out-of-wedlock births, fathers, and marriage and family formation.

Opinions about the motivating factors for the 1996 law differ sharply. Some emphasize the antagonism toward poor families, minority women, and immigrants, or credit presidential politics and the need to “do something” about welfare before the 1996 elections. In general, however, the debates did not focus on how best to reduce child poverty. Instead, the debates centered on:

- ▷ Promoting devolution;
- ▷ Reducing government spending;
- ▷ Requiring work and imposing time limits for families receiving welfare;
- ▷ Promoting parental responsibility;
- ▷ Restricting public benefits eligibility for legal immigrants; and
- ▷ Addressing out-of-wedlock births.

In 2002, these themes may be revisited as Congress, the states, and the public take stock of what has and has not been accomplished since 1996. In 2002, Congress must reauthorize the block grants to states for Temporary Assistance for Needy Families (TANF), the Child Care and Development Block Grant, and the food stamp program, and the debates will likely extend to other programs and policies affecting low-income fam-

ilies as well. This article seeks to contribute to the discussions by describing how the 1996 law changed the social policy landscape across a broad array of programs and initiatives affecting children (see Figure 1). For each program or initiative, key developments since enactment of the law are described based on evolving state practices, changing economic conditions, and new research findings. In addition, key issues likely to be before Congress in 2002 are highlighted. The policies that emerge from reauthorization will likely have a major impact on the well-being of low-income children—indeed, on all children—for many years ahead.

Temporary Assistance for Needy Families

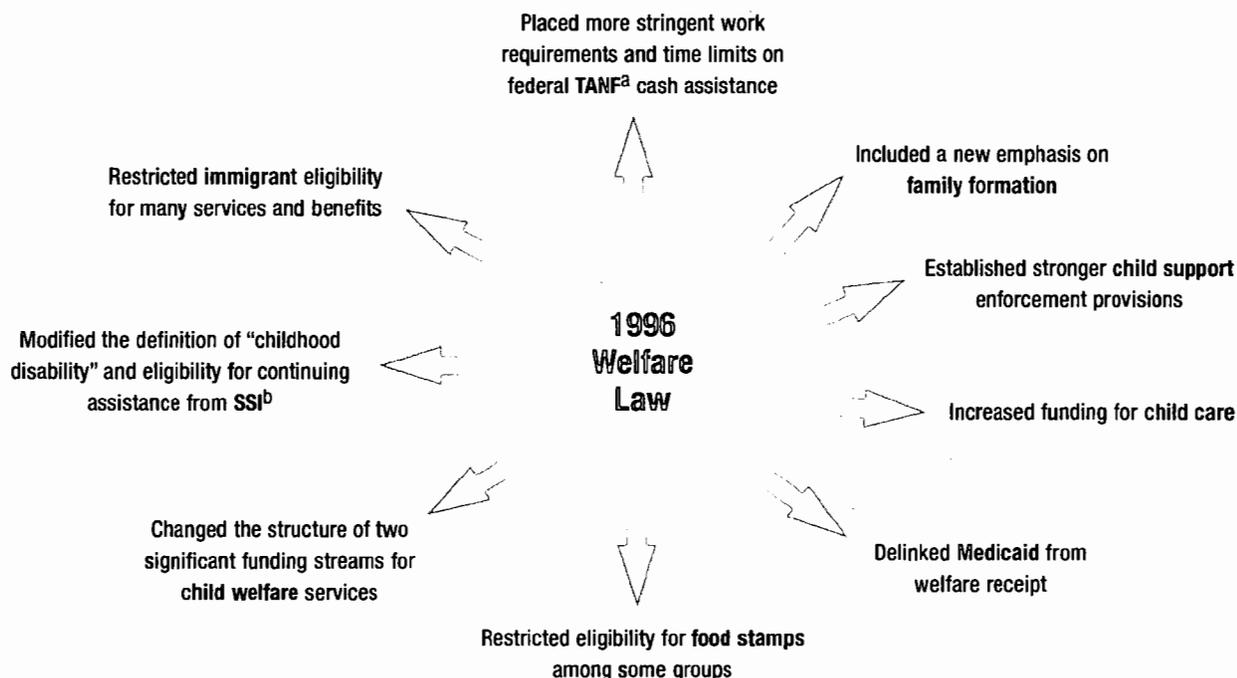
The 1996 law repealed Aid to Families with Dependent Children (AFDC), the principal program providing cash assistance to families with children, as well as several related programs, and replaced them with TANF block grants.¹ Under AFDC, states were mandated to provide assistance to all eligible poor families, but had broad discretion in setting benefit levels. The federal government paid half or more of all program costs on an open-ended basis (that is, federal funding rose and fell with caseload levels). States also were required to provide work-related services and requirements for AFDC families, but these programs typically were not a central focus in state and local welfare administration. Such programs were often underfunded and affected a limited share of eligible families.

Under TANF, each state receives a block grant and has broad discretion in using the funds for programs that provide cash assistance for needy families, as well as for an array of other benefits and services that accomplish the purposes of the law.² The law’s four purposes are to:

- ▷ Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- ▷ End needy parents’ dependence on government benefits by promoting job preparation, work, and marriage;
- ▷ Prevent and reduce the incidence of out-of-wedlock pregnancies; and
- ▷ Encourage the formation and maintenance of two-parent families.

Figure 1

Federal Welfare Reform's Principal Changes Affecting Children



^a TANF = Temporary Assistance for Needy Families

^b SSI = Supplemental Security Income

Key features of TANF block grants are summarized in Box 1. In implementing TANF, states have generally developed programs that provide time-limited assistance and place a strong emphasis on work.³ In most states, parents receiving TANF—including parents of very young children—are required to participate in work-related activities, and all cash assistance can be terminated when parents violate a program rule or reach a time limit of 60 months or less. State programs generally emphasize rapid entry to the workforce and restrict education and training activities. Liberalized eligibility rules adopted by many states have expanded the availability of cash assistance for two-parent families and those entering employment.

However, new restrictions were placed on federal assistance to certain groups, such as immigrants and teen parents.

As states implemented the 1996 law, there was an unprecedented decline in the nation's welfare caseload. Implementation of TANF coincided with expanded employment opportunities in an extraordinarily strong economy and a number of policy changes that greatly increased returns from low-wage work (that is, an increase in the minimum wage, expansion of the earned income tax credit, and increases in child care spending and public health care coverage). The decline in the welfare caseload began before TANF was enacted, but accelerated afterward.

Box 1

Key Features of TANF Block Grants

- ▷ **Essentially fixed funding levels from 1997 through 2002.** Federal block grant levels were set to reflect federal spending during the early 1990s for the programs that were repealed when TANF was enacted (referred to as “antecedent” programs). In addition, a maintenance-of-effort (MOE) requirement stipulates that, to avoid a fiscal penalty, a state must spend nonfederal dollars representing at least 80% (or, if the state meets TANF work participation rates, 75%) of the amount the state spent in 1994 on a set of AFDC-related programs.
- ▷ **Broad state discretion in use of TANF funds.** Unless otherwise prohibited, a state can spend TANF funds in any way reasonably calculated to accomplish any of the purposes of the law (or in any way permissible under the antecedent programs). A state may also transfer up to 30% of its TANF funds to programs under the child care and social services block grants.
- ▷ **Elimination of federal entitlements to assistance.** States determine which families are eligible for assistance, and are not required to provide assistance to any family or group of families (although federal law prohibits use of federal TANF funds to assist some categories of people, such as certain immigrants).
- ▷ **Work participation rate requirements.** A state risks a fiscal penalty unless a specified percentage of families receiving TANF assistance are participating in work or work-related activities. One rate is calculated for all families receiving assistance; a higher rate applies to two-parent families. To count toward participation rates, an individual must be involved in one or more of the listed work-related activities for a specified number of hours each week throughout the month. Education and training count toward the rates only to a very limited extent. A state’s participation rate requirement can be reduced if the state’s caseload has declined since 1995 for reasons other than changes in eligibility rules; this “caseload reduction credit” creates a strong incentive to reduce caseloads.
- ▷ **A time limit on federally funded TANF assistance.** States are prohibited from using federal TANF funds to provide assistance to a family for more than 60 months. However, a state may allow exceptions for up to 20% of its caseload, and may use MOE or other state funds to continue to provide assistance to others. In addition, the time limit does not apply to benefits and services that are not defined as “assistance,” as noted below.
- ▷ **A distinction between “assistance” and “nonassistance.”** Key requirements (such as time limits, work requirements, and child support cooperation) apply only to families receiving “assistance.” Assistance includes benefits designed to meet ongoing basic needs and support services for families who are not employed. Many important benefits provided to employed families, such as child care, transportation, refundable earned income tax credits, and work expense allowances, are not considered assistance.^a

^a For a discussion of the significance of the assistance/nonassistance distinction in designing state policies and programs, see Greenberg, M., and Savner, S. *The final TANF regulations: A preliminary analysis*. Washington, DC: Center for Law and Social Policy, 1999.

In early 1994, 5.1 million families were receiving AFDC assistance. By the time TANF was enacted, in August 1996, the number had fallen to 4.4 million families. By September 2000, only 2.2 million families were receiving ongoing assistance.⁴ Child poverty also fell during this period, from 22% in 1994 to 17% in 1999. However, the welfare caseload dropped much faster, and the share of poor children receiving assistance fell from 62% in 1994 to 40% in 1999.⁵

Many families leaving welfare are still living in poverty. Studies consistently have found that about 60% of families leaving welfare are working, but often in low-paying jobs with no employer-provided benefits, and often without continued food stamp benefits or Medicaid coverage even when still eligible. (See the article by Zedlewski in this journal issue.) The other 40% of families leaving welfare are not working. Based on the limited information available, it appears that some—though

Box 2

Potential TANF-Related Reauthorization Issues

- (1) **Should TANF's purposes be modified?** A major question will be whether to include "poverty reduction" among the purposes of TANF. There may be proposals to modify TANF purposes to include providing supports and promoting employment retention and advancement for the working poor. Some policymakers may also urge that the law place a stronger emphasis on addressing fathers' involvement and promoting marriage.
 - (2) **Should federal funding and state maintenance-of-effort (MOE) levels be changed?** Some policymakers will likely argue that federal funding is too high in light of caseload declines since 1994. Those seeking to defend or expand block grant funding will argue that existing funding levels should be sustained or increased because states have broadened their focus beyond welfare and now serve low-income families more generally, and because there is still no experience concerning the adequacy of block grant funds in a recession.
 - (3) **Should federal time limit rules be modified? How should federal law address the families still receiving assistance?** Caseload declines have meant that 20% of the caseload (the percentage allowed for exceptions to the time limit) is a far smaller number of families than contemplated in 1996. Some groups will likely argue that there should be no federal time limit, or that the 20% cap on exceptions should be reconsidered. There will be proposals to allow exemptions or extensions for particular types of families, such as working families, families with disabled members, or families with infants. Moreover, now that the caseload is smaller, the discussion of time limits is likely to lead to a broader discussion of how to better address the difficult circumstances faced by many of the remaining families—including illness, disability, mental health problems, substance abuse, language barriers, and domestic violence.
 - (4) **How should states' performance be measured?** For many, caseload decline was a principal measure of success under TANF. In 2002, some lawmakers will likely advocate that state success in reducing child poverty or improving family economic well-being be treated as a key measure of performance. An increased focus on out-of-wedlock births and other family formation issues is likely as well. The basic issue of state accountability for results is likely to be central in these debates.
 - (5) **Do states' sanction policies require more federal safeguards?** States have implemented varying levels of protection before reducing or terminating assistance to a family for violating a program rule. State discretion in sanction policy is believed by some to have contributed to the numbers of families leaving welfare without work, and to the deepening poverty of the poorest female-headed families. As a result, critics of this policy may urge that before states can terminate assistance, they should be required to strengthen their efforts to identify and address problems faced by families being sanctioned. Many states, however, emphasize that their flexibility in program administration under TANF has been key in promoting employment and reducing caseloads, and may oppose provisions that could be seen as restricting their discretion.
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not most—of these families are residing with partners or other adults, and many face multiple obstacles to employment. In some states, a significant share of case closures are due to sanctions or noncompliance with program requirements, such as failure to meet a work requirement, attend a meeting, or respond to a notice.⁶ Families whose cases are closed because of sanctions are likely to have a low education level, little or no work history, and more serious employment barriers.⁷

Concerns about families leaving welfare without employment have been heightened by findings that the poorest families have experienced a drop in income in recent years. Between 1995 and 1998, female-headed families generally experienced increases in disposable income, but the poorest 20% suffered a loss over this period, principally because of the sharp drop in receipt of various welfare-related benefits.⁸

 Before the 1996 law was enacted, no federal program expressly sought to promote marriage, but the issues surrounding family formation have gained increasing public attention.

Among families still receiving TANF assistance, many have serious barriers to employment, such as no recent work history and no high school diploma. About half report poor physical or mental health.⁹ Other barriers include illiteracy, substance abuse, domestic violence, and ill or disabled family members.

Nationally, as the welfare caseload declined and cash assistance expenditures fell, more funds became available for programs to help families address barriers to employment and for other state welfare-related activities.¹⁰ States were able to use TANF funds to serve poor families that left TANF or that never received TANF cash assistance, as well as those still on the rolls, and many states redirected TANF funds to child care and child welfare services.¹¹ Some states used TANF funds to substitute for prior state spending, giving rise to disputes about the magnitude and significance of such supplantation.¹²

Some of the key questions likely to emerge during TANF reauthorization are summarized in Box 2.

Family Formation

Before the 1996 law was enacted, no federal program expressly sought to promote marriage, but the issues surrounding family formation have gained increasing public attention as the incidence of children living in divorced, never-married, and teen parent households has grown. The proportion of children living with only one parent has more than doubled in the past 30 years, from 12% in 1970 to 27% in 1998.¹³ In the 1960s and 1970s, most of the growth in single-parent families was caused by increases in divorce, but in the next two decades nearly all the growth was driven by increases in out-of-wedlock childbearing.¹⁴ Although fewer than 4% of all births were to unmarried women and adolescents in 1940, 33% of all births were outside of marriage by 1999.¹⁵ (See the article by McLanahan and Carlson in this journal issue.)

Marital status and teen pregnancy became key issues in the debates that led to the 1996 law. Inspired by con-

servative authors such as Charles Murray, who described illegitimacy as “the single worst social problem of our time,”¹⁶ some welfare critics viewed cash assistance as “enabling” poor women to have children out of wedlock and sought to limit or eliminate assistance as a means of reducing nonmarital births. Proposals were introduced to prohibit states from providing assistance for children born out of wedlock to teen parents and for children born to families receiving welfare. Although these proposals were eventually dropped, states were free to adopt such policies under the block grant structure,¹⁷ and several other provisions related to family formation were successfully incorporated into the law.¹⁸ In fact, three of the four purposes of TANF refer to family formation: promoting marriage, reducing out-of-wedlock pregnancies, and encouraging the formation and maintenance of two-parent families. Further, states were given broad flexibility to determine program rules and the range of TANF services to be provided. As a further incentive for states to develop effective programs in these areas, the law established state bonuses for reductions in out-of-wedlock births, and mandated restrictions for minor parents receiving TANF.

Since 1996, the majority of states have made some effort to pursue these family formation goals.¹⁹ Many states are using TANF funds to prevent out-of-wedlock births, focusing primarily on teen pregnancy prevention, and most states have taken policy measures to strengthen two-parent families. Highlights of activities and progress toward implementing these provisions of the law are summarized below.

Promoting Marriage

Although marriage rates have declined and divorce rates have increased dramatically over the last 40 years, polls show that most Americans continue to prize and value marriage as an important life goal.²⁰ Yet a great deal of uncertainty surrounds the appropriate role of government with respect to marriage.²¹ To date, states have taken few steps to address this purpose of TANF directly, although various strategies have been suggest-

ed.²² As of mid-2000, only two states had adopted specific strategies to strengthen marriage: Oklahoma had launched a multisector initiative using \$10 million in TANF funds to strengthen marriages,²³ and Arizona had committed \$1.6 million for marriage education and other activities related to abstinence promotion. No research is available to date concerning the relative efficacy of these efforts. At the same time, new studies suggest that well-established programs whose primary purposes are to enhance economic security or to provide other kinds of family support—such as child support enforcement, family planning, and expanded Medicaid—may effectively, although indirectly, promote marriage and reduce nonmarital childbearing.²⁴ Nevertheless, congressional interest in enacting legislation specifically focused on promoting marriage appears to be growing.²⁵

Reducing Out-of-Wedlock Pregnancies

Various provisions were included in the 1996 law to support states' efforts to reduce out-of-wedlock pregnancies, especially among teens. First, the law required the U.S. Department of Health and Human Services (DHHS) to establish a strategy for preventing nonmarital teen pregnancies and to assure that at least 25% of U.S. communities had teen pregnancy prevention programs in place by January 1, 1997.²⁶ States could spend TANF funds on teen pregnancy prevention and family planning services, with few restrictions. As of 2000, at least 34 states had tapped some TANF funds for such projects, ranging from after-school programs to peer education to media campaigns.²⁷

Second, the law allocated nearly \$440 million in combined federal and state funds over five years for a specific type of abstinence education. The funds are available for curricula that teach, in part, that "sexual activity outside the context of marriage is likely to have harmful psychological effects," and that abstinence is the only appropriate option outside of marriage, regardless of age.²⁸ Programs are not to provide information on how to use contraception. As of 1999, at least five states passed laws applying the abstinence-unless-married criteria to all sexuality education programs in the state.²⁹ In 2000, Congress authorized additional funds of \$50 million, and in 2001, added another \$10 million, for implementation of such programs.³⁰

Third, several provisions in TANF focused specifically on unmarried minor parents, even though the number of teen parents in the TANF caseload is quite small.³¹ With limited exceptions, the law prohibits states from providing federal TANF assistance to unmarried minor, custodial parents who do not participate in school or training and who do not live in an adult-supervised setting.³² As states have implemented these provisions, anecdotal evidence from one local study suggests that confusion has been widespread and that local caseworkers have inappropriately diverted teen parents—minors as well as those who are older—from receiving TANF.³³

Some recent trends are encouraging. For example, the teen birth rate has declined significantly since 1991. However, much of this decline occurred before welfare reform. Relatively little research has examined the impact of efforts implemented since reform to reduce out-of-wedlock pregnancies. Rigorous evaluation studies of programs that teach only abstinence are scarce, and it is not yet known whether and which 1996 abstinence education programs might be effective.³⁴ A federal evaluation of the 1996 abstinence programs is under way, with interim results due in early 2003. With respect to provisions involving minor teen parents, some studies indicate that, under some circumstances, the school requirement (often called "Learnfare") can improve a teen parent's enrollment, grade completion, and chances of receiving a high school equivalency diploma,³⁵ but that the requirement appears to have no impact on teen parent fertility.³⁶ There has been virtually no research on the impact of the minor parent living-arrangement rule.³⁷

Strengthening Two-Parent Families

Most states used the new flexibility under TANF to drop the stricter eligibility requirements for two-parent families that had existed under AFDC. As of 1999, 33 states were treating two-parent (married or unmarried) families the same as single-parent families when determining eligibility. At the same time, under the 1996 law, states are required to meet a higher work participation rate for two-parent families receiving assistance than for single-parent families. Many states viewed the higher rate as a disincentive to assisting two-parent families in their TANF programs, and at least 14 states established state-funded programs for two-parent fam-

Box 3

Potential Family Formation–Related Reauthorization Issues

(1) **Is new legislation needed to promote and support healthy marriages?** Some policymakers are likely to argue that states have not put sufficient effort into pursuing the TANF family formation goals and that further measures are needed. Proposals may include requiring states to set aside a certain percentage of their block grants for marriage and family formation activities; to establish financial incentives for low-income parents to marry; or to provide “relationship education” courses for high school students and low-income parents. Alternative suggestions include investing in promising yet indirect approaches to enhancing marriage (such as child support and Medicaid programs) and in carefully evaluated demonstration programs designed to strengthen marriage to learn what works before implementation becomes widespread. At the same time, concerns have been raised about whether TANF is the appropriate vehicle for implementing a marriage agenda, and about the danger of enacting policies that may perpetuate abusive or otherwise harmful marriages.

(2) **Should the provisions regarding teen parents be changed?** Reauthorization provides an opportunity to consider a range of approaches to the teen parent provisions. Should states be given more flexibility in designing programs for minor parents? Are better assessments of individual and community

capacity to serve teen parents needed? Should the current competition between teen parents and adults for limited education slots be eliminated?^a Should special incentives and performance standards (or a competitive grants program) be developed to encourage and reward expanded investments, improved outcomes (including completion of education), and effective coordination of youth services?

(3) **Should the work participation rate for two-parent families be changed?** The requirement that states engage 90% of two-parent families in a work activity is expected to be revisited. Many observers contend that a separate, higher participation rate is not needed and only acts as a disincentive to serve two-parent families.

(4) **Should the bonus for out-of-wedlock births be changed?** Congress will likely consider whether the “illegitimacy bonus” affects state and family behavior, and whether the funds are effectively targeted. There may be proposals to expand, contract, or eliminate the bonus, or to condition the bonus on new investments designed to reduce nonmarital births, such as family planning initiatives or couples counseling. The American Public Human Services Association, for example, has suggested that the bonus focus more on teen pregnancy prevention.

^a Under current TANF rules, no more than 30% of adult recipients counted toward a state’s participation rate may be included either on the basis of participation in vocational educational training (for no more than 12 months) or, if under age 20 and the head of household or a married parent, on the basis of engagement in education or school completion.

ilies. Two-parent families remain a very small proportion of the caseload (around 5%),³⁸ and eligible two-parent families have very low participation rates in TANF, food stamps, and Medicaid.

State Bonuses

Two bonuses have been adopted to promote family formation goals. An award of \$100 million annually is available for up to five states that have the highest reduction in their out-of-wedlock birth ratio and that

also have reduced their abortion rate. The formula is based on the share of nonmarital births among women of all incomes and ages within the state (not just TANF recipients). In addition, up to \$200 million annually is available to states to reward high performance in several categories, including, beginning in 2002, up to \$10 million a year to be divided between 10 states in the new category of family formation and stability.³⁹ The bonus will be awarded based on increases in the per-

Welfare reform has affected the child support program in both direct and indirect ways. ... Between 1995 and 2000, collection rates increased from 19% to 42%.

centage of all children (not just low-income children) living in married-couple families.

It is unclear, however, whether the TANF bonus structure has motivated states to address family formation issues. In three of the five states awarded the "illegitimacy bonus," state officials indicated that they undertook no special activity to win the bonus.⁴⁰ The bonus category of family formation was added only recently, so it is too early to tell if it will motivate states to focus on marriage promotion.

Among those concerned about the impact and effectiveness of family formation initiatives, key questions likely to be raised during reauthorization will focus on marriage, minor parents, the two-parent family participation rate, and state bonuses, as summarized in Box 3.

Child Support

Child support can provide a significant income source for low-income families and reduce child poverty.⁴¹ It also can help increase a single mother's labor force participation, stabilize and supplement low-wage earnings, link families to private and public health care coverage, and reinforce paternal involvement.^{42,43} However, many TANF families cannot count on child support as a steady source of income when their welfare benefits end.

Child support is collected for only 44% of families that have left welfare, and for just 25% of families that are on welfare.⁴⁴ In part, this is because most states do not provide adequate child support services to the families in their caseloads, despite marked improvements (discussed further below). It is also because TANF families often involve never-married parents, who are the most difficult to serve. Thus, poor children whose parents never married are the least likely to receive child support.⁴⁵ Finally, it is because many fathers of poor children are themselves poor and have limited ability to pay.⁴⁶ (See the article by McLanahan and Carlson in this journal issue.)

Nearly two-thirds of all child support cases in the country are processed through the public child support pro-

gram, one of the largest human services programs reaching low-income mothers, fathers, and children.⁴⁷ Changes to the child support program under the 1996 law, and subsequently under the Child Support Performance Incentive Act of 1998, were intended to increase mothers' and fathers' cooperation in establishing paternity and support orders, and increase child support collections.⁴⁸ Major provisions under these laws:

- D Linked federal and state databases to improve matching of child support orders with information on newly hired employees and quarterly wages, and other data sources;
- D Expanded states' authority to order genetic tests, subpoena information, adjust orders, order income withholding, suspend licenses, secure and seize assets, report to credit bureaus, conduct quarterly bank matches, and enforce interstate cases;
- D Required that birth certificates include the father's name only if paternity is formally acknowledged under hospital-based procedures;
- D Tightened cooperation rules to require at least a 25% sanction (up to 100% by state option) on TANF assistance for failure to comply with child support enforcement efforts, and extended cooperation rules to Medicaid and foster care programs (and food stamp programs by state option);
- D Changed support assignment and distribution rules to allow families that have left welfare to keep more child support, but eliminated the requirement that gave the first \$50 of support collected to current TANF families; and
- D Established new performance incentives and reporting requirements.⁴⁹

Welfare reform has affected the child support program in both direct and indirect ways. Increased automation, expanded paternity establishment procedures, new database matching, and expanded federal tax offsets have helped states improve program performance markedly since reform. Between 1995 and 2000, collection rates increased from 19% to 42%.⁵⁰ At the same

time, welfare reform indirectly impacts the child support program in a number of important ways due to the program's fiscal structure, the complex interface with TANF, a new focus on low-income fathers, and concerns about domestic violence.

The Fiscal Structure of the Program

The child support program originally was designed to reimburse federal and state welfare costs. When families apply for welfare assistance, they are required to cooperate with the child support program and assign (or relinquish) their rights to child support to the state. For the most part, any "assigned" child support collections that are received are shared between the state and the federal government as reimbursement for welfare benefits, and are used by virtually all states to help pay for child support or TANF program costs. But today, only about 20% of the child support caseload is comprised of families receiving TANF. As welfare caseloads have declined, most families being served by the child support program are working families with incomes below 250% of poverty who have left welfare or never received welfare. This change has prompted a reexamination of the child support program's dual and often conflicting goals of promoting family self-sufficiency and of recovering welfare costs, and of the difficulties, for both families and states, stemming from existing assignment and distribution policies.

From the family's perspective, once child support rights have been relinquished, it makes little financial difference to the family whether the noncustodial parent pays child support because the government retains nearly all the payment.⁵¹ Not surprisingly, therefore, less child support is collected for families receiving welfare than for equally poor families not receiving welfare.⁵² To encourage increased child support collections for families receiving welfare and to strengthen child support as a long-term income supplement for working families, the rules were revised in 1996, allowing families to keep more child support once they leave welfare. However, local child support programs have found the distribution rules to be complicated and costly to administer.⁵³ A demonstration project in Wisconsin that allowed all support collected to be passed through to TANF families has shown some positive results, however.⁵⁴ Early results indicate that noncustodial parents in TANF families are more likely to establish paternity and pay support under these

circumstances, and families participating in the project experience several other positive outcomes as well.

From the state's perspective, the decline in TANF caseloads has resulted in fewer child support collections for families receiving TANF and, thus, declining government revenues to support program operations.⁵⁵ About two-thirds of states use their share of welfare collections to help meet their TANF/maintenance-of-effort (MOE) obligation (see Box 1), but the remaining one-third use it to pay their share of child support program costs.⁵⁶ In response to shrinking revenues, a number of states have begun to consider how to refinance their programs, and DHHS has engaged stakeholders in a national consultation process to examine how welfare collections and program costs should be distributed among families, the federal government, and states. Whether states should be allowed to use TANF funds to help pay for child support-related activities is also under consideration.

Complex Interface with TANF

Welfare reform also has affected the child support program's intake mechanisms. As TANF-funded components increasingly are operated by multiple state and local agencies and private organizations, the TANF and child support interface has become more complex. Moreover, an increasing number of families are entering the child support system through programs such as Medicaid, food stamps, and foster care, instead of TANF. Discussion has emerged about whether the child support program should replace TANF as a "hub," interacting more closely with family members, developing case management capacity, and developing links with other public means-tested and community-based programs, including private and public health care coverage for children who would otherwise be uninsured.⁵⁷

New Focus on Low-Income Fathers

Welfare reform has prompted a new focus within the child support program on low-income fathers. For example, some states have implemented initiatives to enhance low-income noncustodial fathers' ability to pay support by allowing them to participate in welfare-to-work programs. Working in partnership with local child support agencies, these programs generally provide a range of services to help low-income fathers, including: (1) job readiness, job search, and postem-

Box 4
Potential Child Support–Related Reauthorization Issues

- (1) **Should the fiscal structure of the child support enforcement program be changed?** One set of issues involves whether and how the child support program can shift from a fiscal structure that supports cost recovery to one that supports family self-sufficiency. A second set of issues concerns whether and how to decouple the existing funding links between the child support and TANF programs. These links include the revenue-sharing formula for retained welfare collections, and the use of retained welfare collections to fund TANF-related MOE expenditures. There is increasing political support to eliminate the TANF assignment requirement and distribute all collected support to families. In addition, there may be interest in reexamining the federal funding structure.
- (2) **How should the child support program relate to the broader working families agenda?** The increasingly complicated ways families enter the child support system, and the difficulty in linking nonwelfare families to child support services (as well as other public supports), are focusing more attention on child support outreach and intake procedures and interagency coordination. Should the child support program develop as a “hub,” linking families with food stamp programs, employment programs, responsible fatherhood programs, domestic violence programs, and even health insurance programs? How should child support relate to low-income fathers and “fragile families”? Should the program assume an explicit role in supporting paternal involvement and family formation?
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ployment services to help them find and keep employment; (2) case management services to help them negotiate the child support system; and (3) curriculum-based peer support groups and mediation to improve their parenting and relationship skills.⁵⁸ In addition, discussion about how to improve the child support system has been broadened to include impacts on paternal involvement and child well-being.⁵⁹ In particular, more attention has been focused on how federal and state child support policies might affect marriage, cohabitation, and “fragile families.” (For further discussion of this topic, see the article by McLanahan and Carlson in this journal issue.)

Concerns about Domestic Violence

Concerns have been raised about whether tightened cooperation requirements, coupled with expanded databases and more aggressive paternity establishment and enforcement procedures, will increase the risk of domestic violence for women in the child support caseload.⁶⁰ Although recent research indicates that most domestic violence victims decide to actively pursue child support if safety and confidentiality issues are addressed, concerns remain about the number of TANF families

sanctioned for child support noncooperation,⁶ and the extension of child support cooperation requirements to other programs and benefits. At the same time, early findings from the Wisconsin demonstration suggest that passing through support payments to families may reduce family conflict around child support.⁵⁴

In sum, the 1996 law had important direct and indirect impacts on the child support program and the families it serves. Policy issues related to the fiscal interaction between the child support program and TANF, as well as the role of child support in the broader agenda for working families, are likely to be a key part of the reauthorization discussions, as summarized in Box 4.

Child Care

Before the 1996 welfare law, multiple federal funding streams for child care existed, each with its own policies and procedures. Three federal–state matching child care funding streams provided child care for AFDC families in work programs or approved education and training programs, for families leaving AFDC due to employment, and for working families considered “at risk” of relying on AFDC without help in paying child care



Provisions included in the final welfare reform law consolidated child care funding into a single new funding stream, ... increased funding levels, ... [and] provided for state flexibility to determine most matters affecting families' access to subsidies.

costs. In addition, the Child Care and Development Block Grant provided federal funds to states, with no state matching requirements, for child care for low-income families in work or education and training programs, and for initiatives to enhance child care quality.

During the 1996 debates, interest arose in reducing the fragmentation and complexity that resulted from these four separate funding streams. In addition, concerns were raised about the potential impact of TANF work requirements on the need for child care, the funding level that would be necessary to assure access, and the tension between quantity of children served and quality of care. Provisions included in the final welfare reform law:

- Consolidated child care funding into a single new funding stream, referred to as the Child Care and Development Fund (CCDF) in federal regulations, to provide a basic funding level to all states and a capped amount of additional matching funds to states that maintained their prior spending levels;
- Increased funding levels above anticipated spending under prior law, and allowed states to spend TANF funds directly for child care and to transfer up to 30% of TANF funds to the CCDF;
- Repealed guarantees to child care that had been provided under AFDC for families in approved activities and families in their first year leaving AFDC due to employment, but allowed states the option of providing such guarantees and setting maximum income eligibility levels up to 85% of a state's median income;⁶¹
- Provided for state flexibility to determine most matters affecting families' access to child care subsidies, such as how much to pay child care providers, how much to ask parents to pay toward the cost of child care, and how stringent the health and safety standards should be for providers who may care for subsidized children;⁶²
- Prohibited states from sanctioning single custodial TANF parents with children under age six when child care was unavailable (although this provision does not stop the 60-month federal time limit); and
- Required states to spend at least 4% of their CCDF funds on measures to improve child care quality.

Since 1996, use of federal and state funds for child care has increased significantly, but with large variations in child care policies among the states on key issues affecting access to child assistance. According to the most recent data from the U.S. Department of Health and Human Services Child Care Bureau, federal and state spending on child care totaled \$8.0 billion in 2000.⁶³ Spending under CCDF (including funds from prior-year CCDF allocations and those transferred from TANF) totaled \$7.0 billion, more than double 1996 expenditures under the previous child care funding streams.⁶⁴ In addition, the Child Care Bureau reported direct TANF spending on child care of \$1.0 billion in 2000, but other research indicates that states more likely spent about \$1.5 billion in direct TANF funds, plus another \$873 million in state TANF MOE funds, on child care.⁶⁵ As a result of TANF transfers to CCDF and direct TANF expenditures on child care, states' reliance on TANF funds for child care has increased. Through transfers and direct expenditures combined, states redirected TANF funds totaling \$3.9 billion to child care in 2000, more than the entire federal portion of the CCDF allocation. Moreover, states' spending on initiatives to improve the quality of child care also has increased beyond the required 4% set-aside, reaching 6.1% of total federal and state CCDF expenditures in fiscal year 2000.⁶³ To increase the supply of high-quality infants and toddler child care specifically, Congress has earmarked \$50 million to \$100 million in CCDF funds annually beginning in 1998.

The increased funding for child care has resulted in more families and children receiving child care subsidies. The number of children receiving CCDF subsi-

Box 5
Potential Child Care–Related Reauthorization Issues
(1) Should there be a significant increase in CCDF funding?

Demand for child care assistance has grown, as approximately one million additional single women have entered the workforce. Although federal and state spending on child care has expanded significantly, many states still have waiting lists for subsidies, and state policy choices are constrained by resource limitations. In considering this issue, Congress is likely to review current law regarding use of TANF for child care.

(2) Are families aware of their eligibility for subsidies, and are they able to access the subsidy system?

Some attention may focus on whether families who are working and qualify for CCDF assistance are aware of their eligibility. Of particular concern are families who have moved into the labor force from TANF, and other low-income working families. Questions have also been raised about how administrative rules and procedures, including eligibility certification periods, may limit access to, and maintenance of, child care subsidies.

(3) Is the supply of child care providers sufficient to support parent choice of care, especially for specific populations?

One of the purposes of the CCDF is to enable families to exercise choice in care, but this requires a full array of options. Concerns may be raised about the supply of high-quality child

care for infants and toddlers, sick and disabled children, children in low-income areas, and children whose parents have nontraditional work schedules.

(4) Are current provisions on payments to providers adequate to attract enough qualified child care workers?

As turnover increases in the child care field, and child care providers face growing difficulty in hiring and retaining staff, discussion may arise concerning the need to increase the compensation rates for child care workers. Current guidelines that rely on the market to set rates are likely to be reconsidered, along with other strategies used by some states to increase child care worker compensation directly.

(5) Should promotion of child development be a central goal of the CCDF?

Concerns about school readiness among young children in child care have led to questions about whether the current quality set-aside is sufficient and whether current strategies to enhance child care quality are adequate.

(6) Do protections for TANF families need to be strengthened?

Questions may be raised about whether single-parent TANF recipients with children under age six are aware of the protections provided by TANF, and whether families who lack necessary child care are being sanctioned in violation of federal law.

dies increased from an estimated 1.0 million in 1996 to 1.8 million in 1999.⁶⁴ However, many eligible families still are not receiving child care subsidies,⁶⁶ and at least 17 states have waiting lists.⁶⁷ One review found that in most of the states studied, less than one-third of the families that left welfare and were working were receiving child care subsidies.⁶⁸ Other research has found that administrative hurdles make accessing and maintaining subsidy assistance a challenge for families that are also trying to maintain employment.⁶⁹ (See the article by Fuller and colleagues in this journal issue.)

State child care subsidy policies vary according to state priorities and resources.⁷⁰ Although most states have

made investments in child care subsidy programs since 1996, a comparison of state child care policies in 1995 and 2000 suggests some areas of concern.⁶⁷ For example, researchers found that although most states have increased their income eligibility limits, these limits have declined as a percentage of state median income. In addition, though some states lowered the copayment charged to families with a child in care, the copayment amount rose as a percentage of income for some families. Also, most states still prioritize TANF and post-TANF families over other low-income working families, although the overall proportion of families receiving child care subsidies and not receiving

TANF has grown.⁷¹ Finally, more than half the states pay child care providers at rates that are lower than the rate federal regulations suggest would be considered sufficient to provide equal access to child care.⁷²

Child care policy and funding issues are likely to be important in the reauthorization debate. As outlined in Box 5, key issues include funding levels, program goals, parent awareness, and choice of child care providers.

Medicaid

Medicaid is the principal federal-state program providing health care coverage for low-income children and their parents. Most Medicaid expenditures are for elderly and disabled individuals, but about two-thirds of Medicaid recipients are children or parents of children. Although states are not required to participate in Medicaid, all states do participate because the federal government pays half or more of the costs of Medicaid benefits for eligible persons.⁷³

During the debates about the 1996 welfare law, the Republican leadership originally proposed that Medicaid be converted into a block grant to states. The proposal faced strong opposition and was ultimately dropped, but the final legislation did make several significant changes to the Medicaid program. First, the 1996 law banned most future legal immigrants from receiving federally funded Medicaid assistance for five years after coming to the United States, with an exception for emergency services. (For a more detailed discussion of these provisions, see the Immigrants section later in this article.) Second, the law delinked Medicaid from welfare cash assistance.⁷⁴ AFDC recipients were automatically eligible for Medicaid, and families leaving AFDC due to employment could qualify for up to a year of transitional Medicaid coverage. But in shifting from AFDC to a block grant, policymakers recognized that such automatic eligibility would be problematic under the new law. Because states would have the discretion to determine who is eligible for TANF and for how long, tying Medicaid eligibility to TANF receipt could result in inappropriate contractions or unintended expansions of Medicaid coverage. To resolve the issue, Congress created a new Medicaid eligibility category known as Section 1931.

Under Section 1931, family members may qualify for Medicaid by satisfying the income, resource, and family composition rules that applied in the state's AFDC program on July 16, 1996, regardless of whether the family is receiving TANF assistance. A family losing Medicaid eligibility under Section 1931 due to employment may qualify for up to a year of transitional Medicaid assistance. Section 1931 also gives states the option of making their income and resource eligibility rules more liberal and extending Section 1931 coverage to low-income two-parent families.⁷⁵

Despite these provisions, Medicaid enrollment for parents and children declined during initial implementation of the 1996 law. Between 1995 and 1997, enrollment of nondisabled, nonelderly adults dropped by 11%, and enrollment of nondisabled children dropped by 3%.⁷⁶ One key factor contributing to the drop in Medicaid enrollment was confusion among both families and welfare workers about the new eligibility rules. A Kaiser Commission study found that misperceptions and confusion about Medicaid eligibility kept many families from enrolling.⁷⁷ Other researchers have documented failures to accurately apply Medicaid eligibility rules for new applicants and families leaving welfare.^{78,79} As a result, some families erroneously concluded that they were ineligible, failed to complete the application process, had their applications mistakenly denied, or had their assistance wrongly terminated.⁸⁰

Beginning in June 1998, however, Medicaid enrollment began to climb in some states, particularly among families, children, and pregnant women.^{81,82} This was due, in part, to improved practices for linking families with Medicaid in some states, and to increased oversight at the federal level.⁸³ Enactment of the State Children's Health Insurance Plan (SCHIP) in 1997 also contributed to increased Medicaid enrollment. SCHIP provides federal funds for state health coverage for children in families with incomes above the Medicaid cutoff, either through new programs or expanded Medicaid eligibility.⁸⁴ In addition to expanding eligibility, SCHIP prompted many states to simplify the application process for children's Medicaid coverage, which also contributed to higher participation rates.

Although the overall number of children with health insurance grew between 1998 and 1999, poor chil-

Box 6

Potential Medicaid-Related Reauthorization Issues

(1) How can the interaction between TANF and Medicaid be improved? Proposals are likely to be introduced to help ensure that families seeking TANF assistance are made aware of Medicaid and are able to apply for coverage, regardless of the disposition of their request for TANF. Discussions will also likely focus on the decline in Medicaid coverage when families leave TANF and how to increase continuing coverage for eligible families.

(2) How should transitional Medicaid be structured? Discussions are likely to focus on addressing the complexity of tran-

sitional Medicaid, the reporting requirements for participating families, and the restrictive eligibility conditions.

(3) Should family Medicaid coverage be expanded? Recent expansions in children's health insurance coverage have meant that children often qualify for Medicaid when their parents do not. States can opt to expand parental coverage, but lawmakers will likely also look at whether additional federal options, incentives, or mandates should be implemented to promote expanded family coverage.

dren and their parents continue to be uninsured at much higher rates than are middle- or high-income families. Overall enrollment figures mask the extreme variation among states, however.⁸⁵ In some states, poor children are more likely to be uninsured now than they were before the 1996 law was enacted,⁸⁶ and the low rates of Medicaid enrollment have raised concerns. But in several other states, Section 1931 has led to expanded Medicaid coverage for low-income working families. The Medicaid-related issues likely to arise in connection with TANF reauthorization are summarized in Box 6.

Food Stamps

The food stamp program is the principal federal food assistance program, and provides a critical supplement to family income for poor households. Most food stamp recipients are children, and nearly 80% of food stamp benefits go to households with children.⁸⁷ In 2000, the average household with children that received food stamps had a gross monthly income averaging \$727, and received a monthly food stamp benefit averaging \$234.⁸⁸ The federal government pays the full cost of the benefits and shares program administrative costs with the states.⁸⁹

During congressional debates on the 1996 welfare law, the Republican leadership proposed that the food stamp program and a set of other federal nutrition programs be repealed, and that their funding be consolidated into food assistance block grants to states. As was the case with Medicaid, however, the proposal faced strong opposition and was dropped. Nevertheless, curtailments in food stamp program eligibility and benefits ultimately represented about half the spending reductions originally projected under the 1996 law.⁹⁰ Key changes in the food stamp program:

- D Restricted food stamp eligibility for able-bodied adults without children to no more than 3 months in a 36-month period, with exceptions for individuals working or in a work activity for at least 20 hours a week;
- D Made most legal immigrants ineligible for food stamps (as discussed in greater detail in the later section on Immigrants);
- D Restricted eligibility and reduced benefit levels by changing eligibility rules related to household deductions and income, and by removing provisions that had adjusted food stamp benefits to reflect inflation; and
- D Provided that a household's food stamp benefits could not increase if a family's TANF assistance was

Box 7

Potential Food Stamp–Related Reauthorization Issues

(1) **Should more be done to ensure access to food stamps for families leaving welfare and for working families?** Because food stamps are an important support for low-earning families, proposals will likely focus on ways to foster greater participation in the food stamp program by families applying for and leaving TANF assistance, and by low-income working families more broadly.

(2) **How can the program be simplified without compromising other goals?** Broad agreement has emerged that the food

stamp program is too complex and needs to be simplified. But various provisions of the law concerning food stamps address diverse policy goals, ranging from special provisions for the elderly to child support payments and housing costs. Efforts to simplify the food stamp program may require trade-offs with these other goals. Also, many observers believe that the current quality control system puts pressure on states to increase program complexity in order to reduce errors.

reduced due to a sanction, and allowed states to impose food stamp sanctions against individuals who violated TANF rules.

Similar to trends in welfare receipt, food stamp program participation began to decline in 1994, and the drop accelerated significantly after enactment of the 1996 law. Between March 1994 and March 2001, participation dropped from 28 million to about 17 million persons, a decline of 39%.⁹¹ The decline in children's participation was especially sharp, falling from 86% of eligible children in 1994 to 69% in 1998, with over three-quarters of the decline coming after 1996.⁹² As noted in a 1999 report from the U.S. General Accounting Office, "there is a growing gap between the number of children living in poverty...and the number of children receiving food stamp assistance."⁹³

Moreover, an analysis by the U.S. Department of Agriculture concluded that most of the decline in the food stamp caseload between 1994 and 1999 was because of a drop in participation by eligible adults and children, not because fewer families were eligible.⁹⁴ Only a small portion (8%) was due to provisions of the 1996 law that restricted food stamp eligibility. About one-third of the decline (35%) occurred because household income and assets grew during the economic expansion. The bulk of the decline (56%) was due to fewer

eligible individuals participating in the program. A sharp drop in participation occurred among eligible citizen children residing with noncitizens (from 80% to 46%). Participation also dropped among families leaving welfare, even though most of these families continued to be eligible financially,⁹⁵ and many still reported food insecurity and shortages.⁹⁶ Participation dropped for individuals with earnings and those without earnings. Program administrative practices, confusion, lack of awareness, and individual choices all appeared to play a role in declining participation rates.^{97,98}

The food stamp program is scheduled for reauthorization in 2002, as is TANF. Food stamp reauthorization discussions have mainly focused on ways to increase participation among eligible households, and on the need for simplification and for improvements in quality control procedures, as summarized in Box 7. Another concern is whether to restore food stamp benefits for legal immigrants, an issue discussed in greater detail in the later section on Immigrants.

Child Welfare

The nation's child welfare system is comprised of 30 to 40 separate programs designed to protect children from abuse and neglect. The major programs are described in Box 8. Taken together, these programs provide services

Box 8
The Array of Major Child Welfare Programs

- ▷ The **Child Welfare Services** program and the **Promoting Safe and Stable Families** program provide a broad range of services, including prevention of abuse and neglect, family support, time-limited reunification, and adoption support. Funds for the Child Welfare Services program are discretionary, whereas funds for the Promoting Safe and Stable Families program are an entitlement, but the funding streams for both programs are capped, generally with a federal matching rate of 75%.
 - ▷ The **Foster Care Maintenance** program reimburses states for a portion of the foster care costs of certain children. Children are entitled to federal foster care maintenance payments if they meet the prior AFDC eligibility criteria at the time they are removed from their homes either by a voluntary placement agreement or by court order, and if they are under the care and responsibility of a state welfare agency. Federal reimbursement for the program is open-ended, with states receiving their Medicaid matching rate for each eligible child. The federal government also reimburses 75% of training expenditures and 50% of administrative costs.
 - ▷ The **Adoption Assistance** program provides financial assistance to adoptive parents on behalf of certain children with special needs, defined as a child whose condition makes it unlikely that he or she will be placed for adoption without financial assistance. The adoptive parents are entitled to payments for certain nonrecurrent adoption expenses, and, if the child meets the 1996 AFDC or current Supplemental Security Income criteria, the state may provide the parents with ongoing payments. As with foster care, the federal government reimburses states at their Medicaid matching rate for each eligible child, as well as 75% of training expenditures and 50% of administrative costs.
 - ▷ The **Independent Living** program helps adolescents transition from foster care to living on their own. The program is a capped entitlement to states, with a federal matching rate of 80%.
 - ▷ The **Child Abuse Prevention and Treatment Act** provides federal funding and guidelines for reporting and investigating abuse and neglect. The act also funds innovative research and demonstration projects and community-based family resource centers.
 - ▷ Other federal programs supporting various child welfare services include the **Social Services Block Grant** (commonly referred to as Title XX), Medicaid, and the TANF block grants.
-

to prevent abuse and neglect; investigate reports of maltreatment and remove children from abusive or neglectful homes when necessary; provide supports to families so that children may remain in or return to their homes safely; and secure alternative homes for children who cannot be returned. Federal funding for foster care costs is open-ended, whereas federal funding for prevention and reunification services is limited.

Historically, the child welfare system connected with the AFDC program in several ways.⁹⁹ First, research indicates that child maltreatment is highly correlated with poverty, and the majority of children entering the foster care system have come from families receiving welfare assistance.¹⁰⁰ Second, families in the two systems often face many of the same challenges: substance

abuse, mental or physical health problems, and domestic violence, as well as poverty. Finally, both the child welfare system and the cash welfare assistance program support many children who are being cared for by grandparents and other relatives.

During the welfare reform debates in 1996, one controversial proposal called for the consolidation of several major child welfare programs into a block grant. The proposal was defeated, however, and the legislation made few direct changes to child welfare programs. The most significant provisions that affected child welfare programs:

- ▷ Required the continuation of state foster care maintenance and adoption assistance programs;



Many aspects of TANF could indirectly impact the child welfare system by affecting the risk of maltreatment, the funding available for services, and the supports provided to kin caregivers.

- ▶ Tied eligibility criteria to AFDC standards in effect on July 16, 1996;¹⁰¹
- ▶ Required states to consider giving preference to kin when placing a child outside the home, provided the relative meets state child protection standards; and
- ▶ Permitted states to use TANF funds for a broad range of child welfare services.

At the same time, however, many aspects of TANF could indirectly impact the child welfare system by affecting the risk of maltreatment, the funding available for services, and the supports provided to kin caregivers. Each of these areas is discussed below.

Risk of Maltreatment

TANF could increase or decrease the risk of child maltreatment. The more stringent work, sanction, and time limit requirements under TANF, as well as the decline in disposable income some families may experience as they move from welfare to work, could cause material hardship and stress, leading to an increased risk of abuse or neglect.¹⁰² In addition, lack of adequate child care for families required to work may result in children being left home alone,¹⁰³ which could be defined as neglect, depending on the age of the children. Alternatively, TANF may result in increased employment, leading to increased income and self-esteem, and in turn decreased risk of child maltreatment.

Currently, the data are inconclusive about which of these possible influences may result from the implementation of TANF. On the one hand, in 1999 the incidence of substantiated child maltreatment decreased for the sixth year in a row.¹⁰⁴ On the other hand, the estimated number of children in foster care grew from 483,000 in 1995 to 568,000 in 1999,¹⁰⁵ and several research studies raise concerns that TANF could be detrimental to child welfare. Two studies looking at AFDC caseload data found that sanctions and work combined in ways that were associated with increased involvement with child protective services and longer stays in foster care.¹⁰⁶ Another study

examining state-level data found that as cash assistance benefit levels decreased, neglect and out-of-home care increased.¹⁰⁷ The study also found that as the share of working single mothers increased, so did the rates of neglect. In an evaluation of Delaware's AFDC waiver program, families that participated in the program (with features similar to TANF requirements) were found to have higher rates of child neglect than did those in the control group.¹⁰⁸ Finally, though not identifying overall impacts on maltreatment rates, case studies of child welfare agencies in 12 states noted that reports of lack of supervision had increased under TANF, as had the number of families surrendering their children to child welfare agencies or delaying reunification of children already in care.¹⁰⁹ The findings from these studies do not provide conclusive evidence that TANF provisions are leading to increased child maltreatment, but they do raise red flags about potential problems for some families.

Funding for Services

TANF may also impact child welfare by increasing or decreasing the funding available for services. The 1996 law changed the structure of two significant funding streams, potentially reducing the amount of federal dollars spent on child welfare. The Emergency Assistance program, which accounted for 13% of 1996 federal child welfare dollars, was repealed and consolidated into the TANF block grant; and funding for the Social Services Block Grant (Title XX), which had accounted for 16% of 1996 federal child welfare dollars, was reduced.¹¹⁰ At the same time, however, the 1996 law allows states to use TANF funds for certain child welfare services.¹¹¹

Many states are spending their TANF and maintenance-of-effort (MOE) funds to provide services that could be characterized as child welfare services, such as nonmedical substance abuse treatment, home visiting programs, parenting education classes, and subsidized guardianship.¹¹² Sometimes these services are offered to families receiving TANF cash assistance, sometimes to families in the child welfare system, and

sometimes more broadly to families in need. One illustration of a restructuring of funding and services can be found in El Paso County, Colorado, where the local government decided to unite its TANF and child welfare programs, treating TANF as the primary prevention program for child welfare and treating child welfare as an antipoverty program.¹¹³ (See the appendix following the article by Chase-Lansdale and Pittman in this journal issue for a more detailed description of the El Paso County program.)

Some policymakers are concerned that states may be spending too many TANF dollars on child welfare services and not enough on other supports for low-income families. Others are concerned that TANF child welfare spending may be merely replacing state funds with federal funds. In addition, some child advocates are concerned that states may be using TANF and MOE funds for child welfare services without adhering to procedural safeguards mandated

by Congress for child welfare programs. At this point, state-reported TANF financial data indicate only broad categories of spending and do not specify how much states are spending on child welfare, or the types of services provided.

Supports for Kin Caregivers

It is also unclear whether changes under TANF are increasing or decreasing the supports available for the growing number of children living with grandparents or other relatives. In 2000, more than 2.1 million children were living with relatives with no parent present.¹¹⁴ Many relatives care for these children without specific federal or state assistance, but significant numbers of kin caregivers rely on TANF or child welfare services.

In 1999, approximately 500,000 children who received TANF lived in households headed by relatives. Recognizing the unique needs of these kin caregivers, some states have developed special provisions or programs for them.¹¹⁵ In most states' TANF pro-

Box 9

Potential Child Welfare–Related Reauthorization Issues

- (1) **Should the child welfare system be more integrated with TANF?** Many families being served by child welfare and TANF have similar needs, and often move between the two systems. Recognizing these connections, policymakers are likely to consider whether and how to better coordinate and integrate services to these families. For example, what are the best ways to address substance abuse, domestic violence, mental and physical disorders, literacy deficits, and other barriers to both employment and adequate parenting? What structures are needed to facilitate better cooperation between the two systems? What, if any, safeguards are needed to protect families when these two systems join forces?
- (2) **Should the fiscal structure of the child welfare system be changed?** Are more incentives needed for providing prevention and reunification services? With states spending TANF and MOE funds on a variety of child welfare services, questions

about the best way to finance the child welfare system will likely arise during TANF reauthorization. Many child welfare specialists are concerned that federal funding for foster care is open-ended, whereas federal funding for prevention and reunification services is limited. They argue that these funding policies encourage out-of-home placements and discourage states from developing the capacity to provide services that might make many out-of-home placements unnecessary.

- (3) **To what extent should federal assistance be used to support children living with kin?** Currently, kin may be able to receive support when caring for relative children through TANF or the child welfare system, depending on the circumstances. Each system has different requirements and different levels of assistance. What level of support is appropriate? What types of supports do kin caregivers need? What types of supports do the children need?
-



Under the new definition of childhood disability, an estimated 100,000 children lost their eligibility for SSI.

grams, however, relatives must adhere to the same requirements as parents. Relative caregivers who meet the state's income criteria may choose to receive a TANF grant for themselves and the children, but they are then subject to the federal time limit and to work and participation requirements. These requirements do not apply if relatives receive a "child-only" TANF grant, which is based solely on the child's needs and income.¹¹⁶ However, such grants are generally smaller than those received when the relative is included, and may be insufficient to allow the relative to provide adequate care for the child. Nonetheless, more than four-fifths of the children living with kin who received any TANF assistance in 1999 received child-only grants.

Relative caregivers can also seek assistance from the formal child welfare system and receive a foster care maintenance payment.¹¹⁷ Many advocates argue that such a result is not good for children in some cases, because the child welfare system can be intrusive, and the level of supervision and oversight the system provides is unnecessary for many kin caregivers. In addition, some relatives may not be able to turn to the child welfare system. This option is available only when children are at risk of abuse or neglect, and not all relatives are caring for kin under these circumstances. Moreover, some relatives will not meet state licensing standards for a foster care placement, such as the square footage requirements for their homes.

As the 107th Congress considers TANF reauthorization, child welfare issues are likely to be considered as well. Questions about how to finance the child welfare system and improve coordination with TANF will likely be discussed, as summarized in Box 9.

Supplemental Security Income

The Supplemental Security Income (SSI) program, administered by the Social Security Administration (SSA), provides income assistance to low-income people who are elderly, blind, or disabled, including children. In 1990, a Supreme Court decision (*Sullivan v. Zebley*) held that SSA's test for determining

whether children were "disabled" (and thereby entitled to SSI assistance) was unlawfully restrictive. Following this decision, the number of children in the program grew dramatically, from approximately 300,000 in 1989 to about 1 million in 1996.¹¹⁸ As the numbers swelled, the program came under attack. A series of press and television stories alleged that children were being "coached" to misbehave in order to get "crazy checks."¹¹⁹

Although subsequent investigation revealed no evidence of widespread abuse of the program,¹²⁰ Congress took up the issue during the welfare reform debates in 1996. Disagreements arose concerning the criteria for determining children's eligibility for SSI, the meaning of "disabled," and the degree of impairment necessary to justify assistance. Consequently, the 1996 law made a number of changes to SSI. Specifically, the law:

- ▷ Modified the definition of childhood disability, requiring that a child have an impairment that results in "marked and severe functional limitations" in order to be eligible for SSI benefits;
- ▷ Required that SSA use the new definition to redetermine the eligibility of children already receiving benefits, if it might lead to termination of their benefits;
- ▷ Eliminated the "medical improvement" test for 18-year-olds (which had allowed children to continue to receive benefits after age 18 unless their condition had medically improved to the extent that they were no longer disabled), and instead required that SSA use the adult criteria for disability to redetermine eligibility for children turning 18.

Under the new definition of childhood disability, an estimated 100,000 children lost their eligibility for SSI.¹²¹ In 1997, SSA issued interim regulations interpreting the phrase "marked and severe functional limitations."¹²² Many critics contended that this interpretation was unduly restrictive. Indeed, when SSA issued the regulations, several U.S. senators who were instrumental in drafting the SSI provisions of the 1996 law sent a letter to the president claiming that this interpretation was inconsistent with their intent.¹²³

In September 2000, SSA issued revised final regulations.¹²⁴ Although the basic interpretation of “marked and severe functional limitations” did not change, some advocates saw the regulations as an improvement, because they simplified and clarified the process for determining childhood disability.¹²⁵ Also, some are encouraged that SSA has undertaken a project with the American Association of University-Affiliated Programs to examine ways they might improve the evaluation of childhood disability claims. Advocates are hopeful that the process of determining disability in children will continue to improve as the project progresses.

In addition to questions about the definition of childhood disability, another concern is that adolescents who should continue to receive benefits are losing them. SSA data indicate that between 1997 and 2000, just over 90,000 adolescents (nearly half the SSI recipients who went through eligibility redeterminations at age 18) lost their eligibility for SSI benefits.¹²⁶ However, the number of adolescents who are expected to

remain ineligible once all appeals processes are exhausted is expected to drop to about 70,000.¹²⁷ Also, the proportion of adolescents losing their benefits appears to have decreased each year since 1997.

As adolescents lose SSI eligibility, many also lose access to medical care through Medicaid.¹²⁸ Advocates for disabled teens argue that applying adult eligibility requirements to children turning 18 creates an unfair burden because the adult criteria are based partially on work histories, which most teen SSI recipients do not have. Advocates are also concerned that eliminating the medical improvement test for 18-year-olds treats them like new applicants, with no transition period as provided in other programs.¹²⁹

Although the 1996 law amended the SSI program, it is not clear whether SSI will be part of the discussions about TANF reauthorization. No part of the SSI program requires reauthorization. Nonetheless, key issues concerning children and SSI that may surface as TANF legislation is considered are summarized in Box 10.

Box 10

Potential SSI-Related Reauthorization Issues

- (1) **Are poor children with severe disabilities receiving SSI benefits as intended?** Although advocates consider the revised regulations to be improved, some believe the Social Security Administration's interpretation of the definition of childhood disability is too restrictive. As a result, the 2002 discussion could include an assessment of whether the current test of childhood disability is too stringent, precluding benefits for children Congress intended to cover.
 - (2) **Should the medical improvement test for 18-year-olds be reinstated?** Some advocates argue that adolescents should lose coverage only when their condition has improved to the extent that they are no longer disabled. As a result, the 2002 discussions could include attempts to reinstate the medical improvement test for 18-year-olds.
 - (3) **Should 18-year-olds be provided transitional assistance?** If the 2002 debates focus on issues related to helping people with various challenges move toward greater independence, discussion may arise about the need to provide disabled children with some type of transitional assistance if they no longer qualify under the adult criteria now imposed when they turn 18.
 - (4) **Should Medicaid coverage be extended to all children with impairments, regardless of eligibility for SSI?** Although many children with impairments may qualify for Medicaid based on their families' incomes, a number will be barred from coverage because their families' incomes exceed the state's income requirements. Expanding coverage to all children with disabilities would provide increased access to the services and treatment children may need to maximize their medical and functional improvement.
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 **Immigrant eligibility for public assistance programs as laid out in the 1996 law is a complicated patchwork of federal eligibility rules, state discretionary choices, and statutory exceptions.**

Immigrants

Before the 1996 welfare reform law was enacted, legal immigrants and their children were generally eligible for public benefits under the same terms as citizens, and states did not have discretion to develop their own rules for determining immigrants' eligibility for public assistance. During the 1996 debates, however, immigrant provisions became a focus of discussion, driven by both policy and fiscal concerns. The policy dispute centered on whether immigrants' access to public benefits should be curtailed in order to discourage people from immigrating to the United States just to gain access to public benefits.¹³⁰ The fiscal issue was driven largely by congressional interest in reducing government spending. Nearly half of the law's projected savings were attributable to the provisions making most legal immigrants ineligible for public benefits.¹³¹

Immigrant eligibility for public assistance programs as laid out in the 1996 law is a complicated patchwork of federal eligibility rules, state discretionary choices, and statutory exceptions.¹³² Key provisions of the law:

- ▷ Distinguished between "qualified" and "not qualified" (though often legal) immigrants, and between persons who entered the United States before and after enactment of the 1996 law, in determining eligibility;¹³³
- ▷ Banned "not qualified" immigrants from TANF and Medicaid assistance (except for emergency Medicaid services), and generally made "qualified" immigrants ineligible for these programs for five years after coming to the United States, after which eligibility is a state option;¹³⁴
- ▷ Made most legal immigrants—both "qualified" and "not qualified"—ineligible for food stamps and SSI until they attained citizenship;
- ▷ Made undocumented immigrants and other "not qualified" immigrants ineligible for most state and local public benefits, but allowed states to develop their own policies concerning the eligibility of "qualified" immigrants; and

- ▷ Allowed exceptions to these requirements only for refugees, asylees, persons granted withholding of removal during their first five years (subsequently extended to seven years) in the United States, immigrants who meet the 40-quarter work history test, and current and former military personnel and their spouses and dependents.

Current Provisions

Since 1996, Congress has restored eligibility for limited categories of immigrants,¹³⁵ though most legal immigrants remain ineligible for food stamps and almost all immigrants entering the country after enactment of the 1996 law are ineligible for a wide array of federal benefits during their first five years in the United States.

TANF and Medicaid

Nearly every state opted to provide Medicaid and TANF assistance to all preenactment qualified legal immigrants.¹³⁶ However, with limited exceptions, legal immigrants entering the United States on or after the date the law took effect are ineligible for federally funded TANF assistance and Medicaid for five years. States can choose to make these new immigrants ineligible for TANF and Medicaid beyond the first five years, but most states have not elected to do so.

Food Stamps

Of the 1.4 million legal immigrants receiving food stamps in 1996, an estimated 940,000 recipients lost eligibility when the law was implemented. In 1998, Congress enacted a limited restoration primarily benefiting immigrant children, the elderly, and people with disabilities.¹³⁷ This restoration affected only about 250,000 recipients. Thus, among immigrants living in the United States when the law was enacted, more than two-thirds of those who lost eligibility remain ineligible. Among those entering the United States after the law was enacted, nearly all are ineligible for food stamps until they attain citizenship.

SSI

The 1996 law, as enacted, would have resulted in an estimated 580,000 elderly and disabled immigrants losing

their eligibility for SSI in 1997. Before the terminations were due to take effect, Congress acted to retain benefits for most elderly and disabled immigrants who were residing in the United States when the law was enacted,¹³⁸ reversing about half of the projected savings from restriction of immigrant benefits.¹³⁹ With limited exceptions, however, immigrants entering the United States after the 1996 law was enacted are ineligible for SSI.

States' Response

Some states have responded to federal restrictions on immigrant benefits by establishing state-funded substitute programs, but these programs have not filled the gap left from the loss of federal assistance. An Urban Institute study found that, as of May 1999, more than half (28) of all states had created at least one substitute program for immigrants who lost their eligibility for federal assistance under TANF, Medicaid, food stamps, or SSI.¹⁴⁰ Many states with substitute programs did not extend benefits to all legal immigrants who lost federal eligibility, however, or to postenactment immigrants during their five-year federal ineligibility period.¹⁴¹ Moreover, participation rates in these substitute programs remain low.

Low Participation by Eligible Immigrant Children

The receipt of public benefits by immigrant children was low even before welfare reform,¹⁴² and has fallen even lower as a result of restrictions on benefits and the decline in participation among immigrant families. In fact, since 1994, participation rates among eligible immigrants have declined across all benefit programs.¹⁴³ After the 1996 law was enacted, participation rates continued to drop, even though the need among the children of immigrants is well documented, and most of these children are themselves U.S. citizens. For example, a recent study found that 37% of children of immigrants live in families that worry about or have difficulty obtaining food, compared with 27% of children of nonimmigrants, and that 22% of children of immigrants do not have health insurance, compared with 10% of children of nonimmigrants.¹⁴⁴

The evidence suggests that the decline in participation among eligible immigrants reflects a variety of fears. For example, many eligible immigrants fear that if they receive benefits, they may be considered a "public charge," which disqualifies them from spon-

Box 11

Potential Immigrant-Related Reauthorization Issues

- (1) **Should legal immigrants have their eligibility for public benefits restored?** Efforts to restore immigrant eligibility for public benefits have continued in each Congress since enactment of the 1996 law, and no doubt further efforts toward this goal will be made.
 - (2) **Should special efforts be made to increase access for citizen children in mixed-status households?** There may be greater attention paid to the areas of federal policy in which ambiguity may be having an unintended chilling effect on receipt of public benefits by eligible children who live with ineligible parents and guardians.
 - (3) **Are new policies needed to address language barriers for immigrants and other limited-English speaking families?** Concerns have been raised about the adequacy of programs to improve the foreign language skills of service workers, and depending on local progress, the issue may be revisited during reauthorization. Also, within the TANF program, some caseworkers have raised concerns about restrictions on immigrants' participation in English as a Second Language (ESL) programs as a "countable" activity toward a state's required work participation rate. Some argue that to help non-English-speaking families move toward self-sufficiency, greater efforts must be made to assess English literacy needs and provide access to programs that address those needs.
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soring relatives who may want to immigrate, or that they may be investigated by the Immigration and Naturalization Service (INS).¹⁴⁵ In mid-1999, INS clarified that getting Medicaid would not affect public charge status under most circumstances,¹⁴⁶ but it is not yet clear whether this clarification has improved program participation.

Another key reason for low participation rates is that many immigrant households have mixed status—that is, they include members who are citizens and noncitizens, “qualified” and “not qualified,” eligible and ineligible.¹⁴⁷ As a result, a substantial number of children who are citizens and fully eligible for federal and state public assistance may not be receiving needed benefits because they live with a noncitizen parent or grandparent who is ineligible for various assistance programs under the 1996 law. According to the U.S. Department of Agriculture, for example, participation in the food stamp program by citizen children in families headed by a noncitizen dropped by 75% between 1994 and 1998.¹⁴⁸

Language barriers can make it even more difficult to understand the complex rules of the welfare system, further exacerbating immigrant families’ confusion about eligibility.¹⁴⁹ Although an executive order issued in August 2000 sought to address concerns about linguistic barriers to programs for non-English speakers,¹⁵⁰ it remains to be seen whether the guidance is implemented locally in ways that ensure meaningful access to programs. A number of organizations whose members would implement the guidance, such as the American Medical Association, opposed the order because of its purported cost, and a bill that would prohibit its implementation was introduced in Congress in March 2001.¹⁵¹

In 2002, lawmakers will likely examine current policy concerning public benefits for immigrants. Key questions that may be raised are summarized in Box 11.

Conclusion

The landscape of social policies and programs serving low-income children has changed dramatically since enactment of the 1996 law. The dominant themes in 1996 included reducing spending, promoting devo-

lution, discouraging receipt of cash assistance, promoting work, discouraging out-of-wedlock births, and restricting assistance to immigrants. Since 1996, cash assistance spending has fallen, and states have used their flexibility under the law to create a wide variety of programs tailored to reflect state choices. Caseloads have declined dramatically, and employment has increased among female-headed families. Fewer children are being born to unmarried teen mothers, and the share of children born out of wedlock appears to have leveled off. Meanwhile, immigrant participation in public benefits programs has decreased markedly. Although not all of these changes are directly or solely attributable to the 1996 law, notable progress has been achieved in addressing many goals of the legislation.

At the same time, welfare participation has fallen much more rapidly than has child poverty. Most families leaving welfare are either entering low-paying jobs or are not working. For those entering low-wage jobs, the need for support services remains high, but significant concerns have been raised about the difficulties in ensuring that low-earning families have access to food stamps, Medicaid, and child care. Often gains in income from employment are largely or completely offset by losses in public benefits. Many of the families remaining on the welfare rolls face difficult barriers to employment, similar to the problems faced by many families in the child welfare system, such as substance abuse, mental illness, and domestic violence. Moreover, many of the families with the most serious barriers to employment have become ineligible for assistance or have left welfare without work and have disappeared from public systems.

The 2002 congressional debates surrounding the reauthorization of federal welfare reform are likely to be an extraordinarily important time for discussions of national poverty policy and family policy. It will be a time to acknowledge where progress has and has not been made, and to look for improvements for the future. For each specific program, discussions will center on cost, performance, effectiveness, and incentives for governments and individuals. Across programs, lawmakers will focus on how government can better assist working poor families; what the next steps should be in the national dialogue about mar-

riage, out-of-wedlock births, fathers, and family formation; and how and where to strike the balance between state discretion and federal responsibility. We also hope that in 2002, child outcomes and well-being will be given much more explicit consideration in the discussion about what has and has not changed since 1996, and about how best to structure the next chapter in social policy affecting low-income families.

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ENDNOTES

1. The programs that were repealed and whose funding was folded into the TANF block grant were the AFDC program, the Job Opportunities and Basic Skills Training (JOBS) program, and the Emergency Assistance program.
2. For an overview of allowable spending under TANF, see U.S. Department of Health and Human Services. *Helping families achieve self-sufficiency: A guide on funding services for children and families through the TANF program*. Washington, DC: DHHS, 1999.
3. For detailed information about state policies, see U.S. Department of Health and Human Services. *Temporary Assistance for Needy Families (TANF) program: Third annual report to Congress*. Washington, DC: DHHS, August 2000. See also the Web site of the State Policy Documentation Project (SPDP), a joint project of the Center for Law and Social Policy and the Center on Budget and Policy Priorities, at <http://www.spdp.org>.
4. Caseload data is available online at <http://www.acf.dhhs.gov/news/tables.htm>.
5. See U.S. Department of Health and Human Services. *Indicators of welfare dependence: Annual report to Congress*. Washington, DC: DHHS, 2001, table TANF 2.
6. U.S. General Accounting Office. *Welfare reform: State sanction policies and number of families affected*. GAO/HEHS-00-44. Washington, DC: GAO, 2000.
7. Goldberg, H., and Schott, E. *A compliance-oriented approach to sanctions in state and county TANF programs*. Washington, DC: Center on Budget and Policy Priorities, October 2000.
8. Primus, W., Rawlings, L., Larin, K., and Porter, K. *The initial impacts of welfare reform on the incomes of single-mother families*. Washington, DC: Center on Budget and Policy Priorities, 1999.
9. In 1997, some 48% of families receiving assistance indicated that either their general health or mental health was poor. See Loprest, P., and Zedlewski, S. *Current and former welfare recipients: How do they differ?* Washington, DC: Urban Institute, 1999.
10. Cash assistance expenditures fell from nearly \$23 billion in 1994 to \$11.5 billion in 2000.
11. For further discussion of this topic, see Greenberg, M. *Beyond welfare: New opportunities to use TANF to help low-income working families*. Washington, DC: Center for Law and Social Policy, 1999. See also Lazere, E. *Unspent TANF funds at the end of federal fiscal year 2000*. Washington, DC: Center on Budget and Policy Priorities, 2001.
12. U.S. General Accounting Office. *Welfare reform: Challenges in maintaining a federal-state fiscal partnership*. GAO-01-828. Washington, DC: GAO, August 2001.
13. In 1998, 55% of black children, 31% of Hispanic children, and 21% of white children lived with only one parent. See U.S. Census Bureau. *Marital status and living arrangements: March 1996*. Washington, DC: U.S. Census Bureau, March 1998. See also updated Census Bureau data. Federal Interagency Forum on Child and Family Statistics. *America's children: Key national indicators of well-being*. Washington, DC: U.S. Government Printing Office, 1999, tables, pp. 69-70.
14. Sawhill, I. Welfare reform and reducing teen pregnancy. *The Public Interest* (Winter 2000) 138:40-51.
15. Ventura, S.J., and Bachrach, C.A. Nonmarital childbearing in the United States: 1940-99. *National Vital Statistics Reports*. Vol. 48, no. 16. Hyattsville, MD: National Center for Health Statistics, October 18, 2000, pp. 2-6.
16. Murray, C. The coming white underclass. *Wall Street Journal*. October 29, 1993, at A14.

17. About 20 states established a family cap under an AFDC waiver prior to 1996; 3 more did so by 2000. See Stark, S., and Levin-Epstein, J. *Excluded children: Family cap in a new era*. Washington, DC: Center for Law and Social Policy, February 1999, p. 1.
18. Levin-Epstein, J. *Teen parent provisions in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996*. Washington, DC: Center for Law and Social Policy, 1996.
19. Ooms, T. Testimony before the Subcommittee on Human Resources, Committee on Ways and Means, U.S. House of Representatives, Hearing on Welfare and Marriage Issues. Washington, DC. May 22, 2001.
20. The National Marriage Project. *The state of our unions: The social health of marriage in America, 1999*. Piscataway, NJ: Rutgers, the State University of New Jersey, 1999.
21. Ooms, T. Toward more perfect unions: Putting marriage on the public agenda. Report presented at the Family Impact Seminar. Washington, DC. July 1998. Available from tooms@clasp.org.
22. See Rector, R. Welfare: Broadening the reform. In *Issues 2000: Candidates briefing book*. S.M. Butler and K.R. Holmes, eds. Washington, DC: Heritage Foundation, 2000; Horn, W.F., and Sawhill, I.V. Fathers, Marriage and Welfare Reform. In *The new world of welfare*. R.M. Blank and R. Haskins, eds. Washington, DC: Brookings Institution Press, 2001, pp. 421-41.
23. Oklahoma's \$10 million is available for a range of activities including public education, training of state employees to offer relationship skills workshops, improving data and research, and working with faith-based groups and community leaders.
24. See note 19, Ooms. See also Rubiner, L. Testimony before the Subcommittee on Human Resources, Committee on Ways and Means, U.S. House of Representatives, Hearing on Welfare and Marriage Issues. Washington, DC. May 22, 2001.
25. For example, the Fathers Count bill, introduced in 1999, awarded grants to community-based organizations that, among other activities, promoted marriage as a means of ensuring responsible, involved fatherhood. This bill passed the House overwhelmingly in 2000, but stalled in the Senate and was reintroduced in 2001.
26. Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Public Law 104-193, title IX, section 905. The law allows spending of federal TANF funds on family planning, but not on abortion and other medical services.
27. Hutson, R.Q., and Levin-Epstein, J. *Linking family planning with other social services: The perspectives of state family planning administrators*. Washington, DC: Center for Law and Social Policy, 2000; and Cohen, M. *Tapping TANF: When and how welfare funds can support reproductive health or teen parent initiatives*. Washington, DC: Center for Law and Social Policy, April 1999.
28. See note 26, PRWORA, title IX, section 912. The program is administered through the Maternal Child Health Services Block Grant.
29. Daley, D., and Wong, V.C. *Between the lines: States' implementation of the federal government's section 510(b) abstinence education program in fiscal year 1998*. New York: Sexuality Information and Education Council of the United States, 1999.
30. Congress approved \$20 million for fiscal year 2001 and a total of \$40 million for fiscal year 2002, under Special Projects of Regional and National Significance; Community-Based Abstinence Education Project Grants.
31. In 1999, teen parents accounted for about 4% of all "adults" in the caseload, and another 0.4% of all "children." See note 3. The teen parent status is "unknown" for a significant percentage of the caseload—5.2% of the children and 0.5% of adults, or nearly 287,000 teen recipients.
32. See note 26, PRWORA, title I, section 103, 110 Stat. 2135-37. The law also called for the U.S. Department of Justice to study the link between statutory rape and teen pregnancy, and to educate state and local criminal law enforcement officials on statutory rape prevention and prosecution (title IX, section 906). Because these provisions did not come with funding, however, communities have done little to implement such programs.
33. Matthews, M., and Shelley, S. Turned away, misinformed, denied—Teen parents' experiences in welfare offices. *Youth Law News* (July-August 1999) 20(4):7,12.
34. Kirby, D. *Emerging answers: Research findings on programs to reduce teen pregnancy*. Washington, DC: National Campaign to Prevent Teen Pregnancy, 2001. See also Jemmott, J., Jemmott, L., and Fong, G. Abstinence and safer sex HIV risk-reduction interventions for African American adolescents: A randomized controlled trial. *Journal of the American Medical Association* (May 20, 1998) 279:1529-36.
35. See Bos, J.M., and Fellerath, V. *LEAP: Final report on Ohio's welfare initiative to improve school attendance among teenage parents*. New York: Manpower Demonstration Research Corp., 1997; Wisconsin Legislative Audit Bureau. *Wisconsin's Learnfare program*. Madison: Wisconsin Legislative Audit Bureau, 1996; Mauldon, J., Malvin, J., Stiles, J., et al. *Impact of California's Cal-Learn program demonstration project: Final report*. Berkeley: UC Data, University of California, Berkeley, 2000.
36. The evaluation of California's "learnfare" program suggests that teen mothers who are married or have steady boyfriends are at greater risk of a subsequent birth. See note 35, Mauldon, et al.
37. Levin-Epstein, J. *Seeking supervision: State policy choices in implementing the TANF minor parent living arrangement rule*. Washington, DC: Center for Law and Social Policy, 1999.
38. The percentage is not known exactly, because 15 states have separate two-parent programs and do not report their data to the federal government. See note 31, U.S. Department of Health and Human Services, table 10:7.
39. U.S. Department of Health and Human Services. *HHS awards welfare high performance bonuses: Higher increases in job placements and earnings reported*. Press release. Washington, DC: DHHS, December 16, 2000.
40. The 1999 "illegitimacy" awards went to Alabama, California, the District of Columbia, Michigan, and Massachusetts. See Romero, D., Chavkin, W., Wise, P.H., et al. State welfare reform policies and maternal and child health services: A national study. *Maternal and Child Health Journal* (2001) 5(3):199-206.
41. One study estimated that child support reduces poverty among children by 5%. See Sorensen, E., and Zibman, C. *Child support offers some protection against poverty*. Washington, DC: Urban Institute, 2000; and Garfinkel, I., and Heinz, T. Child support enforcement: Incentives and well-being. Paper presented at the Conference on Incentive Effects of Tax and Transfer Policies. Washington, DC. December 8, 2000.
42. Meyer, D. Child support and welfare dynamics: Evidence from Wisconsin. *Demography* (1993) 30:45-62; Seltzer, J. Child support and child access: Experiences of divorced and nonmarital families. *Focus* (2000) 21:54-57; and Doolittle, F., Knox, V., Miller, C., and Rowser, S. *Building opportunities, enforcing obligations*. New York: Manpower Demonstration Research Corp., 1998.

43. For poor, single female-headed families that receive child support, it is the second largest component of family income after earnings, amounting to 26% of the family's budget, or \$2,000 per year. (Other components include earnings at 38%, cash assistance at 20%, and other income at 16%.) See Sorensen, E., and Zibman, C. To what extent do children benefit from child support? New information from the National Survey of America's Families. *Focus* (2000) 21:34-37.
44. U.S. Department of Health and Human Services. *Child support enforcement: FY 2000 preliminary data preview report*. Washington, DC: DHHS, July 2001. Available online at <http://www.acf.dhhs.gov/programs/cse/prgrpt.htm>. See also U.S. General Accounting Office. *Welfare reform: Child support an uncertain income supplement for families leaving welfare*. GAO/HEHS-98-168. Washington, DC: GAO, 1998.
45. Poor families eligible for child support are significantly more likely to receive it if they have participated in the child support program. Sorensen, E., and Halpern, A. *Child support enforcement is working better than we think*. Washington, DC: Urban Institute, 2000. See also note 41, Garfinkel and Heinz.
46. Although 40% of children with a nonresident parent are living below the poverty level, 23% of nonresident fathers are poor. See Sorensen, E., and Zibman, C. *A look at poor dads who don't pay child support*. Washington, DC: Urban Institute, 2000.
47. See Lyon, M. *Characteristics of families using Title IV-D services in 1995*. Washington, DC: U.S. Department of Health and Human Services, 1999. See also note 44, U.S. Department of Health and Human Services.
48. See the following papers available on the Center for Law and Social Policy Web site at www.clasp.org: Roberts, P. *Family law issues and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996*; Roberts, P. *A guide to establishing paternity for nonmarital children: Implementing the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996*; and Turetsky, V. *Child support administrative processes: A summary of requirements in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996* (1997).
49. States must meet five performance measures and have reliable data to qualify for federal incentive payments, and these payments must be reinvested in child support-related activities. New penalty, audit, and reporting requirements also were enacted. See Roberts, P., and Turetsky, V. *New federal child support legislation on computer penalties, incentive payments, medical support, and other topics*. Washington, DC: Center for Law and Social Policy, July 28, 1998.
50. Among families with a support order already in place, collection rates increased from 34% to 68% between 1995 and 2000. See note 44, U.S. Department of Health and Human Services, as well as preceding annual reports.
51. Under AFDC, states were required to "pass through" the first \$50 of support to families receiving assistance, and the costs were shared between federal and state governments. When TANF was enacted, the pass-through requirement was repealed. States were allowed to continue the practice, but with no federal cost sharing, and less than half the states have opted to do so. See Turetsky, V. *What if all the money came home?* Washington, DC: Center for Law and Social Policy, June 2000; and Roberts, P. *State policy re: pass-through and disregard of current month's child support collected for families receiving TANF-funded cash assistance*. Washington, DC: Center for Law and Social Policy, January 1999.
52. See note 46, Sorensen and Zibman, p. 3, and Sorensen, E. *Low-income families and child support: Latest evidence from the National Survey of America's Families*. Washington, DC: Urban Institute, 2000, figure 1.
53. Program administrators say the rules have contributed to computer systems delays, increased staff and training costs, difficulties in redirecting support payments to former TANF families, confusion among parents, and audit problems.
54. Meyer, D., and Cancian, M. *W-2 child support demonstration evaluation, phase 1: Final report*. Madison: University of Wisconsin-Madison, Institute for Research on Poverty, April 2001.
55. See Fishman, M., Tapogna, J., Dybdal, K., and Laud, S. *Preliminary assessment of the association between state child support enforcement performance and financing structure*. Washington, DC: U.S. Department of Health and Human Services, August 2000. See also Freeman, R., and Waldfogel, J. Dunning delinquent dads: Child support enforcement policy and never-married women. *Focus* (Spring 2000) 21:27-30; and Turetsky, V. *You get what you pay for: How federal and state investment decisions affect child support performance*. Washington, DC: Center for Law and Social Policy, December 1998.
56. The federal government reimburses states 66% of their program costs through an open-ended entitlement funding stream, and states fund their matching share of costs with some combination of state general or special funds, assigned welfare collections, and federal incentive payments. See Fishman, M., Dybdal, K., and Tapogna, J. *State financing of child support enforcement programs*. Final report to Washington, DC: U.S. Department of Health and Human Services, September 1999.
57. U.S. Department of Health and Human Services. *21 million children's health: Our shared responsibility—The medical child support working group's report to Congress*. Washington, DC: DHHS, August 2000.
58. Martinson, K. *Serving non-custodial parents through welfare-to-work grants: Labor market characteristics, employment barriers, and service strategies*. Washington, DC: Urban Institute, October 1998.
59. For example, attention has been focused on informal support, imputing income when setting orders, arrearages, and welfare cost recovery policies. For a discussion of these issues, see Turetsky, V. *Realistic child support policies for low income fathers*. Washington, DC: Center for Law and Social Policy, March 2000.
60. Pearson, J., Thoennes, N., and Griswold, E. Child support and domestic violence: The victims speak out. *Violence Against Women* (1999) 5:427-48; Brandwein, R., ed. *Battered women, children, and welfare reform: The ties that bind*. New York: Sage Publications, 1999; and Turetsky, V., and Notar, S. *Models for safe child support enforcement*. Washington, DC: Center for Law and Social Policy, October 1999.
61. The law also permits states to set lower state income eligibility levels and to make age and income exceptions for children in protective services.
62. For details, see Blank, H. *Helping parents work and children succeed: A guide to child care and the 1996 welfare act*. Washington, DC: Children's Defense Fund, 1997; and Greenberg, M. *A summary of key child care provisions of H.R. 3734*. Washington, DC: Center for Law and Social Policy, 1996.
63. U.S. Department of Health and Human Services. *Fiscal year 2000 state spending under the Child Care and Development Fund*. Washington, DC: DHHS, Child Care Bureau, December 17, 2001 update. Available online at <http://www.acf.dhhs.gov/programs/ccb/research/00acf696/overview.htm>.
64. Calculations based on figures from U.S. Department of Health

- and Human Services. *New statistics show only small percentage of eligible families receive child care help*. Press release. Washington, DC: DHHS, December 6, 2000; and U.S. Department of Health and Human Services. *State spending under the Child Care Block Grant*. Fact sheet. Washington, DC: DHHS, November 12, 1998.
65. See Schumacher, R., Greenberg, M., and Duffy, J. *The impact of TANF funding on state child care subsidy programs*. Washington, DC: Center for Law and Social Policy, September 2001.
 66. See U.S. Department of Health and Human Services, Administration for Children and Families. *Access to child care for low-income working families*. Washington, DC: DHHS, October 1999. See also Collins, A., Layzer, J., Kreader, J., et al. *National study of child care for low-income families: State and community substudy*. Interim report. Prepared by the National Center for Children in Poverty and Abt Associates for the U.S. Department of Health and Human Services. Washington, DC: DHHS, November 2000, p. 36.
 67. The Children's Defense Fund. *A fragile foundation: State child care assistance policies*. Washington, DC: CDF, 2001.
 68. Schumacher, R., and Greenberg, M. *Child care after leaving welfare: Early evidence from state studies*. Washington, DC: Center for Law and Social Policy, October 1999.
 69. Adams, G., Snyder, K., and Sandfort, J. *Getting and retaining child care subsidies: How policy and practice influence parents' experiences*. Washington, DC: Urban Institute, forthcoming.
 70. See Gish, M. *State programs under the Child Care and Development Fund*. Washington, DC: Congressional Research Service, March 2001. See also the State Policy Documentation Project Web site at <http://www.spdp.org>, Child care provision after leaving cash assistance; American Public Human Services Association. *Child care at three: Survey of state program changes*. Washington, DC: APHSA, 1999, p. 2; and Blank, H., Behr, A., and Schulman, K. *State developments in child care, early education and school-age care 2000*. Washington, DC: Children's Defense Fund, 2001.
 71. See note 66, Collins, et al., p. 6.
 72. To encourage certain types of providers to participate in the system, however, more than 20 states have implemented differential reimbursement rates. For example, some states pay higher rates for nationally accredited programs or programs that serve children during nontraditional hours or that serve children with special needs. See note 70, Blank, Behr, and Schulman.
 73. For a brief overview of the Medicaid program and populations served, see <http://hcfa.hhs.gov/pubforms/actuary/ormedmed/DEFAULT4.htm>, and <http://hcfa.hhs.gov/stats/hstats99/blusta99.htm>, tables 11, 26, and 34.
 74. For a summary of other Medicaid-related changes under the 1996 law, see Center for Budget and Policy Priorities. *An analysis of the AFDC-related Medicaid provisions in the new welfare law*. Washington, DC: CBPP, 1996.
 75. Guyer, J., and Mann, C. *Taking the next step: States can now expand health coverage to low-income working parents through Medicaid*. Washington, DC: Center on Budget and Policy Priorities, 1998.
 76. See Ku, L., and Bruen, B. *The continuing decline in Medicaid coverage*. New Federalism: Issues and Options for States, Brief no. A-37. Washington, DC: Urban Institute, 1999, tables 1 and 2. See also U.S. General Accounting Office. *Medicaid enrollment: Amid declines, state efforts to ensure coverage after welfare reform vary*. GAO/HEHS-99-163. Washington, DC: GAO, September 1999, pp. 6, 11-12; Dion, R.M., and Pavetti, L. *Access to and participation in Medicaid and the food stamp program: A review of the recent literature*. Washington, DC: Mathematica Policy Research, March 2000, pp. 11-13, and Appendix B; and Families USA Foundation. *Losing health insurance: The unintended consequences of welfare reform*. Washington, DC: Families USA, 1999, p. 16.
 77. For example, nearly 80% of parents of eligible uninsured children mistakenly believed that Medicaid receipt is subject to time limits. Perry, M., Kannel, S., Burciaga Valdez, R., and Chang, C. *Medicaid and children: Overcoming barriers to enrollment: Findings from a national survey*. Washington, DC: Kaiser Commission on Medicaid and the Uninsured, January 2000, p. 9. See also Stuber, J., Maloy, K., Rosenbaum, S., and Jones, K. *Beyond stigma: What barriers actually affect the decisions of low-income families to enroll in Medicaid?* Issue Brief. Washington, DC: George Washington University Medical Center, Center for Health Services Research and Policy, June 2000.
 78. See note 77, Stuber, et al.; Ellwood, M. *The Medicaid eligibility maze: Coverage expands, but enrollment problems persist*. Washington, DC: Kaiser Commission on Medicaid and the Uninsured, September 1999; Smith, V., Lovell, R., Peterson, K., and O'Brien, M. *The dynamics of current Medicaid enrollment changes: Insights from focus groups of state human service administrators, Medicaid eligibility specialists, and welfare agency analysts*. Washington, DC: Kaiser Commission on Medicaid and the Uninsured, 1998; and Maloy, K., Pavetti, L., Shin, P., and Darnell, J. *A description and assessment of state approaches to diversion programs and activities under welfare reform*. George Washington University Medical Center, Center for Health Services Research and Policy, August 1998. See also note 76, U.S. General Accounting Office, pp. 18-24; and Dion and Pavetti, pp. 13-15.
 79. A review of state "leavers" studies found considerable differences among states, but typically at least 20% of children and most adults were no longer receiving Medicaid after leaving TANF. See Greenberg, M. *Participation in welfare and Medicaid enrollment*. Washington, DC: Kaiser Commission on Medicaid and the Uninsured, 1998. See also Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. *"Leavers" and diversion studies: Summary of research on welfare outcomes funded by ASPE*. Washington, DC: DHHS, 2000; and Loprest, P. *Families who left welfare: Who are they and how are they doing?* Washington, DC: Urban Institute, 1999, chart 11.
 80. See note 77, Perry, et al., p. 6.
 81. Ellis, E., and Smith, V. *Medicaid enrollment in 50 states: June 1997 to December 1999*. Washington, DC: Kaiser Commission on Medicaid and the Uninsured, October 2000, p. 18.
 82. See Holahan, J. *Why did the number of uninsured fall in 1999?* Policy brief. Washington, DC: Kaiser Commission on Medicaid and the Uninsured, January 2001; and Guyer, J. *Uninsured rate of poor children declines, but remains above pre-welfare reform levels*. Washington, DC: Center on Budget and Policy Priorities, September 2000.
 83. In April 2000, based on evidence that a number of states had failed to correctly determine continued Medicaid eligibility for families leaving TANF, the Health Care Financing Administration (HCFA) directed all states to review their case closures and reinstate families whose Medicaid assistance had been terminated erroneously. In addition, because children who receive SSI are generally eligible for Medicaid, HCFA also directed all states to obtain a list of children who had lost SSI and to ensure that they were enrolled in Medicaid. See State Medicaid Directors Letter, April 7, 2000. Available online at <http://www.wqa.hcfa.gov/medicaid/smd40700.htm>.

84. For a brief overview of the SCHIP program, see <http://www.hhs.gov/news/press/2001pres/01fsschip.html>.
85. See note 81, Ellis and Smith, p. 6.
86. See note 82, Guyer, pp. 1–2.
87. U.S. Department of Agriculture. *Characteristics of food stamp households: Fiscal year 2000* (Advance Report). Alexandria, VA: USDA, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation, June 2001.
88. See note 87, U.S. Department of Agriculture, table 1.
89. For a general overview of food stamp program structure and rules, see <http://www.fns.usda.gov/fsp/MENU/about/about.htm>. For a more detailed discussion, see Food Research and Action Center. *FRAC'S guide to the Food Stamp program*. 10th ed. Washington, DC: FRAC, 1999.
90. The original Congressional Budget Office projections estimated that \$27.7 billion, or about half the original projected spending reductions from the 1996 law, would be attributable to reductions in food stamp program eligibility and benefits, including restrictions on immigrant eligibility. Center on Budget and Policy Priorities. *The depth of the food stamp cuts in the final welfare bill*. Washington, DC: CBPP, August 14, 1996.
91. Based on preliminary data from the U.S. Department of Agriculture. For a summary of monthly participation numbers, see <http://www.fns.usda.gov/pd/fsmonthly.htm>.
92. Castner, L. *Trends in FSP participation rates: Focus on 1994 to 1998*. Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, November 2000, pp. 16, 23.
93. U.S. General Accounting Office. *Food stamp program: Various factors have led to declining participation*. GAO/RCED-99-185. Washington, DC: GAO, July 1999, p. 10.
94. U.S. Department of Agriculture. *The decline in food stamp participation: A report to Congress*. Alexandria, VA: USDA, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation, July 2001.
95. It has been estimated that 65% of former welfare families that left the food stamp program still had incomes below food stamp eligibility standards. See Zedlewski, S.R., and Brauner, S. *Declines in food stamp and welfare participation: Is there a connection?* Assessing the New Federalism, Discussion paper 99-13. Washington, DC: Urban Institute, 1999, pp. 20–21. See also note 79, Loprest, chart 11 and table 4.
96. Rangarajan, A., and Gleason, P.M. *Food stamp leavers in Illinois: How are they doing two years later?* Washington, DC: U.S. Department of Agriculture, Economic Research Service, January 2001, pp. 68–70.
97. Zedlewski, S., and Gruber, A. *Former welfare families continue to leave the food stamp program*. Washington, DC: Urban Institute, 2001. See also note 93, U.S. General Accounting Office, pp. 13–14.
98. In early 1999, the Department of Agriculture wrote to all states stressing the importance of complying with food stamp protections in determining food stamp eligibility and benefits when evaluating TANF applications and closing TANF cases. See <http://www.fns.usda.gov/fsp>.
99. For an overview of the evolution of the foster care program from AFDC, see Frame L. *Suitable homes revisited: An historical look at child protection and welfare reform*. *Children and Youth Services Review* (1999) 21(9–10):719–54.
100. Although the connection between poverty and maltreatment is not fully understood, the risk of abuse or neglect is 22 times greater for children living in families with annual incomes below \$15,000 than for children living in families with incomes greater than \$30,000. Sedlak, A.J., and Broadhurst, D.D. *Third national incidence study of child abuse and neglect: Final report*. Washington, DC: U.S. Department of Health and Human Services, 1996, pp. 5-1 to 5-8. Also, though less than 3% of children receiving AFDC during the study period moved into foster care, nearly 60% of children in foster care came from families that were, or recently had been, receiving AFDC. See Chapin Hall Center for Children, University of Chicago. *Dynamics of children's movement among the AFDC, Medicaid and foster care programs prior to welfare reform: 1995–1996*. Washington, DC: U.S. Department of Health and Human Services, March 2000.
101. As per the technical corrections in the Balanced Budget Act of 1997, Public Law 105–133.
102. Since the law was enacted, the poorest single-mother families have experienced a decrease in disposable income. See note 8, Primus, et al.
103. The 1996 law prohibits states from sanctioning single custodial parents for failure to comply with work requirements if the parent demonstrates that she or he is unable to obtain needed child care for a child under age six, but it is not clear if TANF recipients are aware of this exception. They may believe that they risk losing cash assistance if they do not comply with the work requirements. In addition, the exception does not apply to lack of child care for children age 6 or older—yet a number of states include failure to supervise children up to the age of 10 or 12 within the definition of “neglect.”
104. U.S. Department of Health and Human Services. *Child maltreatment 1999: Ten years of reporting*. Washington, DC: DHHS, 2001.
105. U.S. House of Representatives, Committee on Ways and Means. *2000 green book: Background material and data on programs within the jurisdiction of the Committee on Ways and Means*. Washington, DC: U.S. Government Printing Office, 2001, p. 720. This apparent paradox may be due to children remaining in foster care for longer periods of time. See Wulczyn, F.H., Brunner, K., and Goerge, R.M. *An update from the multistate foster care data archive: Foster care dynamics 1983–1997*. Chicago: Chapin Hall Center for Children, University of Chicago, 1999.
106. See Shook, K. Does the loss of welfare income increase the risk of involvement with the child welfare system? *Children and Youth Services Review* (1999) 21(9–10):781–814. See also Wells, K., and Guo, S. The impact of welfare reform on foster care and child welfare: A case study: Reunification of foster children in the first entry cohort. Paper presented at the 40th Annual Workshop of the National Association for Welfare Research and Statistics. Scottsdale, AZ. July 29–August 2, 2000.
107. Paxson, C., and Waldfogel, J. Welfare reforms, family resources, and child maltreatment. In *The incentives of government programs and the well-being of families*. B. Meyer and G. Duncan, eds. Chicago: Joint Center for Poverty Research, 2001, pp. 1–47.
108. Fein, D., and Lee, W. *The ABC evaluation: Impacts of welfare reform on child maltreatment*. Bethesda, MD: Abt Associates, 2000.
109. Geen, R., Fender, L., Leos-Urbel, J., and Markowitz, T. *Welfare reform's effect on child welfare caseloads*. Washington, DC: Urban Institute, February 2001.
110. Geen, R., Waters Boots, S., and Tumlin, K. *The cost of protecting*

- vulnerable children: *Understanding federal, state, and local child welfare spending*. Washington, DC: Urban Institute, 1999.
111. For example, under the 1996 law, states may transfer part of their TANF funds to Title XX, subject to certain limits. Specifically, no more than 10% can be transferred to Title XX for services to children and their families whose income is below 200% of poverty.
 112. See note 27, Cohen; and Christian, S., and Ekman, L. *A place to call home: Adoption and guardianship for children in foster care*. Denver, CO: National Conference of State Legislatures, March 2000.
 113. Berns, D., and Drake, B. Uniting child welfare and welfare reform. *Children's Voice* (Fall 1999) 8(5):20-23; and Berns, D., and Drake, B.J. Combining child welfare and welfare reform at a local level. *Policy and practice* (March 1999) 57(1):26-34.
 114. U.S. Census Bureau. *America's families and living arrangements*. March 2000 Current Population Survey Report. Washington, DC: U.S. Census Bureau, June 2001, detailed table no. C2.
 115. See note 3, SPDP Web site. *Separate state programs and state-only TANF funds* (June 2000). See also note 112, Christian and Ekman; and Generations United. *Grandparents and other relatives raising children fact sheet: Subsidized guardianship programs*. Washington, DC: Generations United, June 2001.
 116. Although child-only cases are a steadily increasing share of the TANF caseload, representing nearly 30% of the TANF caseload in 1999, this is largely because other types of cases are declining more rapidly. In addition, children living with relatives make up only a small fraction of the child-only cases. The majority of these cases involve children living with parents who, for a variety of reasons, are ineligible for TANF assistance. See note 3, U.S. Department of Health and Human Services.
 117. Nearly 30% of children in foster care live with relatives. U.S. Department of Health and Human Services, Administration for Children and Families, Children's Bureau. *Report to Congress on kinship foster care*. Washington, DC: DHHS, June 2000, p. 7.
 118. U.S. House of Representatives, Committee on Ways and Means. *1998 green book: Background material and data on programs within the jurisdiction of the Committee on Ways and Means*. Washington, DC: U.S. Government Printing Office, 1998, p. 298. In addition to a new assessment tool (the Individualized Functional Assessment, or IFA) to determine childhood disability under the *Zebley* decision, other factors contributed significantly to the increased caseload, including: (1) creation of an outreach program; (2) expansion of the category of mental disorders considered disabling; and (3) the recession of the early 1990s, which is thought to have resulted in more children meeting the income criteria of the SSI program. See Mashaw, J.L., Perrin, J.M., and Reno, V., eds. *Restructuring the SSI disability program for children and adolescents: Report of the Committee on Childhood Disability of the Disability Policy Panel*. Washington, DC: National Academy of Social Insurance, 1996.
 119. For an overview of this coverage, see Georges, C. A media crusade gone haywire. *Forbes MediaCritic* (September 1995) 3:1, 66-71.
 120. See note 118, Mashaw, Perrin, and Reno, p. 1.
 121. See U.S. General Accounting Office. *Supplemental Security Income: Progress made in implementing welfare reform changes; more action needed*. GAO-HEHS-99-103. Washington, DC: GAO, 1999.
 122. SSA's interpretation defined childhood disability as an impairment that "causes marked limitations in two broad areas of functioning or extreme limitations in one such area." See Part IV in Social Security Administration. *Federal Register* (February 11, 1997) 62(28):6408-32, and section 416.925, in particular. See also U.S. General Accounting Office. *Supplemental Security Income: SSA needs a uniform standard for assessing childhood disability*. GAO/HEHS-98-123. Washington, DC: GAO, May 1998.
 123. The letter says, "...a large percentage of [the children expected to] lose assistance based on the SSA's definition of disability will be disabled children who are truly in need of assistance....The SSA is proposing to define 'marked and severe' as meaning listings levels severity or any equivalent level of severity. Congress never intended and did not require this level of severity." Senators Kent Conrad, Edward Kennedy, John D. Rockefeller IV, Max Baucus, Christopher Dodd, John Chafee, Tom Harkin, James Jeffords, Patrick Leahy, and Tom Daschle. Letter to President William J. Clinton, dated April 14, 1997.
 124. See the Code of Federal Regulations, Title 20: Employees' benefits, Chapter 11, Social Security Administration. Part 404: Federal old-age, survivors and disability insurance; and 416: Supplemental security income for the aged, blind, and disabled.
 125. For a discussion of the differences in the final regulations, see Yates, T. New rules, same standard: The Social Security Administration adopts new rules for evaluating SSI childhood disability. *Journal of Poverty, Law, and Policy* (May-June 2001), 35(1/2): 59-78.
 126. U.S. Social Security Administration. *2001 annual report of the Supplemental Security Income Program*. Baltimore, MD: SSA, Office of the Chief Actuary, May 2001, table V.D3. Available online at http://www.ssa.gov/OACT/SSIR/SSI01/Redet_CDRdata.html.
 127. The total number of redeterminations for the years 1997 through 2000 was 191,049. Of those, 90,899 (48%) were initially ceased. On reconsideration or appeal a number of these cessations were continued so that, by the close of 2000, the number of cessations was 74,066 or 39% of the initial redeterminations. However 6,653 of the cases were still pending, so the final cessation rates could be lower, as low as 35%. The office of Chief Actuary at SSA estimates, based on past experience and trends, that the final cessation rate for these years will likely be about 37%. Author's personal conversation.
 128. About 80% of SSI recipients are automatically eligible for Medicaid because of their eligibility for SSI. See note 105, U.S. House of Representatives, Committee on Ways and Means, p. 225. Thus, unless these teens meet other Medicaid eligibility criteria, they will lose their coverage.
 129. For example, under the Individuals with Disabilities Education Act (IDEA), adolescents are permitted to receive special education services until age 22. In addition, under the federal foster care program, Congress recently made changes to help children transition to independent living, rather than simply cutting off support at age 18.
 130. Much of the congressional concern stemmed from the fact that noncitizens use public benefits at higher levels than citizens. For further discussion of this topic, see note 118, U.S. House of Representatives, Committee on Ways and Means, Appendix J. Recent analysis notes that noncitizen households tend to have lower household income and more children than citizen households have. When controlling for poverty and number of children, however, noncitizens actually use public benefits at levels equal to or lower than those of citizens. See Fix, M., and Passel, J.S. *Trends in noncitizens' and citizens' use of public benefits fol-*

- lowing welfare reform: 1994-97.* Washington, DC: Urban Institute, March 1999.
131. The Congressional Budget Office estimated that the immigrant eligibility changes in the welfare law would save almost \$23.7 billion over 6 years, accounting for about 44% of the \$54.1 billion savings initially projected for the law. See Congressional Budget Office. *Federal budgetary implications of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.* CBO Memorandum. Washington, DC: CBO, December 1996, p. 27. The savings were significantly reduced when subsequent legislation in 1997 and 1998 modified the immigrant provisions of the 1996 law.
 132. Zimmermann, W., and Tumlin, K.C. *Patchwork policies: State assistance for immigrants under welfare reform.* Washington, DC: Urban Institute, 1999, p. 15, figure 1.
 133. Generally, "qualified" immigrants include persons admitted for legal permanent residence, refugees, immigrants paroled into the United States for at least one year, and immigrants granted asylum or related relief. See note 26, PRWORA, title IV, section 431. The 1996 immigration law added certain abused spouses and children as another class of qualified immigrants, and the 1997 Balanced Budget Act added Cuban/Haitian entrants.
 134. State options were subject to requirements to "deem" the income of sponsors, however, whereby the income and resources of an immigrant's sponsor are counted as the immigrant's when making eligibility determinations. See note 132, Zimmermann and Tumlin, p. 27. The sponsor's affidavit of support is legally enforceable and remains in effect until the sponsored immigrant attains citizenship or accumulates 40 qualifying quarters of work. See U.S. General Accounting Office. *Welfare reform: Many states continue some federal or state benefits for immigrants.* GAO/HEHS-98-132. Washington, DC: GAO, 1998, pp. 6-7.
 135. The principal amendments to the original 1996 law include the Illegal Immigration Reform and Immigrant Responsibility Act, the Balanced Budget Act of 1997, the Agricultural Research, Extension and Education Reform Act of 1998, and the Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998.
 136. Only Alabama opted not to provide TANF and only Wyoming elected to deny nonemergency Medicaid to pre-enactment immigrants. See note 132, Zimmermann and Tumlin, p. 60, table 25.
 137. For a detailed discussion of the 1998 modifications, see Carmody, K., and Dean, S. *New federal food stamp restoration for legal immigrants: Implications and implementation issues.* Washington, DC: Center on Budget and Policy Priorities, 1998.
 138. Provisions were enacted to retain benefits for "qualified" immigrants who were receiving SSI when the 1996 law was enacted, and to allow benefits for new applicants who were residing in the United States when the law was enacted and who were (or subsequently became) disabled. A further modification continued SSI for "not qualified" immigrants who were residing in the United States and receiving SSI at the time of enactment, but unlike "qualified" immigrants, "not qualified" immigrants who subsequently become elderly or disabled will not qualify for SSI, even if they were residing in the U.S. when the law was enacted.
 139. Overall, the modifications under the Balanced Budget Act of 1997 were estimated to reverse \$11.4 billion of the \$23.8 billion in savings from restrictions on immigrant benefits under the 1996 law. See National Conference of State Legislatures. *Supplemental Security Income.* Immigrant policy issue brief. Denver: NCSL, 1998.
 140. See note 132, Zimmermann and Tumlin, pp. 22-23.
 141. See note 121, U.S. General Accounting Office, p. 16.
 142. See U.S. General Accounting Office. *Medicaid: Demographics of nonenrolled children suggest state outreach strategies.* GAO/HEHS-98-93. Washington, DC: GAO, 1998; and Schlosberg, C. Beyond outreach and informing: Getting serious about covering uninsured children in immigrant families. *Policy and Practice* (December 1998) 56(3):54-63.
 143. See note 130, Fix and Passel, p. 2. See also Fix, M. *Comment on welfare reform and immigration by George Borjas.* Washington, DC: Urban Institute, 2001, figure 1.
 144. Capps, R. *Hardship among children of immigrants: Findings from the 1999 National Survey of America's Families.* Washington, DC: Urban Institute, 2001, table 1 and figure 2.
 145. See, for example, Zimmermann, W., and Fix, M. *Declining immigrant applications for Medi-Cal and welfare benefits in Los Angeles County.* Washington, DC: Urban Institute, 1998, pp. 2, 4, and table 1.
 146. See, for example, U.S. Immigration and Naturalization Service. *A quick guide to "public charge" and receipt of public benefits: Summary.* Washington, DC: U.S. Department of Justice, INS, October 18, 1999.
 147. See note 132, Zimmermann and Tumlin, p. 26.
 148. Cited in note 143, Fix and Passel, p. 2.
 149. See, for example, Gordon, R. *How welfare "reform" punishes poor people.* Oakland, CA: Applied Research Center, 2001.
 150. Under Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency," issued August 11, 2000, all federal agencies were directed to take "reasonable steps to ensure meaningful access to their programs and activities by [limited English proficient] persons," based on the fact that not serving this population because of their inability to speak English may be a violation of Title VI of the Civil Rights Act. In response, the Department of Health and Human Services (and other federal agencies) issued guidance to help address the hurdles people not fluent in English were encountering when trying to obtain services. Such help may include providing interpreters, translations, and other assistance as needed. See *Federal Register* (August 30, 2000) 65(169):52,762-74.
 151. The bill, H.R. 969, was introduced on March 8, 2001, in the U.S. House of Representatives to nullify Executive Order 13166 and to prohibit use of funds under any provision of law to promulgate or enforce any executive order that creates an entitlement to services provided in any language other than English. The bill was referred to a House subcommittee on March 15, 2001, and as of December 2001 no further action had been taken.



Reforms and Child Development

Aletha C. Huston

SUMMARY

Since their inception in the 1930s, U.S. welfare and income support programs have played an important role in providing benefits to children. Unlike programs directly targeted to children, however, welfare programs are designed to produce economic and employment impacts on adults, so that any effects on children would be indirect. This article explores the influence of such programs on children's well-being and development, first by defining goals for children's healthy development, then by proposing a framework for understanding the impact of welfare policies on children. A review of the literature within each component of this framework reveals the following:

- Measures of children's well-being should encompass physical, intellectual, social, and emotional development.
- The physical and material environment, family environment, and social and community environment can all affect a child's healthy development.

▫ Policies designed to increase maternal employment, reduce welfare use, and strengthen families do not necessarily lead to more positive environmental contexts and increased child well-being.

The author concludes that to ensure positive impacts on children, welfare and income support policies must move beyond their exclusive emphasis on adults and include goals that focus on improving children's social and physical environments at home and in the community.

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When Aid to Dependent Children was established in the 1930s, its principal goal was to promote the welfare of children. Under the assumptions of the day, that meant assuring not only that basic physical needs were met (orphanages could do that), but that children could be cared for by their mothers. Since then, children have been major beneficiaries of U.S. welfare programs for low-income families. In 1995, for example, approximately two-thirds of recipients in the Aid to Families with Dependent Children (AFDC) program were children—many under age three.¹ Children's health and development is still an implicit goal of welfare programs, and policymakers often assert that program changes will produce benefits for children. For example, one common argument is that employed parents provide positive models of productive, self-sufficient citizenship.² At the same time, critics have worried that policy changes made in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 will diminish families' ability to provide both material and personal resources to their children.

Current federal welfare policy embodied in the new program, Temporary Assistance for Needy Families (TANF), was designed to address the following three major goals: (1) to increase paid employment among parent recipients; (2) to reduce "welfare dependence"—that is, to reduce the number of families receiving welfare over a long period of time; and (3) to influence family structure by encouraging marriage and two-parent families, reducing the incidence of out-of-wedlock childbearing, and requiring that both parents provide for the child. The framers of welfare reform legislation did not make poverty reduction a goal, but in recognition that merely trading welfare for work often does not improve a family's economic situation, states were given the option to include various financial incentives to encourage recipients to work.

The 1990s also brought major changes in policies designed to help working poor families outside the welfare system, contributing to increased employment and other outcomes observed since welfare reform. For example, the maximum earned income tax credit (EITC) benefit for a family with two children increased from \$1,511 in 1993 to \$3,888 in 2000. Similarly,

both child care assistance³ and health insurance for children⁴ have been extended to more nonwelfare working poor families. These changes are designed to reward employment, but unlike TANF, they also are explicitly intended to reduce poverty among working families with children.⁵

This article begins by examining the goals of welfare and income support policies aimed at the working poor in the context of more general goals for enhancing children's well-being. A framework is proposed for examining how policies for poor families may influence children's well-being and development, and the relevant literature is briefly summarized within each component of that framework. A final section discusses the limits of current knowledge and poses questions for future research.

Goals for Enhancing Children's Development

Economic and employment policies define their goals for children somewhat differently than do policies focused on early childhood education, which are intended to improve children's lot directly. Welfare and income support policies are based in economic thinking, whereas many child policies are rooted in child development, education, and related fields. The following analysis explores the issues, tensions, and common threads in these different approaches to defining goals for children and suggests a more inclusive set of goals that may be useful in considering existing research and provoking new questions.

Because most welfare policies entail spending public funds, economic considerations are understandably important in evaluating all policies affecting children. The economic perspective has led to the idea that public spending on children is an investment in their future economic productivity. For example, early interventions are evaluated by their long-term effects on adult educational attainment, employment, and income. Although costs and benefits are legitimate issues, there is a danger in requiring that all investments in children be justified by demonstrable "profits" to society in the form of later economic productivity. It puts an enormous burden on any policy to require that it show economic benefits 10 to 20 years later.

Welfare and income support policies are based in economic thinking, whereas many child policies are rooted in child development, education, and related fields.

In contrast, those who specialize in child development regard quality of life during childhood as a legitimate goal in its own right, even though they also stress children's achievement of developmental aims as preparation for later life. In the United Kingdom and parts of Europe, scholars are bringing a human rights perspective into policy discussions, framing the discourse around children's rights as embodied in the United Nations' Convention on the Rights of the Child.⁶

Several issues underlie these discussions about what outcomes for children should be sought in welfare policies. First, tension stems from the difference between considering a child's worth in the present and a child's worth as a future adult. To what extent should a child's well-being be valued for its own sake? To what extent should policies for children be judged by their contribution to the adult that child may become? One way of crystallizing this issue is to ask: How much public investment would be worthwhile to care for a terminally ill child who would not live beyond age 12?

Second, debate continues about whether public spending on children should be justified on the basis of moral or human rights, or on the basis of present and future productivity. To what extent do children have the right to certain types of protection or benefits from society? To what extent should public resources be concentrated on outcomes for children that are associated with short-term or long-term productivity? Should assistance to poor families be justified, for example, by demonstrating that it enhances children's well-being by reducing their exposure to violence or low-quality schools? Or should it be justified as a means of increasing the probability that children will become economically productive citizens?

Third, differences exist among those who emphasize prevention of harm and those who emphasize positive development. The youth development movement, for example, stresses the difference between programs designed to enhance skills and those aimed at preventing problems, arguing that prevention is not sufficient. Should welfare policies for parents make positive con-

tributions to children's well-being? Or is it sufficient to do no harm?

Finally, some maintain that child well-being should be defined solely by the child's characteristics, whereas others believe the context in which the child lives should also be considered. In models and research investigating policy effects on children, the "child outcomes" are the child's behaviors and attributes, such as school achievement, social skills, behavioral problems, and health status. Developmental psychologists and policy researchers alike think of the child as the locus of development. But others have begun to focus more on the contexts provided to children. For example, among the rights listed in the United Nations' Convention on the Rights of the Child is an obligation of the state to provide assistance to parents, such as income supports, child care services, children's health care services, and education.⁶ A consortium of state policymakers recently brought together to select a common set of indicators to evaluate welfare reform also focused on contexts, nominating outcomes that included many aspects of children's environments, such as reduced child poverty and adequate housing.⁷ Such indicators reflect the view that a policy's effects on the home environment, for example, are as relevant as effects on a child's school performance.

These contrasting perspectives illustrate the multiple and sometimes contradictory criteria and objectives for public policies affecting children. The most reasonable approach to assessing the impact of welfare and income support policies on children would keep various objectives in balance: emphasizing a child's present well-being as well as his or her future as an adult; considering a child's well-being as well as his or her productivity; expecting policies to promote positive development as well as prevent harm; and defining child outcomes to include healthy contexts as well as skills and behaviors. Goals for healthy child development that encompass all these dimensions are summarized in Box 1.

Box 1

Goals for Healthy Child Development

- ▷ Health and physical comfort, including shelter, nourishment, freedom from pain and abuse, and medical care.

Indicators: housing stability versus homelessness; food sufficiency and nutrition; freedom from child abuse, use of foster care; health care and immunization; absence of physical disability.

- ▷ Family or adults who care, are reasonably constant and reliable, and who provide love and encouragement. Consistency of caregivers and settings.

Indicators: child living out of home; parent-child relationship; parenting warmth; social supports from other adults.

- ▷ Development of intellectual and other capabilities to their fullest, such as language skill; school achievement; and skill in athletics, music, or art.

Indicators: language; cognitive ability; literacy; school achievement (short- and long-term); achievement in other domains.

- ▷ Emotional well-being and mental health, including self-worth, sense of personal control, and freedom from depression and anxiety.

Indicators: low internalizing problems and anxiety; high perceived self-worth; low referrals for mental health problems.

- ▷ Skills in relating to others, both adults and peers, including, for example, assertiveness without violence, sociability, cooperation, understanding others' perspectives, complying with adult expectations, and leadership.

Indicators: positive social behavior; low externalizing or behavior problems; social skills with peers; social skills with adults; social cognitive skills.

- ▷ Responsibility and morality, including the ability to guide one's own behavior and act in accord with societal standards of right and wrong.

Indicators: absence of delinquency and antisocial behavior; conformity to social expectations; sexual responsibility.

- ▷ In adulthood, ability to support self and family, be a good parent, contribute to society, be mentally and physically healthy, and not commit crimes or abuse substances.

Indicators: educational and occupational attainment; absence of criminal activity or substance abuse; mental and physical health.

Source: For a review of indicators and measures, see Hauser, R.M., Brown, B.V., and Prosser, W.R., eds. *Indicators of children's well-being*. New York, NY: Russell Sage Press, 1997.

How Welfare and Income Support Policies Affect Children

Welfare reform and efforts to support working poor families are designed to change the economic and personal behavior of parents. Any effects on children occur indirectly, most likely through an impact on parents' employment, family resources, use of early education and child care, and other family circumstances. Figure 1 displays a schematic of some of the major pathways by which policies could affect children's development.⁸ Welfare and income support policies are designed to influence parents' employment (especially

maternal employment), income and material resources, and family structure. Changes in employment, resources, and family structure are likely in turn to influence children's physical and material environment, family environment, and child care, school, neighborhood, and community environments.

The following sections summarize the literature about how the factors in each of these "boxes" might affect children.⁹ Rather than beginning with the policies and tracking their potential influence through adult activities and behavior, the first section focuses on the two right-hand columns of the schematic, summarizing what is known about how environmental contexts

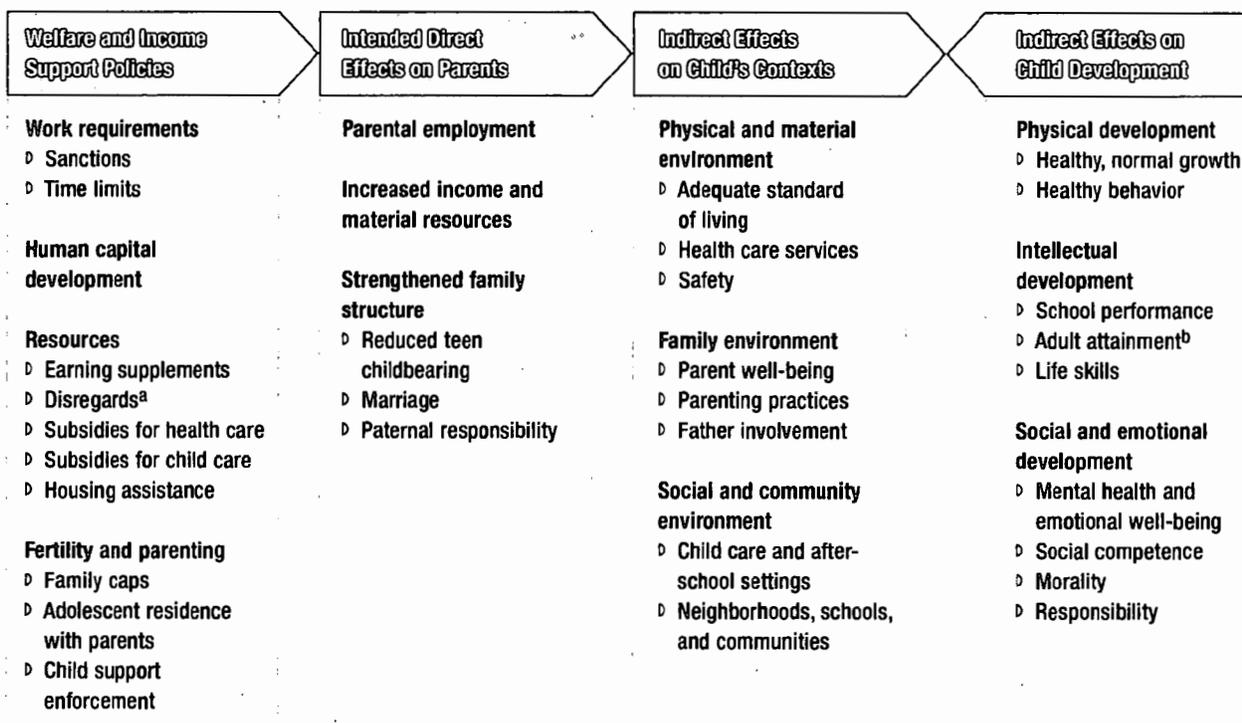
relate to children's healthy development. This approach helps to locate domains of children's development that have been neglected in research and focuses directly on the well-being of children, especially those in low-income families. Working backward in the model, the second section then summarizes what is known about how parents' employment, family material resources, and family structure might affect children's life experiences and development.

The Links between Environmental Contexts and Children's Development

Environmental contexts and child characteristics are both potentially important, albeit indirect, outcomes

of public policy directed at families. Environmental contexts that support a decent quality of life can be justified on that basis alone, but they are also important because they can affect children's physical, intellectual, and socioemotional development. Random-assignment experiments, which randomly assign some participants to the program and others to a control group have established the causal influences in some instances—that is, whether the context affects the child, the child affects the context, or both are caused by other factors. But it is also recognized that children often play a role in both selecting and responding to available contexts, and they in turn are influenced by their experiences. Thus, most current child develop-

Figure 1
Conceptual Model for Policy Effects on Children



^a"Disregards" refers to policies that allow recipients to earn more before losing benefits.
^b"Adult attainment" refers to the process of maturing mentally and physically.



For infants and preschool children, the cognitive and social environment provided in the home predicts children's language development, intelligence, school readiness, and school achievement in reading and math.

ment theories maintain that effects on children and context are bidirectional—that is, they are mutual and intertwined.

Physical and Material Environment

Three key elements contribute to a healthy physical and material environment for children: (1) an adequate standard of living (particularly sufficient food, clothing, and housing); (2) health care services, including prevention and treatment (such as immunization); and (3) safety from injury, violence, and environmental hazards. In contrast, the physical and material environments that poor children experience are often characterized by hardship, hunger, homelessness, exposure to toxins and other dangerous substances, exposure to violence and other hazards to physical safety, and inadequate preventive health care. When families and communities do not have—or do not provide—the necessary preventive resources, children are at greater risk of injuries, failure to thrive, mortality, untreated medical and dental conditions, and health problems such as asthma.^{10,11}

Policies that improve family income or provide assistance with food, housing, and child care increase families' material resources. Income is often used as a proxy for material resources, but it is not a direct index of the material goods and services available to children.¹² Although intensive qualitative interviews with mothers living in poverty show that most families budget money in ways that will benefit children,¹³ families vary in how much of their income they spend on children. By middle childhood, and certainly in adolescence, children's perceptions of their family's economic strain or material hardship can be an important influence on their sense of well-being.¹⁴

Family Environment

Parenting and the quality of the home environment play an extremely important role in children's lives. For healthy development, children need adult family members and other adults who are mentally healthy, respon-

sible, constant, and reliable to provide them with love and encouragement. The parent-child relationship should be characterized by warmth, open communication, and firm (but not harsh) discipline. And children benefit when both parents assume responsibility for their emotional and financial support.

Welfare and income support policies that change parents' employment status, family resources, and family structure could affect children's home environments by changing parents' time at home, parents' personal sense of well-being, and the relationships among family members. Experimental evidence has shown that the quality of the home environment can be improved by interventions that teach mothers about child rearing, but no evidence documents the effects of interventions less directly focused on child rearing.¹⁵

In the very large amount of research relating parenting and the home environment to children's cognitive and intellectual development, some consistent patterns have emerged. First, although children who develop strong intellectual skills also tend to demonstrate positive social and emotional behavior, the home and family characteristics associated with intellectual versus social development are somewhat different. For infants and preschool children, the cognitive and social environment provided in the home predicts children's language development, intelligence, school readiness, and school achievement in reading and math, even when controlling for numerous other family and demographic characteristics.¹⁶⁻¹⁹ Maternal intellectual ability also is a strong predictor of children's academic performance, a finding that suggests both genetic and environmental contributions to a child's performance.

In comparison to cognitive and academic outcomes, children's social behavior and emotional well-being are more strongly related to the quality of parent-child interactions, and less strongly to income and cognitive environment.²⁰ Maternal depression is associated with behavioral problems much more con-



sistently than with problems in cognitive or intellectual functioning,²¹ probably because of its effects on parenting practices. Children and youth who demonstrate positive social behavior and low levels of psychological distress perceive their relations with parents positively, and they tend to have mothers who are warm and who avoid harsh punishment.¹⁰ Young people who engage in deviant and delinquent behavior tend to have parents who provide low levels of supervision, monitoring, and control.²²

Virtually all of this literature is subject to some methodological problems that should be of concern in evaluating policy effects. First, links between parent and child characteristics are probably due, at least in part, to genetic similarities.²³ Second, children's behavior elicits and influences parenting and parent well-being as well as responds to it, so the association of parent and child behaviors probably indicates bidirectional causation. For example, in one recent series of studies, better "outcomes" were found among adolescents whose parents monitor their whereabouts. Investigators argue persuasively that these outcomes are not due to parents' vigilant supervision, but instead are due largely to the fact that better-adjusted adolescents volunteer such information about their whereabouts.²⁴ Finally, in many of the studies evaluating welfare policies, children's social behavior is measured by maternal report only, so the measure reflects the mother's reaction to the child as well as the child's behavior. (For a more detailed discussion of this topic, see the article by Chase-Lansdale and Pittman in this journal issue.)

Social and Community Environment

Child care, schools, out-of-school activities, mass media, social supports, and neighborhoods are sources of formative experiences for children in general. Such resources may be especially important for children with a single, employed parent. Research suggests that healthy development can be promoted by child care that is reliable, safe, and of high quality; by education and out-of-school activities appropriate to a child's ability and culture; and by neighborhoods and communities that are safe and that have resources for serving children.

Child Care and After-School Programs

From the time children are infants through their school-age and teen years, the environments they experience while their parents work can play an important role in their development. Federal, state, and local programs provide child care assistance to low-income families, especially those moving from welfare to work, in a variety of ways, including subsidies and resource and referral services. Research suggests that the impact of these policies depends on the age of the child, and the quality, type, and stability of care.²⁵ (See the article by Fuller and colleagues in this journal issue.)

Even very young children are now spending a large amount of time in child care. Current welfare policy permits states to require parents' participation in work-related activities when children are infants, leading to concerns that a mother's time away from her infant will interfere with early development of a positive mother-child relationship and a secure attachment.²⁶ Some evidence suggests that mothers who return to work very early in their infants' lives (before about three months of age) or whose infants have extensive early child care are less sensitive to their children than are their counterparts.²⁷ Maternal sensitivity is associated with the development of secure attachments for infants, but there is little evidence that time with a child per se affects the development of secure attachment.^{28,29}

The quality of care is important, however. An abundance of evidence shows that high-quality child care—care that provides intellectual stimulation, social involvement of adults with children, and language interactions—can have a positive influence on children's intellectual development, particularly among



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children in low-income families.²⁶ Longitudinal, correlational studies consistently show a relationship between high quality of care and small but significant gains in children's cognitive and language development, even with controls for demographic characteristics and parenting behavior.^{17,29,30} Some have argued that these results could be due to unobserved characteristics that differentiate families who choose high- and low-quality care,³¹ and that some of the results do not endure into later childhood and adolescence.³² Nevertheless, experimental studies show that high-quality programs for low-income infants and preschoolers lead to short-term and, in some cases, long-term improvements in school performance.³³

The type of care is also important. Studies suggest that preschool children who receive care in formal center-based settings show better cognitive and language

development on average than do those cared for by relatives or nonrelatives in home-based settings.^{17,34,35} Similarly, somewhat older children, especially those living in low-income areas, who participate in formal after-school programs have been shown to perform better in school compared with those in other types of after-school arrangements.³⁶ Between about third and fifth grade, many children phase out of formal child care programs and spend less and less time under the direct supervision of their parents.³⁷ During this transition, organized youth activities offer opportunities to build skills and interact with peers with at least some adult supervision. Youths who participate in structured activities approved by adults have better school performance and less deviant behavior than do those who spend after-school time in unsupervised activities with peers, especially in low-income families and neighborhoods.³⁸

Stability of care appears to be more consistently related to social and emotional well-being than is quality or type of care. Low-income children who experience unstable child care—frequent changes and multiple arrangements—tend to have more behavioral problems than do those with more stable child care.³⁴ Changing child care arrangements may be a sign of instability in other facets of family life, including housing, parental employment, and family composition—a pattern that has been described as “turbulence.”³⁹ Also, mounting evidence suggests that children who enter care early or spend many hours in care throughout the preschool years may have more behavioral problems than do those who spend more time in the care of parents.⁴⁰

As children get older, they have increasing control over where they spend their time, whom they associate with, and what activities they experience. Thus, the links between their out-of-school environments and any positive development probably reflects bidirectional influences—that is, youths who are more attached to school and nondeviant peers select more positive activities, which in turn reinforce positive behavior. An important developmental “outcome” may be the choices that young people make about how and with whom they spend their time.⁴¹

Neighborhoods, Schools, and Communities

Although most research shows that the effects of neighborhoods and communities are considerably smaller than family influences, children’s development nevertheless is influenced by where they live. Young children and adolescents who live in middle-class neighborhoods perform better in school than do children from comparable families living in less affluent neighborhoods, even with controls for individual family characteristics.⁴²

Safety and school quality are neighborhood features with important potential consequences for children’s development. Results from the Boston site of “Move to Opportunity,” a random-assignment experiment in which families were given vouchers to move from public housing to low-poverty neighborhoods, suggest benefits for children. Children and youths in the experimental groups had lower levels of behavioral problems (boys only), fewer asthma attacks and injuries, and were less often the victims of violence than were the children

in the control group.⁴³ Parents reported less gunfire and less drug activity in the neighborhood. No measures of cognitive or academic performance were reported, but in an earlier quasi-experiment (the Gautreaux Project) in which families moved from inner-city public housing to suburban communities, positive effects on children’s school performance were found.⁴⁴

In sum, the evidence linking environmental contexts to child development, especially among low-income families, is quite strong. Children who are deprived of adequate physical and material resources, who lack attention from a warm and loving family, or who spend lengthy hours in low-quality child care settings tend to show negative intellectual and behavioral outcomes. Thus, policies that work to ameliorate these conditions are likely to have a positive impact on children’s development.

The Links between Effects on Parents and Effects on Children

The direct goals of welfare and income support policies—affecting parents’ employment, income, and decisions about family structure—are shown in Figure 1 as potential influences on children’s environmental contexts. This section discusses briefly what is known about the effects of parental employment, income, and family structure (in conjunction with parents’ age) on children’s life experiences and development in low-income families.

Parental Employment

Since 1996, federal welfare policy has been designed to move welfare recipients quickly into employment and, in the context of a strong economy and other income support policies, it has succeeded. Major welfare policy strategies include work requirements, time limits on welfare receipt, sanctions for failing to participate in work-related activities, casework, financial incentives such as increased income disregards, which allow recipients to earn more before losing benefits, quotas and incentives for states, and transitional Medicaid and child care assistance. States can and do use federal dollars and their own funds for a wide range of other strategies. And, of course, the EITC, the largest federal antipoverty program, provides a strong work incentive for low-income families. Because single mothers are much more likely to be poor than are single fathers or married parents, these policies are especially likely to increase maternal employment in single-mother families.

□ Although there is little disagreement that families fare better when the father is employed, researchers have long debated the effects on children when a mother is employed.

Although there is little disagreement that families fare better when the father is employed, researchers have long debated the effects on children when a mother is employed.^{10,45} The effects of maternal employment on children in low-income families probably depend on whether overall family resources increase, characteristics of the job(s) (benefits, stimulation, schedule), characteristics of the child (age, sex, temperament), characteristics of the mother (health, mental health, attitudes and beliefs), and available support (family, child care, community programs).

If maternal employment increases material resources, its effects on children are likely to be positive.⁴⁶ Data indicate, however, that trading welfare assistance for employment earnings does not always change family income,⁴⁷ and resources may decline when the costs of employment, such as transportation, child care, payroll taxes, and clothing, are considered. Mandatory employment in conjunction with time limits could result in reduced disposable income in some families. Some types of employment might increase parents' skills (human capital) or contacts with adults (social capital), which in turn could have positive effects on the home environment.⁴⁸

Proponents of welfare reform emphasize the value of parental modeling; children who see parents going to a job regularly and bringing home a paycheck will accept employment as the norm of adult life. Parents' work lives can serve as a model for their children,⁴⁹ but both positive and negative messages could be conveyed. Mothers who have a positive attitude about combining work with family are more satisfied and report less role strain than those who believe they should be at home with their children.⁵⁰ When parents' jobs are routine and repetitious or have very low wages, their children may infer that work is dull and boring.^{48,51}

Parents' employment reduces the time they have available for child care and activities with the child. Young children are in someone else's care when mothers are at work, and the quality of that care is likely to mediate effects of parental employment. But many school-age children and youths are in "self-care" while their moth-

ers work. Although parents often monitor their children by telephone and through neighbors,³⁷ children without direct supervision are vulnerable to antisocial peers or, if they stay home, to many hours in front of the television set.³⁶ Self-care in late childhood and early adolescence does not appear to pose risks for middle-class children, but, for those who live in poverty and in dangerous neighborhoods, the odds of behavioral problems increase when young adolescents are unsupervised.⁵² In fact, parents appear to recognize the differential risk; middle-class and white children are more likely than poor and minority children to be in self-care.⁵³ (See Figure 2 in the article by Fuller and colleagues in this journal issue.)

The effects of maternal employment vary with a child's age, but potential harmful effects do not necessarily decline as children get older. In fact, researchers have found that maternal employment during the adolescent years is associated with adolescent delinquency,²² lowered educational attainment,⁵⁴ and low adolescent well-being.⁵⁵ One reason may be that, unlike younger children, adolescents with employed mothers are generally not in supervised alternative settings.

Maternal employment can also affect children's responsibilities and family routines.⁵⁶ Policymakers often assert that employment will provide a structure for family schedules of getting up, having meals, and going to bed. If a parent has a regular work schedule, this result might occur, but many low-income jobs have irregular and unconventional hours,⁵⁷ and many parents work more than one job. In addition, studies suggest that unconventional and extended work hours may result in children assuming more responsibility for household tasks or caring for siblings, rather than spending more time in child care.⁵⁸ Such a shift in responsibility could lead to either positive or negative consequences for children.

Perhaps it should not be surprising that available data provide no simple answers about the effects of maternal employment on children's environments and development. Most of the literature on low-income families suggests that children's cognitive and social development is

□ Policies that require single mothers to seek and hold employment are likely to vary in effect, depending on the child's age, the child's experiences when the mother is employed, and the mother's individual beliefs and characteristics.

more positive in families with employed mothers than in those with unemployed mothers.⁵⁹ But it appears that much if not all of this difference is a function of preexisting differences in demographic attributes, skills, personality, and child-rearing practices between employed and unemployed mothers rather than being a product of employment.¹⁹ In a large sample of mothers and infants, employed mothers provided a higher-quality home environment than unemployed mothers did, but these differences were entirely accounted for by maternal characteristics.⁶⁰ Parents with more skills, and better psychological and physical health, are probably more likely to find and maintain paid employment. Parents with those same qualities are also more likely to provide better environments for their children.

In short, policies that require single mothers to seek and hold employment are likely to vary in effect, depending on the child's age, the child's experiences when the mother is employed, and the mother's individual beliefs and characteristics. Children might benefit if the job pays decent wages and provides some opportunity for social or cognitive stimulation; if children are in good-quality child care, youth programs, or neighborhoods that support positive development; if the mother does not feel excessive role strain, depression, or conflict about her dual roles; and if family economic or social resources are improved. Children might suffer, however, when these conditions do not pertain. Moreover, the consequences of a mother not being employed may be more negative under welfare reform because the time limits on receiving welfare threaten seriously reduced income and because people may be discouraged by their failure to meet society's expectation that they support their families.

Income and Material Resources

Welfare policies that include wage supplements, income disregards (which allow recipients to earn more before losing benefits), and subsidies for necessary expenses such as child care increase overall family income and resources.⁴⁷ If income disregards or other subsidies are part of states' new welfare programs

under TANF, however, they end when a recipient reaches a time limit or leaves welfare for any reason. Programs outside the welfare system, such as the EITC, improve family resources with no time limit as long as the parent is employed. Although there is considerable debate about the influence of income per se on children's cognitive and social development,⁶¹ to the extent that increased resources improve a family's material circumstances, the quality of the home and child care environments, opportunities for children to participate in beneficial activities, and the neighborhood in which a family lives, results for children are positive. Family income during the preschool years appears to be particularly important in predicting cognitive and educational attainment,⁶² probably because income affects the quality of the home and child care environments. The home is an important source of intellectual stimulation before children enter formal schooling, and analyses show that the degree of cognitive and social stimulation at home varies with family income.⁶³ Higher-income families also are more likely than low-income families to use center-based care or higher-quality home-based care for preschoolers.⁶⁴



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A series of income-maintenance experiments, conducted in the 1960s and 1970s, tested the effects of a guaranteed minimum income. Income guarantees led to slightly better school achievement for elementary-school-age children (but not for high school students) and to better nutrition for a very disadvantaged rural sample.⁶⁵ Income supports also led to a higher probability of separation and divorce for couples experiencing high levels of conflict, but not for those with low levels of conflict.⁶⁶ Environmental contexts were not assessed, but families in the experiment did buy homes or improve the quality of their rental units more often than controls did, probably leading to better neighborhood conditions for their families.⁶⁷

Poverty and income loss affect the socioemotional climate of the home, which in turn influences children's psychological well-being and behavior. Studies of poor families and families that experienced large reductions in income indicate that the effects on children are mediated primarily by parents' psychological distress, which may be reflected in practices such as low warmth and frequent use of harsh punishment.^{10,68}

Policy researchers not only debate how much good might come from raising poor families' income, some argue that welfare income has harmful effects. Comparisons of families receiving welfare with comparable poor families not receiving welfare show that long-term welfare recipients provide lower-quality home environments than do other poor families.⁶⁹ Although many studies show little or no relation of welfare receipt to children's cognitive and social development when differences in demographic and family characteristics are taken into account,³⁵ some studies have shown that welfare predicts higher rates of grade retention,⁷⁰ lower academic achievement,⁷¹ and lower completed schooling among children.⁵⁴ By contrast, adolescents in welfare families placed more importance on school than did those in poor, nonwelfare families.⁷²

It is clearly important for policymakers to understand why and how families receiving welfare differ from other poor families, and why welfare income may not confer the same benefits as other income. But it is very difficult to find samples with truly comparable material resources and parental characteristics. People receiving welfare by definition have almost no assets, whereas

other people with low incomes may have more resources of various kinds. Also, unlike other income supports (such as the EITC), welfare carries a stigma that may affect the way others treat parents and children, as well as the way they think about themselves. The poor are not immune from the value placed on work in U.S. society and from the strong implication of failure for those who receive public assistance. Children as young as second grade express negative stereotypes about poor children's behavior⁷³ and motivations.⁷⁴

In addition, entry into and out of welfare is often associated with other transitions and changes, such as job loss or entry, parents separating or acquiring new partners, and changes in child care. Such changes affect parents' and children's well-being, parenting, and the family environment. Mothers report high levels of behavioral problems among children in families who have made a transition either into or out of welfare, compared with families whose status has not changed.^{69,75}

To understand how policies that affect family material resources also affect child development, studies are needed to examine how a family's overall resources are perceived and deployed, and how these behaviors affect the contexts experienced by children. Experimental studies that randomly assign participants to different types of programs are extremely important; otherwise it is difficult to isolate which differences are a result of policies and which are due to personal characteristics. (See the article by Zaslow and colleagues in this journal issue for a detailed review of experimental studies.)

Family Structure

Some of the major goals of the federal welfare reform law of 1996 were to discourage women, particularly adolescents, from having children outside of marriage; to encourage people with children to marry; and to promote paternal financial responsibility for children. The strategies intended to advance these goals include incentives to states to reduce their out-of-wedlock childbearing rates without increasing abortions; family caps; a requirement that adolescent welfare recipients attend school and live with a parent or responsible adult; and a requirement that applicants for cash assistance identify the father of the child, and cooperate with efforts to collect child support. (See the article by



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Greenberg and colleagues in this journal issue for an overview of these policies.)

Both adolescent and single parenting are associated with developmental risks for children and lowered educational and occupational attainment by mothers and children. Young women who delay childbearing receive more education and have fewer children than those who give birth early, but poor school achievement can be a motivation for pregnancy as well as a consequence. Although preexisting differences between unwed teen mothers and other young women account for most of the differences between them, some of the negative effects on their children can be attributed to early childbearing and single parenthood.⁷⁶

Young and single mothers provide home environments that are, on average, less stimulating and supportive than do older and married mothers. In an investigation of mothers ranging in age from their late teens to their forties, older mothers spent more time with their infants, were more sensitive and stimulating to them, and provided higher-quality home environments than did younger mothers, even after controlling for demographic and marital status. Single mothers also were less sensitive and provided lower-quality home environments than did married mothers, but these differences were largely accounted for by differences in age, ethnicity, and maternal education.⁷⁷ In a sample of children ages 4 to 16, those with single mothers spent

more time watching television on weekends, but also spent more time in school or preschool on weekdays than did children of married mothers.⁷⁸

Despite these variations in home environment, few differences in young children's cognitive or social behavior are associated with single parenting per se. For example, in one study of low-income families, marital status was not a significant predictor of school readiness or behavioral problems.¹⁸ In another study, a large sample of children of single mothers performed slightly better than those from two-parent families, after controlling for income and demographics.⁷⁹ When children reach adolescence, however, those with single mothers are more likely than those living with both biological parents to drop out of school and to have low educational attainment.⁸⁰

Because single mothers are at high risk of poverty, many children in these families are subject to material hardship. Numerous analyses have been designed to separate the effects of poverty from those of family structure on adolescent school completion, pregnancy, and deviant behavior. One summary of the literature concluded that about half of the difference between children of single-mother and two-parent families was explained by income.⁷⁶ In a later analysis of several longitudinal studies, poverty was relatively more important than family structure in explaining differences in intellectual performance, but family structure was rela-



To connect welfare policies, children's environmental contexts, and healthy child development, ... a closer look at a complex set of links is needed.

tively more important than poverty in predicting deviant social behavior.⁸¹

Policies designed to promote paternal responsibility for children, through either marriage or child support, are motivated in part by the high risk of poverty for single-mother families, but many observers also consider father involvement important for children's socialization and well-being. (See the article by McLanahan and Carlson in this journal issue.) Child support reform began in the mid-1970s, but by 1990, only 6 of every 10 eligible mothers had child support awards, and the rate was much lower for those with children born out of wedlock than for those who had been divorced.⁸² Of mothers with awards, about 25% did not receive any payments.⁸³ A recent demonstration program, Parents' Fair Share, was designed to spur low-income fathers to provide for their children. The program increased employment and formal child support payments, but in some cases, informal supports to children were reduced. Moreover, paternal involvement was found to be a double-edged sword. Slight increases in fathers' efforts to be active parents led to increased disagreements with mothers.⁸⁴

Although much is known about how family structure, maternal age, and child support relate to children's development, some major questions remain about how welfare and income support policies designed to change fertility patterns, family formation, and decisions about marriage might affect children. First, do policy variations have any effect on decisions about fertility and marriage, particularly for adolescents? In the United States, the availability of AFDC may have provided an incentive for adolescent childbearing. In contrast, Sweden's family leave and other policies provide incentives to begin work before having children, and the teen birthrate is low compared with that of older women. Sweden is one of the few countries where the probability of having a child is higher for more-educated than for less-educated women, controlling for other background variables.⁸⁵

Second, if adults were induced to marry before having children, would benefits accrue for their children? Children in two-parent stable families generally show more positive development than do those in never-married, divorced, and remarried families, but these differences may be due to preexisting differences in parents' individual characteristics or the degree of conflict between adults who remain married and those who do not. Both domestic violence and physical abuse of children occur in a large number of low-income families. For example, in one large sample of welfare recipients, some 28% had been abused by an intimate partner in the previous year.⁸⁶ Most research on divorce shows that family conflict, including domestic violence, before and after a divorce is a major predictor of children's emotional and behavioral problems.⁸⁷ Even for couples who do not engage in high conflict, one cannot infer that inducing parents to marry or to stay married would provide conditions comparable to those in families where parents choose marriage without inducement.

In addition, children do not appear to be better off when their mother marries someone other than their father, even though family income is, on average, substantially greater. In a longitudinal analysis of children ages 5 to 10, those from blended families did not perform better on intellectual tests than did those in single-mother families.⁸⁸ Similarly, children in stepparent and single-mother families have similar rates of dropping out of school and adolescent pregnancy.⁸⁹

In sum, the available literature offers provocative hypotheses, but results are limited in several respects. Virtually all of the findings are correlational, so selection effects and unobserved confounding variables make it difficult to establish causal explanations. In addition, much of the information predates 1996, so parents' decisions about employment and fertility were made in a different policy context than the current one.⁹⁰ Policies that attempt to improve parents' employment, resources, and family structure probably affect children's development, but the effects can be either positive or negative.

Conclusions and Questions for Future Research

To ensure positive impacts for children, welfare and income support policies must move beyond their exclusive focus on adults and include goals that aim to improve children's social and physical environments at home and in the community. To connect welfare policies, children's environmental contexts, and healthy child development, however, a closer look at a complex set of links is needed. There is currently a "black box" quality about some of the data relating economic and family structure variables to child and adult behavior; not much is known about the processes underlying these connections. To gain a better understanding, it is important to consider the array of policies for working and nonworking people with low incomes instead of focusing solely on welfare programs involving cash assistance. It is also important to examine whether and for whom policies have the intended effects. Who benefits? Who is left out?

Relatively little is known about variations in policy impacts across the many diverse ethnic groups affected. Many legal as well as illegal immigrants are being excluded from welfare benefits. Even for people who are eligible for welfare or income support, important ethnic and cultural variations may influence the relation of policies to children's environments and, as a result, to children's development. For example, it is widely believed that African-American parents are more favorably disposed to putting their children in child care centers, whereas Hispanic Americans prefer to rely on family members for child care. If that is true, then people in these ethnic groups might react differently to policies mandating employment or offering child care assistance. (See the article by Fuller and colleagues in this journal issue for further discussion of this topic.)

Individual differences in parents' academic and intellectual skills, psychological adjustment, and beliefs also play a role in determining their responses to policies and how these policies affect children's environments. Both low levels of literacy and high levels of depression are implicated as barriers to achieving the goal of self-sufficiency envisioned by welfare reformers.⁹¹ Many mothers have disabled children or family members for

whom alternate care is not readily available. With a better understanding of individual and group differences, policies can be tailored to meet different needs and circumstances.

A more complete understanding of the impact of certain policies targeted to parents will require more rigorous research identifying and isolating the causal links inside the "black box." Much of the current research suffers from problems inherent in naturalistic studies and survey methods. When comparing people with different incomes, employment levels, or welfare histories, it is always possible that differences are due to unmeasured differences in ability, personal qualities, health, or other characteristics. In fact, the literature suggests that such "selection" variables are very important. Random-assignment experiments can ensure that differences are due to the policy "treatment" and not to other factors. Similarly, surveys provide valuable information about large, representative samples, but measurement alone is necessarily a superficial way of looking at important processes. Such data are much more useful if complemented by direct observation, in-depth testing and interviewing, and ethnographic techniques, all of which help in understanding process as well as outcome.

Most important, however, is the need to keep children in the foreground. Although two-thirds of welfare recipients were children in 1996, the consequences of welfare reform for children get scant attention. The 1996 welfare law eliminated the word children from the name of the new program, Temporary Assistance for Needy Families, signaling a shift in emphasis from children to adults. But children's well-being should not be an afterthought. Healthy development of happy children should be a front-line goal, along with establishing whether policies have the intended consequences for adult behavior. The welfare of children is the true barometer of our success as a society.



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Experimental Studies of Welfare Reform and Children

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SUMMARY

Even prior to passage of federal welfare reform, many demonstration programs anticipated key features of the 1996 law, such as “work-first” strategies, time limits on welfare receipt, and financial incentives to work. Over the past decade, 10 experimental evaluations of these programs have extended their studies to examine the impacts on children. This article provides a synthesis of findings from the first seven of these studies to release results concerning child impacts. Key observations include the following:

- ▷ Across the different types of welfare-to-work programs examined, researchers found neither widespread harm nor widespread benefit to young children, but some significant impacts did occur.
- ▷ Favorable impacts tended to occur in programs that improved family economic status or maternal education, but these programs still did not bring children to the level of national norms for positive child development.
- ▷ Unfavorable impacts tended to occur when families did not show economic progress or when their economic situation worsened, when the children were adolescents, and—unexpectedly—when the families were believed to be at lower risk for long-term welfare receipt.

Thus, although impacts were not widespread, these programs did have the potential to affect children for both better and worse across a range of developmental outcomes. The authors conclude that these findings underscore the importance of strengthening program approaches to enhance developmental outcomes for children in families being served by the welfare system.

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An enduring irony of welfare policy in the United States is that welfare programs launched out of concern for children are evaluated primarily on adult outcomes, such as welfare receipt, employment, earnings, income, and marriage.¹ Fortunately for those concerned with child well-being, within the plethora of welfare studies is a small group of rigorous experimental studies that focus on how welfare programs and policies affect children as well as adults.² Experimental studies randomly assign families to either an experimental group that can participate in the program, or a control group that is not eligible to participate. Random assignment assures that any differences that emerge between the experimental and control groups are due to the program and not to other differing characteristics of families and children. Over the past decade, 10 experimental evaluations of welfare programs have extended their studies to examine the impacts on children.³ Box 1 describes the programs studied in these evaluations, grouped into four categories based on the strength of their work incentives, as well as their barriers or penalties for not working or not leaving welfare.⁴

All the programs were implemented before the 1996 federal welfare reform law was passed, but had provisions that anticipated key features of the new law, such as “work-first” strategies, time limits on welfare receipt, and financial incentives to work. Similar to the welfare-to-work programs being implemented today, these programs generally focused on improving family economic self-sufficiency, and did not include components aimed directly at improving outcomes for children such as screening for child health or developmental problems, or providing high-quality early childhood intervention programs. Nevertheless, many in the field believe that impacts on children should be considered alongside impacts on adults when examining the success of these programs, first because an underlying goal of welfare policies is to protect the well-being of children, and second because changes in adult economic outcomes (or other aspects of family life, such as parenting behavior or maternal psychological well-being) could be important to children’s development. (See the article by Huston in this journal issue.)

To this end, the experimental studies of earlier welfare-to-work programs can provide many useful insights about how various types of welfare-to-work programs affect children. Above all, the experimental design identifies impacts that are attributable to a welfare-to-work program rather than other factors. At the same time, because the evaluations tend to study “packages” of program components, it is difficult to isolate exactly which aspect of the program may be causing an impact. Also, program impacts are affected by general economic conditions and the other benefits available to low-income families (such as food stamps and child care subsidies) at the time and place of the study. The evaluations reveal little about how policies might affect families under different economic conditions or families not directly examined, such as low-income families not receiving welfare. Although these studies examine the major welfare-to-work strategies, the full range of program approaches that have been implemented more recently are not included. Even so, these studies can be very useful in determining how impacts on children differ given different program goals and components and whether programs changed adult factors, such as family economic status, parenting behavior, and maternal psychological well-being, that can in turn affect children.

To date, results are available from 7 of the 10 evaluations. This article provides a synthesis of findings from these seven studies, distilling and presenting the evidence concerning welfare reform’s effects on children.^{5,6} The first section summarizes the impacts on adults and children by type of program. The second section explores patterns related to the favorable and unfavorable impacts for children, and the key factors that appear to be associated with these patterns. Based on these findings, the final section offers recommendations to guide federal, state, and local policymakers as they consider ways to help children in families moving from welfare to work.

Program Impacts on Adults and Children

Children are not the primary focus of welfare-to-work programs, so understanding how these programs affect adults is important to understanding the impacts on children. Although programs varied in their expectations regarding such adult outcomes as program par-



ticipation, maternal education, and welfare receipt, all the programs measured a common core of indicators of economic progress: employment, earnings, overall family income, and poverty. Findings related to these measures reveal a broad range of impacts on adults: some mothers achieved sustained economic improvement, others experienced no economic progress or a setback, and many fell somewhere in between.

With respect to impacts on children, findings are summarized across three areas: academic progress and cognitive development (academic/cognitive); behavioral and emotional adjustment (behavioral/emotional); and health and safety. These categories help to identify whether patterns are consistent across different aspects of development. The following synthesis also explores whether the programs affected noneconomic aspects of family life that were not explicitly targeted by the programs, but that may shape results for children, such as parenting, fathers' involvement, and mothers' mental health. As was the case with adult impacts, a broad range of child impacts also emerged—some favorable, some unfavorable, and often only weak or no impacts were detected in these evaluations.

A detailed discussion of these findings follows, organized by the four categories of programs outlined in Box 1.⁷ (The pattern of adult and child impacts from each study is displayed in the appendix at the end of this article.)

Broadly Targeted Programs for Teenage Recipients

Both programs targeted to teenage welfare recipients—New Chance⁸ and the Teenage Parent Demonstration (TPD) program⁹—provided a broad array of services, addressing personal development as well as economic issues, in keeping with concerns about the range of difficulties faced by young parents.¹⁰ For example, both programs included components focusing on life skills and personal development (such as parenting behavior and psychological well-being), in addition to education and work preparation.

At the outset, teen mothers in these programs participated more in education and work preparation activities and received less welfare than control group mothers did, but these initial gains often faded over time. Program enrollment did not generally result in sustained improvements in family economic status. As noted by the researchers, these findings underscore the special challenges of bringing about lasting change for the particularly disadvantaged subgroup of welfare recipients who are teen parents.

Meanwhile, many impacts on children in these programs were neutral—that is, no impacts or weak impacts—and some were unfavorable. In the Newark site of the TPD program, unfavorable impacts were found on two direct assessments of children's cognitive development¹¹ as well as a measure of the children's perception of their school.¹² In addition, mothers in this program rated their children less positively on expressiveness, although their children's overall social behavior scores did not differ from those of control group children.¹³

It is particularly surprising that the New Chance program also had unfavorable impacts for children in both academic/cognitive and behavioral development. Of all the programs included in this synthesis, New Chance had the most explicitly two-generational focus, seeking to improve outcomes for children as well as mothers by providing parenting education, developmentally appropriate child care, and access to health care. It was expected that the program would lead to increases in maternal education and improvements in family economic status, which would contribute to improved outcomes for children. However,

mothers in New Chance rated their children's academic performance as significantly lower than did mothers in the control group.¹⁴ In addition, mothers' reports of children's behavioral problems were higher in the program group than in the control group, whereas reports of their children's positive behaviors were significantly lower.

These findings caution that it may be particularly difficult to achieve not only positive economic impacts, but also positive impacts on children's development, in families headed by young mothers on welfare. Teen parents now are subject to more stringent requirements than they were under the previous welfare program, Aid to Families with Dependent Children. With limited exceptions,

Box 1

Overview of Welfare Programs Studied

Broadly Targeted Programs for Teenage Welfare Recipients

- D **New Chance Demonstration:** A mostly voluntary program for teenage mothers on welfare who had dropped out of school. The program provided comprehensive education, training, and other services intended to increase the long-term self-sufficiency and well-being of teenage mothers and their children. This is the only program examined in this article that was explicitly two-generational, articulating goals for improving outcomes for children as well as their mothers. The program operated in 16 sites across 10 states between 1989 and 1992. Impacts for children ages 3.5 to 10 at the 3.5-year follow-up are aggregated and reported across the 16 sites.
- D **Teenage Parent Demonstration (TPD):** A mandatory program for first-time teenage parents applying for welfare, with sanctions for those who did not comply with requirements to participate in education, job training, or employment-related activities. The program provided case management, life skills and personal development workshops, child care assistance, and transportation assistance. The program operated in Chicago and in two sites in New Jersey, Newark and Camden, between 1987 and 1991. Impacts for first-born children ages 5 to 10 (with the majority of children between ages 6 and 8) at the final follow-up (conducted, on average, 6.5 years after intake) are reported separately for the three study sites.

Mandatory Education-First and Work-First Programs

- D **Job Opportunities and Basic Skills Training (JOBS):** A welfare-to-work program established under the Family Support Act of 1988. This program aimed to reduce welfare dependen-

cy through a combination of intensified case management and participation in work or education activities. Failure to comply could result in a reduction in welfare benefits. The program was implemented nationwide between 1988 and 1996. Impacts for children ages 5 to 7 at the 2-year follow-up are reported from JOBS programs in three sites: Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California. In each site, two different program approaches were studied: a human capital development or "education-first" approach, and a labor force attachment or "work-first" approach.

Strong Financial Work Incentive Programs

- D **Minnesota Family Investment Program (MFIP):** This program included generous financial incentives for work, streamlined receipt of cash assistance and food stamps, and direct payments to child care providers. The program was implemented under waivers to federal rules as a pilot in three urban counties and four rural counties (the study sites) between 1994 and 1998. A modified version of the program was implemented statewide following passage of federal reform. Two MFIP variations were studied: a program with financial incentives only, and a "full" program with both financial incentives and a work mandate. Impacts for school-age children (ages 5 to 12) and adolescents (ages 13 to 18) at the 3-year follow-up are reported separately for the children of long-term welfare recipients and recent welfare applicants in each variant of the program.
- D **New Hope Project:** This voluntary demonstration program offered an earnings supplement to raise the income of full-time workers to the poverty level; health insurance; child care subsidies; and community service job opportunities for partici-

the current welfare reform law prohibits states from using federal welfare funds for unmarried teen parents who do not go to school and do not live in an adult-supervised setting. (See the article by Greenberg and colleagues in this journal issue.) It will be critical to determine whether these participation and residence requirements result in more favorable impacts for both mothers and children.

Mandatory Education-First and Work-First Programs

Various versions of the mandatory "education-first" and "work-first" program, Job Opportunities and Basic Skills Training (JOBS), were implemented nationwide during the late 1980s and early 1990s. Results reported here are from the Child Outcomes

Box 1

continued

pants who were not able to find work. The program operated in two low-income areas in Milwaukee, Wisconsin, between August 1994 and December 1998. Impacts for children ages 3 to 5 and ages 6 to 12 at the 2-year follow-up are reported separately by age and gender.

- D **Canada's Self-Sufficiency Project (SSP):** This demonstration program offered substantial financial incentives to participants who worked at least 30 hours per week and left welfare. Individuals could receive the financial supplement within a year of random assignment to the program and could continue to receive the supplement for up to 3 years if they worked full time and did not receive welfare. The program operated in New Brunswick and British Columbia between November 1992 and March 1995. Impacts are reported for children ages 3 to 5, 6 to 11, and 12 to 18 at the 3-year follow-up.

Programs with a Time Limit or Benefit Termination Component

- D **Florida Family Transition Program (FTP):** This program included a time limit of 24 months of welfare receipt in any 60-month period for most applicants (36 months in any 72-month period for the least job-ready), along with a small financial work incentive and parental responsibility mandates that included ensuring child immunizations and school attendance. The program operated under waivers to federal rules from 1994 to 1999, initially in Escambia County. Other counties were phased in gradually, and the program then served as a model for the statewide welfare program implemented following passage of federal reform. Impacts are reported for school-age children (ages 5 to 12) and adolescents (ages 13 to 17) at the 4-year follow-up.

- D **Connecticut's Jobs First Program:** This program included a 21-month time limit on benefits; mandatory employment services; earned income disregards; and a partial family cap (limiting benefits for children born to families while on welfare), among other provisions. The program was implemented statewide in 1996 under waivers to federal rules, and with modifications, remained the state's welfare program following passage of federal reform. The evaluation focuses on Manchester and New Haven. Child impact study results for this program are still pending.

- D **Indiana Welfare Reform Evaluation:** Provisions of this program include a focus on "work first" and labor force attachment, time limits on cash assistance, sanctions for not meeting parental responsibilities (including child immunization and school attendance), and a family cap. The program began to be implemented statewide in 1995 under waivers to federal rules, with additional modifications in 1997 in response to passage of federal reform. Child impact study results for this program are still pending.

- D **Iowa's Family Investment Program (FIP):** This program includes financial incentives for employment, as well as components facilitating asset accumulation and family stability by broadening eligibility rules for two-parent working families. Parents must create and adhere to an agreement specifying their steps to self-sufficiency, or their benefits can be reduced or terminated. The program was implemented in October 1993 under waivers to federal rules, and many original FIP provisions were retained following passage of federal reform. The program is being evaluated in nine counties. Child impact study results are still pending.
-

Study of the national evaluation of this program (National Evaluation of Welfare-to-Work Strategies, or NEWWS).¹⁵ Data gathering focused on mothers who were age 19 or older who had a 3- to 5-year-old at the time of enrollment, and who were participating in either the education-first or work-first components of the JOBS programs in three sites: Atlanta, Georgia; Grand Rapids, Michigan; and Riverside, California.¹⁶

Like the programs targeted to teens, this set of programs increased adult participation in work preparation activities, and also in a number of programs (primarily the education-first programs), educational attainment. Overall, these programs more consistently increased employment than did the teen-targeted programs, at least through the follow-up two years after mothers were enrolled in the evaluation.¹⁷ The programs did not affect income levels, however, and results were mixed with regard to the proportion of families living in poverty. In one of the six programs studied, the percentage of families living at or above the poverty line increased, whereas it decreased in two other programs.

Moreover, evaluations of these programs detected mostly weak or no impacts on children ages five to seven. When impacts did occur, they sometimes resulted in improved outcomes, and sometimes in worsened outcomes. Positive impacts were found in academic/cognitive development, based on improved scores in direct assessments of children's cognitive skills. Children in Atlanta and Grand Rapids scored higher on these assessments.¹⁸ Interestingly, the favorable impacts on cognitive development all occurred in programs in which mothers showed increases in educational attainment, though one program (the education-first program in Riverside, California) increased maternal education, and this did not result in favorable cognitive impacts on children.

While impacts on cognitive development, when they occurred, were all favorable, impacts on behavioral outcomes were mixed. For example, mothers assigned to Atlanta's work-first program reported that their young children had more positive behavioral/emotional outcomes in terms of less frequent externalizing behavioral problems, on average, compared with the control group. However, mothers in Grand Rapids' work-first program reported that their children had more behavioral problems of this kind, on average,

compared with the control group. Moreover, unfavorable impacts were found for children's health outcomes in two programs. In Riverside, mothers gave lower overall health ratings to their children in both the education-first and work-first programs, and were less likely to rate their children's health as very good or excellent.

In the present policy context, welfare-to-work programs have more stringent employment requirements and consequences for noncompliance than was the case in most JOBS programs. Yet impacts on children in JOBS programs, especially programs requiring quick entry into the labor force, may be particularly informative with respect to current programs that seek to increase employment without attempting explicitly to increase income. While some unfavorable impacts occurred, at least some of the impacts among JOBS programs were favorable, in contrast to the broadly targeted programs for teenage recipients, which showed no favorable patterns of impacts on children.

Strong Financial Work Incentive Programs

The three strong financial work incentive programs—Minnesota Family Investment Program (MFIP),¹⁹ New Hope Project,²⁰ and Canada's Self-Sufficiency Project (SSP)²¹—all provided financial incentives and other supports to “make work pay.” They all had an explicit goal of reducing poverty by providing a generous cash supplement tied to work, though the programs differed in the form and source of the supplement.²² These programs stand apart because they not only increased employment, but they also improved income and reduced poverty (albeit not for all subgroups). Furthermore, with only a few exceptions, these positive impacts had not faded when follow-up assessments were conducted two to three years later.²³

The patterns of impacts on children within these programs varied considerably by the age of the child. Among children under age five at the time of the follow-up, only weak or no impacts were found. However, among children ages 5 to 12 at follow-up, clear patterns of favorable impacts emerged in the areas of academic/cognitive development and, to a lesser extent, behavioral/emotional adjustment. For example, in SSP, school-age children in the program group scored higher on a test of math achievement, and their



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mothers rated their academic achievement higher, compared with school-age children in the control group. In New Hope, teachers gave school-age boys in the program group higher ratings for academics,²⁴ as well as for classroom behavior and independence. In both versions of MFIP, long-term recipient mothers in the program group rated their school-age children higher for school performance and school engagement, and reported fewer behavioral problems.²⁵ Confidence in the findings of favorable cognitive and behavioral impacts for school-age children is bolstered by the varied sources showing these impacts—from achievement test scores and teacher ratings to child self-report measures and maternal ratings.

However, impacts were not uniformly favorable across all the strong financial work incentive programs studied. In particular, unfavorable impacts were found for adolescent children ages 13 to 18 in MFIP and ages 12 to 18 in SSP, and in some instances, for school-age children of recent MFIP applicants. For example, in MFIP, the proportion of adolescents whose mothers rated their school performance as above average was significantly lower among both recent applicant families and long-term recipients

compared with the control groups. Also, a higher percentage of recent applicant mothers reported having been contacted by their teen's school about a behavioral problem. In SSP, mothers in the program group rated their adolescent children's academic achievement slightly less favorably, and reported more school behavioral problems for their adolescents, compared with mothers in the control group. Adolescents themselves reported more frequent smoking, drinking once a week or more, and drug use, compared with adolescents in the control group, and older adolescents reported more delinquent activity. SSP researchers caution that there was attrition in the adolescent sample, and that overall sample size for the adolescent-reported impacts was small and perhaps biased. Still, these findings raise the possibility that unfavorable impacts on adolescents may occur even when the same programs have favorable behavioral impacts on younger children.

With respect to health, very few significant impacts were found in this set of programs, and the few that did occur were in opposite directions. Among long-term recipients in MFIP, an increased proportion of families reported that a child had suffered an accident or injury requiring a visit to an emergency room or clinic. This might indicate either an increase in accidents or injuries among these children or an increase in the use of emergency rooms by program group families. By contrast, in SSP, program group mothers gave their school-age children higher overall health ratings and were less likely to indicate that their children had long-term health problems, compared with control group mothers.

In general, these studies help to identify the effects on children when both employment and income increase in the context of strong financial work incentive programs, and when such changes are fairly strong and sustained. In the new policy context, numerous states are using financial incentives to reward work.²⁶ But because current state welfare programs generally do not provide incentives as generous as those offered in the demonstration programs, the impacts on both adults and children may be different. Nevertheless, the findings emerging from these evaluations highlight the potential of financial incentive programs to bring about positive impacts for school-age children though perhaps leading to negative impacts for adolescents.

 **Across the different welfare-to-work programs studied so far, there was neither widespread harm nor benefit to young children. Yet some significant impacts on children did occur.**

Programs with a Time Limit

Florida's Family Transition Program (FTP)²⁷ was the single program among those discussed here to include a time limit on welfare receipt. Within this program, mothers increased their employment, earnings, and overall income, but the impact on income was modest, and by the time of the final follow-up four years later, the impacts on employment, earnings, and income had all disappeared. There was even some indication that the proportion of families with extremely low income may have increased.

Findings regarding FTP impacts on children were few and mixed. For children ages 5 to 12 at the follow-up, there were no impacts on academic/cognitive development, a slight indication of unfavorable impacts on behavioral/emotional adjustment, and favorable impacts on health and safety, according to maternal reports. Researchers hypothesized that the favorable health impacts may be related to the program group's fewer reported housing problems, such as exposure to dust or pollution that could trigger asthma.

As was the case for the programs with financial work incentives, however, some unfavorable impacts emerged for adolescents at the follow-up. Adolescent children of mothers assigned to FTP were more likely to have been suspended from school; however, they were no more likely to have had contact with the police, to have been arrested or convicted, or to have had a baby. In addition, their mothers rated their achievement slightly lower, although the adolescents were not more likely to be below average in achievement or to be in special education.

Although no consistent or strong pattern of impacts emerged among young children in families in FTP, only about one-fifth of the families in the FTP study had reached the time limit when follow-up interviews were conducted. Moreover, results come only from a single study, so that the consistency of findings across programs could not be assessed. In the future, results from two additional studies of programs with time limits will be available to help clarify the effects of this type of program on children.

Nevertheless, this first look at child impacts in a program with a time limit is particularly important when considering the effects of programs that combine enforcement strategies with incentives and services. Such combinations are increasingly prevalent under the current welfare law, which requires that states mandate employment participation and place time limits on welfare receipt. In addition, this study sheds light on outcomes for children when families experience a period of modest improvement in economic status that is not sustained, a common experience among families transitioning off welfare in the current policy and economic environment. (See the article by Zedlewski in this journal issue.)

In sum, many of the results in the evaluations of these different programs point only to weak impacts or an absence of impacts for young children. Given the limited emphasis placed directly on services or program components for children, perhaps this is not surprising. Nevertheless, some impacts did occur that were both favorable and unfavorable in each of the three aspects of children's development examined: academic/cognitive, behavioral/emotional, and health and safety. Thus, the programs did have the potential to affect children's outcomes for both better and worse. Moreover, the magnitude of these impacts, when they did occur, fell within the range of impacts for programs that target children directly, but were not as strong as the largest impacts found in some of the most successful early intervention programs.²⁸ As explored further below, various patterns emerge from this synthesis of findings that help explain the programs' impacts on children.

Patterns Related to Favorable and Unfavorable Impacts

Overall, this synthesis of findings suggests that across the different welfare-to-work programs studied so far, there was neither widespread harm nor benefit to young children. Yet some significant impacts on children did occur. The question of whether and how different types of programs and different patterns of economic impacts correspond to different patterns of

impacts on children is of critical importance to policy-makers. Of central concern is whether impacts on children correspond more closely to the type of program (the program's "blueprint"), or to the actual economic results in terms of mothers' employment and income, regardless of a program's orientation or intent.

In the studies reviewed here, four sets of factors appear to "tip" program impacts on children toward favorable or unfavorable: (1) program goals and components, (2) the patterns of economic impacts, (3) family characteristics, and (4) child age. Favorable impacts on children tended to occur in programs that improved family economic status or maternal education. Unfavorable impacts on children tended to occur when families in the program did not show economic progress or experienced a setback, when the children were adolescents, and—unexpectedly—when the families were believed to be at lower risk of long-term welfare receipt. (See

Box 2.) In addition, preliminary work suggests that nontargeted family factors, such as parenting and maternal mental health, also may play a role. These influences differed across developmental areas, with patterns generally similar for academic/cognitive and behavioral outcomes, but not for health and safety.

Program Goals and Components

The findings show relatively few impacts for children in three of the four program types. Programs targeted to teenage mothers, mandatory work-first or education-first programs, and the program with a time limit all had limited impacts on child outcomes. Where patterns of impacts did emerge, they were unfavorable in the teen programs, but mixed in work-first and education-first programs as well as in the time-limited program.

Favorable impacts were found much more consistently for young children in the programs involving strong financial work incentives, but even in these programs,

Box 2

Favorable and Unfavorable Impacts on Children

Favorable impacts tended to occur:

- D For school-age children in programs that resulted in improvements in family economic status, not only in terms of employment and earnings, but also in terms of overall family income and proportion of families in poverty. This pattern of economic impacts occurred most consistently, though not only, in programs that had strong financial incentives and supports for working.
- D On cognitive and academic outcomes for school-age children in programs that resulted in increased maternal educational attainment. This pattern of impacts for adults usually occurred in programs that included education and training components as precursors to job search and employment.

Unfavorable impacts tended to occur:

- D When families in the program did not show progress, on average, or experienced setbacks on any of the core economic outcomes (employment and earnings, overall income, or proportion of families in poverty), despite program supports and requirements.
- D When children of the adults targeted by the programs were adolescents. Unfavorable impacts for adolescent children of welfare recipients occurred in programs taking very different approaches (for example, programs emphasizing financial incentives and supports for working, and programs focusing more heavily on enforcement strategies such as sanctions and time limits).
- D For children in families that were at lower rather than higher initial levels of disadvantage. This unexpected pattern cut across different ways of defining the initial level of disadvantage, and also across different program approaches.

 **The findings on economic patterns underscore the importance of efforts to support sustained economic progress for families in order to increase favorable impacts for children.**

a consistent pattern did not emerge for all families. As discussed further below, it is important to take into account economic impacts and family and child characteristics to understand the variation in findings within and across program types.

Patterns of Economic Impacts

The correspondence between program type and pattern of economic impacts was not perfect for the programs examined here. Even within a single program type, economic impacts for specific sites or program variants sometimes differed. Similarly, the correspondence between patterns of economic impacts and child outcomes also varied. The findings suggest that favorable impacts on income facilitate, but do not assure, favorable child outcomes.

In general, young children in families making stronger economic progress showed more favorable impacts on their academic/cognitive and behavioral/emotional outcomes, whereas children in families making no economic progress or experiencing a setback showed less favorable impacts. However, for children in families whose economic progress was somewhere in between—that is, with improvements that faded over time, or increases in employment without increased income—the impacts on children tended to be weak. At the same time, an unfavorable pattern of economic impacts did not always correspond to unfavorable child impacts, and similarly, a favorable pattern of economic impacts did not always correspond to favorable child impacts. For example, unfavorable impacts for adolescents cut across different patterns of economic outcomes.

In addition, when mothers made progress in educational attainment, favorable child academic/cognitive impacts were sometimes found even in the absence of positive economic outcomes. For example, favorable academic/cognitive impacts occurred in three of the four JOBS programs in which mothers achieved higher levels of education. One of the TPD programs in which there were impacts on mothers' education, TPD Chicago, also showed a weak pattern of favorable impacts for child academic/cognitive outcomes. Not all programs

in which mothers made educational progress resulted in favorable impacts on child academic/cognitive outcomes; for example, no impacts were found in the JOBS education-first program in Riverside and the TPD program in Camden. Nevertheless, these findings suggest that improving the educational levels of mothers receiving welfare may have positive implications for their children's academic/cognitive development.²⁹

For the most part, however, the findings on economic patterns underscore the importance of efforts to support sustained economic progress for families in order to increase favorable impacts for children. The results also show that in some instances, welfare-to-work programs have had no or unfavorable economic impacts for families (especially families headed by teenage recipients), and that such programs sometimes have had unfavorable impacts for children. It is equally important to understand when and why these less-favorable economic impact patterns occur and to seek alternative approaches.

Family Characteristics

Results taking into account family characteristics revealed a pattern contrary to expectations. Findings suggest that unfavorable impacts on children are more likely in families traditionally considered at lower risk for long-term welfare receipt, such as families new to welfare, or those who had received welfare for less than two years. In contrast, findings for children in families traditionally viewed as higher risk, such as those who had received welfare longer, show more favorable impacts for academic/cognitive and behavioral/emotional outcomes.³⁰

Various explanations have been suggested as to why lower family risk might be associated with unfavorable child impacts. One hypothesis is that families traditionally viewed as lower risk are, in fact, experiencing acute as opposed to chronic stress. For example, families new to welfare may be applying because of a fairly recent crisis, such as loss of a job, separation or divorce, or domestic violence, or because of a major life change, such as a baby's birth. If such families are then encouraged or pushed toward work, this may add further transitions to the lives of children already adapting to

major changes, leading to unfavorable impacts. Another hypothesis is that applying for welfare may be associated with greater stigma for lower-risk families.³¹ As a result, these families may have a greater sense of obligation and anxiety about needing to fulfill program requirements, or a greater sense of shame about any difficulty in meeting requirements. Such responses could affect children, resulting in unfavorable impacts.

Child Age

Unexpected findings were revealed at both ends of the age range, for the youngest and the oldest children in these studies. Other research suggests that changes in family economic well-being, especially movement into and out of poverty, as well as length of time in deep poverty, appear to have the strongest effects on children in the first years of life, particularly in the area of cognitive development.³² Thus, favorable impacts for children, especially in the studies involving favorable economic impacts, might be expected to be particularly evident for very young children. Similarly, some evidence suggests that maternal employment during infancy may sometimes have negative effects on children.³³ However, results pertaining to the youngest children in these studies do not support this hypothesis. In general, whereas school-age children tended to show either favorable or unfavorable impacts, the younger children in these studies showed little indication of significant impacts.

At the other end of the age continuum, some researchers expected that adolescents would be the least affected by their mothers' involvement in a welfare-to-work program. Yet this set of evaluations points fairly consistently to unfavorable patterns of impacts for adolescents across program types and economic impact patterns.³⁴ Possible explanations for these impacts range from an erosion in parenting quality and monitoring to a substantial increase in adolescent responsibilities within the household.³⁵ Each of these possibilities has different implications for programs aimed at helping adolescents; therefore, careful consideration of the processes at play is warranted to mount the most effective programs to address these issues.

At the same time, data are limited with respect to both age groups. The very limited evidence of impacts on the youngest children in these studies reflects a lack of detailed and direct assessments of the children in this



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age range, and the greater difficulty of obtaining reliable measures of their development. Similarly, the impacts on adolescents were examined in only a minority of the studies. Still, these findings suggest that the child's age is an important consideration across a range of program approaches. Further investigation is needed of the impacts on infants and toddlers, as well as adolescents, of differing welfare-to-work approaches.³⁶

Nontargeted Family Factors

Although these programs directly attempted to improve adult economic outcomes such as employment, earnings, and income, an important question is whether nontargeted aspects of family life, such as parenting behavior or maternal psychological well-being, also were affected by the programs. Overall, nontargeted aspects of family life appear to have been affected less frequently than targeted economic outcomes, yet such impacts did occur in these studies. Further, some of the impacts occurred on outcomes that could be very important for the quality of children's experiences in the home, such as harsh parenting, maternal depressive symptoms, residence of mother apart from the child, and domestic violence.

Researchers are exploring whether and how impacts on these nontargeted aspects of family life help to shape program impacts on children. Preliminary work suggests that such impacts may play a role in determining

outcomes for children.³⁷ Different programs appear to activate different pathways of influence, however, and results do not point to a single pathway across all studies. Indeed, it appears that child impacts for any one program may reflect the simultaneous influences of impacts on multiple targeted and nontargeted family outcomes, sometimes functioning in opposing directions. (See the article by Huston in this journal issue.)

Differences across Developmental Areas

The patterns of influence relating to program type, economic impacts, family characteristics, and child age differed across developmental areas. In general, patterns were similar for academic/cognitive and behavioral/emotional outcomes, but not for health and safety.

Impacts on child academic/cognitive outcomes were the most pervasive. Previous research suggests that children's academic/cognitive development may be particularly affected by the cumulative influence over time of family economic status. Thus, the greater impacts for academic/cognitive outcomes may reflect the fact that children's academic and achievement outcomes were influenced by economic change over the follow-up period.

Impacts on child behavioral/emotional outcomes were somewhat less consistent. Some evidence indicates that behavioral outcomes in children are sensitive to transitions and can change more rapidly.³⁸ This sensitivity to change may help explain the generally less pervasive patterns of behavioral/emotional outcomes in this set of studies.

Impacts on child health and safety outcomes, such as overall health ratings and incidence of accidents and injuries, were rare for this set of evaluation studies. When impacts did occur, they showed a very different pattern from the other developmental areas, both in terms of their frequency and their relationship to adult economic impacts, suggesting different factors may be at play. For instance, a significant factor that may influence health and safety measures may be whether parents have access to health care either through employment or public assistance. Thus, the economic patterns that help to explain the pattern of impacts for academic/cognitive and behavioral/emotional functioning may be less important in explaining health and safety outcomes; instead, health coverage, which was not examined in detail here, may be key.

Different methods of measurement may also contribute to the different patterns across areas of development. Measures of academic/cognitive development, for example, included standardized assessments and reports from teachers and children, as well as from mothers. In contrast, behavioral/emotional development was most often measured only through maternal report. More or different impacts might have been detected in the behavioral/emotional area if information had been obtained through other means, such as teachers' reports, or direct observation of children's behavior.³⁹ Similarly, it would also be helpful to go beyond maternal report measures of health and safety to include, for example, a physician's assessment of the child's overall health and of any limiting conditions.

Policy Implications

As reauthorization of welfare reform approaches, several implications from this synthesis of findings may be of interest to policymakers at the federal, state, and local levels who look to welfare policy as a means to benefit children. In particular, the research suggests that it may be useful to:

- D Focus on welfare programs that lead to sustained financial gains for families.** This analysis, along with others, suggests that programs leading to sustained financial gains have the potential to improve young children's well-being, whereas programs that fail to increase employment and income over the long term are more likely to have neutral or negative implications for children.
- D Take steps to identify and implement programs to help families that have only recently begun receiving welfare or are considered to be at lower risk of long-term welfare dependency.** Somewhat surprisingly, children in these families seem to benefit least, and indeed sometimes show unfavorable impacts, when their mothers participate in welfare-to-work programs. It is therefore important to consider ways to minimize these unintended negative consequences for the families traditionally considered at lower risk, and to reexamine the concept of risk among families applying for welfare.
- D Explore the underlying causes of the initial indications of negative impacts of welfare-to-work**

programs on adolescent children and use this information to implement better programs or policies to help this age group. Few data are available to explain why adolescents score lower on various academic/cognitive and behavioral/emotional measures, including their own self-reports of delinquent activities, when their mothers participate in a welfare-to-work program. Before steps can be taken to help, it is important to understand what is leading to these negative effects.

- D **Focus on how the new residence and education requirements for teen parent recipients are affecting these families.** Very little is known about how these provisions are affecting teen parent families. This is an important area for future experimental and nonexperimental research.
- D **Obtain more data on the effects on infants and toddlers.** Very little is known about how the youngest children are affected when their mothers are required to fulfill work requirements as a condition of welfare receipt. It would be extremely informative to systematically examine any variation in impacts on infants and toddlers based on varying policies concerning the age of the child when parents' work requirements commence (for example, varying the timing when recipients are required to work to earlier versus later in an infant's first year) and the number of hours of work required for recipients with infants and toddlers.
- D **Explore further the possibility that programs that increase mothers' education may benefit children.** Some programs studied in this analysis did not increase family income during the time frame exam-

ined, but did increase mothers' education and children's academic/cognitive skills. Hence, these findings suggest another way that children might benefit from their mothers' participation in a welfare-to-work program. The implications for children of programs combining education- and work-first strategies may also be worth exploring.

Even when welfare-to-work programs have favorable impacts on children, a high level of risk for poor developmental outcomes remains. The favorable impacts occurring in these programs did not bring children to the level of national norms on measures of academic/cognitive development or behavioral/emotional adjustment. Thus, these programs by no means offer a panacea for the developmental problems faced by many low-income children or children whose parents receive welfare. Further, unfavorable impacts worsened already elevated levels of risk in some children. These findings underscore the importance of strengthening program approaches that enhance developmental outcomes for children in families being served by the welfare system. Although improving child outcomes is not typically the direct goal of welfare-to-work programs, much can be done to improve the way these programs are structured to help ensure more positive impacts for children.

The authors gratefully acknowledge the Edna McConnell Clark Foundation and The David and Lucile Packard Foundation for their support for preparation of this article and the longer paper on which it is based.

ENDNOTES

1. Zaslow, M., Tout, K., Smith, S., and Moore, K. Implications of the 1996 welfare legislation for children: A research perspective. *Social Policy Report* (1998) 12(3):1-34.
2. See reviews of some of the experimental studies in Duncan, G.J., and Chase-Lansdale, P.L. Welfare reform and children's well-being. In *The new world of welfare*. R.M. Blank and R. Haskins, eds. Washington, DC: Brookings Institution Press, 2001, pp. 391-417; and Morris, P.A., Huston, A.C., Duncan, G.J., et al. *How welfare*

and work policies affect children: A synthesis of research. New York: Manpower Demonstration Research Corp., 2001.

3. One of the programs studied, New Hope, was not restricted to families receiving welfare, but many of the families had applied for or were receiving welfare at the start of the evaluation. Thus, for the sake of brevity, all programs considered here are referred to as welfare programs.
4. Weil, A. Program redesign by states in the wake of welfare reform:

- Making sense of the effects of devolution. In *For better or for worse: Welfare reform and the well-being of children and families*. G.J. Duncan and P.L. Chase-Lansdale, eds. New York: Russell Sage Foundation, January 2002, pp. 63–80.
5. For a more detailed review of the child impact findings in the evaluations that formed the groundwork for this paper, see Zaslow, M.J., Brooks, J.L., Moore, K.A., et al. *Experimental studies of welfare reform and children*. Washington, DC: Child Trends, 2001. Available online at <http://www.childtrends.org>.
 6. A common set of child outcome and family process measures across 5 of the 10 evaluations was created by Child Trends based on the conceptual framework developed by the Project on State-Level Child Outcomes team, building on work in the Child Outcomes Study of the National Evaluation of Welfare-to-Work Strategies (NEWWS). The Project on State-Level Child Outcomes includes evaluations of waiver policies in Minnesota and Florida (results included here), and Connecticut, Indiana, and Iowa (results still pending). The evaluation teams for these waiver studies include researchers from the Manpower Demonstration Research Corporation (for programs in Minnesota, Florida, and Connecticut), Abt Associates (for the program in Indiana), and Mathematica Policy Research (for the program in Iowa). Together with staff from the U.S. Department of Health and Human Services and the NICHD Family and Child Well-Being Research Network, researchers from Child Trends coordinate the Project on State-Level Child Outcomes and have provided starting points for discussions on conceptualization, measurement, and analysis.
 7. For a detailed summary of impacts, see note 5, Zaslow, et al., tables and appendices.
 8. See Quint, J., Bos, J., and Polit, D. *New Chance: Final report on a comprehensive program for young mothers in poverty and their children*. New York: Manpower Demonstration Research Corp., 1997; and Zaslow, M.J., and Eldred, C.A., eds. *Parenting behavior in a sample of young mothers in poverty: Results of the New Chance Observational Study*. New York: Manpower Demonstration Research Corp., 1998.
 9. Kisker, E.E., Rangarajan, A., and Boller, K. *Moving into adulthood: Were the impacts of mandatory programs for welfare-dependent teenage parents sustained after the programs ended?* Princeton, NJ: Mathematica Policy Research, 1998.
 10. Quint, J., and Musick, J. *Lives of promise, lives of pain: Young mothers after New Chance*. New York: Manpower Demonstration Research Corp., 1994.
 11. The tools used in these assessments were the Woodcock-Johnson-Revised Letter-Word Identification test and Calculation test.
 12. Based on children's evaluations of their teachers.
 13. Based on mothers' ratings using the Adaptive Social Behavior Index.
 14. In *New Chance*, teachers reported on a similar range of child outcomes for a select subset of the sample. Interestingly, teachers reported no impacts on the children's behavioral or academic functioning. The discrepancy in reports by teachers and mothers might indicate that the program-related differences in children's behavior and indications of academic functioning occurred only in the home, but not at school. Alternatively, the differences may reveal changes in mothers' perceptions of their children as a result of the program, rather than differences in the children's actual functioning. Although the latter explanation suggests that the impacts are not "real," in the sense that they do not capture actual changes in child functioning, parents who perceive their children as behaving problematically or performing poorly in school might treat their children less positively, which may have important implications for their development.
 15. In the NEWWS evaluation, a limited set of questions was asked of mothers regarding all of their children. The impact results for these questions are summarized in Freedman, S., Friedlander, D., Hamilton, G., et al. *National Evaluation of Welfare-to-Work Strategies: Evaluating alternative welfare-to-work approaches: Two-year impacts for eleven programs*. Washington, DC: U.S. Department of Health and Human Services and U.S. Department of Education, 2000; and in Hamilton, G., with Freedman, S., and McGroder, S.M. *Do mandatory welfare-to-work programs affect the well-being of children? A synthesis of child research conducted as part of the National Evaluation of Welfare-to-Work Strategies*. Washington, DC: U.S. Department of Health and Human Services and U.S. Department of Education, 2000. This article focuses on the results within each study that concern a particular "focal" child, rather than results of items that pertain to multiple children across a very wide age range. Accordingly, the summary of NEWWS findings presented here comes from the child outcome study's results reporting on the focal child.
 16. McGroder, S.M., Zaslow, M.J., Moore, K.A., and Le Menestrel, S. *National Evaluation of Welfare-to-Work Strategies: Impacts on young children and their families two years after enrollment: Findings from the Child Outcomes Study*. Washington, DC: U.S. Department of Health and Human Services and U.S. Department of Education, 2000. See also Zaslow, M.J., McGroder, S.M., and Moore, K.A. *Summary report on the two-year follow-up of the Child Outcomes Study: National Evaluation of Welfare-to-Work Strategies*. Washington, DC: U.S. Department of Health and Human Services and U.S. Department of Education, 2000. See also note 15, Freedman, et al.; and Hamilton, et al.
 17. A second follow-up, five years after enrollment, has just been released.
 18. These impacts reflected higher mean scores on the Bracken Basic Concept Scale School Readiness Composite for Atlanta's work-first component, and better distributional scores on this measure (that is, fewer children scoring at the low end of the distribution or more at the high end) for Atlanta's education-first and work-first components, and for Grand Rapids' education-first component.
 19. Gennetian, L.A., and Miller, C. *Reforming welfare and rewarding work: Final report on the Minnesota Family Investment Program*. Vol. 2, *Effects on children*. New York: Manpower Demonstration Research Corp., 2000. See also Knox, V., Miller, C., and Gennetian, L.A. *Reforming welfare and rewarding work: A summary of the final report on the Minnesota Family Investment Program*. New York: Manpower Demonstration Research Corp., 2000.
 20. Bos, H., Huston, A.C., Granger, R., et al. *New Hope for people with low incomes: Two-year results of a program to reduce poverty and reform welfare*. New York: Manpower Demonstration Research Corp., 1999. See also Huston, A.C., Duncan, G.J., Granger, R., et al. Work-based antipoverty programs for parents can enhance the school performance and social behavior of children. *Child Development* (2001) 72(1):318–36.
 21. Michalopoulos, C., Card, D., Gennetian, L.A., et al. *The Self-Sufficiency Project at 36 months: Effects of a financial work incentive on employment and income*. Ottawa, Canada: Social Research and Demonstration Corp., 2000. See also Morris, P., and Michalopoulos, C. *The Self-Sufficiency Project at 36 months: Effects on children of a program that increased parental employment and income*. Ottawa, Ontario: Social Research and Demonstration Corp., 2000.

22. For example, MFIP generally provided earnings supplements within the welfare system so that both income and welfare receipt increased. In contrast, New Hope and SSP provided earnings supplements outside the welfare system so that income increased while welfare receipt decreased.
23. Only the recent applicant group within MFIP (who did not experience income gains or poverty reduction) and the participants in the New Hope Project (who showed fade-out of the income impact over time) depart from this pattern.
24. These ratings were from the Academic Subscale of the Social Skills Rating System. Boys in the New Hope Project group were also more likely to indicate that they expected to attend college, and were more likely to have higher occupational expectations. For girls in the program group, however, little impact on measures of cognitive development was found.
25. However, researchers found no favorable behavioral impacts for school-age children of recent welfare recipients in the MFIP variant involving incentives only. See note 5, Zaslow, et al.
26. The most common financial incentive to reward work is the earned income disregard, whereby a portion of earned income is not counted when determining eligibility for benefits or calculating a family's welfare benefit. (See the article by Zedlewski in this journal issue.)
27. Bloom, D., Kemple, J.J., Morris, P., et al. *The Family Transition Program: Final report on Florida's initial time-limited welfare program*. New York: Manpower Demonstration Research Corp., 2000.
28. See Cohen, J. *Statistical power analysis for the behavioral sciences*. 2nd ed. Hillsdale, NJ: Lawrence Erlbaum Associates, 1988. Cohen offers statistical guidelines for estimating the practical significance of a relationship based on its effect size (here, the difference between the program and control group divided by the standard deviation of the control group). He recommended that, when comparing two groups, an effect size of .20 might be considered "small," an effect size of .50 might be considered "medium," and an effect size of .80 might be considered "large." Under these guidelines, when welfare programs do have impacts on children, the impacts generally are in the small to medium range, the same range as found for impacts in two-generational programs and some child-focused programs.
29. This hypothesis is being explored further in work taking into account factors that influence which mothers obtain further education in the context of the JOBS welfare-to-work programs. Findings to date support the hypothesis that increasing mothers' educational attainment may be another means of improving outcomes for children in welfare-receiving families, specifically in the area of academic/cognitive development. See Magnuson, K., and McGroder, S.M. From *ABEs to 1, 2, 3: The effects of maternal education on young children's school readiness*. Poster presented at the annual meeting of the Population Association of America. Washington, DC. March 29–31, 2001.
30. Further findings from the Child Outcomes Study (within NEWWS) and from FTP, not included in the synthesis, point to similar conclusions.
31. This hypothesis was suggested by Kate Marsland, Laura Sosinsky, and Sean Moundas of the Department of Psychology, Yale University, in response to a presentation by Martha Zaslow at the Bush Center in Child Development and Social Policy, Yale University, March 2, 2001.
32. See, for example, Duncan, G.J., and Brooks-Gunn, J., eds. *Consequences of growing up poor*. New York: Russell Sage Foundation, 1997. However, few studies have investigated this point, and those that exist are not all in agreement. For instance, another study suggests that, whereas cognitive skills are most affected by poverty in early childhood, academic achievement is more sensitive to poverty in adolescence. See Guo, G. The timing of the influences of cumulative poverty on children's cognitive ability and achievement. *Social Forces* (1998) 77:257–88. Yet another study suggested that the relationship between early poverty and children's outcomes is an artifact of the relationship between the timing and duration of poverty, with those experiencing poverty at younger ages more likely to experience it for longer periods of time. See Brooks, J.L., and Shanahan, M.J. The impact of family economic history on pre-adolescent achievement. Unpublished manuscript, 2000.
33. Baydar, N., and Brooks-Gunn, J. Effects of maternal employment and child-care arrangements on preschoolers' cognitive and behavioral outcomes: Evidence from the children of the National Longitudinal Survey of Youth. *Developmental Psychology* (1991) 27:932–45. See also Belsky, J., and Eggeheeen, D. Early and extensive maternal employment and young children's socioemotional development: Children of the National Longitudinal Survey of Youth. *Journal of Marriage and the Family* (1991) 53:1083–1110.
34. In two of the three programs with negative impacts on adolescents, MFIP and FTP, data were not available to indicate whether the pattern of economic impacts differed for families with adolescents than for families with younger children. However, the SSP findings suggest that economic and employment impacts are identical in direction (though perhaps somewhat smaller) in families with older children and in families with younger children. Hence, in the absence of data specific to families with adolescents, the pattern of economic impacts for families with younger children is used here.
35. Brooks, J., Hair, E., and Zaslow, M. *Welfare reform's impact on adolescents: Early warning signs*. Research brief. Washington, DC: Child Trends, July 2001.
36. See, for example, Shonkoff, J.P., and Phillips, D.A, eds. *From neurons to neighborhoods: The science of early childhood development*. Washington, DC: National Academy Press, 2000; and Larner, M., Behrman, R., Young, M., and Reich, K. Caring for infants and toddlers: Analysis and recommendations. *The Future of Children* (Spring/Summer 2001) 11(1):7–19.
37. McGroder, S.M., Zaslow, M.J., Moore, K.A., et al. The role of parenting in shaping the impacts of welfare-to-work programs on children. In *Parenting and the child's world: Influences on academic, intellectual, and social-emotional development*. J.G. Borkowski, S.L. Ramey, and M. Bristol-Powers, eds. Mahwah, NJ: Lawrence Erlbaum Associates. In press.
38. Hofferth, S.L., Smith, J., McLoyd, V.C., and Finkelstein, J. Achievement and behavior among children of welfare recipients, welfare leavers, and low-income single mothers. *Journal of Social Issues* (2000) 56(4):747–74. See also Moore, K., Glei, D., Driscoll, A., et al. *Welfare and poverty patterns: Implications for children*. Washington, DC: Child Trends, 2000.
39. Teachers' reports for behavioral and emotional outcomes were collected in two of the studies included in this synthesis of findings (New Hope and New Chance). However, the majority of studies included in this synthesis relied solely on mothers' reports of children's behavioral and emotional outcomes

APPENDIX

Profile of Welfare Studies' Favorable and Unfavorable Impacts on Children

The following table displays the net proportion of statistically significant favorable and unfavorable impacts on children's academic/cognitive, behavioral/emotional, and health and safety outcomes, by patterns of impacts on family economic resources and parental education. Proportions are based on the number of favorable impacts, minus the number of unfavorable impacts, divided by the total number of child outcome measures examined within the domain of development. An impact refers to the difference in the average level of functioning of children in the program and control groups. (Ages of children at the time of the follow-up study in parentheses.)

	Adult Outcomes		Child Outcomes		
	Economic resources ^a	Educational attainment ^b	Academic/cognitive	Behavioral/emotional	Health and safety
Programs for Teenage Welfare Recipients					
New Chance (ages 3.5–10) ^c	No improvement/setback	No difference ^d	-0.2	-0.39	-0.1
TPD (Camden) (ages 5–10)	Sustained improvement	More	0	0	0
TPD (Chicago) (ages 5–10)	Employment only	More	0.06	0	0
TPD (Newark) (ages 5–10)	No improvement/setback	Less	-0.19	-0.11	0
Mandatory Education-First and Work-First Programs					
JOBS/education-first (Atlanta) (ages 5–7)	Employment only	More	0.25	0	0
JOBS/education-first (Grand Rapids) (ages 5–7)	No improvement/setback	More	0.25	0	0
JOBS/education-first (Riverside) (ages 5–7)	Employment only	More	0	0	-0.67
JOBS/work-first (Atlanta) (ages 5–7)	Employment only	More	0.75	0.09	0
JOBS/work-first (Grand Rapids) (ages 5–7)	Employment only	Less	0	-0.18	0
JOBS/work-first (Riverside) (ages 5–7)	Employment only	No difference	0	0	-0.67
Strong Financial Work Incentive Programs					
MFIP/LT/F (ages 5–12) ^e	Sustained improvement	No difference	0.6	0.3	-0.5
MFIP/LT/I (ages 5–12)	Sustained improvement	More	0.4	0.5	-0.5
MFIP/LT/F (ages 13–18)	Sustained improvement	No difference	-0.25	0	f
MFIP/R/F (ages 5–12)	Employment only	No difference	0	-0.25	0
MFIP/R/I (ages 5–12)	No improvement/setback	No difference	-0.4	0	0
MFIP/R/F (ages 13–18)	Employment only	No difference	-0.75	-1	f
New Hope/boys (ages 3–5)	Sustained improvement	No difference	f	0	f
New Hope/boys (ages 6–12)	Sustained improvement	No difference	0.53	0.27	f
New Hope/girls (ages 3–5)	Sustained improvement	No difference	f	0	f
New Hope/girls (ages 6–12)	Sustained improvement	No difference	-0.06	-0.03	f

	Adult Outcomes		Child Outcomes		
	Economic resources ^a	Educational attainment ^b	Academic/cognitive	Behavioral/emotional	Health and safety
Strong Financial Work Incentive Programs (continued)					
SSP (ages 3–5)	Sustained improvement	f	0	0	0
SSP (ages 6–11)	Sustained improvement	f	0.29	0	0.5
SSP (ages 12–18)	Sustained improvement	f	-0.33	-0.63	0
Programs with a Time Limit Component					
FTP (ages 5–12)	Fade-out	f	0	-0.13	0.67
FTP (ages 13–17)	Fade-out	f	-0.33	-0.2	f

^a Economic resources refers to the pattern of impacts on average parental employment and average family income.

No improvement/setback: The program group did not have a higher average level of employment or income, or had a lower level of employment or income, than the control group.

Employment only: The program group had a higher average level of employment, but not income, than the control group.

Fade-out: The program group had a higher average level of both employment and income than the control group, but at least one of these effects faded out by the end of the follow-up.

Sustained improvement: The program group had a higher average level of both employment and income through the end of the follow-up period.

^b Educational attainment refers to the pattern of impacts on average parental educational advancement.

More: The program group had a higher average level of educational attainment than the control group.

Less: The program group had a lower average level of educational attainment than the control group.

No difference: No statistically significant difference was found between the average level of educational attainment in the program and control groups.

^c Includes results from all program sites: 16 locations across 10 states.

^d New Chance had a positive impact on General Educational Development (GED)

completion, but a negative impact on high school completion. These mixed results are summarized here as no impact.

^e MFIP data are reported separately for mothers who had been receiving welfare for 24 of the 36 months immediately prior to random assignment (long-term recipients/LT) versus those who did not meet this criterion (recent applicants/R); also, data are reported separately for mothers who received financial incentives only (incentives/I) versus those who were enrolled in the full program with both financial incentives and a work mandate (full/F). For long-term recipients, the work mandates in the full program went into effect immediately upon assignment to the program. For recent applicants, however, the work requirement did not go into effect until the recipient had been receiving welfare for 24 months. The MFIP results are presented for single-parent recipients in urban counties only.

^f No assessment of this indicator in this study

Acronyms: FTP = Florida's Family Transition Program
 JOBS = Job Opportunities and Basic Skills Training
 MFIP = Minnesota Family Investment Program
 SSP = Canada's Self Sufficiency Project
 TPD = Teenage Parent Demonstration

For a more detailed discussion of these findings, see the Child Trends Web site at <http://www.childtrends.org>.



Welfare Reform and Child Care Options for Low-Income Families

Bruce Fuller, Sharon L. Kagan, Gretchen L. Caspary, and Christiane A. Gauthier

SUMMARY

For the changes under welfare reform to positively affect children, the gains that mothers make from employment must lead to improvements in children's daily settings at home, in child care, at school, or in the community. This article focuses on the role child care can play in promoting the development of, and life opportunities for, low-income children. Key observations include:

- ▷ Total federal and state funding for child care for welfare and working poor families has increased dramatically since welfare reform, from \$2.8 billion in 1995 to \$8.0 billion in 2000.
- ▷ The majority of welfare mothers tend to rely on informal child care arrangements when first participating in welfare-to-work programs, but as they move off welfare and into more stable jobs, they are more likely to choose a center or a family child care home.
- ▷ Although children from poor households stand to benefit the most from high-quality care, they are less likely to be enrolled in high-quality programs than are children from affluent families, partly due to uneven access to high-quality options in their neighborhoods.

▷ Less than one-quarter of all eligible families use child care subsidies, and usage varies widely across states and local areas reflecting various barriers to access and scarcity of quality center-based care.

The authors conclude that to achieve welfare reform's ultimate goal of breaking the cycle of intergenerational poverty and dependence on government benefits, welfare-to-work programs should promote learning and development among children in welfare and working poor families by increasing access to high-quality child care in low-income neighborhoods.

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A central goal of the welfare reforms undertaken in the 1990s was to increase parents' self-sufficiency and end dependence on government benefits.¹ For this goal to be realized, not just for the current generation but also for the next, attention must be paid to the early development and long-term advancement of children in welfare and working poor families. Mothers' employment gains are of little consequence to children's development unless such gains lead to improvements in children's daily environments at home, in child care, at school, or in the community.

This article focuses on the effects of welfare reform on how and where low-income children spend their days, and on the role child care can play in improving their lives. The first section reviews the history of public interest and support for child care. The second section examines patterns of child care use among low-income families, changes in family life spurred by welfare reform, and factors affecting parents' choice of care. The third section summarizes what is known about the quality of care in various settings and how the quality of care affects children's development. The fourth section discusses strategies for crafting more effective policies to advance child care options for low-income families. Finally, the article concludes with some thoughts about steps needed to help achieve the policy aim of ending the inheritance of family poverty.

The Public Interest in Child Care

Society has a stake in families' child care choices, both because child care enables parents to work and because it can influence children's development. Separate strategies and funding streams have evolved over the past century in response to each of these concerns.

The settlement house movement, which began in the late 1800s, included a push to expand child care centers for single mothers who had to work. Congress redoubled this effort during World War II, rapidly expanding center-based programs for female factory workers when the labor power of young mothers was sorely needed.² A parallel effort focused on providing a wholesome environment for children in poverty. This movement first emerged in the 1930s, when federally funded nursery schools were established to create jobs

for unemployed teachers, nurses, and others.³ State-funded preschools emphasizing early education and school readiness evolved out of this tradition, most notably Head Start, a child development program created in 1965 to serve low-income children and their families. Then in 1988, Congress enacted three welfare-related child care programs to subsidize care as a support for parents who were engaged in work preparation activities or work itself, and who were on welfare, leaving welfare, or at risk of becoming dependent on welfare. In 1990, Congress also created the Child Care and Development Block Grant to subsidize child care for a wider range of low-income working parents.

The welfare reform law of 1996 enacted further changes to federal child care programs. Growing out of an interest in enabling work, but touching on concerns

Box 1

New Goals in the 1996 Law for Federal Support of Child Care

- D To allow maximum flexibility for states to develop child care programs and policies that best suit the needs of children and parents in each state.
- D To promote parental choice and empower working parents to make their own decisions about the child care that best suits their family's needs.
- D To encourage states to provide consumer education information to help parents make informed choices about child care.
- D To assist states to provide child care to parents trying to achieve independence from public assistance.
- D To assist states in implementing the health, safety, licensing, and registration standards established in the states' child care regulations.

Source: Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Public Law 104-193, section 602, 110 Stat. 2279, August 22, 1996.

for children's development, the Child Care and Development Block Grant was expanded and consolidated with the other welfare-related funding streams described above. (See the article by Greenberg and colleagues in this journal issue.) The new goals established for the expanded block grant, referred to in federal regulations as the Child Care and Development Fund (CCDF), are summarized in Box 1. In addition to increasing funds for child care, the law also allows states to spend funds allocated to the new welfare program, Temporary Assistance for Needy Families (TANF), directly for child care, and to transfer up to 30% of their TANF funds into the CCDF.

Meanwhile, spending on preschools and early education programs also increased. Federal spending on Head Start preschools, for example, grew from \$1.2

billion in 1990 to \$5.3 billion in 2000 (\$3.8 billion in constant 1990 dollars).⁴ The Early Head Start program was established in 1994, and preschool support from Title I of the Elementary and Secondary Education Act began to grow rapidly in the mid-1990s as well.

Figure 1 summarizes the growth in federal appropriations for major child care and early childhood programs over the past decade. Only the federal Dependent Care Tax Credit, a nonrefundable tax credit for taxpayers who pay out-of-pocket for child care, declined during this period.⁵ The use and significance of this tax credit are likely to increase, however, as the Bush administration has agreed to make the credit refundable beginning in 2002.

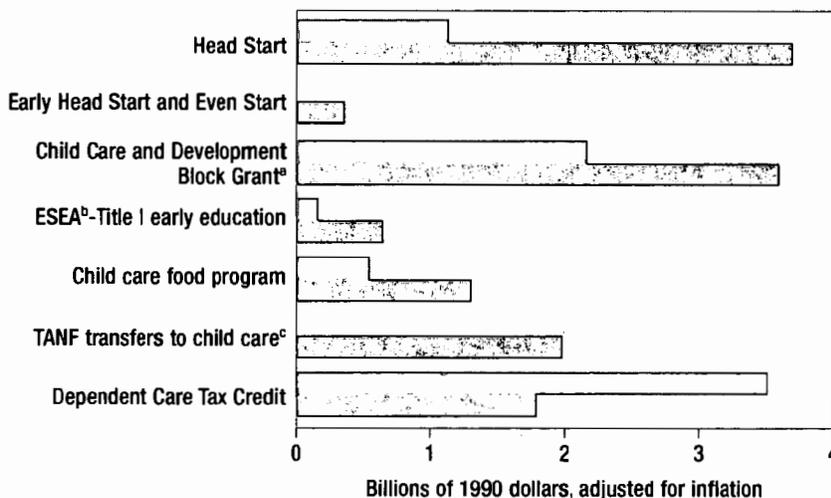
In addition, with their added flexibility under TANF, some states have aggressively reallocated welfare dollars

Figure 1

Rising Federal Commitment to Child Care and Early Education

KEY:

- FY 1991
- FY 2000



*Fiscal year 1991 funding for the Child Care and Development Fund reflects the sum of the amounts provided for various programs that were consolidated into the fund in 1996, including AFDC-related child care and the Child Care and Development Block Grant.

†ESEA = Elementary and Secondary Education Act

‡TANF transfers to child care includes direct spending on child care as well as transfers to state Child Care and Development Funds.

Sources: U.S. General Accounting Office. *Education and care: Early childhood programs and services for low-income families*. HEHS-00-11. Washington, DC: GAO, 1999; Office of Management and Budget. *The U.S. budget, fiscal year 1992*. Washington, DC: Government Printing Office, 1991; Hayes, C., Palmer, J., and Zaslow, M. *Who cares for America's children?* Washington, DC: National Academy Press, 1991; U.S. General Accounting Office. *Preschool education: Federal investment for low-income children significant but effectiveness unclear*. GAO/T-HEHS-00-88. Washington, DC: GAO, 2000; and personal communication with Sandy Brown, U.S. Department of Education, and Nazanin Samari, American Enterprise Institute (who shared historical data assembled by Douglas J. Besharov).

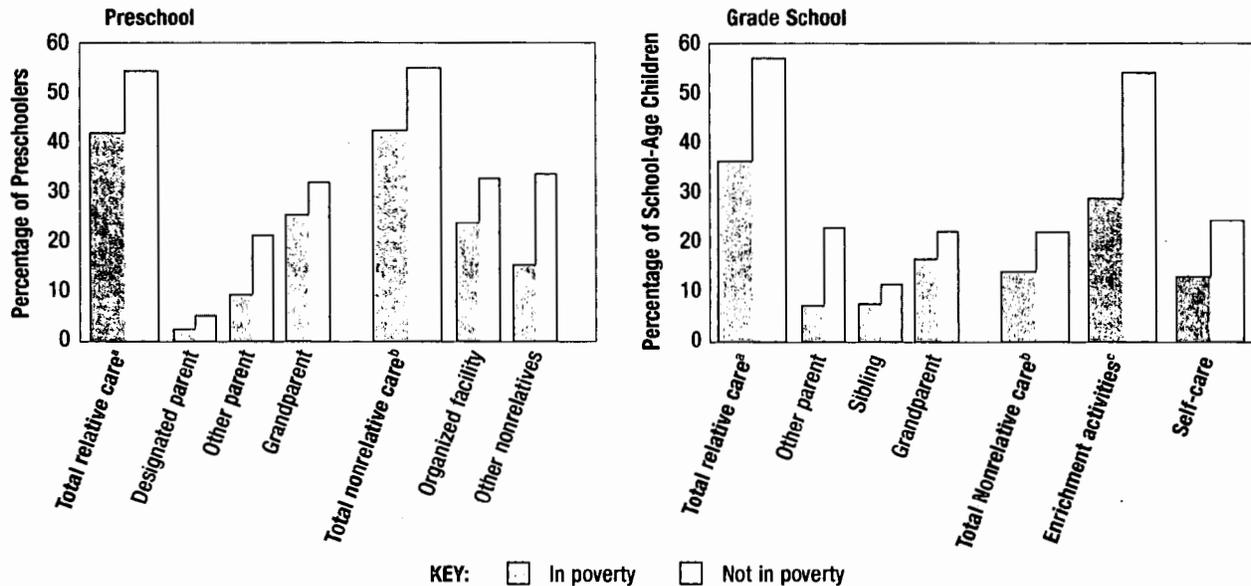
to child care and after-school programs. Total federal and state expenditures for child care under the CCDF and welfare-related programs grew from \$2.8 billion in 1995 to \$8.0 billion in 2000, including \$2 billion in funds transferred from TANF.⁶

States have also stepped up their funding for early education. At least 43 states now support preschool programs for low-income families, enrolling more than 750,000 children. State funding for early education

programs for children ages 3 to 6 grew from just \$180 million in 1987 to over \$2 billion in 1999. Georgia is the only state to provide universal access for all four-year-olds whose parents seek preschool programs, but state-funded programs serve sizeable shares of low-income children in California, Maryland, Massachusetts, New York, and North Carolina.⁷ According to a recent report from the National Center for Children in Poverty, total state funding for early childhood initiatives, including infant and toddler programs and an

Figure 2
Types of Child Care Use by Poverty Status, Fall 1995

Data include children from all families, regardless of parents' employment status.



^aTotal includes care by designated parents, other parents, grandparents, siblings, and other relatives.

^bTotal includes care in an organized facility or by other nonrelatives.

^cEnrichment activities consist of organized sports, lessons (such as music, art, dance, language, and computer), clubs, and before- or after-school programs.

Source: Based on Census Bureau data from the Survey of Income and Program Participation, 1993 panel wave 9, as summarized in Smith, K. *Who's minding the kids? Child care arrangements: Fall 1995*. Current Population Reports, Household Economic Studies, P70-70. Washington, DC: U.S. Census Bureau, October 2000, tables 4 and 11. Because of multiple arrangements, total percentages may exceed the total number of children.

Figure 3

Child Care Settings by Poverty Level in Four States (1997)

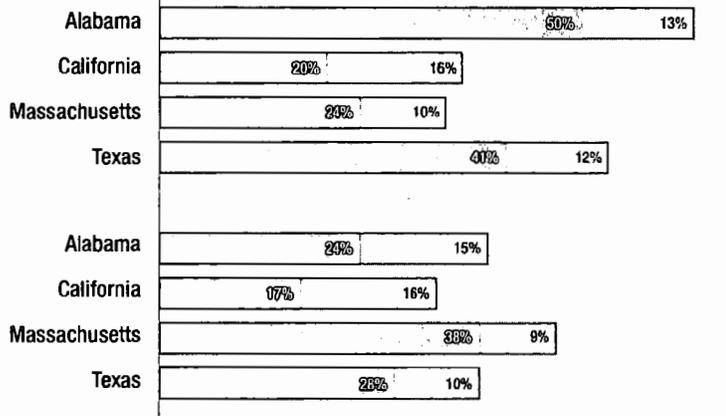
Percentages are based on the number of children under age five with employed mothers.

KEY:

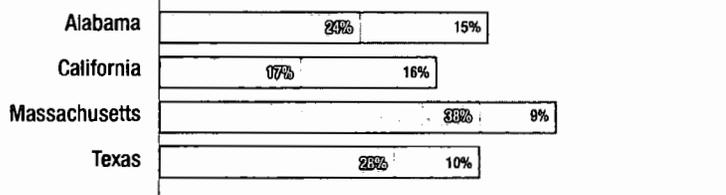
- % in child care centers
- % in family child care homes

Source: Compiled from data from the National Survey of America's Families, Urban Institute, 1997.

Families above twice the poverty line



Families below twice the poverty line



Percentage of Preschool Children

array of child development and family support efforts, exceeded \$3.7 billion in 2000.⁸

Child care funding at both the state and federal level has risen significantly, and children are spending increasing amounts of time in care, but the role child care plays in the lives of children and parents is not well understood. The remaining sections of this article examine the implications of welfare reform's changes to child care as an increasing number of low-income mothers move into jobs.

Patterns of Child Care Use among Low-Income Families

At the dawn of welfare reform in the mid-1990s, a fair amount of research had examined the type of child care relied upon by low-income families. As illustrated in Figure 2, national data indicate that families living below the poverty level relied heavily on relatives to care for both their preschoolers and school-age children in 1995, as did families living above poverty. However, families who were better off used nonrelative

care almost as frequently as relative care for their preschoolers, interspersing different types of care.⁹ Research shows, for example, that more than 70% of four-year-olds from affluent families were enrolled in a center or preschool in 1995, compared with 45% of those from low-income households.¹⁰ Affluent families were also much more likely to provide multiple types of enrichment activities for their children in grade school. School-age children in households earning more than \$55,000 a year were almost three times as likely to participate in sports, and more than twice as likely to take lessons after school, than were children from families earning under \$18,000 annually.¹¹

Studies show that the types of care families select also vary widely across states. To illustrate these between-state differences, Figure 3 shows the share of preschool children who attended a center-based program or family child care home in 1997 among families with a working mother in four different states, by poverty level. The share of children from households earning less than twice the poverty line who attended centers ranged from 17% in California to 33% in Massachusetts.¹²

Changes in Child Care Spurred by Welfare Reform

Before welfare reform, a significant number of mothers living in poverty cared for their children themselves, as they could usually rely on welfare without working. Caseload data from 1995 indicate that only about 20% of families receiving welfare were either engaged in work activities or employed, and 4.9 million families (monthly average) were on the rolls.¹³ But the 1996 federal welfare law required for the first time almost all parents, including those with preschool-age children and younger, to participate in work activities.¹⁴ By 1998, the percentage of families engaged in work activities or employed had grown to 35%, and only 3.2 million families were on the rolls.¹³ As welfare mothers moved into jobs, their children—especially preschool-age children—moved into nonmaternal child care arrangements. Many welfare mothers did not have a child care provider prior to the welfare-to-work requirements, and even for mothers who did, the number of hours their children spent in nonmaternal care likely increased.¹⁵

A Berkeley–Yale research team estimated that at least one million preschool-age children moved into new child care settings between 1996 and 1998, following changes under welfare reform.¹⁶ This estimate may be conservative, as it includes only families who were enrolled in work activities and those employed about a year after leaving welfare. Also, the estimate did not include the increasing number of older children who began spending time at home alone after school while their mothers were still at work.

Data on the types of child care selected by welfare parents are emerging from a number of studies in several states and cities across the country. The majority of welfare families rely on informal arrangements when they begin to participate in work activities. For example, in Vermont, most of the growth in use of nonmaternal child care following welfare reform involved relatives and informal providers, up 26% in the early years of the state's welfare-to-work demonstration program, whereas use of licensed centers and family child care homes increased by only 5%.¹⁷ But in some cities

Box 2

The Growing Up in Poverty Project

The Growing Up in Poverty (GUP) Project is a five-year longitudinal study, launched in 1997, to learn how children's upbringing and development may be affected by the push to move mothers from welfare into the workforce in the wake of welfare reform. Researchers are tracking 948 single women who have preschool-age children and who participate in welfare-to-work programs. The project's major goals are to measure the effects of welfare reform on children and their mothers; to assess the type and quality of child care used by families receiving TANF; to determine how differences in neighborhoods affect young children; and to make recommendations for the next generation of welfare reforms.

Participants were recruited from welfare-to-work programs in five cities across three states: San Francisco and San Jose, California; Tampa, Florida; and New Haven and Manchester, Connecticut. Each mother provided responses in a detailed interview covering issues such as parenting, home environment, sources of

income, living costs, and stress. After mothers became employed or began job training, information was gathered on the child care settings chosen for their children, and the child care providers were visited while the child was present to observe the setting and interview the primary provider. The second year of data collection, completed in 2000, focused in greater depth on the children's home environment, mothers' experiences in the job market, and the effect of those experiences on mother–child relationships.

The GUP Project is run jointly by the University of California at Berkeley, Yale University, and Teachers College, Columbia University, in collaboration with Mathematica Policy Research, Inc., and the Manpower Demonstration Research Corporation. The project receives support from nine foundations and government research agencies. For more details, see the GUP Web site at <http://pace.berkeley.edu>.



Data from early welfare-to-work programs show that when participation in such programs is complemented by strong child care and after-school support for families, use of center-based care rises.

and counties across the country, more than 40% of welfare families with preschool-age children select center-based care as they move into work activities.¹⁸

The Growing Up in Poverty (GUP) Project is detailing the wide variability in child care histories of young children in California, Connecticut, and Florida. (See Box 2.) The first wave of maternal interviews and child care observations, collected in 1998, revealed that 70% of participating Florida mothers selected center-based care after entering welfare-to-work programs, compared with the 29% and 13% of mothers who selected centers in California and Connecticut, respectively.¹⁹ This suggests that local implementation and center supply conditions may be important factors affecting mothers' child care selections.

Moreover, data from early welfare-to-work programs show that when participation in such programs is complemented by strong child care and after-school support for families, use of center-based care rises. For instance, in Minnesota, the selection of centers or family child care homes was significantly higher for families participating in the welfare-to-work program (the experimental group) than for nonparticipating families (the control group): 53% versus 42%, respectively.²⁰ The majority of welfare parents not in the experimental group continued to rely on parental care, relatives, or other informal child care arrangements.

Data from the National Evaluation of Welfare-to-Work Strategies (NEWWS) identified several maternal and family attributes that helped to predict which welfare mothers would select centers rather than home-based arrangements for their three- to five-year-olds. Most important were higher levels of maternal education and employment, a higher level of cognitive stimulation provided in the home, and residence not in public housing.¹⁸ These findings are similar to results from the GUP Project that showed that welfare mothers with stronger labor force experience were more likely to select center-based care, after taking into account child age and a variety of other factors.

Furthermore, working poor families have been found to choose center-based care more often than welfare families do. As parents move off welfare and into more stable, full-time employment, they are more likely to choose centers over less formal types of care. For example, among welfare recipients in Los Angeles with children ages 2 to 4, 27% selected center-based care in 1999; 51% relied on informal care, and the remaining 22% used a family child care home.²¹ In contrast, working poor parents in Los Angeles with similar access to subsidies tended to select centers more often. About 59% selected center-based care, just 15% used informal care, and the remaining 26% selected a family child care home. For school-age children, 42% of parents in the county welfare system relied on informal care; among working poor parents, just 16% used informal providers.

Factors Affecting Choice of Care

Even as Head Start, state-funded centers, and preschool initiatives are expanding in many neighborhoods, many low-income parents continue to rely on informal arrangements with relatives, neighbors, or babysitters (often referred to as "kith and kin") for child care. Some analysts argue that low-income parents hold an a priori preference for informal child care arrangements. Evidence suggests, however, that other factors also play a role.

Over the past decade, much has been learned about the factors that influence parents' propensity to use child care and the type of care they select. Mostly this work has drawn from national samples of parents; only a portion has centered on low-income families. Findings from these studies suggest that the age of the child, trust and flexibility, cost, and accessibility figure prominently in parents' decision making about their children's care.

Age of the Child

Studies show that parents' likelihood of selecting formal care varies dramatically by the child's age. According to 1995 nationwide data, only 19% of families used formal care for their children less than age 1 during the hours a parent was engaged in school or work, but 50% use



such care for their children ages 3 to 4. For school-age children, while only 3% of families used a formal child care facility, 35% used some type of enrichment activity—including sports, lessons, clubs, or before- and after-school programs—to help cover these hours, and over 20% left their children in self-care at times.²²

Similar patterns are reflected in studies of parents participating in welfare-to-work programs. For example, among the subgroup of welfare families who participated in California's GAIN program (a precursor to contemporary welfare-to-work programs), most relied on kith and kin to care for their infants and toddlers.²³ Only 23% of those with children ages 0 to 2 selected center-based care, compared with 47% of those with children ages 3 to 5. Those with school-age children also relied more heavily on centers or after-school programs than on kith and kin.

Trust and Flexibility

Many welfare-to-work programs require quick entry into orientation sessions, job clubs, or job search activities, so mothers entering these programs must rapidly find a trusted organization or individual to provide

child care. Interviews with these mothers suggest that they often trust kin members or friends more than center-based caregivers because kith and kin offer familiar child-rearing practices and speak their language, both figuratively and literally. In addition, kith and kin often have more flexibility than other providers to care for children early in the morning or later in the evening, which is important for many low-income mothers who work odd-hour shifts.

In the GUP study, for instance, mothers entering new welfare programs in 1998 were asked to rank the flexibility, trustworthiness, and interpersonal openness of their child care provider, as well as the extent to which their child received individual attention. Mothers scored kith and kin higher than centers on all four dimensions.²⁴ Other studies including interviews with women on welfare confirm this trust in and flexibility of kith and kin, especially when it comes to care for infants and young toddlers.²⁵

Language concerns, in particular, may affect mothers' trust in informal arrangements. The GUP study found that members of language minority groups (Latinas and Vietnamese Americans) are less likely to select center-based care.²⁶ Also, it appears that welfare mothers are less apt to use centers when they can rely upon more supportive kin or coresident adults for their children's care. At the same time, while Latina mothers in the Los Angeles welfare system were less likely to select centers (33%) than were Anglo clients (45%), such ethnic differences were not found among the working poor.²¹

Cost

The cost of child care is a significant consideration for all families, but especially for low-income families. A survey of welfare parents in Illinois, conducted in 1990, revealed that 81% worried about the cost of child care and just over half said they had serious difficulty finding a caregiver.²⁷ Formal care is generally more costly than informal care, which is often unpaid. Thus, many low-income families require a subsidy to gain access to center-based care or a family child care home. Data from the GUP Project corroborate this point. Researchers examined the flow of subsidies to single mothers who selected a child care provider after entering welfare-to-work programs in California and Florida, and found that subsidy use was heaviest

Unless the full range of child care options is truly available and affordable, low-income parents' continued reliance on kith and kin cannot necessarily be interpreted as their true preference.

among mothers who selected center-based care. Nearly 90% of mothers using centers received a full subsidy, whereas only 39% of mothers selecting a home-based setting received a subsidy.²⁸

When welfare or working poor parents do not receive a subsidy or cannot find publicly supported child care, they must pay out-of-pocket for whatever type of care they use, and these costs can be substantial. Results from the Urban Institute's "National Survey of America's Families" found that a third of all working parents who had children under age 13 paid for child care. Among those who paid, parents spent, on average, \$190 per month (or 23% of earnings annually) on care in 1997.²⁹ For low-income families with a working mother, the percentage of family income spent on child care is even higher. According to 1995 survey data from the U.S. Census Bureau, among families who had an employed mother and paid for child care, those earning less than \$18,000 a year spent an average of 30% of their annual income on care. In contrast, affluent families (those with annual incomes of approximately \$54,000 or more) spent only 5% of their income, on average, for child care.³⁰

Given that the costs of child care can quickly become substantial, it is not surprising that many low-income parents put their names on waiting lists for subsidies and vouchers. For example, in a random survey of parents on such lists in Santa Clara County, California, researchers found hundreds of working poor mothers waiting for a subsidized child care slot or voucher.³¹ Two in five expressed concerns about the quality of their current child care provider and were eager to obtain support in order to afford another caregiver. Similar findings emerged from a study of families on waiting lists in Minnesota.³²

Accessibility

Neighborhood conditions and basic access to particular child care options also shape parents' choice of child care. When centers are available in poor neighborhoods, parents choose this form of care more frequently, especially as their children reach age three or

four. When the supply of centers or family child care homes is scarce, working mothers must rely on kith or kin for child care or forgo their jobs.

The stock of child care organizations that has sprouted within states and neighborhoods varies remarkably. For example, the GUP Project studied provider markets across five counties in California, Connecticut, and Florida. The data suggest that the differences in child care selection patterns by welfare mothers could be explained, in part, by the differences in per capita supply of slots in centers and family child care homes in neighborhoods where the mothers resided. For example, the low use of center-based care in Connecticut is due, in part, to the low supply of centers in the research sites of New Haven and Manchester.²⁸

An analysis of California zip code data also found a close association between the share of welfare parents who selected a center or family child care home and the per capita supply of these organizations in the surrounding communities.²¹ And both the use and supply of formal care settings were found to be closely associated with average levels of maternal education, as illustrated in Figure 4. Other data corroborate that mothers with higher education levels are more likely to choose centers and preschools over kith or kin.³³ At the same time, maternal education is highly correlated with maternal employment rates and income levels. These may be the underlying factors driving both the increased demand for center-based care and the greater supply of centers in neighborhoods with higher maternal education levels.

In sum, many factors help to explain welfare parents' selection of care for their children, including the age of the child and the mother's level of trust and education. But as welfare parents enter the workforce and their incomes rise, so does the likelihood that they will choose a more formal child care arrangement—either a center or a licensed family child care home. Still, parents' choices concerning child care are influenced by the cost and accessibility of various options within their neighborhoods. Unless the full range of

child care options is truly available and affordable, low-income parents' frequent reliance on kith and kin cannot necessarily be interpreted as their true preference.

The Effects of Child Care Quality on Development

As children, especially younger children, spend increasing amounts of time in child care, concerns have been raised about the effects of child care on children's well-being. Studies show that total hours of care, stability of care, and the type of care all can have effects on children's development, but the quality of care has by far the greatest influence.

Elements of Quality

Over the past two decades, researchers have explored the quality of various child care settings and its effects on children. Key indicators of quality include the relationship between the child and the caregiver (referred to as "process quality") and the structural characteristics

of the child care setting, such as the child-to-adult ratio, the size of each group of children, and the formal education and training of caregivers. These two aspects of quality are often interrelated—that is, high process quality tends to be associated with high-quality structural characteristics.³⁴

Of all the quality indicators, the nature of the daily interaction between the child and the caregiver has been found to be very important.³⁵ High-quality interactions are characterized by sensitivity and responsiveness, generous amounts of attention and support, and high levels of verbal and cognitive stimulation. Compared to children in settings with less engaged caregivers, children with high-quality daily interactions tend to display stronger cognitive and language development, school readiness, and early school achievement. High-quality care has been found to be especially effective in improving academic outcomes for children growing up in poverty or facing other risks at home. Effects on children's social development have proven more elusive to discern, however.

Figure 4

Neighborhood Supply of Center-Based Care in California by Maternal Education Levels

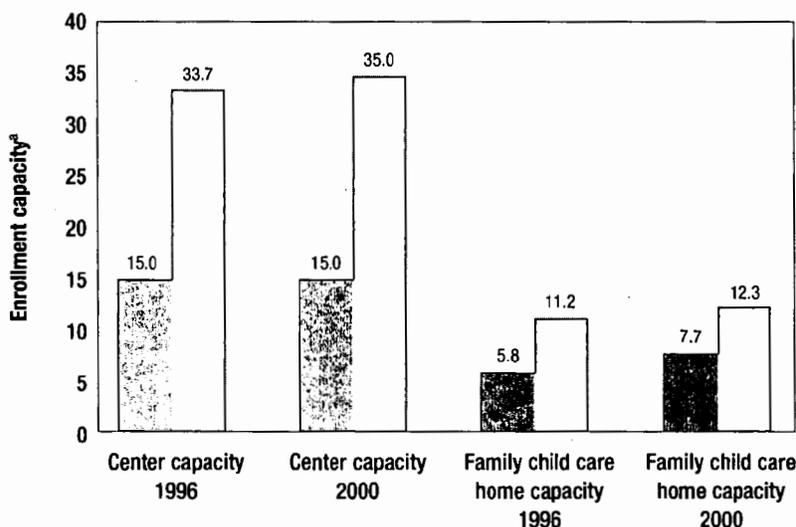
KEY:

-  Low maternal schooling level^b
-  High maternal schooling level^c

^aEnrollment capacity is represented as the percentage of children ages 2 to 5 for centers, and children under age 13 for family child care homes. Neighborhoods (zip code areas) with fewer than 10 preschool-age children or with no child care capacity in 2000 were excluded.

^bNeighborhoods with the lowest quartile of average maternal education levels.

^cNeighborhoods with the highest quartile of average maternal education levels.



Source: Compiled from data from the California Child Care Resource and Referral Network.

The Quality of Different Types of Care

All types of child care span the range from high to poor quality. Both center-based and home-based care settings can at times be unstimulating, disorganized, and even unclean or unsafe. Few studies have examined the quality and character of kith and kin arrangements, but a consistent finding across the small number of multicity studies that have been conducted indicates that home-based settings typically lack the breadth of learning and play materials offered in centers, and caregivers typically are less well educated. Researchers in one study rated about half of the home-based settings they observed as displaying fair quality or worse.³⁶

Other studies have found home-based care to be better than center-based care in some situations. For example, a study by the National Institute of Child Health and Human Development (NICHD) has tracked more than 1,000 children, mostly from middle class and affluent families, to analyze their developmental progress and their care arrangements from birth to age three. The study team reported that in-home caregivers for these infants and toddlers provided the most positive caregiving, whereas center-based care with higher ratios of children to adults provided the least positive care.³⁷

At the same time, various studies—including the NICHD study—have demonstrated that if the center-based care is of high quality, it can benefit low-income preschoolers, especially in terms of cognitive development and engagement in learning-related tasks.³⁸ The high-quality settings that the study referred to included well-known intervention programs such as Head Start, the High/Scope Perry Preschool Project, and other early childhood education centers—not the types of child care settings generally supported by subsidy programs for welfare families moving into work, or for working poor families more broadly. And the effects were modest when compared to the stronger influence of the home environment.³⁹ Nevertheless, findings from the NEWWS evaluation reveal that among children ages three to five growing up in welfare families, those who participated in center-based care scored better on school readiness assessments than those in home-based settings.⁴⁰ In addition, a

new research paper from the GUP Project shows that among families receiving welfare, children who spend more time in centers display higher rates of cognitive and language growth than children in home-based settings, after taking into account a variety of maternal and home attributes.⁴¹

Access to High-Quality Programs

Poor children stand to benefit most from high-quality child care. But according to studies from before the 1996 expansion of child care funding, poor children are less likely to be enrolled in high-quality centers than are children from wealthier households. Such were the findings from the Cost, Quality, and Outcomes Study, which observed centers in four states in 1995, and two earlier studies that examined center-based care in particular cities.⁴² However, one of these studies also discovered that, based on structural characteristics, the quality of centers attended by middle-class children was worse, on average, than the quality of centers attended by poor children.⁴³ The presence of many moderate or high quality centers in low-income neighborhoods no doubt reflects the 35 years of targeted federal and state child care spending on centers in poor communities.

Other studies have confirmed that the quality of center-based care is not uniformly low across poor communities, but that quality levels are associated with the richness of state financing and the intensity of quality regulation. Drawing on a 1990 national survey of child care organizations, a Harvard research team examined quality levels for centers in 36 states and found that some quality indicators were relatively high among subsidized centers in low-income communities compared to centers in middle-income communities supported through parental fees.⁴⁴ More heavily subsidized centers and those subject to more intense regulation tended to pay higher staff salaries and more frequently offered a structured set of learning activities, two factors associated with positive child development.

In contrast, home-based arrangements in low-income neighborhoods were found to be less well equipped and less stimulating for children relative to middle-class settings, a finding confirmed by the NICHD study group.⁴⁵ The GUP study, which focused on mothers' child care selections after entering new welfare pro-



grams, also found that the quality of typical home-based care was generally low. Whether the home-based setting was a licensed family child care home or with kith and kin, often it did not have materials such as art supplies and play items. Home-based providers did talk more with individual children and displayed similar levels of warmth and positive social interaction compared with teachers in center classrooms. Although such positive social interactions, when they occurred, helped to explain gains in development among children in centers, they did not boost children's development in home-based settings.

Efforts to Improve Quality

Head Start plays an important role as a national laboratory for improving the quality of early childhood education programs.⁴⁶ The Head Start program is dedicated to addressing weaknesses in quality, meeting new quality standards, and ensuring adequate numbers, training, and compensation of staff. By contrast, the primary focus of child care supported by the Child Care and Development Fund is to enable parents to

work.⁴⁷ Even so, the 1996 law did require states to spend at least 4% of their total CCDF expenditures each year on activities to improve the quality and availability of child care. In addition, Congress specifically earmarked more than \$240 million in discretionary funds in 1998 and 1999 for quality-building efforts.

To date, many states have focused CCDF quality funds on efforts to support child care resource and referral agencies that help parents locate care; to provide technical assistance and training to caregivers; and to help providers meet child care standards set by state licensing agencies.⁴⁸ States report, however, that more funding is needed to provide higher wages for caregivers to reduce turnover and promote the stability of care—important to parents' long-term employability and to children's development—and to provide adequate capacity for infant care and care during non-standard work hours. In a recent study of child care for low-income families, the amount of CCDF dollars spent on quality averaged just \$11.42 per child of employed parents across the 16 states reporting.⁴⁹ (See

Appendix 1 at the end of this article for three examples of state initiatives to improve access to high-quality child care.)

In sum, the most important element of quality, regardless of setting, is the relationship between the child and the caregiver. Moreover, children growing up in poverty or facing other family-based risks appear to benefit most from high-quality child care. Low-income children ages three to five who are placed in high-quality centers show the strongest gains in cognitive development and early learning, but access to quality programs in poor communities is uneven. Increased investment for quality initiatives under CCDF and state funding streams could lead to significant improvements in children's learning and development.

Crafting More Effective Policies to Advance Child Care Options

Welfare reform has sparked stronger political support for child care and early education, primarily to enable mothers to work.⁵⁰ For the more than two million parents currently on the welfare rolls to find and hold down jobs, new child care providers must be found or current caregivers must become available for more hours each week. Over half the children in welfare families were under age six, and another third were in elementary school in 1999. To meet the rising demand for care, federal and state governments have attempted to expand access to various child care options in low-income communities by increasing the availability of vouchers or by making direct institutional efforts to strengthen center supply. Although significant progress has been made in expanding subsidies, take-up rates remain low and the supply of quality options uneven.

Since enactment of the child care block grant in 1990, federal policymakers have banked heavily on a demand-side strategy, based on the idea that use of child care vouchers will effectively raise low-income families' purchasing power and spur the market to strengthen the child care infrastructure in poor neighborhoods. As a result of increased funding and expanded eligibility rules, the number of children receiving child care subsidies under the CCDF and predecessor programs has grown by about 28%, from approximately 1.4 million in 1995 to nearly 1.8 million by 1999.⁵¹ Still, subsidy

utilization rates remain under one-quarter of all eligible parents, and are highly variable across states and local areas.⁵² For example, although subsidy utilization rates are under one-quarter in many large urban counties such as Los Angeles, other counties have moved aggressively to raise rates: in San Francisco County, subsidy use now exceeds two-thirds of all eligible families.⁵³ (See Appendix 2 at the end of this article for a listing of CCDF utilization rates, by state, in 1999.)

In devising strategies to bolster subsidy take-up rates, it is important to remember that the child care market is affected by both demand-side and supply-side factors. Parents respond to policy rules and incentives in expressing their demand for particular child care providers. At the same time, parents live or work in neighborhoods with variable populations of organizations and individuals who provide care. In contrast to the demand-side strategy of bolstering parents' purchasing power, there is also the older, alternative strategy involving direct public financing of new or expanded child care centers and preschools—a supply-side approach. Supply-side financing was how federal policymakers originally supported child care programs during World War II. Other examples of this institution-building approach include Head Start and state-funded preschools.

Both demand- and supply-side strategies, if effectively implemented, can help to expand the range of child care options in low-income communities and improve the quality of care. Key factors to consider in improving these strategies include states' eligibility criteria, copayment policies, reimbursement rates, links to center-based care, and local neighborhood contexts, as discussed below.

Income Eligibility and Copayments

The 1996 law increased states' authority to establish eligibility criteria for child care subsidies, and raised the allowable family income limit to qualify for a subsidy from 75% to 85% of the state median income. As a result, states' income limits vary widely. By 1999, nine states had raised eligibility to the new federal maximum of 85% of the state median income. On the other hand, Missouri and Wyoming decided that families with incomes up to only 42% of the state median should be eligible. Urban Institute researchers found that states

raised their monthly income eligibility standard by \$130, on average, after passage of the 1996 reforms.⁵⁴

At the same time, eligibility does not guarantee utilization. States require most subsidized families to pay a portion of the monthly costs of child care, or copayment, ranging from \$10 to \$100 or more. From a state's perspective, copayments can stretch available child care funding so that more families can receive subsidies. But from a family's perspective, the copayment may discourage both subsidy use and employment.⁵⁵ In addition, the administrative process for getting and retaining subsidies, involving in-person visits and extensive paperwork, can be discouraging for working poor families who may risk losing their jobs if they take time off to meet these bureaucratic demands.⁵⁶

Reimbursement Rates

Under the federal welfare reform law, states may now reimburse child care providers (organizations and individuals) above the 75th percentile of local market rates, previously the cap for welfare-related child care subsidies. About 30 states are continuing to use the 75th percentile to set their rates, whereas others are using their discretion to either raise or lower rates. For example, most California counties reimburse providers at about the 90th percentile of local market rates. In contrast, Massachusetts now sets its rate at the 55th percentile. Reimbursements are constrained both by setting rates at lower percentiles and by basing payments on old market rate surveys.⁵⁵

Lower reimbursement rates allow states to provide subsidies to more families, but can make it difficult for families to find care, as fewer providers can afford to accept the lower rates. Moreover, if a provider accepts the lower rate, the quality of care offered may be undercut, as providers rely on lower paid, less well-educated staff, or skimp on learning-related supplies. Lower reimbursement rates also discourage both individuals and organizations from entering the provider market. As an incentive to improve both quality and access to care, an increasing number of states are experimenting with tiered reimbursements rates, paying higher rates to centers that are accredited, or to providers who address special needs (such as infant or odd-hour care) or attend training or seek certification.⁵⁷

Links between Subsidy Use and Center-Based Care

A high correlation between use of subsidies and enrollment in center-based care has persisted since long before the 1996 reforms. The inverse also is true: Families who rely on informal arrangements have been far less likely to draw financial aid for this care. Because center care often is more costly, it is understandable that families wishing to use centers would be most likely to seek out a subsidy, but institutional factors may be contributing to this pattern. The high use of subsidies for center care in some states and local areas is rooted in longstanding contracting policies that secure a set number of center-based slots for children. The subsidy-center linkage also may be partly due to the way information about subsidies is communicated and how center slots continue to be allocated.

Following the 1996 reforms, federal regulations required that parents eligible for assistance under the CCDF be given a choice of receiving a voucher or enrolling their child in a state-funded facility. Nationwide, use of vouchers is certainly the most widely used option. In 1999, 83% of children subsidized by the CCDF were provided vouchers. Only 11% were using a state-funded center or family child care home, and the remaining 6% received a direct cash subsidy.⁵¹ However, use of state-funded facilities is much higher in some states. For example, among the 23 states using CCDF grants and contracts to fund facilities, the percentage of children using these facilities ranged from only 1% in states such as Colorado, Indiana, New Mexico, and Vermont to a high of 73% in Florida.

By using subsidy dollars for grants and contracts with selected centers and securing a stable number of slots, welfare agencies can support the basic infrastructure at these sites, exert greater influence to promote quality caregiving, and encourage these centers to expand. But tying substantial portions of subsidy funds to centers may deter the use of subsidies by families who prefer different types of care, and may deprive other providers of monetary incentives necessary to remain in the field.

Even with respect to vouchers, in many welfare offices throughout the country, it has been a tacit belief among clients and caseworkers alike that child care aid goes only for center-based programs. Researchers have found that when a caseworker asks, "Do you need day

care?” many welfare mothers take this to mean, “Do you want to place your child in a center or preschool?” The conversation sometimes ends there, without the caseworker explaining that a voucher could reimburse kith or kin members for child care services.⁵⁸ Since reform, however, use of vouchers for kith and kin providers has been growing.

Local Neighborhood Conditions

Before the mid-1990s, child care researchers rarely focused on neighborhood contexts, particularly the many small-scale child care organizations created over the past 40 years. Now, as government agencies escalate efforts to help parents move from welfare to work, state and federal officials are discovering a territory densely populated by privately funded centers and non-profit programs run by community-based organizations and local schools.

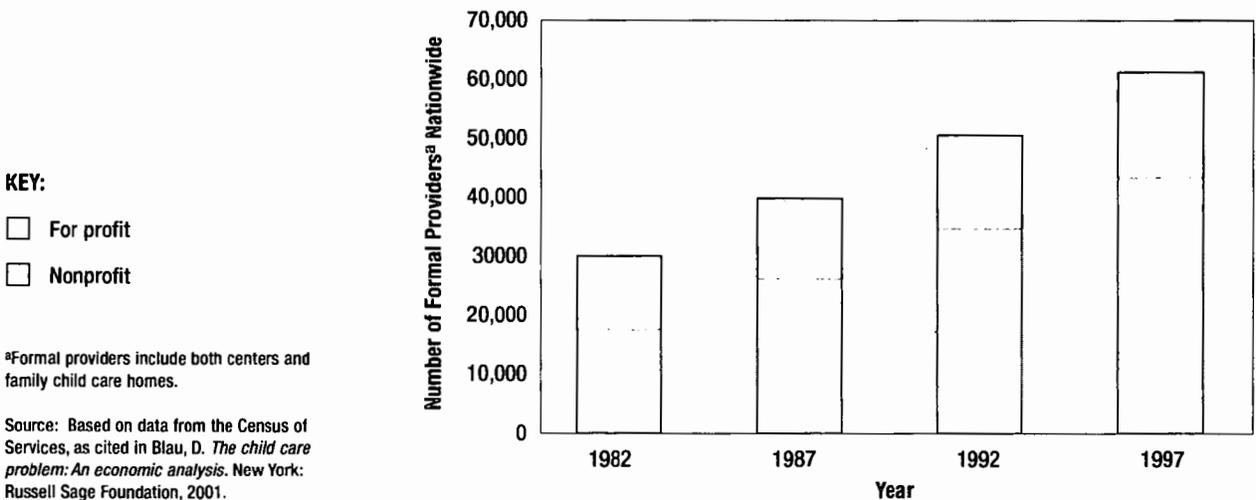
Recent data from the Census Bureau reveals the steady growth in the number of formal centers and family child care homes since 1982, as depicted in Figure 5. However, nationwide data from a recent study by the Children’s Foundation suggests that licensed centers’

capacity grew only between 2% and 3% per year during the late 1990s, not enough to keep pace with child population growth in major urban areas.⁵⁹ Moreover, neither study focused on organizational growth in low-income neighborhoods.

To begin taking stock of child care provider markets at the local level—the contexts in which welfare and working poor parents must make decisions—local child care agencies in many states now conduct a census of centers and family child care homes, tracking how many are in operation and how many children they are licensed to serve. A few states collect data on actual child enrollments. These organization-level data allow researchers to identify different levels of access to child care options across diverse zip codes or census tracts. A recent analysis of such data in California, for example, revealed some progress between 1996 and 2000: Capacity growth was higher overall in zip codes that had a relatively low supply at the beginning of the four-year period, indicating that these communities are slowly catching up with high-supply communities. Although center capacity was relatively high in the poorest zip codes, it declined in working poor and



Figure 5
Growth in Formal Care Providers 1982–1997



Stronger efforts to expand high-quality child care options will be needed to achieve the tandem goals of child care: enabling mothers to work and enhancing the development of children.

lower middle-class communities and areas with higher concentrations of Latino families, before rising sharply again in affluent zip codes.⁶⁰

In California, licensing data from the state welfare agency show that centers' enrollment capacity grew by 2.5% annually in the three years following passage of the state's welfare reform bill in 1997, nearly one full percentage point behind the 3.4% annual growth rate in the state's child population.²¹ Similar slow rates of center growth have been found in Illinois and Maryland.⁶¹ In addition, the number of new centers granted licenses grew at about two-thirds of the center-growth rate, indicating that much of the expansion was through new slots within existing centers rather than entry of new organizations. Adding slots to existing centers does little to expand capacity for many working-class communities and new immigrant communities because the number of existing centers is acutely low in those communities.

Moreover, the quality of center-based programs also depends on state and local conditions. In some low-income communities, public investment targeted on carefully regulated centers and preschools has effectively sustained programs of reasonably strong quality, at least with respect to structural factors. In other neighborhoods where infrastructure is weak, financial incentives have been insufficient to sustain higher quality centers. The mix of centers and preschools run by school districts, nongovernment organizations, and for-profit firms also affects average quality levels, especially when centers operate under weak state regulation. The GUP Project, for instance, has detailed the ample supply of low-quality centers in Florida. Beyond efforts to increase subsidy take-up rates, states may need to address the political and economic forces that surround neighborhood populations of child care organizations to simultaneously bolster supply and improve the quality of care.

In sum, federal and state governments have significantly increased spending on child care and preschools for low-income families since 1996. Use of vouchers for kith and kin providers has grown rapidly, and the sup-

ply of centers and family child care homes in major urban states is struggling to keep pace with child population growth. The constraints on center supply may be limiting parental choice and pushing families toward kith and kin caregivers. The supply of quality care options is uneven, especially in poor and middle-income communities, and the number of providers entering the child care market may be tapering off due to flagging subsidy take-up rates and the low reimbursement rates set by some states. Stronger efforts to expand high-quality child care options for low-income families will be needed to achieve the tandem goals of child care: enabling mothers to work and enhancing the development of children.

Conclusions

Although policymakers and private benefactors have long argued that public agencies can effectively strengthen the child care infrastructure and regulate quality, progress has been slow. Meanwhile, affluent families have built and enriched their own child care infrastructure, privately financing expansion and quality, often through hefty fees. Ensuring that children in welfare and working poor families have equal access to high-quality care is a crucial challenge facing society and all levels of government.

Important empirical lessons are emerging about the extent to which welfare reforms have or have not widened child care options for low-income parents making new decisions about who cares for their children. But much remains to be learned in two crucial areas. First, little is known about the relative benefits of maternal versus the different types of nonmaternal care for low-income children of different ages. It is unclear whether the increasing use of nonmaternal care by welfare families helps or hinders early development because information is just now beginning to emerge about the quality of children's home settings versus the quality of care in settings outside the home. More focused analyses should explore the comparative quality of different types of care and the underlying reasons

parents select particular arrangements for their children. Second, too little is known about the effects on both families and providers of alternative policies regarding eligibility for child care aid, out-of-pocket costs, reimbursement rates, the links between subsidies and centers, and the effects of neighborhood supply on subsidy take-up rates.

Successful policies need to be identified, both to support stronger gains in mothers' employability and to promote children's development. To begin, the following policy adjustments could help ensure that welfare and working poor parents are truly able to choose from a range of quality child care options in their neighborhoods:

- D Welfare and working poor parents need clear, comprehensive information about their child care options to gain purchasing power through the use of child care vouchers and bolster growth of quality choices.
- D CCDF funding should be increased and states should expand the capacity of center-based programs and licensed family child care homes so that welfare and working poor families have a full array of stable, affordable options.
- D In support of federal, state, and local efforts to bolster subsidy use and ensure that parents' and children's needs are being met, better information should be gathered on the types of child care low-income parents prefer, the stability and quality of the care they select, and the ways parents are paying for the arrangements.

A huge amount of political capital has been invested in the proposition that single mothers should work to

build a better future for themselves and their children. But maternal employment alone cannot benefit children unless it leads to improvements in children's daily environments. It is not enough for welfare reform simply to cause no harm. Welfare-to-work programs must focus on policies that help promote children's development by widening access to high-quality child care and after-school options. Children need opportunities for brighter futures if welfare programs are to achieve the ultimate goal of breaking the intergenerational cycle of poverty. Delivering on the promise of affordable, high-quality child care would be an important step toward realizing this goal.

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APPENDICES

Appendix 1

Innovative Uses of TANF Funds to Improve Access to High-Quality Child Care

These program profiles were prepared by Kate Boyer, Ph.D., senior researcher, and Catherine Lawrence, C.S.W., research associate, of the Rockefeller Institute of Government as part of the Institute's project, "Beyond Symbolic Politics."

Program name: Kansas Early Head Start
State: Kansas
Coverage: 13 local programs throughout the state
Program goals: Promote healthy prenatal outcomes for pregnant women, enhance the development of very young children, and promote healthy family functioning
Service population: Families with children ages 0 to 4 whose household incomes are at or below 100% of the federal poverty guidelines at enrollment; one-tenth of enrollment slots are reserved for children with disabilities
Funding sources: TANF funds transferred into the state's Child Care and Development Fund, and funds from the federal Head Start program

Description: Launched in 1998, this Kansas program constitutes the nation's first effort to provide enriched child care environments and other services to families by merging TANF-funded child care with the federal Head Start program. By partnering with existing child care providers in the community, the program provides full-day, full-year child care while parents are at school, job training, or work. The program also provides comprehensive services including nutrition, health and social services, parent and community involvement, and self-sufficiency training for parents. In 2001, Kansas Early Head Start served 825 children in 32 counties statewide.

Results: Each of the 13 local programs must adhere to performance standards as laid out by the National Head Start program, monitored every three years through on-site visits. Since 1998, 11 sites have received site visits; all have met the federal performance standards. Selected Early Head Start programs in Kansas were also included in a national evaluation conducted by Mathematica Policy Research. The study found that children enrolled in Early Head Start enrichment programs have significantly better cognitive, linguistic, and social skills than children who do not participate in the program.

For further information: See the Kansas Department of Social and Rehabilitation Services Web site at <http://www.srskansas.org/kidsnet/kehskhs.htm>; and the Mathematica Web site at <http://www.mathematica-mpr.com/3rdlevel/ehstoc.htm>.

Program name: Los Angeles County After-School Enrichment Program
State: California
Coverage: 153 public schools in Los Angeles County
Program goals: Provide after-school care that enhances academic achievement
Service population: Children receiving TANF
Funding sources: TANF

Description: For the past three years, Los Angeles County has offered TANF funds to expand the capacity of local schools to meet the needs of low-income families and children by operating an after-school program in those schools with the highest percent of TANF-eligible children. The program provides care for school-aged children at times when parents often have difficulty finding care, such as weekends, vacations, and holidays. In addition, the program works to improve students' academic achievement by mandating a high level of teacher involvement. Some schools use the funds to improve teacher-student ratios, a key indicator of quality programming. Others use the funds to resume lost activities such as drama, art, and music. In each case, academic and enrichment activities are required. As of April 2001, nearly 6,000 TANF children had been enrolled in the program. The county is also working with other cities that want to replicate the program throughout the country.

Results: An evaluation of 30 sites is under way, and initial responses to the program are positive. Parents say the individualized attention has improved their children's reading and writing, teachers say they have seen some children blossom into real leaders, and principals feel the program has built more solid bridges between the school and parents.

For further information: See the Los Angeles County child care directory Web site at http://childcare.co.la.ca.us/afterschool_enrichment_prog.htm.

Program name: Building Capacity Project
State: Washington
Coverage: Statewide
Program goals: Increase the supply of child care that meets special needs
Service population: Families earning below 225% of the federal poverty guidelines
Funding sources: TANF

Description: The Building Capacity Project seeks to expand access to certain hard-to-find forms of child care, including infant care, middle-school child care, before- and after-school care, evening and weekend care, and care for children with disabilities. To accomplish this goal, the program provides training so that first-time care providers may gain licensing, and existing child care centers may expand their capacity. Program administration is subcontracted to community groups. These groups must justify their choice of neighborhoods for increasing the supply of care and then must submit monthly progress reports toward achieving their goals. In addition to expanding child care options for low-income families, the program also seeks to provide an economic boost to small business owners in economically-depressed areas by aiding the expansion of child care centers.

Results: This program began in October 2000, thus implementation is still in its early stages. Site-monitoring was planned for 2001, and an on-site assessment is scheduled for 2002.

For further information: See the Washington State Department of Social & Health Services Web site at <http://www.wa.gov/dshs/occp/ccdfinal.doc>.

Appendix 2

CCDF Utilization Rates, by State, 1999

These rates include only those children funded under the Child Care and Development Fund. They do not include children participating in Head Start or other state-funded preschools or child care programs.

State	Number of children		Percent
	Served ^a	Eligible ^b	
Alabama	24,500	233,300	11%
Alaska	6,260	46,700	13%
Arizona	36,590	283,800	13%
Arkansas	11,250	180,600	6%
California	226,750	1,732,500	13%
Colorado	23,790	226,300	11%
Connecticut	9,790	187,700	5%
Delaware	5,920	50,700	12%
District of Columbia	1,040	31,500	3%
Florida	58,630	705,300	8%
Georgia	38,170	485,200	8%
Hawaii	7,110	81,200	9%
Idaho	7,560	68,200	11%
Illinois	92,030	676,000	14%
Indiana	20,230	299,800	7%
Iowa	15,720	199,200	8%
Kansas	11,570	172,800	7%
Kentucky	26,220	170,200	15%
Louisiana	38,980	219,700	18%
Maine	8,890	60,900	15%
Maryland	22,070	259,900	8%
Massachusetts	40,200	301,700	13%
Michigan	101,890	545,100	19%
Minnesota	17,200	297,400	6%
Mississippi	17,870	185,500	10%
Missouri	58,390	305,600	19%

State	Number of children		
	Served ^a	Eligible ^b	Percent
Montana	6,430	60,800	11%
Nebraska	12,140	115,000	11%
Nevada	5,900	97,000	6%
New Hampshire	6,790	71,600	9%
New Jersey	34,000	350,500	10%
New Mexico	16,610	126,900	13%
New York	164,200	880,900	19%
North Carolina	67,100	411,400	16%
North Dakota	4,450	37,700	12%
Ohio	58,440	577,300	10%
Oklahoma	30,820	191,100	16%
Oregon	20,490	188,500	11%
Pennsylvania	82,750	533,900	15%
Rhode Island	6,390	42,500	15%
South Carolina	17,840	231,000	8%
South Dakota	3,680	46,200	8%
Tennessee	63,090	346,000	18%
Texas	96,640	1,161,700	8%
Utah	13,260	130,400	10%
Vermont	4,980	33,400	15%
Virginia	27,120	348,100	8%
Washington	46,130	310,500	15%
West Virginia	13,310	52,700	25%
Wisconsin	24,940	365,800	7%
Wyoming	3,330	31,600	11%
U.S. Total	1,760,260	14,749,500	12%

^a Average monthly number of children served in fiscal year 1999.

^b Number of children eligible under the maximum limit allowed under federal law, set at 85% of the state median income.

Source: U.S. Department of Health and Human Services, Administration for Children and Families. Based on numbers from the 1999 Access to Child Care for Low-Income Working Families Report. *New statistics show only small percentage of eligible families receive child care help.* Press release. Washington, DC: USDHHS, December 6, 2000.



Family Economic Resources in the Post-Reform Era

Sheila Rafferty Zedlewski

SUMMARY

Aided by the longest economic expansion in U.S. history and other policy changes designed to make work pay, federal welfare reform legislation has spurred mothers to leave welfare at an unprecedented rate. The majority of mothers who left welfare are working, but most have jobs with low pay and limited benefits. This article discusses the relationship between economic resources and child well-being, and how family economic resources have changed under welfare reform. A survey of the research conducted since reform indicates the following:

- ▷ Families' economic resources clearly matter to child well-being, but the connections are complex and vary by the age of the child.
- ▷ Without the benefit of supports designed to "make work pay," many families working full time at the minimum wage have resources beneath the poverty line, and the

poverty line itself falls substantially short of the needs of most working families.

- ▷ Although poverty overall has declined under welfare reform, a significant segment of families are worse off—in part because after leaving welfare, many families do not receive other government supports designed to help them.

Most states are still struggling to design more effective systems for delivering supports to help low-income working families move out of poverty. The author cautions that the evolving story of welfare reform will need to be monitored carefully to achieve long-term positive impacts on family economic resources and child well-being.

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Federal welfare reform legislation, passed in August 1996, ushered in a new era in U.S. history of providing support for vulnerable families with children. The law replaced entitlements to cash assistance with fixed block grants to states under a new program titled Temporary Assistance for Needy Families (TANF). (See the article by Greenberg and colleagues in this journal issue.) Aided by the longest economic expansion in U.S. history and other policy changes designed to make work pay, the new legislation hastened an already rapid decline in welfare caseloads and left states with considerable federal funds to use in new ways to help low-income working families.

It is not yet clear how federal welfare reform ultimately will affect family and child well-being. The majority of mothers who left welfare are working, but most have jobs with low pay and limited benefits. Proponents of reform argue that mothers who rely on work rather than welfare provide better role models for their children, achieve greater self-esteem, and, in time, are likely to move up the economic ladder. Opponents caution that children will fare worse unless working mothers can earn

enough to support their families. Most families will need help paying for child care, transportation, housing, and health expenses.

Welfare reform is still evolving as families adjust to new expectations and new support packages, and as states adjust to their new responsibilities in setting the basic safety net for low-income families with children. This article examines the relationship between economic resources and child well-being, and how family economic resources are changing as a result of reform. A description of federal and state policies that help to make work pay is provided, followed by a summary of the research describing former welfare recipients' earnings, incomes, and government supports. A final section reviews state initiatives that provide new types of non-cash assistance for working poor families to help close the gap between the apparent benefits offered to these families and what they actually receive.

Economic Resources and Child Well-Being: What Is the Connection?

The preamble to the federal welfare reform bill focuses on the goals of marriage and responsible fatherhood and motherhood as integral to "successful child rearing and the well-being of children."¹ Noticeably absent is a goal of reducing poverty or increasing the economic resources available to children. Part of the political debate surrounding how much and how long government assistance should be available to low-income families with children still focuses on whether the amount of economic resources available to families really makes a difference to child well-being. The research on this topic suggests that families' economic resources clearly matter to child well-being, but the connections are complex and vary by the age of the child.

Greater Income Related to Better Outcomes

It is well documented that children in families with greater incomes do better across a wide range of indicators. Economically secure children tend to be healthier and do better in school; they are less likely to be involved in criminal behavior and are more likely to graduate from high school and to earn higher incomes as adults. In contrast, poorer children tend to have fewer opportunities for success.²



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Economically secure children tend to be healthier and do better in school; they are less likely to be involved in criminal behavior and are more likely to graduate from high school and to earn higher incomes as adults.

Various studies have attempted to document the importance of income relative to other factors believed to affect child well-being. For example, one study comparing outcomes of children in single-parent versus two-parent families found that differences in income account for as much as half of the difference between these two groups of children in school achievement and early childbearing, and for a substantial portion of the difference in risk of dropping out of high school.³ Another study followed a cohort of children born in the late 1960s and found that, among several factors analyzed, income had the most significant effect on child well-being and achievement.⁴ Children in families with low income were less likely to graduate from high school and more likely to have children before age 25 when compared with children of the same demographic backgrounds with higher incomes.

Although greater income is clearly associated with better outcomes for children, the extent to which money matters and the pathways through which a family's economic resources affect child well-being remain unclear. Some researchers argue that income matters because it leads to richer learning environments—through better neighborhoods, better schools, and extracurricular activities—and because children who are exposed to a richer educational environment are less likely to repeat the barriers that lead to dependence on federal aid, such as low educational attainment, drug use, or teen pregnancy. Also, children may be more highly motivated to succeed when they know their parents can help pay for college.

Other researchers have questioned whether it is the lack of resources that poverty entails or something more integral to the structure or culture of poor families that affects outcomes for poor children. Critics of the conclusion that income matters argue that it is not money per se, but the values intrinsic in employment that are important to combating poverty. Thus, income derived from work is believed to have a greater beneficial effect on children than income derived from

welfare.⁵ By watching their parents struggle to provide for the family rather than simply taking money from the government, children learn important lessons about self-sufficiency and hard work.⁶ One critic has asserted that “attempting to raise the family income artificially through welfare is very unlikely to do much to benefit the child, but it is likely to destroy the very values that are key to the child's success.”⁷

The evidence suggests that programs designed to increase family employment and economic resources can benefit children, but the effects vary by the age of the child. For example, a summary of findings from five large-scale demonstration projects concluded that programs that provided earnings supplements along with increased parental employment led to higher school achievement, fewer behavioral problems, increased positive social behavior, and sometimes improved health among preschool and school-age children.⁸ The higher incomes apparently helped purchase enriching experiences for these children at a time when it mattered most to their development.⁹ In contrast, the summary revealed some negative effects on adolescents' behavior¹⁰ and identified no effects on the very young.¹¹ (See the article by Zaslow and colleagues in this journal issue.) Because policies that affect families' economic resources do not influence children's behavior and development directly, any effects—either positive or negative—most likely occur indirectly through changes in parents' employment and availability, the use and quality of child care and early education, and other family circumstances.

In sum, greater income clearly is linked to better outcomes for children, but the pathways connecting income to child well-being are unclear, and demonstration projects designed to increase families' economic resources have had varying effects on children. As a first step to promoting more effective programs, it would be helpful to know the minimally adequate level of resources sufficient to support positive outcomes.



The data suggest that the traditional poverty line measure falls substantially short of meeting the needs of a working mother or couple with children.

Measuring Poverty and Families' Needs

Several benchmarks, including the poverty line, alternative measures of expenditure needs, and relative economic well-being measures, have been developed to assess income adequacy. Although none of these measures directly relate to child well-being, the data suggest that the traditional poverty line measure falls substantially short of meeting the needs of a working mother or couple with children.

Since the 1960s, the United States has used a measure of poverty to indicate the minimum level of cash income families need to obtain food and other goods and services. The poverty "line" was set at three times the cost of a healthy but minimal budget for food, based on the observation that the average family spent one-third of its budget on food in the mid-1950s.¹² This poverty measure, updated each year to reflect the change in the consumer price index, is often used as a benchmark of income adequacy, child well-being, and the need for assistance from various government programs. However, a major study by the National Research Council of the National Academy of Sciences in 1995 concluded that this measure no longer provides an accurate picture of the differences in the extent of economic poverty in the United States nor of trends over time. The measure does not include in-kind economic resources available to families through the earned income tax credit (EITC) and food stamps, nor does it exclude taxes and out-of-pocket child care and health expenses. The panel proposed a new measure that would more accurately identify family resources and budget needs, and some research organizations, including the U.S. Census Bureau, have begun using this measure in surveys and other studies.

An alternative method proposed for assessing family needs is based on how much welfare recipients would need to earn to leave welfare for work.¹³ To develop this "self-reliant" measure, researchers examined low-income families' expenditure patterns and the cost of their basic needs. The data showed that, in 1991, households consisting of mothers with two children in

which the mother was paying for housing needed \$1,000 per month, on average, to cover basic expenditures while on welfare, and \$1,330 per month to maintain the same standard of living while working. The researchers estimated that a working mother needed to earn at least \$8 per hour at a full-time job to reach this level of income. Mothers earning less per hour or working less than full time would need other income sources (such as a partial welfare check, housing or child care subsidies, and the EITC) to make up the difference. In 1999, these estimates translated into a wage of \$10 per hour for a full-time worker (or lower wages or hours supplemented by other in-kind or cash resources) to reach a monthly income of about \$1,630.

Because TANF enforces strict work requirements for most single mothers, alternative measures of income adequacy have been proposed for working families. For example, one proposal recommends a basic needs or self-sufficiency budget based on estimates of the minimum income level required for a family to afford the necessities (food, housing, transportation, health care, child care, and taxes) without government aid.¹⁴ Others have suggested using one-half the median income as a benchmark to measure the adequacy of a working family's income.¹⁵ This approach measures adequacy relative to the general population's income. But by this measure, regardless of the country's economic situation, one-fourth of the population will always be considered poor.

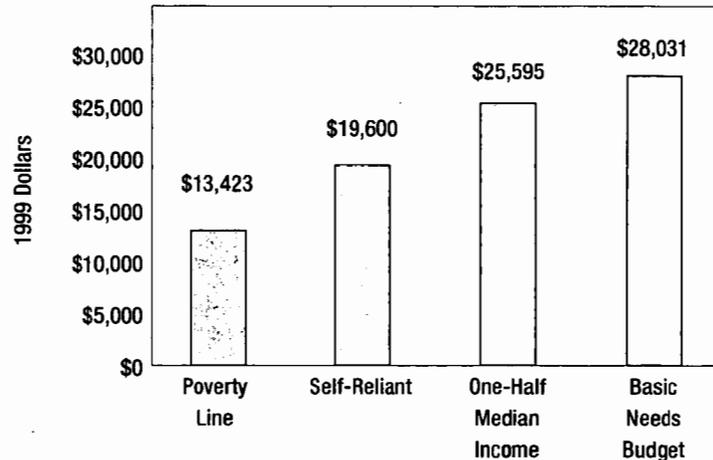
These measures of income adequacy roughly bracket an adequate level of resources for a family. (See Figure 1.) At the high end, the basic needs budget estimates that the average cost for the "basic necessities" for a working family of three is about two times the low-end federal poverty standard. The one-half median income approach also places a family's needs significantly above the poverty line, but below the basic needs budget, as does the self-reliant measure.

Although the research does not point to a specific level of economic resources sufficient to support positive outcomes for children, data from experimental studies suggest that even fairly modest increases in income can

Figure 1

Alternative Measures of Income Adequacy for a Family of Three

Sources: Poverty threshold from U.S. Census Bureau. *Poverty in the United States, 1999*. Series P60-210. Washington, DC: U.S. Government Printing Office, September 2000. Self-reliant measure from Edin, K., and Lein, L. *Making ends meet*. New York: Russell Sage Foundation, 1997. One-half median income measure from U.S. Census Bureau. *Money income in the United States: 99*. Washington, DC: U.S. Government Printing Office, September 1999, p. 1, table 1. Basic needs budget based on the average cost of the "basic necessities" for a family living in Baltimore, Maryland, from Bernstein, J., Broehl, S., and Spade-Aquilar, M. *How much is enough? Basic family budgets for working families*. Washington, DC: Economic Policy Institute, 2000, p. 61.



have positive effects. For example, some programs that increased families' economic resources by \$1,200 to \$4,000 per year over the level of resources previously received on welfare had positive effects on children in the preschool and elementary school years. If families' resources were raised to the levels suggested by the poverty line alternatives depicted in Figure 1, the additional resources would be much greater—an additional \$6,200 to \$15,000 for a family of three—and could have dramatic effects on the well-being of children.

New Policies Designed to "Make Work Pay"

A major goal of welfare reform is to move families from welfare to work. Even when working, however, many low-income families have difficulty earning enough money to provide for their families' needs. As a result, federal and state governments have developed several incentives and supports to increase the payoff from work, including minimum wage standards, tax credits, and policies that allow welfare recipients to earn more without losing benefits. Figure 2 summarizes the changes in policies that complement welfare reform's goal of increasing work among TANF recipients.

Minimum Wage

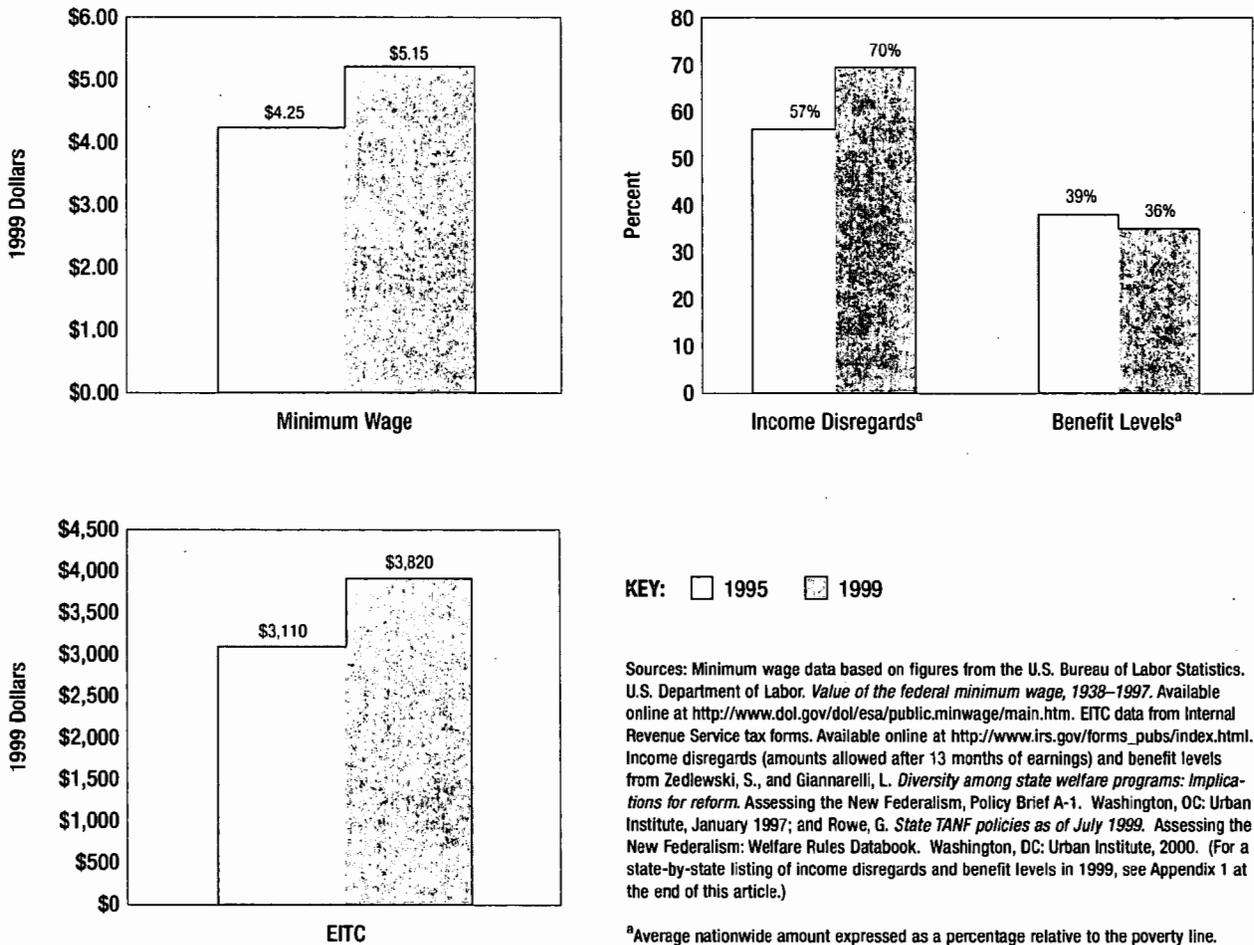
Federal and state governments set minimum wage levels that employers must pay workers in jobs covered by the Fair Labor Standards Act (FLSA), which included

72% of wage and salary workers in 1999.¹⁶ The federal minimum wage was last increased from \$4.25 per hour to \$4.75 in 1996 and to \$5.15 per hour in 1997, the first real increases in five years. The current level provides a full-time, full-year worker an income equal to \$10,712 a year, about 80% of the poverty line for a family of three in 2000. Eleven states (including the District of Columbia) mandate higher wage floors, ranging from \$5.25 per hour in Hawaii to \$6.75 in Massachusetts.¹⁷ A full-time, full-year worker paid the minimum wage in Massachusetts would earn an income just around the federal poverty line for a family of three.

Wage rates are central to concerns about a low-skilled welfare population that is expected to move into paid employment. Because the minimum wage is not indexed to inflation, its real value and protection for low-wage workers erodes over time. During the continual debates over further increases to the minimum wage, objections focus on concerns that a higher minimum wage would primarily benefit teenagers not living in poor families, and that it could result in job cuts and increased unemployment. Although a disproportionate share of minimum wage workers are teenagers, poor parents make up a sizable share as well. In 1998, for example, over two million minimum wage workers were parents over age 25 living with minor children.¹⁸ In addition, although many minimum wage studies have focused on costs to employers and possible unemployment effects as employers reduce the number of

Figure 2

Changes in Policies to Help Make Work Pay

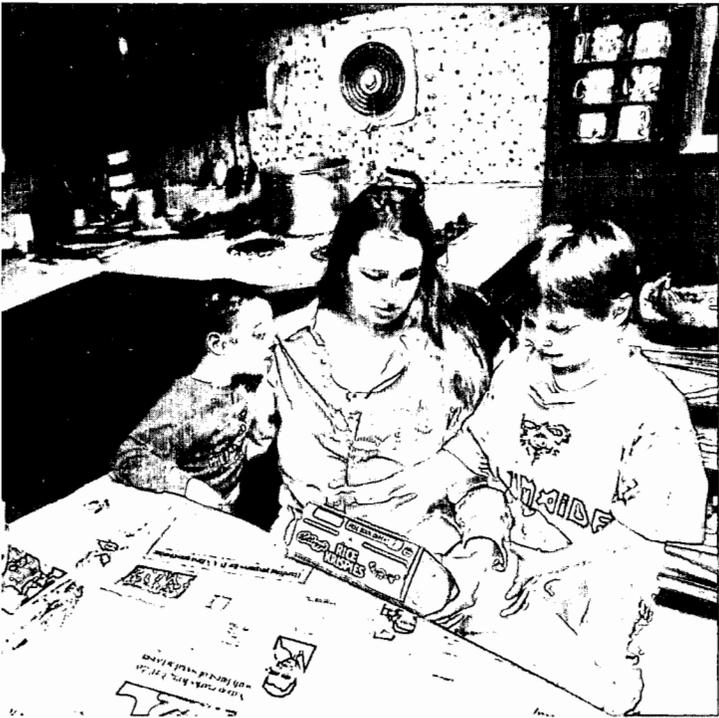


jobs to hold down costs, most of the studies find only slight, if any, negative employment effects resulting from an increase in the minimum wage. Thus, raising the minimum wage is an important tool available to the government for helping make work pay.

Tax Policy

The refundable federal EITC is currently the largest program supporting low-income families. The federal EITC increased substantially in 1993 as a major initiative by the Clinton administration to make work pay for lower-

income families. The tax credit provided \$30 billion in support to low-income families with children in 1997. The maximum federal EITC for a family with two children in 2000 was \$3,888, available to families with earnings between \$9,700 and \$12,700 (92% of poverty).¹⁹ The credit is completely phased out when earned income reaches \$31,152 (225% of poverty). The EITC helps more families escape poverty than any other federal program. Some 4.8 million people, including the families of 2.6 million children, are able to raise their income above the poverty line as a result of the federal EITC.²⁰



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State EITCs, a more recent phenomenon, have been increasing in number and generosity since 1997. Fifteen states, including the District of Columbia, now offer EITCs. All but one are based on the federal credit, and most are refundable.²¹ TANF regulations issued in April 1999 specifically allow states to finance the refundable portion of their EITCs from federal TANF monies and to count credits for low-income families toward required levels of state expenditures under TANF.²² This ruling may increase the number of states to follow Wisconsin's lead in using TANF funds to support refundable EITCs as part of a strategy to increase the net income of low-income families with children.

The high marginal tax rates created by EITCs have been getting increasing attention because the net payoff from increased work falls precipitously once earnings reach the level at which the EITC is phased out. Although more generous EITCs obviously provide greater assistance to low-income working families, they also create an unavoidable tradeoff: With a more generous credit, more has to be taken away as income climbs. The common "piggybacking" of state EITCs onto the federal EITC means that state EITCs exacerbate the high marginal tax rates already generated by the federal credit.

In addition to the EITC, other federal and state tax credits also have been targeted to low-income families. For example, in 1998 the federal government implemented both a nonrefundable "child tax credit" and a refundable "additional child tax credit," for a combined total of not more than \$500 for each child. These credits were available to people with incomes higher than those qualifying for the EITC, but were refundable only for families with three or more children. More recently, the Tax Reform Act of 2001 increased the child credit to \$600 (escalating up to \$1,000 by 2010) and included a refundable component that will benefit all working families who have children and earn more than \$10,000 per year.²³

TANF Policies

State TANF policies also have helped create incentives to work. For example, states typically disregard some amount of earnings before it affects a family's benefit level. Benefits are reduced by an increasing percentage of earnings above the disregard until the benefit goes to zero. Under welfare reform, many states have expanded these earned income disregards to allow TANF recipients to keep more of what they earn in the paid labor market without losing benefits. As illustrated in Figure 2, between 1995 and 1999 the maximum income a family could earn without losing cash benefits increased from 57% to 70% of poverty level on average nationwide. By 1999 the earned income disregards in 32 states were more generous than those used under the Aid to Families with Dependent Children (AFDC) program, and 15 states allowed families to receive combined cash welfare and employment earnings that exceeded the poverty line.²⁴ (For a state-by-state listing of these provisions, see Appendix 1 at the end of this article.)

At the same time, most states have held their TANF benefit levels constant since federal welfare reform legislation passed in 1996.²⁵ On average, benefit levels nationwide actually decreased slightly (see Figure 2). When benefits do not increase to keep pace with inflation, the decline in real value makes welfare less attractive relative to work. But lower benefit levels also erode the value of income disregards: Given the same earned income disregards, TANF recipients can earn more in states with high benefit levels. In addition, in most states, families who receive reduced benefits along with employment earnings use up months that count

□ Policies designed to make work pay can play an important role in augmenting gains in low-income working families' economic resources.

against their lifetime limit for benefit receipt. To ensure that these months will not count against the federal five-year time limit on assistance, four states (Delaware, Illinois, Maryland, and Rhode Island) move at least some families with employment earnings into state-funded TANF programs that are not subject to the same federal requirements.²⁶

Many states have also increased allowable assets limits for TANF families, thereby increasing incentives for recipients to work. For example, the federal AFDC program placed a \$1,500 limit on the value of an automobile that recipients could own, limiting job options for recipients without access to reliable public transportation. Under TANF, most states increased the vehicle exemption to more than \$4,650, far exceeding the vehicle exemption under the food stamp program (see Appendix 1). Some 24 states now allow at least one car of any value per family.²⁷ The AFDC program also placed significant limits on recipients' financial assets, reducing incentives to set aside money for emergencies and unexpected expenses. Under TANF, 39 states have increased allowable unrestricted assets (that is, savings that recipients can use for any purpose) from \$1,000 to \$2,000 or more; and 23 states substantially increased allowable restricted assets (that is, assets that recipients can set aside for particular purposes, such as home ownership, education, and business capitalization).²⁸ For a state-by-state listing of these provisions, see Appendix 1 at the end of this article.

Other Support Policies

Other policies that provide significant support to low-income working families include the federal food stamp program, health insurance, child care subsidies, and child support enforcement.²⁹ For example, the food stamp program offers assistance to all families with incomes below 130% of poverty and can be very valuable to working poor families. A single parent with two children and earnings at one-half the poverty level (about \$590 per month) could receive \$335 per month in food stamps in 2000, assuming no income beyond earnings.³⁰

Government programs that provide health insurance coverage also are important to low-income families who often work in low-paying jobs with no employer-provided benefits. Some 31 states now cover children in families with incomes up to 200% of the federal poverty line (or higher) either through Medicaid or the State Children's Health Insurance Program (SCHIP).³¹ Medicaid is generally available to families on TANF, and to families leaving TANF for work, for up to a year if they are earning below 185% of the federal poverty line.³² SCHIP is available to children in families with income below 200% of the federal poverty line, at a minimum, and may be available to families with higher incomes, depending on the state's Medicaid income threshold. In New Jersey, for example, SCHIP is available to children in families with income up to 350% of poverty.³³

Child care is an important element in the budget of most low-income working families, but the value of child care subsidies is less certain. Child care is not an entitlement, and benefits vary considerably across states, depending on whether a family is on welfare, leaving welfare, or not in the welfare system.

Similarly, states are required to implement programs to help all families receiving welfare and Medicaid assistance to secure child support payments from noncustodial parents and to help other families not on assistance who pay a small fee.³⁴ But the amount of payments received, if any, varies widely by state and by individual family. States have adopted various guidelines for determining award amounts, resulting in wide differences across states in awards for families in similar circumstances, particularly at the lower income levels.³⁵ In addition, many families never collect on their awards, or never have awards established in the first place.

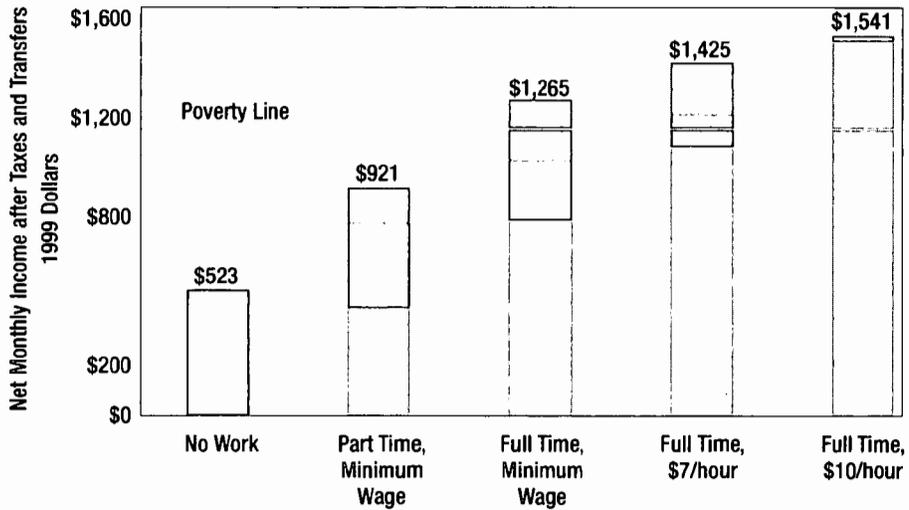
Policies' Combined Impacts

The cumulative effect of policies designed to make work pay can play an important role in augmenting gains in low-income working families' economic resources. Figure 3 shows the gains achievable as work and wages increase for low-income families in Texas and California,

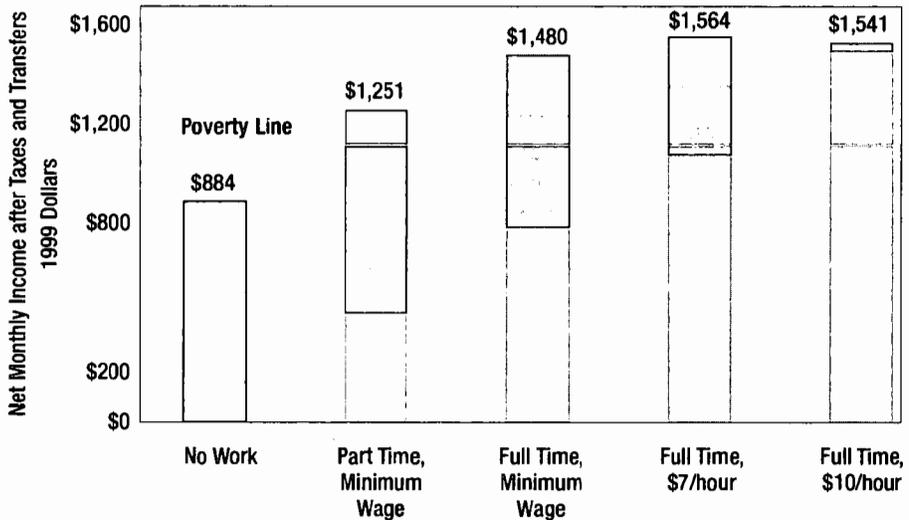
Figure 3

Gains Achievable for Single-Parent Working Families in Texas and California

Texas



California



KEY:

- Net Tax Benefits
- Food Stamps
- TANF
- Earnings

Source: Based on calculations from the Urban Institute's State Income Calculator (STIC), an update of data used in Acs, G., Coe, N., Watson, K., and Lerman, R. *Does work pay? An analysis of the work incentives under TANF*. Assessing the New Federalism, Occasional Paper No. 9. Washington, DC: Urban Institute, July 1998.

two states with distinctly different policies. In 1999, a mother with two children working full time at the minimum wage could exceed the poverty line in both states if she received the full package of benefits available to her. These figures also demonstrate how extra supports from food stamps and the EITC diminish as families move into higher-paying jobs. In California, for exam-

ple, net family income actually decreases as families move from earning \$7 to \$10 per hour. The food stamp benefit is phased out, and the EITC becomes negligible. To soften the transition, some policymakers have suggested increasing the federal EITC to implement a slower phaseout,³⁶ or using different phaseout schedules for states' EITCs as a counterbalance.³⁷

Thus, it appears that a family can be boosted over the poverty line if the full range of benefits are received. However, even with all available supports, families working full time at a minimum wage job do not come close to reaching the alternative measures of the resources required to meet their needs, as discussed earlier. And families often do not receive the full range of benefits available.

Families' Economic Resources since Reform

Policies that increase work incentives and make work pay clearly have been enhanced since welfare reform, but the data suggest that not all low-income families have benefited from these changes. Two somewhat different pictures of family income in the TANF era have emerged so far. Studies that base their assessment solely on cash income conclude that poverty has declined as a result of welfare reform. Other studies, which base their assessment on total family income, including noncash benefits, conclude that a significant segment of families are

worse off as a result of welfare reform. The potential of government supports to augment earnings and pull many working families out of poverty is not yet a reality.

An analysis of data from the Census Bureau's Current Population Survey (CPS) found that between 1995 and 1997, disposable income increased for most single-mother families but not for those among the poorest income groups.³⁸ (See Figure 4). Total resources declined by \$814 annually for the lowest income group and by \$319 for the second-lowest group. As Figure 4 shows, this decline occurred primarily because of a drop in the number of families receiving TANF and food stamps.

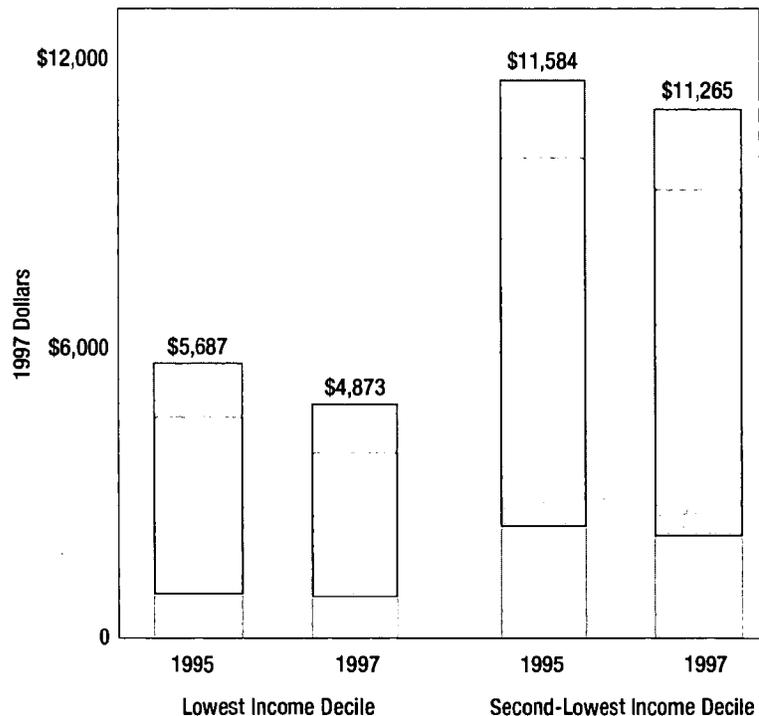
Other analyses of CPS data from 1976 to 1998 point in the same direction.³⁹ They show that overall, recent welfare reforms increased family earnings and decreased poverty, but that the lowest-income families are worse off since welfare reform. For example, researchers found that, following the passage of the 1996 legislation, "poverty among female high school dropouts appears to have declined by 2 percentage points more than it would have in the absence of policy changes...."⁴⁰

Figure 4
Changes in Annual Income among Poorest Single-Mother Families: 1995-1997

- KEY:**
- Other Income^a
 - TANF and Food Stamps
 - EITC
 - Earnings

Sources: Primus, W., Rawlings, L., Larin, K., and Porter, K. *The initial impacts of welfare reform on the economic well-being of single mother families*. Washington, DC: Center on Budget and Policy Priorities, August, 1999. Numbers are based on an analysis of data from the Current Population Survey and include adjustments for underreporting of welfare and food stamp benefits, which have been shown to worsen during this period.

^a Other income includes Social Security, veterans benefits, unemployment insurance, interest and dividends, and child support.



However, such analyses also revealed that income gains did not occur in the post-TANF era among less skilled mothers in the bottom fifth of the income distribution. The data showed a substantial decline in income for women in this group, although the effects were not precisely estimated. One study found an increase in deep poverty (below 50% of the federal poverty line) among children between 1995 and 1997.⁴¹

In short, the picture of actual incomes in the TANF era is mixed: Some families have gained as a result of welfare reform and other policies designed to make work pay, whereas others at the bottom of the income distribution seem to be worse off. These findings highlight the importance of increasing wages and resources for working poor families and making it easier for them to

participate in government support programs. Strategies may also focus on increasing the number of hours of work among single-parent families by ensuring the availability of low-cost, high-quality child care.⁴²

Work Increasing, but at Low Wages

Motivated by a strong economy and policies that help make work pay, many more single mothers are working now compared to earlier periods.⁴³ Between 1995 and 1999, the labor force participation rate for single mothers with children under age 6 increased from 53% to over 68%, and rates for single mothers with older children rose from 67% to 83% (see Figure 5).⁴⁴ Among welfare recipients, participation in the paid labor force increased from about 9% to 28% over the same period.^{45,46} Studies show that the proportion of families

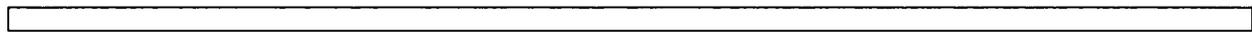
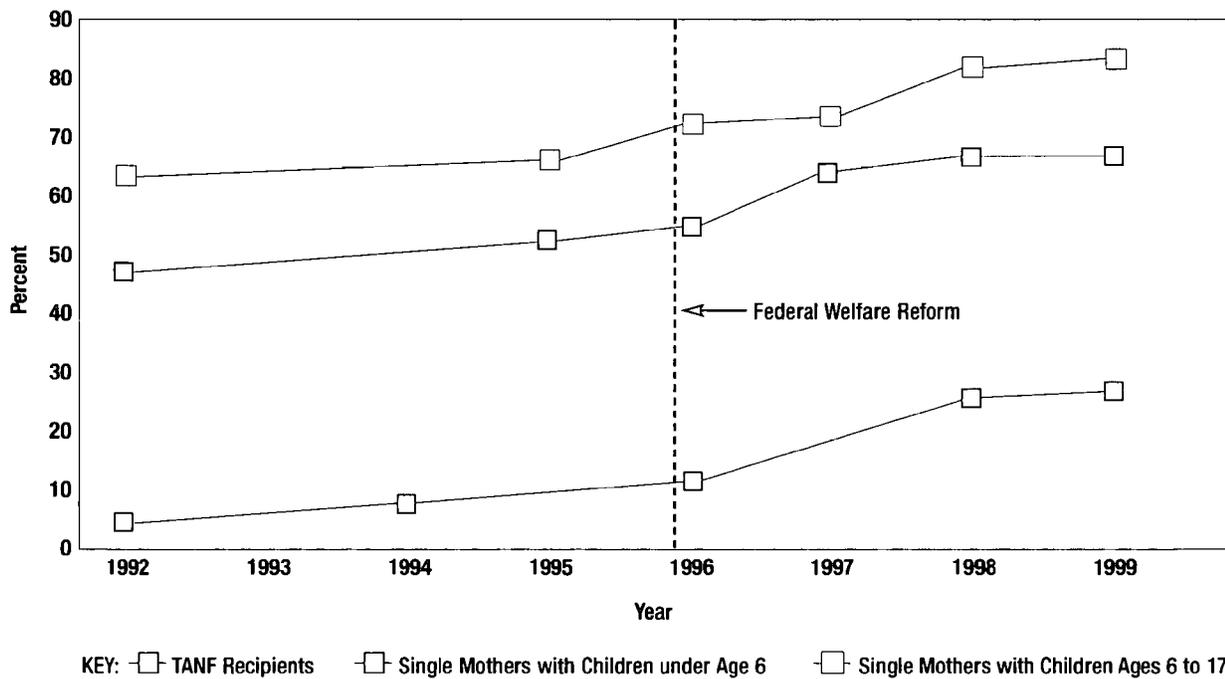


Figure 5

Labor Force Participation among Single Mothers and AFDC/TANF Recipients (1992–1999)



Sources: U.S. Census Bureau. *Statistical abstract of the United States, 2000: The national data book*. Washington, DC: U.S. Census Bureau, 2000, table 653; and Administration for Children and Families, Office of Planning, Research and Evaluation. *Temporary Assistance for Needy Families: Third annual report to Congress*. Washington, DC: U.S. Department of Health and Human Services, August 2000, table 10.1.a.

who are employed after leaving welfare has also increased. A nationally representative Urban Institute study found that 75% of families who left welfare between 1995 and 1997 included at least one employed adult, as did 79% of those who left between 1997 and 1999.⁴⁷ In studies from eight states, employment rates among single-parent welfare leavers ranged from 50% to 64% in the first three months after leaving welfare.⁴⁸

Studies to date indicate that earnings for families leaving welfare are generally low, barely reaching the poverty line. The Urban Institute study of welfare leavers found that median monthly wages were \$1,093 in 1999, just under the federal poverty level for a family of three.⁴⁹ According to studies in eight states, average monthly earnings of former welfare recipients during the first three months after leaving welfare were even lower, generally ranging from \$733 to \$900.⁵⁰ It is clear that many low-income working families do not earn enough to support a family of three.

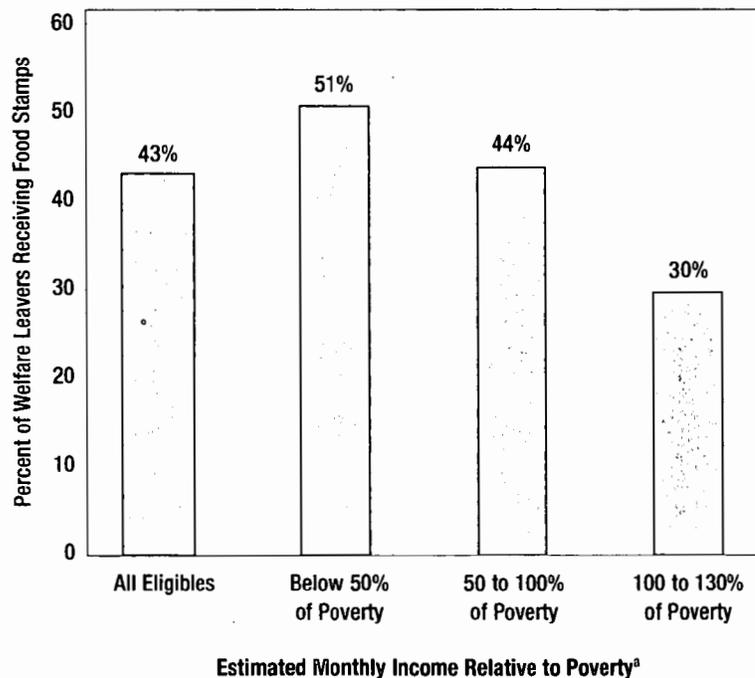
In addition, few studies compare postwelfare income with the income families would have received if they had remained on aid. Based on individuals' assessments of

their family income, some studies suggest that one-half to two-thirds of families who leave welfare have higher incomes after leaving the rolls. A study in Wisconsin, however, estimated that more than half the families leaving welfare in that state have lower incomes than they would have if they had stayed on welfare.⁵¹ No studies have been able to provide information about changes in income for those who have never become welfare recipients because of new policies adopted since reform.

Work Supports Often Not Received

For families earning low wages, government supports such as the EITC, food stamps, health insurance, and subsidized child care are essential to maintaining sufficient economic resources. Studies show that participation in the EITC is generally strong. At least 85% of eligible families receive the EITC, according to rough estimates.⁵²⁻⁵⁴ But the same is not true of other programs intended to help make work pay. Studies show that a substantial number of families leaving welfare do not avail themselves of other, nontax supports to augment their earnings.

Figure 6
Food Stamp Program Participation Rates after Leaving Welfare, by Income Level (1999)

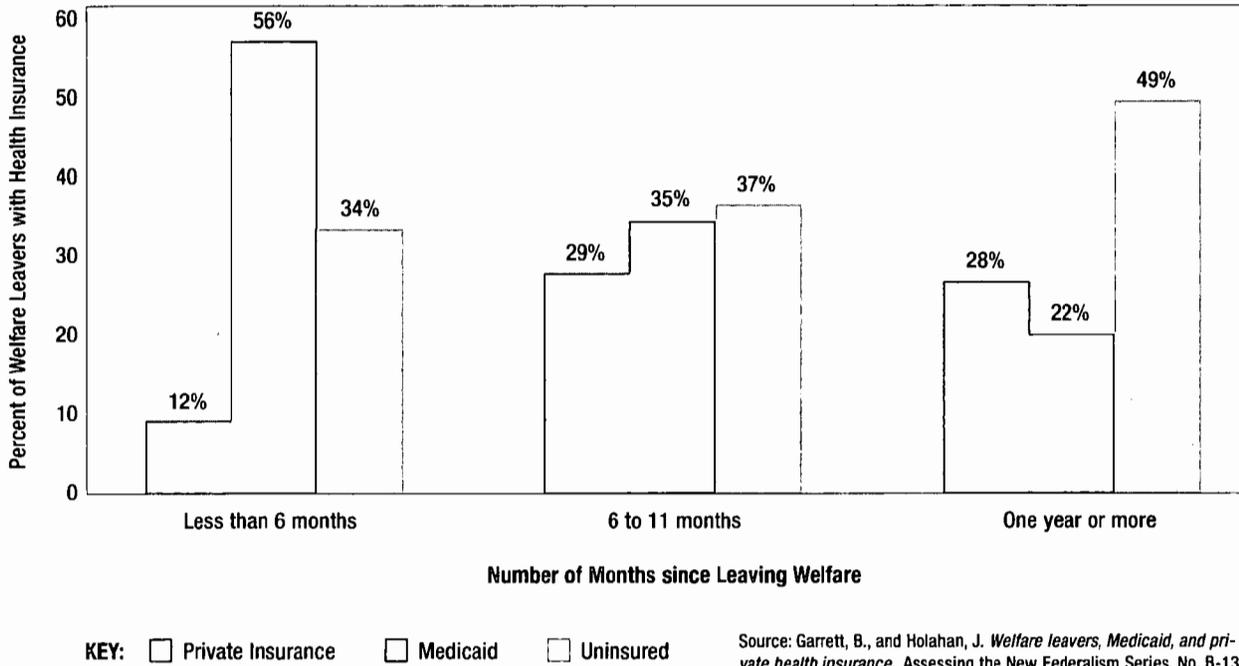


Source: Zedlewski, S. *Former welfare families and the Food Stamp program: The exodus continues*. Assessing the New Federalism, Policy Brief B-33. Washington, DC: Urban Institute, April 2001, p. 3.

^a Sample taken from the Urban Institute's 1999 *National Survey of America's Families*. Includes families who received some TANF benefits since January 1997 but were not receiving TANF benefits when interviewed in 1999.

Figure 7

Health Insurance Coverage after Leaving Welfare (1997)



Source: Garrett, B., and Holahan, J. *Welfare leavers, Medicaid, and private health insurance*. Assessing the New Federalism Series, No. B-13, Washington, DC: Urban Institute, March 2000, p. 3.

Note: Totals by age group may not add to 100% due to rounding.

D Food Stamps

For example, many families do not continue to receive food stamps once they leave welfare. One study found that 57% of families leaving welfare were not receiving food stamps, even though they were eligible.⁵⁵ (See Figure 6.) More surprising, even half the families with incomes below 50% of poverty were not receiving food stamps. State studies that examine participation across government programs also confirm this result. Only about half the families leaving welfare used food stamps in the first three months after exit, and receipt was significantly lower in most states after families had been off the rolls for a year.⁵⁶

D Medicaid

Recent studies indicate similar trends in Medicaid coverage. Although Medicaid offers a transitional

benefit of 12 months' coverage to adults who leave welfare for work, states report that continued coverage among this group varied from about 30% to 60% in the first three months after exit, and declined significantly after leavers were off welfare for a year. Data from the Urban Institute's National Survey of America's Families show that although more than half of welfare leavers had Medicaid coverage in the first six months of leaving the rolls, this rate of coverage dropped quickly.⁵⁷ About half the mothers were uninsured one year after leaving welfare. (See Figure 7.)

D Child Care

Child care is a critical issue for families' economic resources; the cost of child care can be a significant strain on low-income families, consuming as much as

The 1996 law gives states the flexibility to use federal and state TANF funds to design new supports for working poor families, including those who have left—or who have never received—welfare.

20% of their income.⁵⁸ At the same time, information about low-income families' receipt of child care assistance is relatively scant, although it seems that help in paying for child care is infrequent. For example, in the Urban Institute study of families leaving welfare between 1995 and 1997, only 19% reported receiving government help in paying for child care after three months.⁵⁹ This figure rose to 22% for families leaving welfare between 1997 and 1999.⁶⁰ The recent expansion of child care funding through both TANF and the Child Care and Development Fund should help to expand assistance to low-income families, but many policy analysts argue that funding is not adequate. Rough estimates suggest that about 2 million children are served through current funding streams, although as many as 15 million children live in families that meet the federal eligibility standards.⁶¹ (For further discussion of child care and welfare reform, see the article by Fuller and colleagues in this journal issue.)

D Child Support Enforcement

Stronger child support enforcement was a goal of welfare reform, as child support can be an important supplement to single-parent families' income and help them move off welfare. One study found that among poor, nonwelfare families who received child support, it provided 35% of their income.⁶² Unfortunately, most poor children eligible for child support do not receive it.⁶³ The Urban Institute study of families leaving welfare between 1995 and 1997 found that of those who stayed off welfare, only 34% received child support.⁵⁸ Moreover, state studies report that only 13% to 36% of families leaving welfare receive child support.⁶⁴ Although federal and state government policies devoted to strengthening child support enforcement over the last two decades have increased child support receipt significantly among both never-married and previously married single mothers,⁶⁵ the poorest children have received only modest increases.⁶⁶ It is difficult to expand child support for poor children because absent parents who do not pay support are, on aver-

age, more disadvantaged than absent parents who do pay.⁶⁷ (See the article by McLanahan and Carlson in this journal issue.)

In sum, low participation rates are found across many government programs designed to support the working poor. Researchers conducting field studies attribute families' lack of participation to a number of factors. Some blame states' failure to develop effective administrative systems to deliver assistance to the working poor.⁶⁸ State and local offices seldom get the word out about benefit eligibility to low-income families; administrative hurdles can be formidable, especially for working families, and many caseworkers do not understand the complex eligibility rules that vary across different benefit programs. Some critics argue that the low participation rates, especially the drop over time in Medicaid coverage, may be due to administrative complexities.⁶⁹ Eligibility for the full 12 months of Medicaid benefits requires submitting information on earnings and child care costs in the 4th, 7th, and 10th months after leaving welfare. Stigma can also play a role; for most benefits, the point of entry is still the local welfare office. To ensure that stigma does not present a barrier to obtaining non-welfare assistance among working poor families, some states are developing alternative entry points, such as local health clinics and child care referral programs.

Meanwhile, the continuing demand for emergency food and shelter assistance, even among working families, emphasizes the critical need for income support programs. In a survey of city officials conducted in December 2000, it was estimated that 32% of adults requesting food, and 26% of those requesting shelter, were employed.⁷⁰ Moreover, officials estimated that about 62% of those requesting emergency food and 36% of those requesting emergency shelter were families with children. Between 1995 and 2000, the proportion of families with children seeking such emergency assistance remained fairly constant, but a growing number of cities reported increased demand from families for these services.

New Types of Support Emerging under TANF

The 1996 law gives states the flexibility to use federal and state TANF funds to design new supports for working poor families, including those who have left—or who have never received—welfare. In addition, the final TANF regulations, effective in October 1999, clarified the types of assistance that were subject to the federal time limit and work requirements. Many supports were specifically excluded from these requirements,⁷¹ including child care; transportation; earmarked savings accounts (referred to as Individual Development Accounts, or IDAs); refunded portions of state-earned income tax credits; nonrecurrent, short-term benefits designed to deal with crisis situations; and case management. These regulations confirmed and increased states' spending flexibility, providing an incentive to broaden benefits for low-income families with children and to experiment with innovative services. Two broad types of innovations in the use of TANF monies for working poor families—including families both on and off welfare—are highlighted below: extended case management, and direct supports such as transportation and housing subsidies.

Case Management, Information, and Referral Services

Families leaving welfare typically are employed in low-wage jobs that lack benefits and are often short-lived. Extended case management can provide such families with a network of services to help them stay employed and move ahead in their careers by addressing personal and work-related barriers, and to ensure they stay connected to benefits after leaving welfare.⁷² For example:

- D Vermont has established a statewide network of 16 centers that provide early childhood and family supports, including home visiting, early childhood services, parent education, peer support for parents, and information and referral on resources for families.
- D Maryland has established a network of 27 centers across the state to improve education, training, and job retention through intensive case management and service coordination.



- D The Vocational Foundation, Inc. (VFI) in New York City provides follow-up services to help parents retain jobs and move ahead in their careers by addressing personal barriers; ensuring receipt of key work supports, including food stamps, Medicaid, child care subsidies, and the EITC; and offering career counseling. Case managers also assist in resolving conflicts at the workplace or in providing immediate reemployment services.
- D The Workforce Information System of Texas (TWIST) has consolidated job training and employment services into one-stop centers to create a single intake for all clients, including welfare recipients. Case managers review all services clients have received and assist them in finding employment.
- D In Rhode Island, caseworkers in employment retention services units work with TANF recipients and



A significant minority of families at the bottom of the income distribution seem to be worse off ... [due to] ... low wages and failure to benefit from various support programs.

employers. Case managers build relationships with recipients, including detailed assessments of barriers and supports needed to prevent potential problems on the job.

Washington's Work First program was designed to give all low-wage workers, not just those leaving welfare, the supports they need to find a job, learn new skills, and move up the career ladder so they will be self-supporting for life.⁷³ The state has mounted media campaigns to publicize the availability of child care and to encourage workers to take advantage of the EITC, and has set up a network of call centers to provide low-wage workers with information about benefit programs.

Direct Supports

All states use TANF monies to fund direct supports for low-income families, but more recently, states have begun to expand the types of supports offered and the populations served. For example, all states use at least some TANF funds to finance child care subsidies,⁷⁴ and many use TANF funds for initiatives to enhance child care quality. But some states now have begun using TANF resources to increase child care capacity in a variety of ways.⁷⁵ Iowa has used TANF funds to strengthen local child care capacity as part of a comprehensive approach to supporting child development. Florida has also used TANF funds to increase child care supply, and Washington has used TANF to provide incentives to improve pay at centers that accept subsidized child care payments.

Because transportation can be a significant barrier to employment, some states have begun to use TANF funds to expand transportation aid for low-income workers. Poor working families often do not live near job centers, have no easy public transportation, and cannot afford the cost of a car. To address these needs, New Mexico now allows families with incomes below poverty level to qualify for transportation aid funded by TANF.⁷² In Kansas, Michigan, Pennsylvania, and Virginia, car ownership is facilitated either by providing a down payment on the purchase of a car or, as in

Kansas, by providing up to \$5,000 toward the cost of purchasing a car. Tennessee uses TANF funds to offer low-income families no-interest, no-down-payment loans on high-quality used vehicles, as highlighted in Appendix 2 at the end of this article.

Some states also have begun to use TANF monies to expand housing assistance for low-income families. Most poor families do not receive federal housing assistance and have to pay the full cost of housing in the private market. They typically pay as much as half their income on housing or live in severely substandard structures.⁷⁶ To help meet this essential need, several states have begun using TANF monies (alone or in combination with other funds) to establish programs providing housing assistance. New programs implemented in California, Connecticut, Kentucky, Maryland, Minnesota, New Jersey, and North Carolina vary in nature and in the populations targeted, and are generally modest in size, but they show how some states are reaching beyond the provision of cash assistance to help low-income families.⁷⁷ Some programs provide rental assistance, whereas others focus on encouraging home ownership. Most pay housing costs in excess of some percentage of family income, ranging from 30% in Minnesota to 45% in New Jersey. (See Appendix 2 for highlights of the New Jersey program.)

Summary and Conclusions

Increasing families' economic resources and child well-being were not the primary goals of welfare reform. The reform movement initially focused on the unprecedented declines in caseloads and the relative employment success of mothers who left welfare, and paid little attention to how families were getting by. The importance of families' economic resources to child well-being is just beginning to be understood. Although the connections are complex and vary by the child's age, research provides compelling evidence that higher incomes can help parents purchase enriching experiences for their preschool and school-age children, leading to positive impacts on their development.

More recently, attention has begun to focus on the ability of single mothers and other working poor families to support their families on wages alone. Federal and state policies designed to increase families' resources by making work pay—including increasing the minimum wage, expanding the EITC, changing welfare rules to allow recipients to collect both a paycheck and some cash assistance, and maintaining food stamps for all low-income families—could effectively lift full-time workers earning the minimum wage out of poverty. However, many studies confirm that families who leave welfare also leave behind government assistance for food, health insurance, and child care.

Many families have gained economic resources as a result of welfare reform and other policies implemented by federal and state governments to make work pay, but a significant minority of families at the bottom of the income distribution seem to be worse off. Key factors contributing to the plight of this group are low wages and failure to benefit from various support programs. Many working families subsist on incomes below the poverty line. Moreover, even an income just above poverty is not sufficient to provide an adequate standard of living for families with children. Child care and housing costs can absorb large shares of their incomes, leaving little to cover other necessities. Many families need supports to help meet these needs as they transition to self-sufficiency. Families also need the support of both parents. Increased child support payments from noncustodial parents can play an important role in helping bolster the resources of single-parent working poor families.

But this is still an early picture of how families are faring in the post-reform period. Survey data showing changes in family resources lag behind policy changes by a year or two. Many states have begun to spend larger shares of their TANF block grants on new types of supports for low-income families. Some are stressing case management and outreach to low-income families, hoping to increase their knowledge of benefit eligibility and to maintain essential supports for them when they leave welfare. Others are providing direct assistance to families leaving welfare, such as housing and transportation. Such noncash assistance can make a big difference in families' economic resources. Also, how states are coping with federal benefit time limits is only beginning to be revealed.

States' TANF programs continue to evolve as it becomes clearer how the federal block grant monies can be spent, and states become more aware that many families who leave welfare do not receive other services. Most states are still struggling to design effective delivery systems that allow families outside the cash assistance system to navigate eligibility for supports more efficiently. Effective policies to inform low-income families of their benefit eligibility, systems that make it easier to retain eligibility, and broader support services in all states could change the post-TANF picture that has emerged thus far.

Newer data reflecting the post-reform period will be required to better understand how families' economic resources have changed since TANF and how these changes are affecting children. The evolving story of welfare reform will need to be monitored carefully to achieve not only smaller caseloads, but also long-term positive impacts on family economic resources and child well-being.

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ENDNOTES

1. Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Public Law 104-193. Section 101, 110 Stat. 2110, August 22, 1996.
2. Mayer, S. Trends in the economic well-being and life chances of America's children. In *Consequences of growing up poor*. G. Duncan and J. Brooks-Gunn, eds. New York: Russell Sage Foundation, 1997, pp. 49-69. See also Brooks-Gunn, J., and Duncan, G. The effects of poverty on children. *The Future of Children* (Summer/Fall 1997) 7(2):55-71.
3. McLanahan, S., and Sandefur, G. *Growing up with a single parent: What hurts, what helps*. Cambridge, MA: Harvard University Press, 1994. This study was based on data from the Panel Study of Income Dynamics (PSID). Surveys confirm that income accounts for about half of the difference in key educational outcomes between children in single- and two-parent families.
4. In fact, the study, also using PSID data, showed that most of the other factors thought to affect child well-being—such as low parental education, single-motherhood, and teen pregnancy—are closely related to issues of income. See Duncan, G., Brooks-Gunn, J., Smith, J.R., and Yeung, W.J. Does childhood poverty affect the life chances of children? *American Sociological Review* (June 1998) 63:406-23.
5. Research does not consistently support or refute the contention that income from welfare is less beneficial to children than other forms of income because it carries a stigma. Many studies have found no relation between welfare receipt and children's cognitive and social development once other factors are taken into account. See, for example, Haveman, R., and Wolfe, B. The determinants of children's attainments. *Journal of Economic Literature* (1995) 33(4):1829-78; and Yoshikawa, H. Welfare dynamics, support services, mothers' earnings, and child cognitive development: Implications for contemporary welfare reform. *Child Development* (1999) 70:779-801. Other studies show that transitions into welfare are associated with more behavioral problems in children, but this effect also may be associated with other accompanying transitions (such as a loss of job or parents' separation). See, for example, Smith, J.R., and Brooks-Gunn, J. Development effects of natural transitions in welfare receipt. Paper presented at a research briefing of the National Academy of Sciences, Board on Children and Family. Washington, DC. December 5-6, 1994.
6. Mayer, S. *What money can't buy: The effect of parental income on children's outcomes*. Cambridge, MA: Harvard University Press, 1997.
7. Rector, R., and Fagan, P. *How welfare harms kids*. Background No. 1084. Washington, DC: Heritage Foundation, June 5, 1996.
8. Morris, P., Huston, A., Duncan, G., et al. *How welfare and work policies affect children: A synthesis of research*. New York: Manpower Demonstration Research Corp., March 2001. Together, these 5 studies examined the effects of 11 different employment-based welfare and antipoverty programs aimed primarily at single-parent families. All the evaluations used rigorous random-assignment research designs. Program effects are essentially measured as the difference between outcomes for families in a program group with new benefits and rules, and families in a control group with benefits and rules previously in place.
9. The study did caution, however, that the improvements in child well-being were modest when considered in the context of these children's high levels of disadvantage. The study also concluded that programs that increased parental employment without increasing income had few effects on children. (For a detailed analysis of these and other studies, see the article by Zaslow and colleagues in this journal issue.)
10. Two of the experimental programs that increased parental work and economic resources increased both adolescent problem behaviors and decreased adolescent school achievement. One possible reason for these findings is that adolescent development may be more strongly influenced by the affection, supervision, role modeling, and mentoring from parents than by increased economic resources. But some researchers question whether outcomes would have been positive for adolescents if more age-appropriate enrichment activities had been available. See Duncan, G., and Chase-Lansdale, P.L. Welfare reform and children's well-being. In *The new world of welfare*. R.M. Blank and R. Haskins, eds. Washington, DC: Brookings Institution Press, 2001, pp. 391-417.
11. Only one experimental study has assessed the impacts on very young children of programs that increased parental employment and economic resources. In this study, the program showed no effects on achievement and behavior for children ages three to five. See Morris, P., and Michalopoulos, C. *The Self-Sufficiency Project at 36 months: Effects on children of a program that increased parental employment and income*. Ontario: Social Research and Demonstration Corp., 2000. Other studies have shown that very young children may be more vulnerable than older children to negative effects from employment-induced separation from their mother. See note 10, Duncan and Chase-Lansdale.
12. For a full description of this measure, see Citro, C.F., and Michael, R.T., eds. *Measuring poverty: A new approach*. Washington, DC: National Academy Press, 1995. See also Betson, D., and Michael, R. Why so many children are poor. *The Future of Children* (Summer/Fall 1997) 7(2):25-39.
13. Edin, K., and Lein, L. *Making ends meet*. New York: Russell Sage Foundation, 1997.
14. Bernstein, J., Brocht, S., and Spade-Aquilar, M. *How much is enough? Basic family budgets for working families*. Washington, DC: Economic Policy Institute, 2000.
15. This idea originated with Victor Fuchs in the 1960s and has been used as an alternative measure of income adequacy since then. See Fuchs, V.R. Redefining poverty and redistributing income. *The Public Interest* (Summer 1967) 8:88-95.
16. See the U.S. Department of Labor Web site at http://www.dol.gov/dol/esa/public/whd_org.htm. Note that the majority of workers not covered by the FLSA are executive, administrative, or professional employees.
17. The 10 states with higher minimum wages are Alaska, California, Connecticut, Delaware, Hawaii, Massachusetts, Oregon, Rhode Island, Vermont, and Washington.
18. Turner, M. Does the minimum wage help or hurt low-wage workers? In *The low-wage labor market*. Washington, DC: U.S. Department of Health and Human Services, December, 1999, p. 84.

19. The percent relative to poverty uses a poverty threshold for a single parent with two children. The amount of credit a family is eligible for does not depend on marital status, which leads to potential "marriage penalties" for people who would each qualify for the EITC while single but qualify for only one credit as a couple if they marry. See Wheaton, L. *Low-income families and the marriage tax*. Policy brief. Washington, DC: Urban Institute, September 1998.
20. Johnson, N. *A hand up: How state earned income tax credits help working families escape poverty in 2000*. Washington, DC: Center on Budget and Policy Priorities, 2000.
21. Ten states (Colorado, Kansas, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, Vermont, and Wisconsin) and the District of Columbia offer refundable EITCs ranging from 10% to 34% of the federal credit (for a family of two), with most falling at the low end of this range. Four states have EITCs that are not refundable (Illinois, Iowa, Oregon, and Rhode Island). These nonrefundable credits also tend to be less generous, falling around 5% of the federal credit in all states except Rhode Island, which has a 26% credit. For an in-depth discussion of state EITCs, see Maag, E., and Rogers, D. *The new federalism and state tax policies toward the working poor*. Assessing the New Federalism Occasional Paper No. 38. Washington, DC: Urban Institute, 2000.
22. States must maintain specific levels of funding for their TANF programs under a state maintenance-of-effort (MOE) requirement. For more details, see the article by Greenberg and colleagues in this journal issue.
23. Greenstein, R. *The changes the new tax law makes in refundable tax credits for low-income working families*. Washington, DC: Center for Budget and Policy Priorities, June 18, 2001.
24. Rowe, G. *The Welfare Rules Databook: State TANF policies as of July 1999*. Assessing the New Federalism. Washington, DC: Urban Institute, 2000, table L.4.
25. Four states (Idaho, Illinois, Oklahoma, and Wyoming) and the District of Columbia reduced maximum TANF benefit levels between 1996 and 1999, and 12 states (Maine, Maryland, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Oregon, Utah, Vermont, West Virginia, and Wisconsin) increased their maximum benefit levels. See note 24, Rowe.
26. Center on Law and Social Policy and the Center on Budget and Policy Priorities. *The state policy documentation project*. Washington, DC: CLASP and CBPP, June 2000. Available online at <http://www.spdp.org>.
27. See note 24, Rowe, table I.C.1, p. 46.
28. Restricted assets include Individual Development Accounts (IDAs), authorized by federal welfare legislation that allows states to create community-based IDA programs with TANF block grant funds and to disregard all money saved in IDAs in determining eligibility for all means-tested government assistance. All deposits into IDAs are limited to earned income. See Sherraden, M., Johnson, L., Clancy, M., et al. *Saving patterns in IDA programs: Downpayments on the American Dream Policy Demonstration—A national demonstration of Individual Development Accounts*. St. Louis: Center for Social Development, Washington University, January 2000.
29. See the article by Greenberg and colleagues in this journal issue for a detailed discussion of how federal welfare reform legislation changed these programs.
30. This calculation assumes the maximum child care cost deduction for children older than age two, and no excess shelter costs. For a full description of the food stamp program, see Zedlewski, S.R. *Former welfare families continue to leave the food stamp program*. Assessing the New Federalism Discussion Paper 01-05. Washington, DC: Urban Institute, March 2001.
31. U.S. House of Representatives, Committee on Ways and Means. *2000 green book: Background material and data on programs within the jurisdiction of the Committee on Ways and Means*. Washington, DC: U.S. Government Printing Office, October 2000, p. 932, tables 15–27.
32. Technically, these two programs were "delinked" by federal welfare reform, but states have generally maintained eligibility for adults on TANF.
33. The basic rule is that states can set a SCHIP eligibility threshold that is 50 percentage points above the level used in their Medicaid program. See note 31, U.S. House of Representatives, Committee on Ways and Means, p. 931.
34. See note 31, U.S. House of Representatives, Committee on Ways and Means, p. 464.
35. See note 31, U.S. House of Representatives, Committee on Ways and Means, pp. 481–84.
36. For example, some members of the Democratic Leadership Council have advocated providing the EITC to all taxpayers, regardless of their income.
37. In Minnesota, for example, the state EITC plateaus at two income levels to soften the effect of the federal credit phaseout. For families with two or more children, the credit rises from \$840 (22% of the federal) to \$1,222 (41% of the federal) when earnings increase from \$14,600 to \$17,600, and is completely phased out once a family's earnings reach \$30,600. See note 21, Maag and Rogers, for a complete description of how state EITCs work.
38. Primus, W., Rawlings, L., Larin, K., and Porter, K. *The initial impacts of welfare reform on the economic well-being of single mother families*. Washington, DC: Center on Budget and Policy Priorities, August 1999.
39. These analyses used three alternative methods (difference-in-difference, regression models, and residual analyses) to assess changes in income. Results are not directly comparable with those of the Center on Budget and Policy Priorities and others because they use a cash income measure of poverty. See Schoeni, R., and Blank, R. *What has welfare reform accomplished? Impacts on welfare participation, employment, income, poverty, and family structure*. Santa Monica, CA: RAND and the Gerald R. Ford School of Public Policy, University of Michigan, February 2000.
40. See note 39, Schoeni and Blank, p. 26.
41. Haskins, R. Effects of welfare reform on family income and poverty. In *The new world of welfare*. R. Blank and R. Haskins, eds. Washington, DC: Brookings Institute Press, 2001, pp. 103–36.
42. Most low-income single parents who are employed already work

- a substantial amount. For example, 68% of former welfare recipients who were working in 1999 worked full time (35 hours per week or more). See Loprest, P. *How are families that left welfare doing? A comparison of early and recent welfare leavers*. Assessing the New Federalism, Policy Brief No. B-36. Washington, DC: Urban Institute, 2001.
43. The relative contributions of a strong economy, welfare reform, and other federal policies to the increase in single mothers' work and earnings are as yet unclear. However, the evidence to date suggests that all three factors matter. For example, one study attributed one-third of the increase in employment of single mothers between 1992 and 1996 to the expansion of the federal EITC. See Council of Economic Advisors. *The economic report of the president*. Washington, DC: U.S. Government Printing Office, February 1999. See also note 39, Schoeni and Blank. They provide the first study designed to estimate the direct impact of welfare policy changes on work behavior, earnings levels, and income. The authors found that welfare waivers increased labor market involvement among less-skilled women, but the 1996 federal reforms had little additional impact on work behavior after controlling for economic forces. That is, ongoing increases in work in the post-1995 period were driven by the economic expansion.
 44. U.S. Census Bureau. *Statistical abstract of the United States, 2000: The national data book*. Washington, DC: U.S. Census Bureau, 2000, table 653. Unemployment rates also decreased sharply in 1998 for single mothers with younger and older children, to 17% and 12%, respectively.
 45. Between 1992 and 1997 the percentage of adult welfare recipients who participated in work activities tripled, and between 1997 and 1999 the state-reported work participation rate for TANF recipients increased from 28% to 38%. See Administration for Children and Families, Office of Planning, Research, and Evaluation. *Temporary Assistance for Needy Families: Third annual report to Congress*. Washington, DC: U.S. Department of Health and Human Services, August 2000.
 46. According to the National Survey of America's Families, some 33% of adult TANF recipients had earnings at some point during 1999, compared with 22% in 1997. See Zedlewski, S., and Alderson, D. *Do families on welfare in the post-TANF era differ from their pre-TANF counterparts?* Assessing the New Federalism Discussion Paper 01-03. Washington, DC: Urban Institute, 2001.
 47. Loprest, P. *Families who left welfare: Who are they and how are they doing?* Assessing the New Federalism Discussion Paper 99-02. Washington, DC: Urban Institute, 1999; see also note 42, Loprest.
 48. The eight states are Arizona, Florida, Georgia, Illinois, Missouri, New York, Washington, and Wisconsin. See Acs, G., and Loprest, P. *Initial synthesis report of the findings from ASPE's leaver grants*. Washington, DC: Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, January 2001. Note that leaver studies typically report employment rates for single-parent families rather than family employment rates that include employment among spouses and partners.
 49. See note 47, Loprest, and note 42, Loprest. As Loprest points out, however, we can only estimate how monthly earnings translate into annual income. Some adults may work fewer hours over the year or work only a portion of the months in a year, leading to lower annual income than the monthly levels suggest.
 50. This is due in part to the fact that, unlike the Urban Institute study, the states included only the earnings of the former recipients themselves, excluding earnings from other adults in the household.
 51. Cancian, M., Haveman, R., Kaplan, T., and Wolfe, B. *Post-exit earnings and benefit receipt among those who left AFDC in Wisconsin*. Madison, WI: Institute for Research on Poverty, 1998.
 52. Eligibility is estimated from surveys including all families, whether or not they file income taxes, compared to families who did claim this tax credit.
 53. Another study indicates that participation may be particularly low for Hispanics, however. See Phillips, K. *Who knows about the Earned Income Tax Credit?* Policy Brief B-27. Washington, DC: Urban Institute, January 2001.
 54. The IRS worries more about families who are not eligible receiving tax credits than about nonparticipation. A variety of studies place the error rate in the EITC around 15% to 33%. See Liebman, J. *Who are the ineligible EITC recipients?* Cambridge, MA: Harvard University Press, October, 1995.
 55. See note 30, Zedlewski.
 56. See note 48, Acs and Loprest, table v.3.
 57. Garrett, B., and Holahan, J. *Welfare leavers, Medicaid coverage, and private health insurance*. Assessing the New Federalism Series, No. B-13. Washington DC: Urban Institute, March 2000.
 58. Giannarelli, L., and Barsimantov, J. *Child care expenses of America's families*. Assessing the New Federalism Occasional Paper No. 40. Washington, DC: Urban Institute, 2000.
 59. See note 47, Loprest.
 60. Loprest, P. How are families who left welfare doing over time? A comparison of two cohorts of welfare leavers. In *Economic policy review*. New York: The New York Federal Reserve, September 2001, pp. 9-19.
 61. Layzer, J. Child care funding: How much is needed and is there enough? Statement presented at the Brookings Institute Forum. Washington, DC. June 13, 2001.
 62. Sorensen, E., and Zibman, C. *Child support offers some protection against poverty*. Assessing the New Federalism Series, No. B-10. Washington, DC: Urban Institute, 2000.
 63. About 70% of poor children eligible for child support were not receiving it in 1996. See note 62, Sorensen and Zibman, p. 4.
 64. Brauner, S., and Loprest, P. *Where are they now? What states' studies of people who left welfare tell us*. Assessing the New Federalism Series, No. A-32. Washington, DC: Urban Institute, May 1999, table 8.
 65. Sorensen, E., and Halpern, A. *Child support enforcement is working better than we think*. New Federalism: Issues and Options for States, No. A-31. Washington, DC: Urban Institute, 1999.
 66. Between 1993 and 1999, child support for single mothers in the bottom fifth of the income distribution increased, on average, only from \$253 to \$365 (both figures measured in 1999 dollars). See note 41, Haskins.
 67. Sorensen, E., and Zibman, C. *Poor dads who don't pay child support: Deadbeats or disadvantaged?* Assessing the New Federalism Series, B-30. Washington, DC: Urban Institute, 2001.
 68. Meyers, M. How welfare offices undermine welfare reform. *The American Prospect* (June 19-July 3, 2000) 11(15):40-45.
 69. Greenstein, R., and Guyer, J. Supporting work through Medicaid and food stamps. In *The new world of welfare*. R. Blank and R. Haskins, eds. Washington, DC: Brookings Institute Press, 2001, pp. 335-68.

70. Lowe, E.T. *A status report on hunger and homelessness in America's cities 2000: A 25-city survey*. Washington, DC: U.S. Conference of Mayors, December 2000.
71. As long as the family has an employed adult. See Greenberg, M., and Savner, S. *The final TANF regulations*. Washington, DC: Center for Law and Social Policy, May 1999.
72. For descriptions of these and many other strategies states use to support families, see Sweeney, E., Schott, L., Lazere, E., et al. *Windows of opportunity: Strategies to support families receiving welfare and other low-income families in the next stage of welfare reform*. Washington, DC: Center on Budget and Policy Priorities, January 2000.
73. Massing, M. Ending poverty as we know it. *The American Prospect* (June 19–July 3, 2000) 11(15):30–38.
74. Child care subsidies are funded either as direct TANF or MOE expenditures or through allowable transfers from the TANF block grant to the Child Care Development Fund. See the article by Greenberg and colleagues in this journal issue for further details.
75. For examples of states pursuing this strategy, see Mitchell, A., Stoney, L., and Dichter, H. *Financing child care in the United States*. Philadelphia: Ewing Marion Kauffman Foundation, 2001.
76. In 1995, on average, households with incomes below 50% of the area median income spent more than half of their income on housing or lived in severely substandard housing. See U.S. Department of Housing and Urban Development. *Rental housing assistance—the crisis continues: The 1997 report to Congress on worst case housing needs*. Washington, DC: DHUD, 1998.
77. In six states (Connecticut, Kentucky, Maryland, Minnesota, New Jersey, and North Carolina), the programs are statewide, but in California, the programs are located in just two counties: Los Angeles and San Mateo. In Connecticut, the program is limited to working families that lose TANF benefits due to the state's 21-month time limit. See Sard, B., and Lubell, J. *The increasing use of TANF and state matching funds to provide housing assistance to families moving from welfare to work*. Washington, DC: Center on Budget and Policy Priorities, February 2000.

APPENDICES

Appendix 1

State TANF Policies Affecting Family Economic Resources (as of 1999)

State	Maximum income disregards relative to poverty ^a	Maximum benefit levels relative to poverty ^b	Combined disregards and benefit levels relative to poverty ^c	Unrestricted asset levels ^d	Restricted asset levels ^e	Vehicle exemption limits
Alabama	18.3%	14.7%	33.0%	\$2,000	—	One vehicle per driver
Alaska	143.6%	82.5%	179.4%	\$1,000	—	One vehicle per driver
Arizona	52.4%	31.0%	52.4%	\$2,000	\$9,000	One vehicle per household
Arkansas	39.9%	18.2%	58.1%	\$3,000	—	One vehicle per household
California	129.4%	54.6%	155.4%	\$2,000	\$5,000	\$4,650
Colorado	45.7%	31.9%	60.0%	\$2,000	Determined by county	One vehicle per household
Connecticut	103.4%	48.5%	152.0%	\$3,000	No limit	\$9,500
District of Columbia	42.8%	33.9%	59.8%	\$2,000	—	\$1,500
Delaware	80.5%	30.2%	110.8%	\$1,000	\$5,000	\$4,650
Florida	72.1%	27.1%	90.5%	\$2,000	\$5,000	\$8,500
Georgia	46.0%	25.0%	60.3%	\$1,000	\$5,000	\$4,650
Hawaii	146.7%	63.7%	146.7%	\$5,000	—	One vehicle per household
Idaho	56.9%	24.7%	56.9%	\$2,000	—	\$4,650
Illinois	101.2%	33.7%	121.0%	\$2,000	No limit	One vehicle per household
Indiana	33.8%	25.7%	42.3%	\$1,000	—	\$5,000
Iowa	76.2%	38.1%	76.2%	\$2,000	All deposits and interest	\$3,916
Kansas	72.0%	38.4%	87.3%	\$2,000	—	One vehicle per household
Kentucky	55.1%	23.4%	55.1%	\$2,000	\$5,000	One vehicle per household
Louisiana	27.7%	17.0%	44.7%	\$2,000	\$6,000	\$10,000
Maine	91.5%	41.2%	103.3%	\$2,000	\$10,000	One vehicle per household
Maryland	54.9%	35.7%	61.6%	\$2,000	—	One vehicle per household
Massachusetts	93.4%	50.5%	120.1%	\$2,500	—	\$5,000
Michigan	69.2%	41.0%	69.2%	\$3,000	—	One vehicle per household
Minnesota	112.9%	47.6%	130.0%	\$2,000	—	\$7,500
Mississippi	40.9%	15.2%	49.0%	\$2,000	—	\$4,650
Missouri	34.2%	26.1%	34.2%	\$1,000	No limit	One vehicle per household
Montana	71.3%	41.9%	73.1%	\$3,000	—	One vehicle per household
Nebraska	59.7%	47.8%	59.8%	\$4,000	—	One vehicle per household

State	Maximum income disregards relative to poverty ^a	Maximum benefit levels relative to poverty ^b	Combined disregards and benefit levels relative to poverty ^c	Unrestricted asset levels ^d	Restricted asset levels ^e	Vehicle exemption limits
Nevada	38.9%	31.1%	38.9%	\$2,000	—	One vehicle per household
New Hampshire	98.3%	49.2%	116.8%	\$1,000	No limit	One vehicle per driver
New Jersey	75.8%	37.9%	85.3%	\$2,000	—	\$9,500
New Mexico	34.8%	43.7%	67.9%	\$3,500	No limit	One vehicle per household
New York	95.4%	51.6%	118.6%	\$2,000	No limit	\$4,650
North Carolina	56.7%	24.3%	56.7%	\$3,000	—	One vehicle per adult
North Dakota	80.6%	66.2%	93.0%	\$5,000	—	One vehicle per household
Ohio	86.9%	32.4%	102.3%	No limit	—	Unlimited
Oklahoma	62.9%	26.1%	62.9%	\$1,000	\$2,000	\$5,000
Oregon	49.2%	41.1%	64.6%	\$2,500	No limit	\$10,000
Pennsylvania	72.1%	36.0%	77.8%	\$1,000	—	One vehicle per household
Rhode Island	114.3%	49.5%	114.3%	\$1,000	—	\$4,650
South Carolina	58.6%	18.0%	76.5%	\$2,500	\$10,000	One vehicle per household
South Dakota	56.0%	38.4%	56.1%	\$2,000	—	\$4,650
Tennessee	84.8%	16.5%	84.8%	\$2,000	\$5,000	\$4,600
Texas	24.8%	16.8%	24.9%	\$2,000	No limit	\$4,650
Utah	59.7%	40.3%	59.8%	\$2,000	—	\$8,000
Vermont	87.5%	59.1%	87.5%	\$1,000	90% of earnings	One vehicle per household
Virginia	103.4%	26.0%	129.4%	\$1,000	\$5,000	\$7,500
Washington	48.8%	48.8%	73.2%	\$1,000	No limit	\$5,000
West Virginia	45.0%	27.1%	45.1%	\$2,000	—	One vehicle per household
Wisconsin	119.0%	56.1%	175.1%	\$2,500	—	\$10,000
Wyoming	48.3%	30.4%	48.3%	\$2,500	—	\$12,000

Sources: Based on data from the Welfare Rules Database, the Urban Institute, July 2000. See also Rowe, G. *State TANF policies as of July 1999*. Assessing the New Federalism: Welfare Rules Databook. Washington, DC: Urban Institute, 2000.

^a Figures based on policies for earned income disregards after one year on welfare to reflect the longer-run work incentive. (In many states the earned income disregards are more generous in the first through the fourth months on cash assis-

tance.) Amount of disregard expressed as a percentage relative to the poverty line.

^b Amount of benefit expressed as a percentage relative to the poverty line.

^c Maximum earnings plus benefits that could be received in 1999.

^d Unrestricted assets may be used for any purpose.

^e Restricted assets may be set aside for particular purposes, such as home ownership, education, and business capitalization.

Appendix 2

Innovative Uses of TANF Funds for Programs to Support Working Families

These program profiles were prepared by Kate Boyer, Ph.D., senior researcher, and Catherine Lawrence, C.S.W., research associate, of the Rockefeller Institute of Government as part of the Institute's project, "Beyond Symbolic Politics."

Program name: First Wheels Program
State: Tennessee
Coverage: Statewide
Program goals: Enable low-income parents to get to work
Service population: Participants in Families First, Tennessee's TANF program
Funding sources: TANF

Description: This program addresses the mismatch between where most low-income people live and where most jobs are located. In addition to offering grants of up to \$6 a day to participants in Families First for their transportation needs, the state established First Wheels, a program that offers low-income families no-interest loans to purchase cars. Participants repay the loans based on their income level, and repaid funds are re-loaned to others. The program shields participants from damage to their credit history. Also, the cars are inspected and approved before purchase. Both the one-time grants and the First Wheels program were designed and implemented through the combined efforts of a coalition of low-income and welfare recipient advocates working with the Tennessee Department of Human Services.

Results: Since the First Wheels program began in 1999, 168 loans have been made, and the payback rate has been over 98%. No evaluation has been conducted for this program.

For further information: See the Tennessee Department of Human Services Web site at <http://www.state.tn.us/humanserv/>.

Program name: Work First Housing Assistance Program
State: New Jersey
Coverage: Asbury Park, Camden, Elizabeth, New Brunswick, and Trenton
Program goals: Increase residential stability for low-income families
Service population: Families leaving TANF for paid employment
Funding sources: TANF

Description: This program offers rent subsidies to families for three years after leaving TANF. In the first year, 55% of the rent amount is subsidized; in the second year, 45%; and in the third year, 35%. The amount of money by which rent subsidies decrease from one year to the next is used to create an interest-bearing savings account for participating families. The program also offers services to enable low-income families to purchase a home by providing counseling to potential homeowners and mortgages with no down payments.

Results: Since 1998, the program has provided secure housing for 350 families transitioning from welfare to work. As of October 2001, about half of the families had left the program, moving either into a home-ownership program sponsored by the Department of Housing and Urban Development or into market-rate housing.

For further information: See the New Jersey Department of Human Services Web site at <http://www.state.nj.us/humanservices/dfd/post-tanf.html>.

Program name: School Clothing Allowance
State: West Virginia
Coverage: Statewide
Program goals: Allow poor parents to purchase new clothing for their children
Service population: Families at or below the federal poverty guidelines and with less than \$2,000 in assets
Funding sources: TANF

Description: West Virginia's clothing allowance program provides poor families with vouchers of \$150 per child for the purchase of new clothes each fall. The program has been in operation since the 1970s, but prior to 1998 it was limited to families receiving cash assistance. Beginning in 1998, however, TANF funds were used to greatly expand the program so that it now reaches a much larger number of poor families. Because the School Clothing Allowance does not count as TANF assistance, these benefits are not time-limited.

Results: In 2000, the School Clothing Allowance program helped nearly 55,000 poor children, mostly from working poor families. About 75% of those served were not receiving TANF cash assistance.

For further information: See the West Virginia Department of Health and Human Resources Web site at <http://www.wvdhhr.org/ofs/>.



149

Welfare Reform, Fertility, and Father Involvement

Sara S. McLanahan
Marcia J. Carlson

SUMMARY

Recognizing that most poor families are single-parent families, the federal welfare reform law of 1996 emphasized the responsibility of both parents to support their children. In addition to strengthening the child support enforcement system, the law included several provisions designed to decrease childbearing outside of marriage and to promote two-parent families. This article focuses on the important role that fathers play in children's lives and how public policies have affected childbearing and father involvement. Key observations are:

- ▷ Compared with children living with both biological parents, children in father-absent families often have fewer economic and socioemotional resources from their parents, and do not fare as well on many outcome measures.
- ▷ Efforts to reduce the rising number of father-absent families by focusing on preventing unwanted pregnancy among unmarried women, especially teen girls, have met with some success; those programs seeking to alter adolescents' life opportunities in addition to providing education or family planning services appear to hold the most promise.
- ▷ Efforts to encourage greater father involve-

ment by focusing almost exclusively on increasing absent parents' child support payments reap only minimal benefits for poor children because their absent parents often have few resources and little incentive to make support payments.

- ▷ To date, efforts to increase the emotional involvement of unmarried fathers with their children have produced disappointing results, but new research suggests that such programs can make a difference when targeting fathers at the time of a child's birth.

Many children spend some time living away from their fathers, deprived of the financial and emotional resources they can provide. Because of the importance of fathers to child well-being, the authors conclude that new directions in research and public policies are needed to encourage greater father involvement across the wide diversity of family arrangements in society today.

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The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 represented a historic shift in U.S. policy toward poor families and children.¹ In addition to requiring that low-income parents assume greater responsibility for their own economic well-being through increased work, the reform legislation included provisions to discourage births outside of marriage, to promote and strengthen two-parent families, and to encourage father involvement (at least with respect to financial support). These provisions reflect—and contribute to—a growing awareness of the importance of fathers for children.

Until recently, discussions about welfare policy have largely excluded fathers, except with respect to their frequent failure to pay child support. Despite rising concerns since the 1980s about the negative consequences of out-of-wedlock childbearing and single parenthood (particularly for children, but also for society), most policy and research about families on welfare have focused only on single mothers. However, recent research on fatherhood has pointed to the range of contributions that fathers can make in their children's lives,² as well as to the barriers that some fathers face in providing economic and emotional support for their children.

This article draws on recent research to examine the role of fathers in children's lives and how welfare policy may affect father involvement. The first section reviews demographic trends affecting low-income families and outlines the evidence concerning the effects of father involvement on fertility and child well-being. Policies aimed at decreasing nonmarital fertility and increasing father involvement are described, along with suggestions for ways that programs can better address the needs of disadvantaged fathers and families to promote child well-being.

Recent Trends and Effects on Children

Several major demographic trends in the latter half of the twentieth century have affected the composition of families in the United States, especially low-income families. In particular, declining marriage rates, increasing divorce rates, and increasing rates of births to unmarried women (see Figure 1) have combined to

increase the likelihood that children will spend time living away from their fathers. Although many unmarried parents work together to raise their children by cohabiting or maintaining frequent contact, father involvement for most low-income families in this situation is not necessarily stable.

Rising Number of Nontraditional Families

Fewer children today spend their entire childhood in homes with two married parents than children did in the middle of the twentieth century. A major trend contributing to changes in family composition is the overall decline in marriage rates. This decline is driven by a combination of factors: people waiting longer to get married the first time; not marrying at all; or not remarrying after divorce. Between 1960 and 1998, the median age at marriage for women rose from 20.3 to 25.0 years, and for men, from 22.8 to 26.7 years.³ Meanwhile, the rate of marriage among unmarried women declined from 73.5 per 1,000 in 1960 to 49.7 in 1996.⁴

At the same time, the decline in the marriage rate has been largely offset by a dramatic rise in nonmarital cohabitation that has blurred the boundaries of "marriage." Although the mean age at marriage has risen, when cohabitation is considered along with marriage, the average age at union formation (either marriage or cohabitation) has remained relatively constant.⁵ In 1995, 49% of women ages 30 to 34 had cohabited at some time in their lives, and the proportion of persons entering first marriages who had previously cohabited was 53%.⁶ For some couples, cohabitation may serve as a precursor to marriage, whereas for others—particularly for those with low educational attainment and earnings, who are at greatest risk of receiving welfare—cohabitation is more likely to serve as a substitute for marriage.^{7,8}

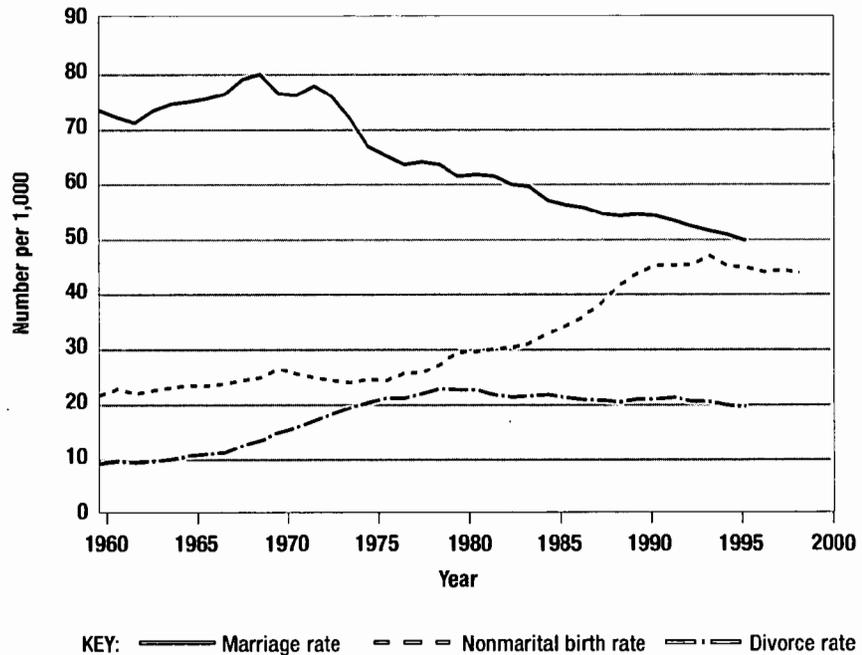
The second major trend affecting American families is the increase in marital instability. Divorce rates more than doubled during the last half of the twentieth century, increasing from 9.2 to 22.8 divorces per 1,000 married women (age 15 years and older) between 1960 and 1979.⁴ Over half of all marriages begun in the 1980s were projected to end in divorce.⁹ Since 1980, the divorce rate has leveled off, but at a level much higher than during (and before) the 1960s (see Figure 1). As of 1996, the divorce rate was still 19.5 divorces per 1,000 married women.

Figure 1

Marriage, Divorce, and Nonmarital Birth Rates

Sources: Clarke, S.C. Advance report of final divorce statistics, 1989 and 1990. *Monthly Vital Statistics Report*. Vol. 43, No. 9(S). Hyattsville, MD: National Center for Health Statistics, March 22, 1995, p. 9, table 1; Clarke, S.C. Advance report of final marriage statistics, 1989 and 1990. *Monthly Vital Statistics Report*. Vol. 43, No. 12(S). Hyattsville, MD: National Center for Health Statistics, July 14, 1995, p. 7, table 1; Ventura, S.J., and Bachrach, C.A. Nonmarital childbearing in the United States, 1940-99. *National Vital Statistics Report*. Vol. 48, No. 16. Hyattsville, MD: National Center for Health Statistics, October 18, 2000, p. 17, table 1; U.S. Census Bureau. *Statistical abstract of the United States, 2000: The national data book*. Washington, DC: U.S. Census Bureau, 2000, table 144.

Note: Nonmarital birth rate is per 1,000 unmarried women ages 15 to 44, marriage rate is per 1,000 unmarried women age 15 and over, and divorce rate is per 1,000 married women age 15 and over.



The third trend is the increased proportion of births occurring outside of marriage. Between 1960 and 1999, nonmarital births as a proportion of all births rose from 5% to 33%.¹⁰ This trend is driven by the delay in marriage, the decline in births among married couples relative to births among unmarried couples, and the increase in childbearing among unmarried women. The birth rate among unmarried women rose from 21.6 to 46.9 per 1,000 between 1960 and 1994, and has since declined slightly. Although nonmarital birth rates for young women ages 15 to 19 also have risen steadily since 1940, as a proportion of all nonmarital births, teen births have actually declined. They accounted for 50% of all unmarried births in 1970, but only 31% in 1997 (due in part to the rising average age of the never-married population).¹¹

Taken together, these demographic trends have increased the likelihood that, before reaching adult-

hood, children will live apart from at least one of their biological parents (usually the father). This could occur within multiple family contexts: The child could live alone with the mother, with the mother and her new cohabiting partner, or with the mother and a stepfather.¹² Single-parent families (defined as unmarried mothers or fathers and their children living alone or with the parent's cohabiting partner) represented 9% of all families with children in 1960, and 27% in 1998.¹³ Of children born in the 1980s, it is estimated that about half will spend some time in a single-parent family before they reach age 18.¹⁴

The overall rise in the number of single-parent families concerns researchers and policymakers alike, particularly because of the lower parental and economic resources generally found in such families. Yet recent research has highlighted the fact that single-parent families represent neither a homogenous nor a static

group. "Traditional" family formation typically followed a linear course: dating followed by marriage, sexual activity, and then childbearing. But today, cohabitation, intercourse, and parenthood all occur rather frequently outside of marriage, yielding a range of complex and diverse family arrangements.

The composition of single-parent families has changed dramatically in the past two decades. In 1976, only 17% of single mothers were never married, but by 1997, the proportion of never-married single mothers had grown to 46%.¹⁵ In addition, rising cohabitation rates portend that living arrangements may serve as a more important criterion than marital status for determining family structure.¹⁴ According to one estimate, 15% of families classified as "single-mother" families by marital status in 1987 included a cohabiting male.¹⁶ Also, 41% of all nonmarital births in the early 1990s occurred to cohabiting couples.⁶ Such statistics imply that many "single" mothers are not rearing their children alone and that the family history and current circumstances of unmarried mothers and their children vary greatly, calling into question the extent to which such families can be appropriately characterized as "father-absent."

In combination, these trends suggest the emergence of a new family type—the "fragile family," comprised of unmarried parents who are working together to raise their children either by cohabiting or maintaining frequent contact.¹⁷ Such families are deemed fragile because of the multiple risks associated with nonmarital childbearing, including poverty, and to signify the vulnerability of the parents' relationship. Union dissolution rates are much higher among cohabiting couples than among married couples; this is true particularly in the United States, but also in Western European countries, where cohabitation is even more prevalent.¹⁸

Family Structure and Child Well-Being

Growing family diversity has raised concerns about child well-being because not all family experiences are equally beneficial for children. A multitude of studies have documented that children in single-parent families do not fare as well on a range of outcome measures as children living with both biological parents.¹⁹ Although the mechanisms by which family structure affects children's well-being have not been fully determined, it is clear that children in female-headed families are often deprived of two types of resources that a

Box 1

The Fragile Families and Child Wellbeing Study

The Fragile Families and Child Wellbeing Study was designed by researchers at Princeton University and Columbia University using an innovative, integrated framework to provide information about three areas of great interest to policymakers and community leaders: nonmarital childbearing, welfare reform, and the role of fathers. The study follows a birth cohort of approximately 3,700 children born to unmarried parents in 20 U.S. cities with populations over 200,000. New mothers are interviewed in person at the hospital within 48 hours of giving birth, and fathers are interviewed in person either at the hospital or as soon as possible thereafter. Follow-up interviews will be conducted when the child

is 12, 30, and 48 months old. The study is representative of nonmarital births within each city, and the full sample is representative of all nonmarital births to parents residing in large cities nationwide. Also, married parents (a total of about 1,200 couples) are being interviewed in each of the cities for comparison. All income groups are included, but many unmarried parents are low-income. Baseline interviews in all 20 cities were completed in the fall of 2000 and show that 41% of the unmarried mothers in the study had incomes below poverty level, and 39% were receiving welfare. The 12-month follow-up survey was expected to be completed by the end of 2001.

For more information, see the Fragile Families and Child Wellbeing Study Web site at <http://cfcw.princeton.edu/fragilefamilies>.

Children in female-headed families are often deprived of two types of resources that a father might provide—economic and socioemotional.

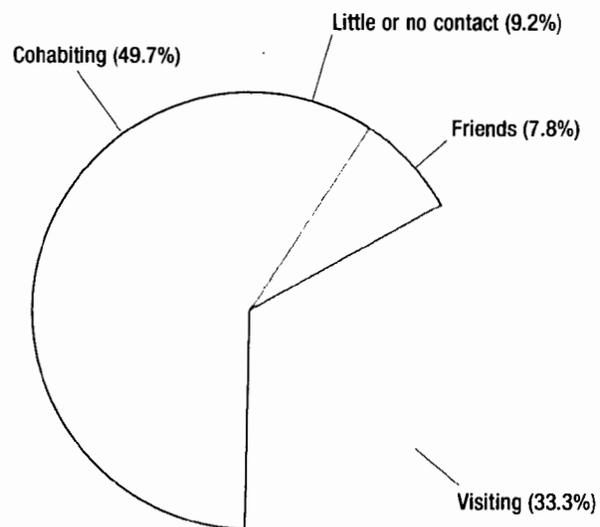
father might provide—economic and socioemotional. The economic consequences can be quantified most easily: Families with no male present are much more likely to be poor, with adverse effects on child development and well-being.²⁰ In 1998, for example, the poverty rate for female-headed families with children was 39.2%, compared with 7.8% for male-present families with children.²¹ Children in female-headed families are also disadvantaged because they are less likely to have highly involved fathers who provide attention and emotional support. Nonresident fathers see their children less often than residential fathers do, and lack of interaction makes it less likely that a father and child will develop a close relationship.^{22,23} As described further in the next section, a father’s participation in his child’s life—both financially and emotionally—offers important benefits.

Academic publications and the popular press have both focused significant attention on the causes and consequences of the rise in single-parent families and the need to collect child support from noncustodial fathers. Spurred by a growing awareness of single parenthood, in the 1970s and 1980s scholars began to estimate the income and capabilities of noncustodial fathers to pay child support. These analyses highlighted the dearth of firsthand information about low-income men and their families, and showed that national survey data—the resource social scientists use most frequently to study individuals and families—seriously underrepresented fathers who do not live with their children.²⁴ As a result, information on the characteristics of “fragile families” is relatively new and just beginning to be described in the research literature. Building on the early studies of noncustodial fathers’ earnings and relationships, the Fragile Families and Child Wellbeing Study was launched in January 1997 to investigate the conditions and capabilities of new unmarried parents and the consequences for their children (see Box 1).

Data from the baseline interviews in the Fragile Families Study reveal two key findings about unmarried par-

ents with a newborn child. First, most unmarried couples are closely connected to each other—and invested in their new baby—around the time of the child’s birth. More than 80% of mothers reported that they were romantically involved with the baby’s father at the time the baby was born (see Figure 2). Most fathers were involved during the pregnancy and around the time of birth: More than three-fourths helped the mother during the pregnancy, and/or visited the mother in the hospital. Also, nearly all (99%) of the fathers in the study expressed a desire to be involved in raising their child(ren), and 93% of mothers said that they want the father to be involved. Even among the mothers who are not romantically involved with the father at the time of birth, fully two-thirds indicated that they want the father involved in raising their child.

Figure 2
Romantic Involvement of Unmarried Parents



Source: Data tabulated from the Fragile Families and Child Wellbeing Study, based on a sample of 3,712 unmarried mothers at the time of a new child’s birth.



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Although new parents may have positive expectations for their future, another major finding from the Fragile Families Study is that many parents lack the skills and capabilities necessary for a stable family life. Some 37% of mothers and 34% of fathers in the study lacked a high school degree, and only 4% of mothers and fathers had a college degree. During the week before the child's birth, 19% of fathers were "idle" (neither working nor in school), and 39% of mothers had received income from welfare at some time in the past year. These figures underscore the precarious socioeconomic circumstances and the barriers to long-term family stability that many of these unmarried parents face. Thus, though the birth of a child may represent a "magic moment" of high attachment and expectations for unmarried couples, many grapple with an uncertain future. The fathers' involvement may attenuate over time, depriving their children of an important and irreplaceable resource. Information about fathers' long-term involvement is not yet available from the Fragile

Families Study, but other research has shown that fathers who do not live with their children and who never married the child's mother have lower involvement than divorced fathers, and that father-child contact typically diminishes with time after unmarried parents separate.²³ For these reasons, children in fragile families whose parents separate are likely to be at higher risk of growing apart from their fathers over time.

Fathers as Resources for Children

The consequences of not having a father have been a source of long-standing concern to society, but the focus of research on fathers has evolved as the larger cultural meaning of fatherhood has changed over time. Only in the last several decades have scholars begun to examine father involvement more broadly. Early studies focused on the effects of *father absence*, defined as the father not living with the child. In this "deficit model," children in mother-only (or "father-absent") families were compared to children in two-parent ("father-present") families without directly measuring what fathers—whether living with their children or not—were actually contributing to their children's lives. As noted earlier, research shows that children in single-parent families experience greater adverse outcomes compared with their counterparts who live with both biological parents; however, most of these studies focus on children of divorced fathers only.¹⁹

In the 1980s, with the emergence of a "new" fatherhood model (particularly among the middle class) in which there were greater expectations for fathers' emotional investment and active participation in parenting, studies began to investigate the potential *positive* effects of father involvement. The first studies in this area focused on fathers' financial support and found that the payment of child support is positively associated with children's well-being.²⁵ For example, one Urban Institute study found that \$1,000 in child support was associated with higher grades and fewer school problems among children, and that child support income had a larger effect on children's well-being than an identical amount of ordinary income.²⁶

A growing literature in sociology and child development has investigated the effects of fathers' nonmonetary involvement as well, such as participating in shared

A recent meta-analysis ... found evidence that increased father involvement produced significant gains in children's academic achievement and reductions in behavioral problems.

activities with the child and developing a close, high-quality relationship with the child. Positive father involvement, particularly by fathers who live with their children, has been linked to less-frequent child and adolescent behavioral problems, including delinquency, substance use, anxiety, and depression.²⁷ However, these effects vary in size and significance and are not always large relative to other important influences on children's well-being.

The benefits for children of involvement by fathers who are not living in the same household are even less apparent, perhaps because the quality of father involvement has not been accurately measured.²⁸ Most studies of nonresident father involvement have focused on the quantity (frequency) of father-child contact, and frequent interaction with fathers has been found to have little if any beneficial effect for children.²⁹ Yet the quality of the relationship inherently reflects the strength of the affective bond between father and child, and feeling loved and cared for by parents increases children's emotional security, sense of worth, and self-confidence, which facilitate positive development.²⁸ Given the evidence in psychological research that fathers *can* positively affect child development,³⁰ the lack of clear findings in other social science literature underscores the fact that the quantity of father involvement may be far less important for a child's well-being than the quality of involvement.³¹ A recent meta-analysis that used more nuanced measures of nonresidential father involvement—such as father-child closeness and father's authoritative parenting—found evidence that increased father involvement produced significant gains in children's academic achievement and reductions in behavioral problems.²⁸ Future research using more refined measures of high-quality father involvement is likely to corroborate these results.

Not surprisingly, fathers who do not live with their children see them less often, which decreases the likelihood that the father and child will develop a close relationship.^{23,32} Also, fathers who do not share the child's household are less likely to contribute financial

resources to support their child, as they have less ability than a father living with the child has to monitor the allocation of resources by the mother.³³ Particularly following divorce, absent fathers may become less altruistic toward their children over time.³⁴ Divorced parents also may be less able to reinforce one another in child rearing, further diminishing the father's role.³⁵ Although these findings refer to formerly married couples, the consequences are likely similar for unmarried couples following a separation.

Despite the potential financial and emotional benefits of father involvement in general, father involvement may, in fact, be detrimental for children and their mothers in those instances when the father is prone to violence or has mental health or substance abuse problems.³⁶ Recent research shows that approximately 15% of women on welfare in one city reported being severely physically abused by a husband or partner in the last year,³⁷ a rate that is comparable to rates reported in other studies of welfare recipients.³⁸ About 4% of new mothers in the Fragile Families Study reported that the father "sometimes" or "often" hit or slapped them within the last month (or the last month they were together, for couples no longer romantically involved). This percentage is somewhat lower than those reported in other studies of welfare mothers, but violence is likely lower in the month preceding a child's birth. Also, the mothers in the Fragile Families sample are somewhat more economically advantaged than a sample of mothers on welfare, and the risk of violence toward women is lower among families with more income.³⁹

Domestic violence is a very serious problem for the children and mothers affected by it, and violent behavior may be underreported in surveys. Nevertheless, most fathers are not violent or potentially dangerous, and for most children, greater father involvement likely offers important benefits. The challenge is to devise programs that encourage positive father involvement, but that include adequate safeguards for the minority of children and mothers who may be at risk.

□ Though pregnancy prevention programs have met with some success, they have not fundamentally abated the high levels of nonmarital fertility and the formation of father-absent families.

Policies Designed to Promote Father Involvement

As family demographics and the social environment have changed, public policy also has evolved in an attempt to mitigate the consequences of family instability and, in some cases, to reshape the demographic trends themselves. Most recently, the 1996 federal welfare reform law gave new emphasis to two primary categories of programmatic interventions intended to promote father involvement: 1) programs designed to discourage nonmarital fertility and thus decrease the formation of “father-absent” families; and 2) programs intended to increase nonresident fathers’ support for and involvement with their children.

Programs to Discourage the Formation of Father-Absent Families

Efforts to reduce the rising number of father-absent families have focused primarily on preventing unwanted pregnancy among unmarried women, especially teenage girls. This approach is guided by the awareness that when a pregnancy is unintended, the father is less likely to live with the child and provide “positive parenting.”⁴⁰ In contrast, when a pregnancy is intended and births are spaced appropriately, better maternal and child health outcomes are likely, and assurance is greater that the child will be loved and nurtured by both the mother and the father. Most births to unmarried couples, however, are unintended. Of births among never-married women in 1994, 58% were the result of unintended pregnancies.⁴¹ Therefore, reducing the incidence of unintended pregnancy among unmarried couples represents a promising strategy to reduce the likelihood that a child will grow up without a father’s involvement in his or her life. Pregnancy prevention efforts fall into three main categories: family planning, teen programs, and family caps.

Family Planning

Federal family-planning funding (particularly through Title X of the Public Health Services Act) has been used to provide contraceptives to low-income women

in hospitals, community-based clinics and health centers, and private organizations such as Planned Parenthood. The impact of federal family-planning programs has not been unambiguously documented, in part because most studies are complicated by methodological problems such as failure to control for levels of sexual activity or to account for the increasing availability of contraception (such as condoms) outside of family-planning clinics.⁴⁰ Yet there is some evidence that family-planning programs have reduced nonmarital pregnancies and/or birth rates, and that they are cost-effective because they reduce medical expenses.⁴²

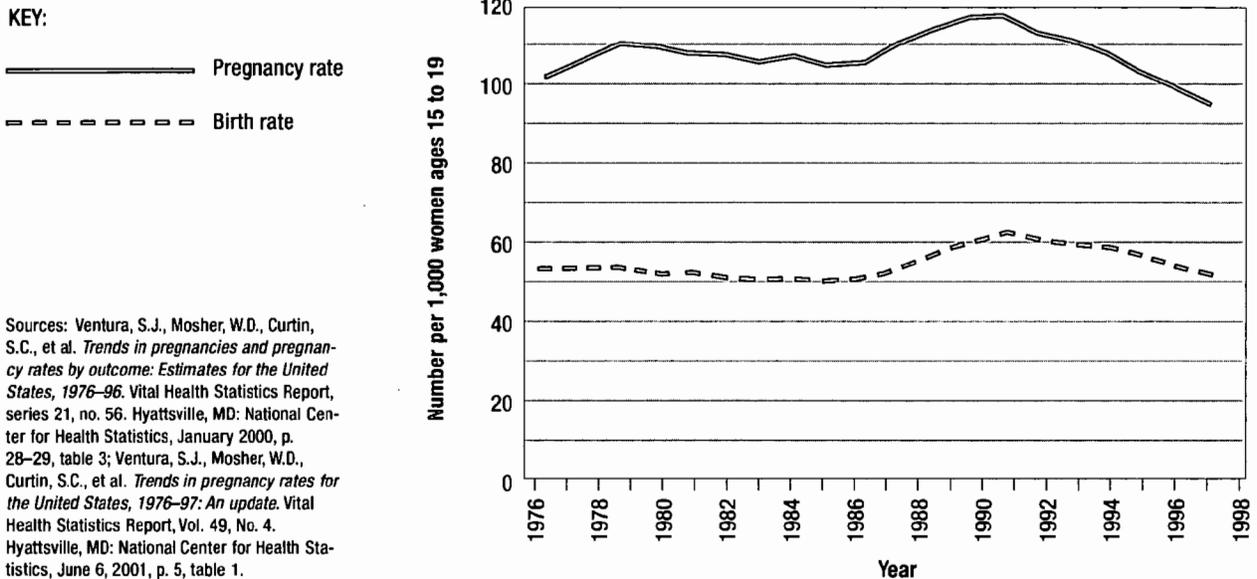
Teen Programs

Many efforts to reduce nonmarital childbearing have focused on teenagers, even though births to women under age 20 account for less than one-third of all births outside of marriage.⁴³ However, 35% of births to unmarried women over age 20 were preceded by a teenage birth, and teen births account for 49% of all *first* births outside of marriage.⁴⁴ Further, teen childbearing is associated with a high probability of receiving welfare, and the majority of mothers on welfare had their first child as a teenager.⁴⁵ Therefore, delaying adolescent pregnancy is an important strategy for improving outcomes for children.

Pregnancy prevention programs for teens have disparate goals—some aim to reduce sexual activity altogether by promoting abstinence, whereas others encourage “safe” sex by increasing sex education and availability of contraceptives. In addition, a growing number of programs are targeting males with messages about abstinence and statutory rape. Although rigorous research has not yet proven the effectiveness of either abstinence or education programs,⁴⁶ teen pregnancy and birth rates declined in the 1990s (see Figure 3), and both abstinence and contraception appear to have contributed to the declines.⁴⁷ Interestingly, programs that seek to alter adolescents’ life opportunities, such as early childhood education and youth development programs, appear to hold greater promise than education or service programs alone.⁴⁸

Figure 3

Teen Pregnancy and Birth Rates 1976–1997



Family Caps

The family cap (or “child exclusion”) policy limits the monthly welfare benefit a mother can receive regardless of whether she has additional children, based on the theory that more generous welfare benefits are likely to increase “illegitimacy” and reduce incentives for marriage.^{33,34} In the 1970s and 1980s, researchers began to examine whether welfare benefits were, in fact, largely responsible for the rise in births outside of marriage. Charles Murray’s *Losing Ground*, published in 1984, was the most notable treatise in support of this theory.⁴⁹ However, empirical research suggests that welfare’s effects on marriage and fertility are relatively small compared with other factors affecting nonmarital childbearing.⁵⁰ Nonetheless, those who believe welfare provides incentives for nonmarital childbearing expected that family caps would decrease childbearing among welfare mothers, and hence reduce the number of children with absent fathers.

Family caps were first implemented through waivers granted to states in the early 1990s, and the federal

welfare reform law of 1996 permitted all states to impose a family cap without federal approval. New Jersey was the first state to adopt a family cap, in 1992, and as of 1999, 23 states had established some sort of family cap policy.⁵¹ An evaluation of the New Jersey program in 1998 used an experimental design—the most rigorous test of program effects—and showed that births outside of marriage were significantly lower among the experimental group compared to the control group, but only among new welfare recipients. The decline in birth rate was accompanied by an initial rise in abortions that subsequently dissipated.⁵² However, in Arkansas—the only other state to evaluate its family cap program using an experimental design—no statistically significant impact of the family cap was noted for nonmarital births.⁵³

Overall, though pregnancy prevention programs have met with some success, they have not fundamentally abated the high levels of nonmarital fertility and the formation of father-absent families. This is because nonmarital fertility has risen for reasons that reflect

 **Rising paternity establishment rates, child support orders, and collections signal that the system is increasingly successful ... but for children on welfare, the benefits of an effective CSE system are minimal.**

larger cultural shifts in attitudes, values, and practices—not simply because couples lack information about sex or access to contraceptive technology. As described in the section on demographic trends, consensual unions other than marriage have become more accepted and prevalent, increasing the likelihood that children will be born outside of marriage.

Programs to Encourage Greater Father Involvement

Because “father absence” is the defining characteristic of most single-parent families, public policy has attempted to compensate for the resources that children lose when the father is not in the household. The most obvious resource deficit is economic—without fathers’ income, female-headed families are much more likely to be poor. Initially, policies were designed to compensate for the loss of the father’s income directly with cash assistance and in-kind benefits such as food stamps and Medicaid. Then, as single mothers increasingly were women who were separated and divorced from their partners, as opposed to being widowed, policymakers began to consider seeking resources from fathers. Programs were initiated to collect child support from unmarried fathers and, more recently, to increase their earnings so that they can pay child support. Only recently has policy attention to fathers broadened beyond financial support to incorporate nonmonetary investments in children as well.

Child Support Enforcement

The first program that could be considered a fatherhood program is the federal Child Support Enforcement (CSE) system. Beginning in 1975, federal matching funds were provided to states to establish paternity and support awards and to collect child support payments on behalf of single-parent families. The program was initially designed to recoup money from noncustodial fathers to offset expenditures in the Aid to Families with Dependent Children (AFDC) program, but in 1980, CSE was broadened to serve all children eligible for support regardless of family income or welfare status. From its inception, the CSE

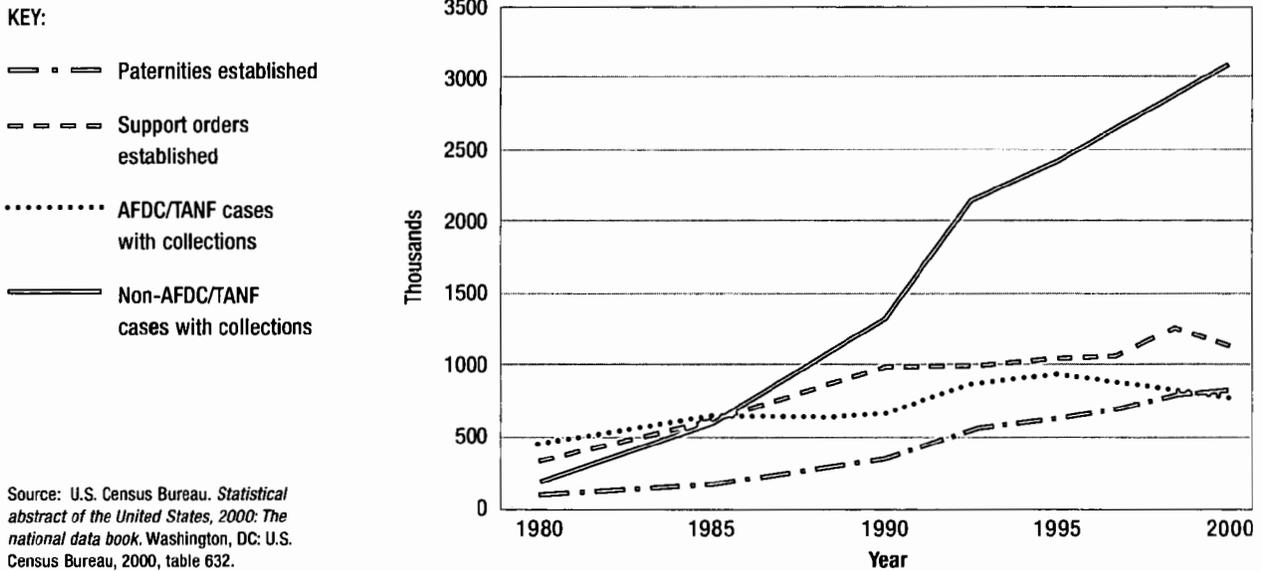
program was charged solely with enforcing fathers’ financial support of their children, while other aspects of fathers’ involvement, including visitation and custody, were (and remain) governed by state laws.

Also from the beginning, the CSE system focused on never-married fathers because these men are the most likely to have children on welfare.⁵⁴ Legislative reforms in the last two decades, and most recently the federal welfare reform law of 1996, have strengthened CSE’s overall effectiveness (see Figure 4). During the past two decades, paternity establishment—a prerequisite to the formal establishment of child support—has increased dramatically from 19% of nonmarital births in 1979 to 52% in 1996. In addition, the use of increasingly aggressive enforcement tools, such as universal wage withholding, revocation of driver’s, recreational, and professional licenses, and interception of tax refunds, has increased payments dramatically. Child support collections facilitated by CSE more than doubled (in nominal dollars) between 1990 and 1998, from \$6.0 billion to \$14.3 billion.⁵⁵ Still, it should be noted that child support is collected for only a relatively small percentage of families served by the CSE system. Collections were made on behalf of only 14% of families on welfare (now Temporary Assistance for Needy Families, or TANF) and 28% of nonwelfare families during 1998.⁵⁶

Policymakers have largely assumed that fathers fail to pay child support because they do not want to pay (so-called “deadbeat dads”), not because they are unable to pay.⁵⁷ But research indicates that, although most noncustodial fathers can afford to pay more child support, a sizeable number of fathers are poor and unable to support their children.⁵⁸ These are typically the fathers of children on welfare, and little is known about these men beyond the fact that they are often unemployed or underemployed and have few resources.⁵⁹ Clearly, the situations of fathers living apart from their children vary widely. Recent analyses have found that as a group, however, nonresident fathers are more like-

Figure 4

Increased Child Support Enforcement Efforts (1980–1998)



ly than resident fathers to be young, to have less than a high school education, to be in poor health, to have had some involvement with the criminal justice system, and to have lower hourly wages and fewer work hours per week.⁶⁰

Rising paternity establishment rates, child support orders, and collections signal that the CSE system is increasingly successful at its primary objective—ensuring that noncustodial fathers provide economic support to their children. But for children on welfare, the benefits of an effective CSE system are minimal, for several reasons. First, for the most part, child support collected on behalf of welfare families goes to repay welfare expenditures and not to increase family income.⁶¹ (See the article by Greenberg and colleagues in this journal issue.) Because of this, fathers have little incentive to pay their obligations, as their children are not economically better off as a result.⁵⁴ In addition, to receive welfare benefits, mothers must provide information to help locate the father, which can lead to conflict and tension between parents. Further, many states

set minimum baseline amounts for child support orders on the assumption that fathers work full time, regardless of actual employment status. As a result, low-income fathers may be forced to pay a much higher proportion of their income in child support than middle-income fathers pay.⁶² Finally, child support orders are not routinely adjusted for changes in the father’s income, which can lead to fathers accumulating large arrearages that, according to federal law, cannot be forgiven or adjusted in most cases.⁶³

In addition to increasing fathers’ financial contributions, child support enforcement policy may affect family formation and how fathers relate to their children. By increasing the costs of living apart from their children, strong child support enforcement may encourage fathers to avoid having children outside of marriage. Studies suggest that strong child support enforcement may be linked to reduced nonmarital childbearing⁶⁴ and reduced likelihood of marital dissolution.⁶⁵ Also, some evidence indicates that requiring fathers to pay child support increases their involvement with their



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children.⁶⁶ At the same time, if CSE programs are “successful” in stimulating fathers’ support and involvement to an extent that offsets the detriments of single parenthood, the incentives increase for mothers to stay single rather than marry.

Noncustodial Parent Work Programs

In view of the fact that some low-income fathers are not able to meet their child support obligations, several demonstration projects were undertaken in the 1980s and 1990s to improve fathers’ labor market outcomes. The primary demonstration in this area was Parents’ Fair Share (PFS), a program administered in seven sites around the country to increase low-income noncustodial parents’ employment, earnings, and ability to pay child support.⁵⁹ The PFS program enrolled fathers who were unemployed or in a low-wage job and had fallen behind in their child support payments. Most fathers in the program had been divorced and were disconnected from their children.

An evaluation of the PFS program revealed the difficulty and complexity of improving labor market outcomes for low-income men, and the fact that child

support and welfare programs are not equipped to meet the needs of poor fathers. The program relied on judges to order fathers to enroll in PFS or go to jail; thus, these men were not necessarily motivated to participate because of their desire to be better fathers. Nonetheless, although their relationships with their children varied dramatically, most fathers expressed a deep desire to be involved in their children’s lives.⁶⁷ Although PFS did not, on average, increase the frequency of noncustodial fathers’ visits with their children, some increases were noted in sites with particularly low initial levels of father–child contact.

Similarly, the frequency of contact between fathers and the custodial mothers varied widely, with nearly three-quarters of mothers reporting that the father had no involvement in decisions about the child. Again, the PFS program was found to have no effect on the frequency of parents’ interactions; a slight increase was noted, however, in the proportion of parents who reported frequent conflict. Although these findings are discouraging, the implementation and evaluation of the Parents’ Fair Share program have highlighted the mul-

□ Fatherhood programs that begin early—in the hospital, if possible—are more likely to be successful than programs that target fathers after the relationship with the mother has ended.

tiple challenges of supporting low-income fathers and families, and the need to develop new program models.

In 1997, Congress created the “Welfare-to-Work” program to support state and community efforts to help welfare recipients and noncustodial parents move into unsubsidized jobs.⁶⁸ Nearly \$2 billion in grant funds were awarded in 1998 and 1999 under this program to assist hard-to-employ welfare recipients and noncustodial fathers who are unemployed, underemployed, or having difficulty making child support payments.⁶⁹ An interim report from the contracted evaluator for this new federal program noted that Welfare-to-Work initiatives are seriously attempting to reach and serve noncustodial parents, and that the state and local staff working on these projects say the grants have encouraged a more serious focus on fathers.⁷⁰

New Fatherhood Programs

Until very recently, poor noncustodial fathers of children on welfare were largely ignored by social policymakers and disconnected from resources that might help them become more involved in their children’s lives.⁵⁹ The child support system has operated solely as an enforcement agency collecting money from fathers (and punishing those who fail to pay) rather than as a social service organization attempting to balance responsibility with appropriate services and supports (and providing incentives to pay). This is changing as the confluence of three factors—demographic changes that have increased the number of fragile families; growing awareness of the difficulties faced by low-income fathers and families; and greater understanding of the benefits to children of father involvement—has led to the development of programs that more effectively promote fathers’ financial and emotional involvement with their children.

Representing an important first step toward developing such programs, in March 2000 the U.S. Department of Health and Human Services approved 10 state demonstration projects to “improve the opportunities of young, unmarried fathers to support their children both financially and emotionally.”⁷¹ These new pro-

grams serve both divorced fathers and new fathers in fragile families. They have varied emphases, but they generally are designed to improve fathers’ parenting skills and employment capabilities, and to ensure that fathers have access to their children. Initial assessments of these new programs have found that enrolling fathers and sustaining their participation over time present particular challenges. More rigorous evaluations have yet to determine the nature and magnitude of the impacts across various program types.

Meanwhile, data from the Fragile Families Study support the current direction of public policy, but highlight the importance of careful program design and implementation. Fatherhood programs are more likely to make a difference if they are targeted to the right men and if they are timed correctly. Practitioners who run employment programs for disadvantaged men say that participants’ motivation has an important effect on whether the program will “work” or not. Fathers are most likely to be highly motivated and to take advantage of the services offered by fatherhood programs around the time of a new child’s birth, when the father is likely to be romantically involved with the baby’s mother. Thus, fatherhood programs that begin early—in the hospital, if possible—are more likely to be successful than programs that target fathers after the relationship with the mother has ended. Also, programs that treat fathers not only as individuals (recognizing their personal strengths, limitations, and needs) but also as part of families (recognizing their familial commitments, responsibilities, and supports) have a greater chance at success. Finally, programs that address the multiple needs of both mothers and fathers across multiple family circumstances (married or unmarried, living together or living apart) hold the greatest promise. Such needs might include expanding labor market skills and capabilities, developing parenting and relationship skills, and overcoming violence, substance abuse, or mental health problems. (See the appendix following this article for three examples of programs using TANF funds to focus on teen males and fathers.)

Conclusion

This article has highlighted the changing composition of families in the United States, particularly the fact that many children will spend some time living away from their father during childhood. Because fathers offer important financial and emotional resources to children, it is important to encourage greater father involvement, especially among fathers who do not live with their children. Recent trends and concern for such children have stimulated a variety of new public policies and programs to promote fathers' involvement with their children, both financially and emotionally.

Public policy, supported by sound research, can improve the likelihood that fathers will be involved with their children, both by discouraging the formation of father-absent families in the first place, and by increasing incentives and supports for positive father involvement. For example, programs designed to reduce the rising number of father-absent families by focusing on preventing unwanted pregnancies, especially among teens, appear to be most successful when they seek to alter adolescents' life opportunities in addition to providing family planning education or services. Also, although early efforts to encourage father involvement yielded disappointing results, newer programs that are better targeted and timed to the birth of a child appear to hold greater promise for improving the circumstances of low-income fathers and families.

In addition, failure to examine a wide diversity of family arrangements undermines the capacity of research to contribute to public policy. Despite a burgeoning literature on the effects of father involvement for children generally, the fathers of children born outside of marriage (particularly coresident but unmarried fathers) have been largely unstudied. Most of the research on fathers living apart from their children has focused on divorced fathers (who are often middle class) and whether or how they remain involved in their children's lives after the divorce. Given the growing diversity of family composition, this represents a striking shortcoming in the literature. New directions in research and public policies are needed to encourage greater father involvement across the wide diversity of family arrangements in society today.



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ENDNOTES

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APPENDIX

Innovative Uses of TANF Funds for Programs for Teen Males and Fathers

These program profiles were prepared by Kate Boyer, Ph.D., senior researcher, and Catherine Lawrence, C.S.W., research associate, of the Rockefeller Institute of Government as part of the Institute's project, "Beyond Symbolic Politics."

Program name: Adolescent Health and Youth Development

State: Georgia

Coverage: 34 counties

Program goals: Improve teen health and skills;
reduce teen pregnancy

Service population: Teens age 19 and under

Funding sources: TANF and other state funds

Description: Georgia is spending TANF funds on the Adolescent Health and Youth Development (AHYD) initiative, a comprehensive pregnancy prevention program based on youth development principles. AHYD offers three types of grants to counties: 1) *teen center grants*, for localities to provide comprehensive health services, including contraception, as well as abstinence-based programs and youth development services; 2) *male involvement program grants*, to reduce pregnancy, promote abstinence, and increase young fathers' involvement with their children; and 3) *community involvement grants*, to foster partnerships between organizations and fill gaps in service. For example, the program located at Teen Headquarters, a community center in Bibb County, not only provides a male-only health clinic, it also offers holistic programming related to the many pressures specifically confronting young men, such as gang involvement, drug abuse, and the emotional and physical risks of sexual involvement. Young men in the community have a place to go where they feel they belong, can participate in structured and unstructured recreational time, and find adult and peer support.

Results: AHYD services are reaching thousands of young people. In 1998, AHYD male involvement programs served a little more than 2,000 youths. By fiscal year 2000, that number had climbed to 8,664 adolescents in 13 programs.

For further information: See the program's Web site at <http://www.ph.dhr.state.ga.us/programs/adolescent/index.shtml>.

Program name: Step-Up Young Father Program
State: Arizona
Coverage: Phoenix
Program goals: Help young, low-income fathers meet their parental responsibilities
Service population: Low-income fathers, age 22 and under
Funding sources: TANF and other state funds

Description: While many new programs are focusing on the importance of fathers in children's lives, the Step-Up program is particularly comprehensive. Counseling and case management services provide the foundation of services for young fathers, but the scope of program activities is much more diverse. This collaborative program works with volunteer mentors, Gateway Community College, and the Phoenix Job Training Partnership, to offer educational services and job training. Other services offered include legal assistance in paternity establishment and services to meet basic needs, such as housing and clothing. Additionally, the city's Parks and Recreation Department sponsors an annual Family Camp event for the young men and their families.

Results: Evaluation results showed improvements in the men's employment at full-time jobs, increases in hourly wages, and greater educational attainments. Other promising results include improved relationships with spouses and children, lower levels of gang involvement, and lower levels of substance abuse.

For further information: See the program's Web site at <http://www.ci.phoenix.az.us/YOUTH/stepup.html>.

Program name: Wisconsin Works Child Support Demonstration
State: Wisconsin
Coverage: Statewide
Program goals: Increase child support collections from fathers
Service population: TANF families with a nonresident parent
Funding sources: TANF and other state funds

Description: In the fall of 1997, as Wisconsin's new welfare system was taking hold, the state began testing the idea that fathers would be more likely to pay child support if they knew their children would receive all the money. Generally speaking, only about 30% of single mothers nationwide ever receive child support. In an effort to improve that rate, Wisconsin "passes through" every dollar of child support paid by the father directly to the mother receiving welfare. The family not only keeps 100% of the child support but also retains their monthly cash grant at the same level, so there is no "penalty" for these families. Wisconsin is unique among states; many states keep all of the child support fathers pay if their children are receiving cash assistance, or pass through a small amount such as \$50, the amount of the required pass-through under the earlier AFDC program.

Results: The program has achieved some success in encouraging fathers to pay child support. When compared to a control group of families still under old AFDC rules, families in the new program received more child support, as much as 50% more, which translates into an additional \$1,500 a year. Fathers of children under the new program are more likely to pay support and, on average, are likely to pay more than fathers of children in the control group.

For further information: See Meyer, D.R., and Cancian, M. *W-2 Child Support Demonstration evaluation*. Phase 1: Final report. Madison, WI: University of Wisconsin Institute for Research on Poverty, April 2001. Available online at <http://www.ssc.wisc.edu/irp/csde/phase1-tocs.htm>.



Welfare Reform and Parenting: Reasonable Expectations

P. Lindsay Chase-Lansdale

Laura D. Pittman

SUMMARY

Although the primary goals of federal welfare reform legislation were to move welfare mothers into the workforce and reduce births outside of marriage, promotion of responsible parenting was also an important underlying theme. Parenting is a complex, multifaceted phenomenon, however, encompassing a wide range of functions related to nurturing, discipline, stimulation, values, activities, and routines. This article provides a framework for assessing the impact of welfare reform on various dimensions of parenting, with the following key findings:

- ▷ Many aspects of life affect parenting and child development, such as parent characteristics, child characteristics, family economic resources, family structure, parental mental health, marital or partner relationships, and the quality of parents' kin and social networks.
- ▷ About two-thirds of states are using federal welfare funds to promote better parenting through programs such as home visits to new parents and parenting classes, but virtually no state parenting programs have been evaluated.
- ▷ Welfare reform appears to have limited effects on parenting. The only dimension of parenting significantly affected by some welfare

demonstration programs was parents' choice of child care settings and extracurricular activities for their children.

- ▷ The programs with the greatest positive impact on parenting were those with more generous work supports and more flexible work requirements. Not only did these programs lead to different choices concerning child care and activities for preschool and school-age children, but they also resulted in more stable marriages and less violence between partners, which also could lead to improved parenting.

The authors conclude that many important aspects of the connection between welfare reform and parenting have yet to be examined, and that further research is needed to identify the ways states' welfare programs can promote better parenting.

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Welfare reform in the 1990s—beginning with state waivers and culminating in the federal welfare reform law enacted in 1996—represents the most wide-ranging change in policies for low-income families since the first federal welfare program began in 1935. (See the article by Greenberg and colleagues in this journal issue.) Although the primary goals of reform were to move welfare mothers into the workforce and reduce births outside of marriage, promotion of responsible parenting is an underlying theme in many of the law's provisions.¹

The law does not specify what constitutes responsible parenthood, but about two-thirds of states are using federal welfare funds to promote better parenting practices as part of their new welfare programs.² In addition, policymakers argue that parental employment, family income, and family structure all have significant implications for parenting. For example, proponents of welfare reform believe that if mothers leave welfare for employment, they will be better parents because they will provide better routines and serve as better role models for their children. Similarly, those who view welfare reform as a pathway out of poverty argue that increased economic resources will lead to better parenting. Finally, those who champion welfare reform as a way to promote marriage believe that married parents are more effective than single parents.

In policy debates over welfare reform, parenting tends to be discussed simplistically. A more thoughtful discussion requires a better understanding of what shapes parenting. In reality, parenting is a complex, multifaceted phenomenon that ignites controversy in scientific and policy circles but is also a very personal, private experience. This article provides a framework for assessing the impact of welfare reform on parenting. The first section reviews the scientific literature describing the multiple dimensions of parenting and discusses how each dimension is linked to child development. The second section presents a model that synthesizes research evidence about key factors believed to influence parenting. The third section summarizes what has been learned to date about the direct and indirect effects of welfare reform on parenting. A final section discusses the limitations of current studies, and the areas where further research

would be most helpful in understanding how states' welfare reform programs could more effectively support positive parenting practices.

Dimensions of Parenting and Links to Child Outcomes

Extensive research supports the widespread belief that parenting does, in fact, have an important influence on developmental outcomes for children and adolescents.³ Box 1 displays six key dimensions of parenting that are interrelated yet distinct. Each dimension affects parenting styles, and therefore child outcomes, in unique ways.

Box 1

Dimensions of Parenting

- D **Warmth and responsiveness:** Parents express love and affection and are responsive to their child's needs and requests.
- D **Control and discipline:** Parents outline specific rules and expectations and enforce them consistently. As a child grows and matures, parents continue to set limits, but allow for more autonomy in the child's world.
- D **Cognitive stimulation:** Parents ensure that their child has materials that are stimulating; parents are verbally engaging and actively teach their children key concepts.
- D **Modeling of attitudes, values, and behaviors:** Parents discuss their values, convey their attitudes, and act toward their child and others in the way they want their child to act.
- D **Gatekeeping:** Parents serve as links to the environment, influencing which family and friends their child interacts with and what outside activities and programs they become involved in. Parents become involved in school and other community activities to maintain connection with the child and outside influences.
- D **Family routines and traditions:** Parents create a daily routine as well as family traditions that help structure a child's expectations for the day as well as promote knowledge of cultural and family heritage.

□ Although the primary goals of reform were to move welfare mothers into the workforce and reduce births outside of marriage, promotion of responsible parenting is an underlying theme in many of the law's provisions.

Warmth and Responsiveness

Infants and toddlers whose parents are consistently warm and responsive develop “secure attachments” to their parents and rely on parents or “attachment figures” as a “secure base” from which to explore the environment.⁴ These secure attachments at a young age provide an important emotional foundation for later development and help promote healthy peer relations and fewer problem behaviors in childhood and adolescence.⁵ Children and adolescents whose parents are warm and supportive also have higher levels of self-esteem and social competence as well as lower levels of depression, anxiety, and problem behaviors.^{6,7}

Control and Discipline

Parents' discipline style and level of supervision are key to children's healthy development. Parents need to take children's age and developmental level into account when deciding how to approach discipline and supervision. Younger children need more structure and boundaries to keep them safe, whereas older children should be granted more autonomy as they mature and transition into adulthood. Parents who provide firm, consistent limits and rules teach children what type of behavior is socially acceptable and how to regulate their own behavior. These children fare better in school and with their peers.^{8,9} Parents who know where their teenagers are and set limits such as curfews, but who also grant some autonomy, have adolescents with fewer behavior problems, including lower levels of drug and alcohol use, school suspensions and expulsions, and police involvement.^{10,11} “Authoritative parents”—those who are warm but firm—have children who do better on virtually all developmental outcomes compared with children whose parents are low on either warmth or control.^{12,13} These links have been found across different countries and socioeconomic and cultural groups.¹⁴

Cognitive Stimulation

The stimulation provided by parents is especially important for infants, toddlers, and young children. Children show higher levels of cognitive functioning

and school achievement in early and middle childhood when parents are more verbally engaging and provide more cognitively stimulating toys, activities, and interactions.^{15,16} During the school years, parents' active involvement with their children's homework and schools is related to better academic achievement.¹⁷

Modeling

Whether consciously or unconsciously, parents model behavior for their children every day. Modeling encompasses a broad array of experiences, and children can learn both positive and negative behaviors through witnessing adults' responses to a variety of situations.¹⁸ For example, when a child witnesses domestic violence or excessively harsh punishment of a sibling, that child is more likely to act aggressively toward others. In contrast, when children see their parents displaying considerate, empathic, or moral behavior, they learn to consider what is right and wrong and how others will respond to their actions.¹⁹

Gatekeeping

Parents serve as gatekeepers to the world for their children. They decide what neighborhood the family will live in, and they provide access to community organizations, such as child care settings, parks, and playgrounds, as well as opportunities to interact with neighbors, peers, and kin.²⁰ As children grow up, parents continue to influence who their children's friends are,²¹ as well as whether children will be involved in extracurricular activities and after-school programs.²² These gatekeeping activities are related to children's social and academic competence, as participation in activities outside the home promotes more positive peer interactions, greater feelings of self-worth, and advances in learning.^{23,24} Adolescents are more likely to take initiative outside the family than are young children, but many adolescent decisions are still influenced by family life.

Family Routines and Traditions

Parents also influence their children by providing structure in their daily lives. Children who come from families who have a regular, predictable routine and

time together are believed to do better than those whose family life is less organized,^{25,26} although research on this dimension is limited. Parents also affect their children by initiating and maintaining familial, religious, and cultural traditions. When parents engender an understanding of the family's cultural and ethnic heritage, children develop a stronger sense of ethnic identity,²⁷ which is associated with both cognitive and social competence.²⁸⁻³⁰

Determinants of Parenting

To understand how welfare reform might affect parenting, an overview of the key factors that influence parenting is essential. Figure 1 presents a model of these factors, illustrating the complexity of the connections between these factors and parenting, and the relationships among the factors themselves. The model shows that parenting is affected by many aspects of life: parent characteristics (such as personality, cognitive abilities, and level of education); child characteristics and the shared genes between parents and children; family economic resources (including income from work and/or welfare); and family structure and size. These four determinants are seen as influencing the

three others—parental mental health, marital or partner relationships, and the quality of parents' kin and social networks—which in turn influence parenting and child development.

Parent Characteristics

The first determinant in the model is the parent's personal characteristics, which potentially influence every other determinant as well as parenting. Parents' characteristics encompass a wide variety of attributes, including the parent's own experience of being parented, age and education level, cognitive ability, personality, and other traits. Parents tend to model their own parents' child-rearing practices, including both supportive or more harsh parenting.^{31,32} Parenting patterns also are influenced by parents' mental frameworks or "internal working models," which are based on and adapted from experiences with their own parents.⁵ In addition, parents with higher intellectual ability and levels of education, and those with positive personalities, tend to display more effective parenting.^{33,34} For example, such parents tend to be more responsive to children's emotional needs, engage their children more, provide a more cognitively stimulating environment, and explain their punishments.

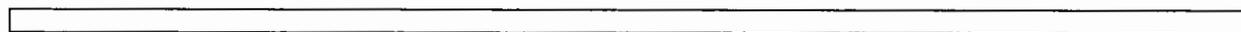
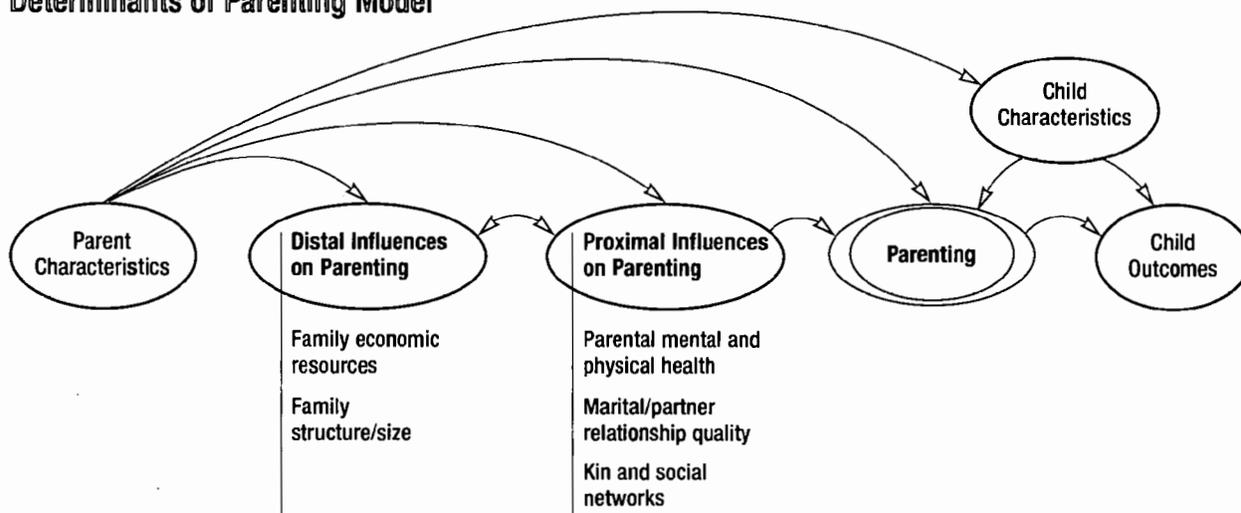


Figure 1

Determinants of Parenting Model



Single mothers tend to have less positive interactions with their children and provide less firm and consistent discipline as compared with mothers in two-parent households ... primarily because single mothers have more stressors in their lives.

Child Characteristics

Children influence their parents through their personalities, temperaments, and special needs.^{35,36} If a child has a difficult temperament or personality—crying or complaining much of the time—the parent is more likely to respond negatively, providing harsher punishment and fewer positive interactions than if a child is more easy-going.^{34,37} This pattern could cause developmental problems. The child's innate characteristics, however, do not set in stone how the child will develop. Although the debate over “nature versus nurture” has been an intense focus of scientific research for most of the past century, current research shows that children's development is shaped by a complex interaction of genetic and environmental influences.³⁸ Thus, although a child with a difficult temperament presents a challenge and a risk, effective parenting can shape such children to become more socially competent and pleasant.³⁹ In other words, children do indeed influence how parents respond to them, but parents also have a role in shaping children's behavior and development.

Economic Resources

Family economic resources, including income from employment as well as other sources, such as welfare, influence parenting both directly and indirectly. Like many parents who are single, those facing economic hardships tend to be less effective because they have more stressors in their lives and thus are likely to have greater psychological distress.^{40,41} Low-income parents have been found to use less effective parenting strategies, including less warmth, harsher discipline, and less stimulating home environments.^{42,43}

Family Structure and Size

Family structure and economic resources have interrelated effects on parenting, as households with one parent, rather than two, have fewer economic and emotional resources. Single mothers tend to have less positive interactions with their children and provide less firm and consistent discipline as compared with mothers in two-parent households.^{44,45} This is primarily because single mothers

have more stressors in their lives, poorer mental health, and no spousal or partner support. In addition, children with more siblings have fewer financial resources available to them as well as less time with and attention from parents.⁴⁶ Depending on their ages, however, older siblings may help care for younger siblings.⁴⁷

Parents' Mental and Physical Health

Research evidence is very strong regarding the link between parental mental health and the ability to parent effectively. Parents who are experiencing psychological distress, whether diagnosed as a mental disorder or not, are less likely to be warm and supportive of their children and are less effective in monitoring their children or providing consistent discipline.^{48,49} The association between parental physical health and parenting is less well established, with some indication that disability or poor physical health may lead to more family stress and parental depression, which in turn may lead to less effective parenting.⁵⁰

Quality of Marital/Partner Relationships

Similarly, the quality of the parent's relationship with a spouse or partner as well as the size and supportiveness of kin networks have direct links to parenting effectiveness. The marital relationship is often considered the cornerstone of good family functioning, and a positive marital relationship is associated with more positive parenting. Conversely, chronic parental conflict is considered to have serious adverse effects on child development, causing more negative parent-child relationships and less consistent and effective discipline and monitoring of children.⁵¹⁻⁵³ The most extreme form of parental conflict is domestic violence, a phenomenon associated with poor mental health and compromised parenting.⁵⁴

Kin and Social Networks

Mothers with strong networks of positive social support from friends and extended family are more effective parents.^{55,56} However, if interactions with kin generate conflict, or if kin are excessively demanding of parents' time and energy, such negative relationships



can lead to higher levels of stress and depressed mood,^{57,58} both of which are linked to more disruptive parenting. Determinants of parental mental health, quality of marital/partner relationships, and kin and social networks are interrelated and influence one another as well as affect parenting.⁵⁹

Although this model of the determinants of parenting is based on the most current developmental literature, it has limitations. Much of the research reflects findings from samples that were not randomly selected and, in many instances, included primarily white, middle-class families. In addition, no definitive statement can be made that these determinants cause the differences in parenting. For example, it is not possible to hold everything constant in a family to evaluate whether one factor influences parenting independent of other factors, or to randomly assign children to parents. Moreover, while this model may be relevant to most families, further research is needed to determine the extent to which the model applies to ethnically and culturally diverse, low-income families.^{60,61} Finally, some areas of research rely heavily on maternal self-report, which may be biased by the mother's view of the world or her own psychological health. Nevertheless, the model provides a useful framework for analyzing how welfare reform may affect parenting.

Parenting and Welfare Reform

The federal welfare reform law of 1996 was couched in broad language: "The promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children."¹ As a result, the scope of programs implemented under welfare reform is wide-ranging, and nearly every factor illustrated in the Determinants of Parenting Model (Figure 1) could be affected. The challenge is to specify how the changes under welfare reform are affecting parenting, either directly or indirectly, based on findings from relevant research.

Direct Effects on Parenting

Many states are using welfare funds to implement initiatives designed to improve parenting directly, such as providing home visits to new parents or requiring certain welfare recipients to attend parenting classes.² (See the appendix at the end of this article for three examples of welfare-supported programs that are intended to help improve parenting.) Assessments of these initiatives are quite limited. In the scientific fields, however, several theoretically based programs to improve parenting have been developed and evaluated. Studies have shown that these interventions are most successful when children are having socioemotional or developmental problems.³⁴ In such situations, parents are motivated to change their parenting practices to help their children. Furthermore, the interventions tend to be provided in small groups led by professionals with extensive training in child development and expertise in parenting and family issues. Such interventions can result in long-lasting improvements in parents' knowledge and attitudes, use of appropriate discipline, and parent-child interactions.⁶²

In contrast, parenting programs that target low-income families tend to be broad in scope and have multiple goals, such as promoting job readiness and increasing access to social services. These programs generally have only modest effects on parenting that lessen with time.^{63,64} Several factors influence the effectiveness of such programs. Better outcomes are more likely when professionals, rather than paraprofessionals, meet with the participants, when families can expect more frequent contact, and when parents participate more fully in the intervention (for example, they miss fewer meetings and follow through on tasks expected to be done outside of meetings).⁶⁵ Effects are

If maternal employment decreases psychological distress, this could result in increased parental warmth, responsiveness, and appropriate control ... [but] if maternal employment increases mental health problems, then parenting would be more harsh, less responsive, and less consistent.

lessened when the parenting intervention is secondary to other areas of focus in a program, such as parental education or employment.⁶⁶ Thus, to improve the effectiveness of welfare-funded parenting programs, such programs need to be more intensive and led by professionals with a thorough understanding of developmental and family issues, and involve parents who have chosen to participate and are actively engaged in the intervention.

Indirect Effects on Parenting

Programs designed to achieve the primary goals of welfare reform—to move welfare mothers into the workforce and reduce births outside of marriage—are likely to influence parenting indirectly, as they affect several of the key determinants of parenting such as family economic resources, parents' mental health, and partner relationship quality (see Figure 1). In fact, many policymakers expected that by promoting employment, earnings, and marriage, parenting practices would improve.

Most studies focusing on welfare reform's broader goals have not collected data on the potential impacts on parenting, either positive or negative. However, several large-scale studies currently under way in various states include components specifically designed to illuminate how the welfare reform law has affected families and parenting, and preliminary findings from these studies are emerging.⁶⁷ For example, the Three-City Study will provide detailed information about any changes that occur in parenting practices as families transition on and off the welfare rolls. (See Box 2.) Some clues are also provided by the findings from several experiments or demonstrations begun in the early to mid-1990s that implemented various programs with features similar to current welfare reform policies.⁶⁸ (For a detailed description of these studies, see the article by Zaslow and colleagues in this journal issue.) What can be gleaned from existing research about how changes in employment, earnings, and marriage under welfare reform may affect the various dimensions of parenting is summarized below.

The Connection between Employment and Parenting

Welfare reform has been galvanized by the opinion that employed mothers are better parents than mothers on welfare.⁶⁹ The positive scenario is that mothers who move from welfare to work will have better mental health, leading to improved parenting. The underlying hypothesis in this scenario is that when mothers find employment challenging and rewarding, they will provide more cognitive stimulation to their children.⁷⁰ Policymakers have also contributed considerable rhetoric to the notion that employed mothers will be better role models for their children, and that employment per se will lead to more predictable, organized daily routines at home. If maternal employment decreases psychological distress, this could result in increased parental warmth, responsiveness, and appropriate control.

The counterhypothesis is that mothers who leave welfare for employment will feel more stressed and have worse mental health. Mothers in poverty, most of whom are single, may find it difficult to balance employment, especially full-time work, and child rearing. The tedium and low levels of complexity in low-wage jobs may be linked to lower levels of cognitive stimulation at home.⁷¹ Time spent at work, combined with changing, off-hour, and inflexible work schedules, may mean less supervision and monitoring of children, the inability to respond to the erratic demands of parenting (such as teacher meetings and doctor appointments), and a lower likelihood of establishing and maintaining predictable family routines. If maternal employment increases mental health problems, then parenting would be more harsh, less responsive, and less consistent.

Psychological and sociological studies show that employed mothers have better mental health than stay-at-home mothers, but this literature focuses primarily on the middle class.⁷² Moreover, it is just as likely that mothers with good mental health are better able to

Box 2

Welfare, Children, and Families: A Three-City Study

The Three-City Study is an ongoing research project in Boston, Chicago, and San Antonio designed to monitor the impact of welfare reform on the well-being of children and families. Parenting is a key focus across all three components of the study.

The main component consists of an in-person survey of approximately 2,400 families with children ages 0 to 4, or ages 10 to 14, in low-income neighborhoods. (About 40% of the families were receiving cash welfare payments when they were interviewed initially.) In this survey, mothers report on their parenting practices and discipline style, their family routines, and the cognitive stimulation provided within the home. For families with young adolescents, the teenager reports on closeness and conflict within the mother-child and father-child relationship as well as the level of parental monitoring.

The second component consists of an embedded developmental study (EDS) of families from the main survey with children ages 2 to 4. Supplemental data are gathered about these families through videotaped assessments of children's behavior and mother-child interactions, which are then coded for maternal responsiveness and emotional expression, and through observations of child care settings. More in-depth interviews with the mothers provide further reports of activities they do with the children as well as the type of punishment used. In addition, biological fathers are asked about their parenting styles and the activities they have shared with their children.

The third component is an ethnographic study of about 215 families residing in the same neighborhoods as the survey families,

using in-depth interviewing and participant observation. Within the ethnography, interviewers take a broad perspective on parenting, inquiring into a range of processes that affect the transmission of values and expectations from parents to children. Through loosely structured conversations with the mothers, the ethnography focuses primarily on the parenting domains key to understanding the ways in which economically disadvantaged children from various ethnic and racial groups navigate multiple contexts such as home, school, and neighborhood. Issues of racial socialization, parental monitoring strategies, and socialization for achievement and social mobility are also explored.

The main survey was conducted in 1999. Follow-up interviews with these families and those in the EDS sample were conducted approximately 18 months after the initial survey, and will be conducted again at the 5-year mark. Also at the 5-year mark, a second sample of about 1,250 families, including young parents who are encountering the welfare system for the first time under the new rules, will be selected and interviewed. Families in the ethnographic study are followed for 12 to 18 months and periodically thereafter. As of October 2001, six reports had been released summarizing the findings across the various components of the study, and more were planned.

For more details, see Winston, P. with Angel, R.J., Burton, L.M., Chase-Lansdale, P.L., et al. *Welfare, Children, and Families: A Three-City Study—Overview and Design*. Baltimore: John Hopkins University, 1999. See also the project Web site at <http://www.jhu.edu/~welfare/>.

seek, find, and keep jobs outside the home as it is that employment promotes mental health.⁷³ These studies indicate that the quality of parenting is similar for employed and nonemployed mothers, but again, this conclusion is biased toward the middle class and is not really relevant to mothers who are required by welfare policies to be employed in low-level jobs that offer little flexibility. Within the limited available literature, there is some indication that employed single mothers may provide a more cohesive, stimulating, and organ-

ized family environment, and place more emphasis on the value of education when compared with unemployed single mothers.^{74,75} However, parenting by mothers on welfare, compared with parenting by mothers who are poor but not on welfare, has not been a central focus of research.

Results from the experimental studies of seven welfare-to-work demonstrations show only limited effects of employment on a mother's mental health and parent-

□ For the most part, research on welfare-to-work programs suggests that requiring employment neither benefits nor harms parenting.

ing.⁷⁶ In two studies (New Chance and Canada's Self-Sufficiency Project), mothers who were required to participate experienced higher levels of depression and stress than those who were not required to participate.^{77,78} In another study (New Hope), parents in the experimental group reported modest increases in time pressure, but less stress and greater optimism about achieving life goals than did parents in the control group, perhaps due in part to the intensive case management provided.⁷⁹ But a synthesis of findings across all seven programs found that mothers who participated in work preparation activities or who were employed showed no differences in depression, self-esteem, mastery, and financial strain, compared with mothers in the control groups.⁸⁰

These experimental studies also found minimal effects of employment on all dimensions of parenting except gatekeeping. Across all seven programs, there were very few differences between mothers in the program groups and those in the control groups with respect to warmth, control, cognitive stimulation, family routines, or harsh parenting.⁷³ In an embedded observational study of parenting and child outcomes in the New Chance demonstration, mothers in the experimental group showed slightly lower levels of harsh treatment, and slightly higher levels of emotional support, with mixed effects on cognitive stimulation. These improvements in parenting did not translate into better child outcomes, however.⁸¹ In the New Hope study, mothers in the experimental group showed slightly increased supervision and control, but the effect was modest.⁸² Although more in-depth measurement of parenting practices might have found greater differences, and not all dimensions of parenting were assessed, these studies indicate that employment or employment preparation did not lead to major improvements or problems in most dimensions of parenting in these families.

Gatekeeping is the one important exception to this pattern. Superior gatekeeping was found in four of the seven demonstrations (New Hope, the Minnesota Family Investment Program, Florida's Family Transi-

tion Program, and Canada's Self-Sufficiency Project).⁸³ Mothers in the experimental groups were more likely to enroll their preschool and elementary-school-age children in formal child care programs than were mothers in the control groups. In two of these demonstrations, program mothers were also more likely to enroll their children in after-school programs and extracurricular activities.⁸⁴ It makes sense that mothers who are required to work 20 to 30 hours per week would increase their use of child care, especially if child care assistance is provided. But in these demonstrations, the mothers in the experimental groups enrolled their children in formal child care, which is likely to be more structured than informal settings and provide better preparation for success in school. (For further discussion of this topic, see the article by Fuller and colleagues in this journal issue.)

For the most part, research on welfare-to-work programs suggests that requiring employment neither benefits nor harms parenting. The major exception is that mothers who are required to work in some programs seem to be better gatekeepers and are able to find potentially enriching opportunities for their preschool and elementary-school-age children. However, this improved gatekeeping may be related as much to increased income as to maternal employment, as discussed below.

The Connection between Increased Economic Resources and Parenting

A second theme in welfare reform policy is the view that when parents are employed full time, family incomes should be higher than when the parents are on welfare, and that higher incomes will lead to better parenting. Recent analyses show that poverty has indeed decreased since the federal welfare reform law was passed, although the booming economy in the 1990s was also a factor, along with many federal and state initiatives to "make work pay."⁸⁵⁻⁸⁷ (See the article by Zedlewski in this journal issue.) The connection between a family's economic resources and parenting, however, is complex.

□ In the Minnesota demonstration, many mothers in the optional employment and financial incentives subgroup decided to work part time or reduce their work hours, and most of the positive effects on child outcomes occurred within this subgroup.

Considerable psychological and sociological research shows that poverty is linked to a higher likelihood of problematic parenting and negative outcomes for children (such as lower levels of cognitive achievement and increased levels of behavioral problems and delinquency). But few studies have examined whether parenting improves as families manage to increase their income to just above the poverty line. Also, families' level of income (especially at or just above the poverty line) and source of income (welfare versus employment) have rarely been disentangled in nonexperimental studies.

However, three recent experimental programs that increased work supports for poor, employed families shed light on this question.⁸⁸ In all three demonstrations (New Hope, the Minnesota Family Investment Program, and Canada's Self-Sufficiency Project), mothers in the program groups successfully increased earnings compared with mothers in the control groups, although many still had incomes below the poverty line.^{82,89,90} Because gatekeeping (that is, use of child care and after-school programs) was the only dimension of parenting that improved among the program groups, evaluators concluded that increased resources, not the experience of employment itself, caused this result.

Moreover, preschool and elementary-school-age children of the mothers in the demonstration program groups generally fared better developmentally than children of the mothers in the control groups. The lack of improvement in other dimensions of parenting (such as warmth, control, cognitive stimulation, routines) indicates that children's experiences in child care and after-school programs likely accounted for the positive outcomes.⁸⁰

Additional insights are provided in the Minnesota demonstration that included a subgroup of mothers with optional, primarily part-time, employment, plus financial work incentives.⁹¹ Although the effects were modest overall, this subgroup of mothers had signifi-

cantly lower levels of depression and harsh parenting than did mothers in the control group. Many mothers in the optional employment and financial incentives subgroup decided to work part time or reduce their work hours, and most of the positive effects on child outcomes occurred within this subgroup, as opposed to the subgroup required to work 30 hours per week with the same financial incentives.⁹² Thus, the positive pathway between increased income and better parenting seems to occur when mothers can choose the number of hours they work.

With respect to adolescents, however, evidence suggests that those in families with increased economic resources may, in fact, do worse. Because of fairly low response rates in this age group, these findings should be viewed with caution. Nevertheless, in the two evaluations that included data about adolescents (Canada's Self-Sufficiency Project and Florida's Family Transition Program), adolescents in the program groups had lower levels of school achievement; in one study, they also had higher levels of problem behavior.^{93,94} The evaluators speculate that the mothers' employment requirement in these demonstrations may be linked to worse parenting of adolescents (that is, lower levels of supervision and monitoring, and less engagement in school and homework activities), despite the increase in income. (For other possible explanations, see the article by Zaslow and colleagues in this journal issue.)

In sum, the research suggests that the effects of employment and work support programs on income in poor families can have a positive impact on several domains of parenting and child outcomes. In addition, evidence from some experimental demonstrations suggests that increased income and employment are both required for positive impacts on parenting and child outcomes to occur. Thus, if families' economic resources do not increase in the move from welfare to work, parenting and child outcomes are not likely to improve. Furthermore, emerging evidence indicates that positive impacts are maximized when parents



experience increased resources but are not required to work full time. This finding comes from only one study, and further research along these lines is needed.

The Connection between Family Structure and Parenting

Finally, the third theme of welfare reform relevant to parenting is that married parents are more effective than single parents. The preamble of the 1996 welfare reform law states that marriage is “an essential institution of a successful society which promotes the interests of children” and that “the prevention of out-of-wedlock pregnancy and the reduction of out-of-wedlock births are very important government interests.”⁹⁵ As discussed in the articles by Greenberg and colleagues and by McLanahan and Carlson in this journal issue, states were given great latitude under the law to design programs to meet goals involving family structure, such as promoting marriage and reducing nonmarital births. Whether such programs lead to improved parenting, however, is unclear.

Most of the psychological and sociological research finds that children show more competent and healthy devel-

opment in married families with two biological parents than in single-mother families or stepfamilies.⁴⁵ This is largely due to higher economic and parenting resources in married families.⁹⁶ However, the research literature primarily uses national samples representing the full range of incomes, or samples of convenience that favor the middle class. Research is needed that examines the role of marriage in parenting within low-income families. For example, the Fragile Families and Child Wellbeing Study examines the links among cohabitation, diverse forms of father involvement, and parenting.⁹⁷ (See the article by McLanahan and Carlson in this journal issue.) To date, few nonexperimental studies have examined whether efforts to promote marriage lead to better parenting in the low-income population.

Moreover, the experimental demonstrations did not focus on the relationship between family structure and parenting, and so have little data to offer on this subject. Findings from the Minnesota study indicate that program participants with increased income from employment and work supports are more likely to marry if single, more likely to stay married if already

The existing research suggests that an important way states' welfare reform programs can promote better parenting is through better work supports.

married, and less likely to experience domestic violence.⁹⁸ But no data were collected on parenting or child outcomes in the two-parent, married families; thus, no links can be established between marital stability, marital quality, and parenting. This is an important direction for future research.

Only recently, a few states have decided to promote marriage using federal welfare funds.⁹⁹ Some evidence from model intervention programs indicates that such endeavors facilitate positive marriages and lead to better parenting.^{100,101} But these studies were generally small, and focused on more affluent rather than low-income families.¹⁰² This is another important area for future research, possibly finding some common ground between liberals and conservatives in forging policies to promote healthy marriages that lead to better parenting.^{103,104}

Similarly, to help reduce out-of-wedlock births, some states have implemented family cap provisions that prohibit increases in welfare benefits when an additional child is born. One research study tested the effects of the family cap provision on nonmarital birth ratios, and suggested that the caps may be related to a 5% to 9% decrease in nonmarital birth ratios.¹⁰⁵ However, to date, no research has examined this aspect of welfare reform on parenting. Family structure, family size, and adult relationships and their effects on parenting are important topics for future research.

Summary and Future Directions

Overall, studies of welfare reform show few dramatic impacts on parenting. Given the complexity of the Determinants of Parenting Model, this is not surprising. Parenting practices are not easy to change. It may be unreasonable to expect major changes in parenting as a result of welfare reform when the primary goal of reform is to move mothers into the workforce, not to provide parenting services.

At the same time, many possible connections between welfare reform and parenting have yet to be examined.

Although many states have funded initiatives to improve parenting through home visits and parenting classes, such efforts are largely unstudied. But previous research on similar programs for low-income families showed few, if any, long-term effects on parenting. Similarly, research indicates that welfare reform has had little indirect impact on parenting. One exception is gatekeeping—that is, employed mothers enroll their children in more formal child care and after-school care programs, which may provide better preparation for success in school.

The indirect effects of welfare reform are difficult to analyze, however, and there are many gaps in the research. In terms of dimensions of parenting, welfare reform research has targeted warmth, control, cognitive stimulation, and, most recently, aspects of gatekeeping. Modeling and family routines are understudied, and no research has addressed cultural, religious, and ethnic identity formation. In terms of determinants of parenting, most welfare reform research focuses on economic resources (parental employment, welfare status, and income) and parents' mental health. Very few studies have addressed family structure, family size, or the quality of the parent's relationships with a spouse or partner and other adults and kin. Ethnic and cultural influences on parenting deserve a stronger focus in the literature as well.

More research also is needed on the effectiveness of activities within the welfare office that could have positive effects on parenting. For example, as suggested by findings from the New Hope study, case management can serve as an important form of social and functional support for parents by providing useful information, practical advice, and contacts. The role of intensive case management as a strategy for improving parenting deserves greater attention. (See the article by Zedlewski in this journal issue.) In addition, many families remaining on the welfare rolls face significant barriers to employment, such as physical disability, substance dependence, domestic violence, lower cognitive ability, and serious mental health conditions.^{106,107} These bar-

riers to employment also could result in problematic parenting. Implementing procedures to screen for such barriers and assist families in accessing specialized services is likely to result in improvements in parenting and child outcomes.¹⁰⁸ To date, no evaluations have been conducted to determine the effectiveness of states' procedures for identifying these barriers or helping such families access needed services, but these efforts also deserve attention in research on welfare reform and parenting.

Meanwhile, it is important to note the limitations of the available research. Many studies predate the 1996 federal welfare reform law, so the findings may not fully apply to current welfare policy environment. For example, the demonstration projects reviewed in this article provided more generous work supports than are typically provided by today's state policies. Also, the research generally did not examine such policies as sanctions and time limits. A small embedded study within one demonstration examined the impact of sanctions on parenting and found no negative effects,¹⁰⁹ but initial reports about sanctioning since the 1996 law was enacted suggest that sanctioned families are among the most disadvantaged and face numerous barriers.¹¹⁰⁻¹¹² Similarly, only one demonstration project has evaluated the impact of time limits on families. In this study, families who hit the time limit and had to leave the welfare system did not seem to fare worse than families who left for other reasons.⁹⁴ Clearly, more research on the effects of sanctions and time limits on parenting is needed.

Finally, the measures of parenting in most welfare studies are unavoidably lean. In large part, this is due to the wide scope of the studies, with sample sizes ranging from approximately 600 to 3,000 families. Within these design constraints, most studies relied on parents' reports of their parenting styles or practices, rather than more in-depth or observational assessments, which, though more valid, are time-consuming, difficult to administer, and expensive.¹¹³

Nevertheless, the existing research suggests that an important way states' welfare reform programs can promote better parenting is through better work supports. Findings from the demonstration programs indicate that more generous work supports appear to result in improved gatekeeping for preschool and school-age children (though not for adolescents). That is, parents who accrue more economic resources due to program financial supports tend to involve their preschool and school-age children in extracurricular activities and more formal child care settings. Further, evidence suggests that the most positive outcomes for children occur when mothers work a reduced number of hours, made possible by financial incentives. The demonstrations that provided stronger work supports also resulted in more stable marriages and less violent marital and partner relationships, which are likely to have a positive influence on parenting.

Welfare reform by no means assures that a family will live above the poverty line. In fact, many families participating in demonstration projects with generous supports have not escaped poverty. Moreover, although work supports may continue to help families leave welfare, this does not guarantee an improvement in parenting. The fact that children living in poverty, especially pervasive poverty, are more likely to experience developmental problems remains an important issue facing the nation.

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APPENDIX

Innovative Uses of TANF Funds to Provide Parenting Supports

These program profiles were prepared by Kate Boyer, Ph.D., senior researcher, and Catherine Lawrence, C.S.W., research associate, of the Rockefeller Institute of Government as part of the Institute's project, "Beyond Symbolic Politics."

Program name: Teen Living Program
State: Massachusetts
Coverage: Statewide
Program goals: Provide shelter and services for young mothers and their children
Service population: Pregnant or parenting teens who receive TANF
Funding sources: TANF and other state funds

Description: The 1996 federal welfare reform law requires teen mothers under age 18 to live with their parents (or in another adult-supervised setting) to receive TANF cash assistance. Teen mothers who cannot live with their parents in Massachusetts have an alternative—a "second chance" home. Twenty-one homes across the state offer shelter and intensive support programs to 120 teen families. Each home has its own unique atmosphere, but all provide two-generational programs for teen mothers and their children. These programs not only assist with child care, education, and job training, but also help the young women develop concrete parenting skills and the ability to advocate for their own and their children's needs. The homes are popular with young mothers: There is a list of teens waiting to enter the homes, and some teens stay voluntarily beyond age 18.

Results: The program has shown some positive results. According to a report from the Social Policy Action Network, the young mothers in a similar program in New Mexico had a 2% rate of repeat pregnancy. In contrast, teen mothers have a repeat pregnancy rate of 50% within two years in the general population. Also, according to a report from the Massachusetts Department of Social Services, teen mothers participating in the program showed significant improvement in parenting skills, especially in displaying positive, nurturing interactions with their children, and in managing their children's health needs, such as keeping immunizations current. The mothers also fared better than average in continuing education and training, even after leaving the homes.

For further information: See the Massachusetts Department of Social Services Web site at http://www.state.ma.us/dss/Teens/AS_Assited_Living.htm; and the Social Policy Action Network Web site at <http://www.span-online.org/outcomes.html>.

Program name: Nurse-Family Partnership

State: New York

Coverage: First begun in Elmira, New York, this program has been replicated in 23 states

Program goals: Decrease the percentage of children in low-income families that experience physical, psychological, or emotional abuse

Service population: Low-income, first-time mothers

Funding sources: Initially funded from research grants, this program is beginning to utilize funds from TANF, Medicaid, and child abuse prevention funds. TANF funds have been used to support the program in six states.^a

Description: Under the Nurse-Family Partnership program, registered nurses work intensively with first-time mothers during pregnancy and afterward until the child reaches age two. The program builds confidence and skills in areas ranging from maternal and child physical health to care giving, building and maintaining support networks, and achieving economic self-sufficiency. Because the program relies on the establishment of a trusting relationship between nurse and family, efforts are made to hire nurses who share the same racial and/or ethnic background as the families they serve. Over the past 20 years this program has been rigorously tested and refined. Those wishing to replicate the Nurse-Family Partnership program are required to follow a specific protocol that preserves the original program design, and program implementers are provided with specialized training and visit-by-visit guidelines.

Results: The Elmira, New York, program has been the subject of a long-term clinical trial. Results show that children who participated in the Nurse-Family Partnership program had 56% fewer visits to the emergency department during their second year of life compared to children in a control group. In the third and fourth years of life, participants had 40% fewer physician visits than the control group. Over their first 15 years of life, children in the nurse-visitation program also had 54% fewer verified reports of child abuse and/or neglect than did children in the control group.

For further information: See the National Center for Children, Families, and Communities Web site at <http://www.nccfc.org>.

^aThe six states where local agencies have used TANF funds to support the program are: California, Colorado, Kentucky, Ohio, Pennsylvania, and South Dakota.

Program name: Kinship and Family Empowerment Services

State: Colorado

Coverage: El Paso County

Program goals: Prevent foster care placements

Service population: Child-only TANF cases

Funding sources: TANF

Description: In El Paso County, approximately 30% of TANF cases are "child-only" cases. These children often live with a relative, generally a grandparent, who does not receive TANF cash assistance. A special unit funded by TANF supports these caregivers so children do not have to enter the foster care system. This integrated unit, called the Family Support Team, provides short-term family preservation services to families receiving TANF or other forms of public assistance as part of an overall effort to better serve families with both child welfare and financial assistance needs. For many caregivers, this support is financial; some receive supplemental payments or one-time emergency grants. Others receive help with services they may not have been aware of, such as child care or health care. Still others seek emotional support. A key element of kinship support is a bi-monthly "Grandparents raising Grandchildren" group. Many of the grandparent caregivers have lost their social network due to the arrival of a toddler or a teen in their lives and are parenting in isolation. The support groups not only combat that isolation, but also help prevent crisis situations by educating grandparents about the developmental and emotional needs of the children in their care. Many of these grandparents want to "parent differently" the second time around. As they grieve the loss of their idyllic grandparent role, they also learn concrete skills for helping their grandchildren heal from past parental neglect or abuse. In addition to the support groups, the program also sponsors biannual community events attended by hundreds of caregivers. These events honor the role caregivers play, and offer workshops on topics such as age-specific parenting skills, legal issues for caregivers, and dealing with media violence and safety issues around the home.

Results: The department is just beginning an evaluation of these new services, launched in July 1997, but thus far, the program appears to be achieving its goal. Of the 450 kinship families identified, only two have had a child placed in foster care.

For further information: See the El Paso County Department of Human Services Web site at <http://www.co.el-paso.co.us/humansvc/keepingfamilies-together.asp>.



139

Associated Press, AP

Five Commentaries: Looking to the Future

To provide an array of perspectives about policy changes to benefit children that might be considered during reauthorization of the federal welfare reform law in 2002, we asked five experts across various disciplines and backgrounds to respond to this question: "How can supports and services for low-income families be improved under welfare reform to help ensure positive outcomes for children?" Their responses follow.

COMMENTARY 1

Wendell E. Primus

Since welfare reform was enacted, caseloads have fallen dramatically, single mothers' earnings and employment have increased, and the child poverty rate has fallen. These statistics do not tell the whole story, however. As the reauthorization debates unfold in 2002 around child care and the welfare block grant (Temporary Assistance for Needy Families, or TANF), one of the key criteria for measur-

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ing the success of the changes implemented under welfare reform should be whether the well-being of children and families has improved.

Welfare reform has coincided with the longest-running economic expansion in our nation's history. Between 1993 and 2000, average annual unemployment fell from 7% to 4%.¹ At the same time, hourly wage rates for the lowest-paid workers rose, and the incentive to take a low-wage job increased substantially with expansion of the earned income tax credit (EITC). One would expect earnings to increase and child poverty to decline under these conditions. In 1999, according to a measure of poverty that includes noncash benefits and taxes, the child poverty rate fell to 13%, the lowest level since this more comprehensive poverty measure became available in 1979.²

These positive trends come with a few caveats, however. First, although the number of poor children has fallen markedly in recent years, U.S. Census Bureau data show that those who remain poor have, on average,

grown poorer when the effects of tax and benefit programs are taken into account.² The poverty gap for all families with children has improved only slightly, despite the significant increase in earnings. Second, the disposable income of the poorest fifth of single mothers living just with their children (and no other adults) fell 8% between 1995 and 1999, despite increased earnings, largely because of the loss of cash welfare assistance.³ Furthermore, approximately 725,000 independent single-mother families were worse off in 1999 than were such families in 1995. In the past, welfare programs played a pivotal role in reducing the poverty gap. Now, most researchers agree that some families, especially those who left welfare without entering the labor force, are floundering.⁴

Finally, how well the new welfare programs will perform in a faltering economy remains an open question. Will states allow their caseloads to increase as more parents find themselves unemployed? Or will states institute policies that make it difficult for families to come onto the rolls? Will the federal government ensure that states have adequate resources to meet the increased need? With the economy now in recession, both the federal government and the states will need to take steps to ensure that a safety net is in place when parents—many of whom have only recently begun to work—lose their jobs.

Thus, though welfare reform clearly has resulted in positive changes for some current and former recipients, more work remains to shore up the safety net. I propose the following action items to improve TANF and related programs during reauthorization in 2002.

D Increase funding substantially and ensure that states do not supplant state funds

There are several reasons for increasing the size of the TANF block grant. At a minimum, the federal TANF and state maintenance-of-effort funds should be adjusted for inflation. Additional funds will also be necessary to increase parity in the resources available to states. Currently, wealthier states have significantly more TANF dollars per poor child than poorer states have. TANF established supplemental grants to poorer states to move toward parity; more funds should be made available to continue to move toward this goal.



Associated Press, AP

Many policymakers point to reduced caseloads as a reason to cut TANF funding. But TANF funds have a much broader purpose than providing cash assistance for very poor families. In fact, in fiscal year 2000, less than 40% of all TANF expenditures were for basic assistance. TANF funds are used to assist parents in preparing for, finding, and retaining jobs; to fund child care and transportation services for working families and families participating in welfare-to-work programs; to support teen pregnancy prevention efforts; to operate subsidized job programs for parents who cannot find regular employment; and much more. The demand for these important services is not tied to the size of a state's cash assistance caseload. In addition, a broader range of TANF services should be targeted to two-parent families and noncustodial parents, as discussed further below.

Welfare reform has achieved a number of successes; states should not be "rewarded" for these successes by having their funds cut, in either real or inflation-adjusted terms. At a minimum, the TANF grant should not be decreased until child poverty is significantly reduced and low-income parents are working to their maximum ability. With increased funding, however, states must be more accountable for how they use their TANF block grant funds. Steps should be taken to ensure that TANF funds are used as intended and do not supplant existing state funds for programs benefiting low-income families.

D Change the law's central focus from caseload reduction to poverty reduction

Reducing child and family poverty should be a principal purpose of welfare. Increases in family income are key to positive child outcomes.⁵ States should be required to explain how they will use block grant funds to address this goal, and their success in doing so should be measured.

D Maintain focus on TANF adults with multiple and significant employment barriers

According to an Urban Institute study, 44% of welfare recipients reported at least two significant obstacles to work, such as limited education, no recent work experience, language barriers, mental or physical health problems and disabilities, or lack of transportation or child care, and 17% revealed three or more obstacles.⁶ The percentage of recipients reporting no work activity increased steadily with the number of significant obstacles.

Generally, if appropriate services and accommodations are available, then many parents with multiple or significant barriers to employment should be able to succeed in the workplace. For parents to accomplish this goal, however, states must consider modifying their TANF programs to address the reality that parents with multiple or significant employment barriers may need additional services and continued assistance for longer periods of time.

D Revisit the federal time limit on cash assistance

Two aspects of the federal time limit need to be reexamined. First, a disconnect exists between the federal time limit and policies that encourage welfare recipients to work, including work participation requirements and policies that make work pay (such as provisions that allow welfare recipients to keep more of what they earn without changing their eligibility or benefit levels, referred to as "earnings disregards"). But recipients who work while receiving cash assistance risk triggering the time limit and becoming ineligible for benefits they may need in the future. The time limit clock should be stopped while families are working part time but not earning enough to support themselves.

Second, the number of families that can be exempted from time limits should be increased. The 1996 welfare law allows states to exempt 20% of their caseloads from the time limit. When the law was created, this equaled about 1 million families. Because caseloads have fallen so dramatically, however, states may now exempt only half as many people. More generous exemption policies should also be considered during periods of rising unemployment and for nonparent caretakers.

D Provide or restore cash and other benefits to legal immigrants on the same basis as citizens

The 1996 welfare law placed far-reaching restrictions on legal immigrants' eligibility for TANF, Medicaid, food stamps, and Social Security Income (SSI). There is now strong evidence that these restrictions have had an adverse impact on many legal immigrants and their citizen children. Research shows that food insecurity increased significantly between 1994 and 1998 among the immigrant-headed households most likely to be affected by the restrictions.⁷ Food stamp participation among citizen children living with immigrant parents fell by 74% between 1994 and 1998, compared with a 24% decline among other families with children.⁸

As taxpayers, immigrants contribute not only to the funding of education, roads, and national defense, but also to safety net benefits for low-income families. They should not be excluded from these programs when temporary hardship interrupts their employment. Food stamp and SSI benefits should be restored for legal immigrants. The restrictions on states' flexibility to provide federally funded TANF and Medicaid benefits to recently arrived immigrants should be lifted.

D Provide services and benefits to strengthen two-parent families and help fragile families stay together

Recent research indicates that about half of children born to single parents actually live with both of their biological parents at birth; however, as time goes on, these "fragile families" tend to separate. (See the article by McLanahan and Carlson in this journal issue.) These families need additional support to help the parents stay together and escape poverty. One concrete way to do this is to ensure that two-parent families are

accessing the benefits they are eligible to receive. Currently, two-parent families participate in food stamps, Medicaid, and cash welfare assistance at a much lower rate than do single-parent families, even when their incomes are similar. According to data compiled by the Urban Institute, 40% of single-parent families with incomes below the federal poverty line receive TANF, compared with only 10% of two-parent families with incomes below the poverty line.⁹ Among families with incomes below 50% of the poverty line, almost half of single-parent families receive TANF, compared with only 13% of two-parent families. States should eliminate any barriers or eligibility restrictions that cause two-parent families to be served at much lower rates than are single-parent families. States should also take steps to reach out and serve a much larger proportion of eligible two-parent families.

D Assist noncustodial parents in providing for their children both financially and emotionally

Child support can constitute a large part of families' budgets. For poor families that receive child support, it makes up more than one-quarter of their annual income, on average.¹⁰ Unfortunately, many eligible families do not receive child support, and most families do not get the full amount due to them. Noncustodial parents are a heterogeneous group; there are many reasons why they may not pay child support. Many low-income noncustodial parents do not pay child support regularly because they are unemployed or underemployed, and have limited incomes.

Many low-income families also are frustrated because when noncustodial parents pay child support while the custodial parent is receiving welfare, the government retains nearly all of the support as reimbursement for welfare costs. Little, if any, reaches the children for whom it was intended. (See the article by Greenberg and colleagues in this journal issue.) These rules need to change. When a noncustodial parent pays child support, the children should get that support, and the custodial family should benefit financially.

Earnings subsidies (like the EITC) and welfare reform encouraged more low-income mothers to enter the workplace so they could better support their children. The next step should be to help poor fathers become

employed, and to address their difficulties with the child support system (including child support orders that are high relative to low-income fathers' earnings, large child support debts, and economic disincentives to pay child support). Policymakers should also consider providing government-subsidized matching payments (an earnings-like subsidy) when the child support paid by low-income dads is inadequate. Fathers need these supports so that they, too, can take more financial and emotional responsibility for their children. At the same time, the services provided to noncustodial parents should not be more generous than, or come at the expense of, programs for low-income custodial parents.

D Increase participation in work support programs among low-income families

In addition to improving the safety net for the poorest families, policymakers must consider the many working families that continue to have incomes at or below the poverty line. Many of these families do not receive the benefits for which they are eligible, such as food stamps and Medicaid. Shrinking caseloads in these programs would not be so troublesome if they were the result of decreasing numbers of low-income families. Unfortunately, this is not the case—the declines in food stamp receipt, for example, have significantly exceeded declines in poverty. (See the article by Zedlewski in this journal issue.)

Research indicates that the decline in welfare caseloads may be driving down participation in other benefit programs—that is, when families are not receiving cash assistance, they may be unaware of their eligibility for food stamps, Medicaid, child care assistance, and other supports. For example, as discussed in the article by Fuller and colleagues in this journal issue, the application process for child care subsidies must be made easier, and the availability of subsidies more widely publicized. Additional housing vouchers for low-income working families should be provided, and health insurance programs for children should be expanded to provide coverage for parents, which has been shown to be key in efforts to increase the number of low-income children protected.¹¹ Reforms in these programs should be judged by their ability to increase participation among the working poor.

D Improve the EITC phaseout to support low-wage work more effectively

A higher benefit level for families with three or more children should also be added to the EITC. Currently there are two tiers, or maximum benefit levels, in the EITC: one level for families with one child, and a higher level for families with two children. Families with three or more children have higher poverty rates than do smaller families, and they have experienced more difficulty moving from welfare to work. Adding a third tier to the EITC would help address these problems.

In addition, the recently enacted tax cut made the child tax credit partially refundable. Families receive a partial credit (10% now, but increasing to 15% in 2005) on

their earnings over \$10,000. However, for families with full-time, year-round work at low wages, this provides little assistance. The \$10,000 threshold should be lowered to 0, or at least to \$5,000.

In conclusion, TANF reauthorization provides an opportunity to refocus attention on the well-being of children and families. Building on the successes already achieved, we can now focus on efforts to strengthen supports for families that have left welfare for work and help them climb the economic ladder, and on efforts to provide additional resources and opportunities for families whose well-being has not improved under the first round of welfare reform.

ENDNOTES

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COMMENTARY 2

Ron Haskins

In the spring of 2002, congressional attention will focus on reauthorization of the landmark welfare reform legislation of 1996. Logically enough, many scholars, policymakers, and foundation executives interested in child development hope to focus attention on children during the reauthorization debate. More specifically, as some of the articles in this volume show, these child advocates hope Congress will fund projects that improve child care and initiate more and better programs for children.

I question this course of action. Among both scholars and policy analysts, there is a divide between those who think the nation can improve child development by expanding federal programs and spending more on federal programs for children, and those who want to leave issues of child development primarily to families and state and local governments. I am in the latter group. In this brief commentary, I outline what I believe will and should be the major issues in the reauthorization debate—and none focus specifically on children. Yet in the long run, satisfactory resolution of these issues will have positive consequences for the health and development of the nation's children.

As in the welfare reform debate of 1995–96, work will be the central issue of reauthorization. Promoting work has been an ostensible goal of welfare reform since at least the 1960s. However, a look beyond the rhetoric to the text of the actual laws passed to fight the war on poverty reveals that welfare programs, especially Aid to Families with Dependent Children (AFDC), were based primarily on entitlement to benefits. The foremost goal of U.S. social policy was not to promote

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work and self-reliance, but to provide guaranteed benefits. On the eve of the great welfare debate of 1995–96, the statutes guaranteed eligible individuals cash, food stamps, child nutrition, school lunch, and Medicaid, among other benefits.¹ The package of entitlement benefits alone was worth more than \$13,000 in the typical state, and total benefits worth \$16,000 or \$17,000 for a single family were not unusual.²

The heart of the debate that culminated in the 1996 reforms was whether the entitlement to benefits could be put at risk to enforce the duty to work. Above all else, nonwork was the problem that Republicans aimed to fix with the 1996 reforms.³ The fix, in their view, required ending entitlement to AFDC cash payments, and mandating states to place a rising percentage of welfare recipients in jobs or job programs. These changes were at the core of the new block grant to states, Temporary Assistance for Needy Families (TANF), which replaced AFDC.

What has happened since? Welfare programs across the nation have been transformed. Programs that had been committed almost exclusively to determining eligibility and getting the benefit checks right are now almost equally committed to transitioning families from welfare to work. Now when clients appear in the welfare office, they are told that they need to work, and that the welfare program is just the right place to find help in preparing for and finding a job. The results have been remarkable. About 2.5 million fewer families are getting cash welfare, a magnitude of decline that no welfare program has ever achieved before. The level of work among single mothers, and especially never-married single mothers, is at an all-time high.⁴ They now receive more income from work and less from welfare,⁵ and their total income has increased substantially since 1993. In addition, child poverty has dropped quickly, reaching its lowest level in 20 years. In short, welfare reform has been a rousing success, arguably achieving its goals to a greater extent than any other federal social policy of recent decades.

Now on the eve of the reauthorization debate, the question arises: What should Congress do next? The answer is succinct: reenact the original legislation with only a few modest changes. As outlined in the article by Greenberg and colleagues in this journal issue,



Associated Press, AP

many issues will receive attention during the reauthorization debate, but most of these issues can—and I predict will—be left to states and will not result in statutory changes at the federal level. Still, four issues are of such great importance that they should be major topics of the reauthorization debate: the TANF funding level, innovative work programs, work programs for poor fathers, and programs to reduce nonmarital births and promote marriage.

D The TANF Funding Level

Unfortunately, cutting the \$16.5 billion TANF block grant may well be the biggest issue in the reauthorization debate. Powerful members of Congress on the budget and appropriation committees will argue that since the welfare rolls have declined by half, states need less money to maintain benefits. This argument is deeply flawed, however, and betrays a basic misunderstanding of the nature of welfare reform. If the welfare program still simply distributed cash benefits, the argument for funding cuts would be sound. But welfare is no longer wholly—or even primarily—a program of cash benefits. Rather, it is now the most successful employment program the federal government has ever mounted. And as long as a substantial number of poor, largely female-

headed families continue to apply for welfare, there is the potential for widespread welfare dependency. Unless Congress wants to return to the days when public policy permitted, even encouraged, the increase of dependency (and perhaps of nonmarital births), the current level of TANF funding is needed to ensure that states can maintain and expand their work programs.

D Innovative Work Programs

Beyond helping mothers on welfare find jobs, states also are investing in new types of innovative work programs to help low-income mothers win the battle for self-support. Many of the mothers who have left welfare are struggling along with annual incomes in the \$12,000 to \$15,000 range, based on earnings and income supplements like the earned income tax credit. This income level is better than welfare, but doubtless many, if not most, of these mothers could do better.

One of the biggest problems is that most mothers at the bottom of the income distribution may take jobs but then quickly lose them.⁶ If they do not work very much during the year, their earnings rise less than their welfare benefits fall, and they are worse off. Thus, states are beginning to develop innovative programs to help mothers retain jobs longer and/or quickly find new jobs. If Congress reduces the TANF block grant, states will be forced to cut back on these programs, with direct consequences for mothers and children and an inevitable increase in welfare dependency.

Also, many mothers now working for around \$7 per hour are in all likelihood capable of earning much more, but they need additional education and training. The education and training programs implemented before welfare reform focused primarily on high school dropouts, and did little to move welfare mothers into jobs.⁷ Now a new approach is taking hold: First help these young mothers get jobs to show them the importance of education and training, then provide them with opportunities to advance their skills, often while they continue working. States are beginning to develop precisely this type of program, but again, if Congress reduces TANF funding, states will not be able to both maintain benefits and simultaneously continue to develop and run these job advancement programs.

D Work Programs for Poor Fathers

In addition to helping mothers, states need to create job programs for fathers of children on welfare. For males with a high school education or less, recent decades have been disastrous. Not only have their average wages declined, but the amount of time they spend working or searching for work has dropped as well.⁸ Even as the economy added a net of 20 million jobs during the spectacular boom of the 1990s, work effort by minority men declined. By 1999, the employment rate of black women ages 20 to 24 actually exceeded the rate for their male counterparts, a first for any age or ethnic group in the nation's history. Although our knowledge about how to help males improve their employment is modest, the problem is so great that, at a minimum, states should be encouraged or required to launch programs that help poor fathers prepare for, find, and retain employment.

D Programs to Reduce Nonmarital Births and Promote Marriage

The 1996 welfare reform legislation contained more than a dozen provisions designed to reduce births outside of marriage, a clear indication that Congress and the President were greatly concerned about nonmarital births as a major cause of many of the nation's social problems, poverty chief among them. Indeed, the nation appears to be making modest progress in reducing births outside of marriage. The most hopeful sign is that the teen birth rate has declined every year since 1991, and is now almost identical to its all-time low recorded in 1986.⁹ Data on the overall percentage of births outside of marriage are less impressive, but hopeful nonetheless. After rising relentlessly for several decades, the nonmarital birth rate seems to have leveled off at just under 33%, where it has remained for five years.¹⁰ As discussed in the article by McLanahan and Carlson in this journal issue, one of the major reasons for the explosion of nonmarital births in recent decades is the decline of marriage. Between 1950 and 1998, the percentage of women over age 14 who are married dropped from 66% to 55%, and among black women, the percentage plummeted from 62% to only 36%.¹¹

Although Congress placed great emphasis on reducing nonmarital births in the 1996 reforms, little informa-

tion is available about the impacts of these provisions. A major evaluation is in place for the abstinence education program, but it will be several years before results are available.¹² One of the most important and expensive provisions of the 1996 legislation was the \$25 million per year allocated for bonuses to states that reduced out-of-wedlock births. So far, 10 states have won these bonuses, but it is unclear whether state action, or simply demographics, was driving the declines in nonmarital births.¹³ For example, the District of Columbia has won the bonus twice, but the most significant factor contributing to this success appears to be that the nonmarital birth rate has been declining faster among blacks than any other group, and Washington, D.C., has the highest percentage of blacks nationwide.

The upcoming debate over nonmarital births and marriage will not be enlightened much by results from evaluation studies. Nevertheless, the magnitude of these problems requires some response. Every state already has some programs aimed at reducing nonmarital births, but few have programs that promote marriage. Programs in both these areas need to be expanded.

The Federal Role

The most important item on the welfare reform reauthorization agenda should be for Congress to keep full funding for TANF so that states can maintain and expand the work programs put in place since reform. Over the past five years, these programs have enabled our nation to achieve perhaps its greatest policy success ever for programs targeted to low-income families, helping about two million poor mothers join the labor force and, in many cases, bring themselves and their children above the poverty line.

Beyond the call for full funding, however, I propose only three modest changes to federal statutory provisions to address the issues outlined above. Specifically, Congress should encourage or require states to:

- (1) Develop and conduct both job retention and job advancement programs;
- (2) Create job programs for fathers of children on welfare; and
- (3) Design and fund programs to reduce nonmarital

births and promote marriage among families with children on welfare or at risk of going on welfare. In addition to the bonuses for reducing out-of-wedlock births, the TANF performance bonuses should reward states that increase marriage among low-income families.

The next steps for welfare reform should be to create programs to help mothers stay employed on a more regular basis, and to help them get the experience, education, and training they need to secure better jobs. The major source of action in designing and implementing such programs is no longer at the federal level, however. Rather, the proper role of the federal government is

to finance programs, set broad goals, insure financial accountability, and support program evaluation. It is also a proper and useful role for the federal government to stimulate the further growth of programs aimed at helping poor fathers become better parents and providers, reducing nonmarital births, and increasing and supporting marriage, especially among poor parents. If advocates on both the left and the right concentrate their fire on full funding for TANF and on these few issues that everyone agrees are central to the nation's poverty problem, then children, families, and taxpayers will all be better off in the years ahead.

ENDNOTES

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COMMENTARY 3

Fernando A. Guerra

Before defining needed supports and services for low-income families under welfare reform, it is important to remind ourselves of the complex circumstances that affect the daily lives of many poor children and their families. Many struggle with low income, financial insecurity, limited job opportunities, marginal living conditions, lack of transportation, and social inequality. The supports and services provided by programs such as Temporary Assistance for Needy Families (TANF) and Medicaid can be extremely important to these families, yet may not be enough to lessen the impact of poverty and promote positive outcomes for children. The inability of programs to adapt to families' special circumstances or to respond when families are in crisis situations seriously limits their effectiveness. In addition, the barriers restricting access for poor immigrant families limit the effectiveness of these programs even further. Stories from the lives of some of our nation's poorest families can help to inform the debate concerning reauthorization of the federal welfare reform law in 2002, and encourage policymakers to look beyond the numbers of families leaving the welfare rolls and improve the way supports and services are provided to our nation's poor.

The Precariousness of Poor Families' Lives

For many poor children and their families, there is a precariousness to their daily lives beyond what may be apparent on the surface. My observations over the past few years have convinced me that welfare reform is not working in the best interests of these families. Moreover, some of the negative impacts appear to be cumulative and far-reaching across groups in a community, region, or population. Brief descriptions of the circum-

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stances of several poor families receiving medical services in a primary care clinic where I work call attention to the difficulties these families encounter as they struggle to cope with the current welfare system.¹

D A young mother on welfare, with a high school equivalency certificate, has recently completed a job training program and is transitioning to work as a receiving clerk in a laundry. She has two young children, 6 months and 17 months of age. The child care center staff tell her not to bring her children back to the center until she gets clearance from a physician because the younger of the two had a "loose stool" on one occasion during the day. The mother has already missed work three times this month because of her children's illnesses, and her employer has told her that if she misses work again, she may lose her job. This young mother is overwhelmed with the warning from work, the demands of child care, and the need to miss work for what is, at most, nothing more than a minor illness.

D While still in the hospital, a 17-year-old mother of a newborn infant pleads desperately with a social worker for assistance with housing. The teen mother and her baby cannot stay with relatives because the family's home is already overcrowded. The infant and mother are scheduled for early discharge from the hospital, which only adds to the mother's difficulties.

D An immigrant family from Mexico has a U.S.-born son with irreversible neurological problems resulting from trauma at birth. The child requires constant attention and home-based services. The family is facing loss of Medicaid benefits, as well as food stamps and utility assistance, because the father's annual earnings from his produce business are \$2,000 above the maximum income allowed.

D A functionally illiterate single father with a third-grade education has two young school-age sons. The boys are disruptive and unable to settle into a classroom. The family lives in an unsafe, drug-infested public housing unit, which contributes to the children's behavioral problems. The father would like to participate in a job training program to help him earn more than he receives from TANF, but he cannot find a suitable program because he lacks the ability to



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read and other basic skills. Without access to public transportation, the father transports his children and himself on a bicycle.

D A stressed, worried, depressed grandmother in her sixties has taken her three adolescent grandchildren into her home because their mother is mentally ill. The grandmother's diabetes and high blood pressure are out of control, making it almost impossible for her to cope with the daily needs of young, energetic adolescents, much less help her daughter.

D A 22-year-old mother has just given birth to her fourth child. She had limited prenatal care and a history of tobacco use, and has admitted to using cocaine regularly during pregnancy. She recently tested positive for hepatitis C. She would like to get into a treatment program for drug-dependent mothers because she worries about losing her children to foster care, but no treatment program vacancies are available.

Since welfare reform was enacted in 1996, many former welfare families have been able to transition to steady work with the help of a strong economy and interim supports such as Medicaid, food stamps, subsidized housing, and child care assistance.²⁻⁴ However, many other families, like those described above, have not been able to make this transition. Perhaps there

always have been some families experiencing such problems, especially in large urban centers, but their numbers and the complexity of their problems seem to have increased. Targeted supports over longer periods of time may be required to offset the profound cumulative impacts on these children and their families. For some, the inability to cope may be so serious that it is easier to continue providing welfare than to try helping them overcome their problems.^{5,6} For others, such as those in smaller or more rural communities, a lack of opportunities for jobs, education, literacy, child care, and access to basic physical and mental health services presents an even greater challenge.^{7,8} Finally, poor families of color, families with different cultures or languages, and those with disabilities quite often are unable to access even the smallest of "safety nets."⁹

The Limitations of the Current Welfare System

The family stories shared above illustrate the limitations of the current welfare system. All of these families are just barely getting by. All are struggling to provide the basics for their children: food, housing, utilities, transportation, child care, after-school and summer programs, periodic medical exams, dental exams, and immunizations. In addition to dealing with these challenges, all of the families must complete voluminous forms and meet rigorous eligibility requirements to access benefits. And some benefits—such as TANF—come with sanctions or penalties for lack of compliance with work and other requirements.

Because the procedures to obtain benefits often add to the daily demands on these families, it should come as no surprise that, for many, welfare reform has not worked, and it may even have contributed to adverse outcomes. When an unanticipated crisis occurs, there is little opportunity for immediate assistance, and a downward spiral can sometimes follow with grave consequences, including child abuse, domestic violence, suicide, or abandonment. There is a compelling need to assure access to resources and services beyond those currently being provided.

Throughout the welfare system, workers make decisions based on regulations that cannot be readily adapted to the special circumstances of individual families. For example, the plight of the young mother about to

lose her job because her infant was perhaps mildly ill could be avoided if the child care worker understood that an occasional "loose stool" is not associated with much risk for spreading disease. The family from Mexico with the neurologically impaired child would not have to face giving up a portion of income to protect their child's medical benefits if more flexible income guidelines took into account the variability in income from agriculture-based businesses. And perhaps the grandmother would not have had to take in her three adolescent grandchildren if her daughter had received more counseling from the mental health system.

In addition, when considering welfare reform and its consequences, whether positive or negative, it is important to recognize the influence of contemporary values, expectations, and political forces in determining who is considered "deserving" versus "undeserving" of assistance. In particular, as discussed in the article by Greenberg and colleagues in this journal issue, society has decided to make it considerably more difficult for poor immigrant families to qualify for benefits, especially TANF and Medicaid. For the most part, immigrant families can access benefits only if they lived in the United States prior to 1996 or if they become citizens.⁹ The benefits available through various immigrant and refugee programs are generally not enough to help immigrant families overcome the consequences of poverty and other language and cultural barriers.

Recommended Changes to Improve Supports for Poor Families

As we prepare for the discussion and debate that will undoubtedly accompany the legislative process for reauthorization, it is important to consider the many challenges faced by poor children and their families. With their complex and difficult lives in mind, I offer the following six recommendations:

- (1) Ensure that the interpretation of research findings from studies on the impact of welfare reform take into account the interrelationships of conditions that are closely tied to social class and income inequalities. Many factors other than poverty contribute to poor health, domestic violence, poor pregnancy outcomes, low levels of educational attainment, and hopelessness. These factors must be better understood to keep families that have

been negatively affected by welfare reform from falling further behind.¹⁰

- (2) Revisit past programs and projects that incorporated components to help low-income families develop coping and problem-solving skills for lessons about how best to improve these families' health and social well-being. Examples of such programs might include the longitudinal Ypsilanti Michigan Study; the California Wellness Project; and community mental health and substance abuse treatment programs.^{4,6,7}
- (3) Encourage a greater mix of public and private resources to help poor families whose daily lives are so precarious. Such families cannot be the sole responsibility of government. Responsibility must be shared with every community, urban or rural, and with the families themselves. Leaders from the private sector and the community can offer mentoring, networking, and promotion of social and interactive skills that can help families secure greater financial security.
- (4) Clarify which immigrants are qualified to receive which benefits, and provide guidance to states, especially those with large immigrant populations. Eligibility workers and Immigration and Naturalization Service representatives must be more sensitive and willing to assist immigrant families through the maze of bureaucracies in a way that recognizes their cultural and language needs.
- (5) Assure families that when they are no longer eligible for TANF, they may still be eligible for other benefits as they transition to work, such as food stamps, Medicaid, and subsidized housing.
- (6) Establish a "job safety net" of publicly funded, low-wage service jobs that allows for a sense of purpose and future opportunity for individuals who are willing to work but unable to find employment.

What is most apparent in my work with poor families is that many barely get by, and they are struggling with the complex circumstances in their lives. Some families do just fine under welfare reform, but they are the exception.¹¹ Many others will continue to need support from government and society. Helping these families is

a shared responsibility. For communities with large numbers of families in transition, the burden of social and economic costs can be excessive and must be distributed across public and private sectors. When possible, individuals who benefit should assume personal responsibility. But as policymakers debate and craft the reauthorization legislation, they must also recognize and support the critical dimensions of human need of those struggling under the system. To do otherwise is unconscionable.

ENDNOTES

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COMMENTARY 4

Eloise Anderson

Welfare reform has reduced the number of families receiving assistance, but has not necessarily addressed the underlying problems that detract from positive outcomes for children. A greater emphasis on family issues could be key to promoting positive child outcomes in families receiving welfare. Shifting the focus of welfare reform from job development to family development could have the added benefit of strengthening many community support systems that provide ongoing and renewing supports for families on welfare as well as other poor families.

In 1996, when Congress created the new welfare program, Temporary Assistance for Needy Families (TANF), it established four goals for the program and allowed TANF monies to be used to address any of these purposes. (See Box 1.) Although states have used their TANF funds for a wide range of services, including transportation, child care, housing assistance, substance abuse treatment, and domestic violence programs,¹ these services tend to support only one TANF goal: to end dependence on government benefits.

Some policy analysts argue that, because of the reduction in the number of families receiving cash aid, TANF resources should now be redirected to low-income working families that are not receiving assistance. This idea seems to stem from a belief that the goals of TANF have been addressed successfully. In most states, however, a number of families are still receiving TANF assistance—families that are having difficulty getting and keeping jobs, and that may need special services to achieve self-sufficiency.

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Therefore, I disagree with those who would redirect TANF funds away from TANF families to other low-income families. There are still a few things that need to be accomplished with the families receiving assistance. Moreover, I believe that the focus should be on child well-being and efforts to address the other goals of TANF—specifically, keeping families together, reducing out-of-wedlock births, and encouraging two-parent families. Although many post-TANF studies suggest that efforts should focus on moving these families off assistance and into work,² efforts that focus first on these other goals may, in the end, prove more useful both for promoting child well-being and for ending dependence on government benefits.

When restructuring TANF-funded programs and services to focus more on creating positive outcomes for children, three important factors need to be considered: first, that underlying conditions may contribute to a family's precarious economic situation; second, that strengthening families requires attention to fathers as well as mothers; and third, that a child's neighborhood and community also play an important role in supporting child rearing.

Underlying Causes of Families' Barriers to Self-Sufficiency

To help families on welfare provide positive outcomes for their children, it is necessary to understand the issues they sometimes face. In my many years of working with poor families, I have observed that many advocates, policy analysts, and legislators seem to believe that poverty causes these families' problems. But I would argue that the problems some TANF families face are the main cause of their poverty, not the other way around. Many problems stem from conditions that occurred in the mother's early childhood: health issues (including sexual and physical abuse), father absence, parental separation, and divorce. Many cognitive disabilities are also the result of early experiences.³ Such conditions can place families in fragile economic situations, which in turn can jeopardize children's well-being.

As a result, the barriers to employment that many recipients experience can best be addressed by focusing more on family issues. In a recent study from the University of Michigan, the authors indicate that mental

Box 1

The Four Goals of TANF

- (1) To provide assistance to needy families so that children may be cared for in their own home or in the home of relatives;
- (2) To end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- (3) To prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- (4) To encourage the formation and maintenance of two-parent families.

Source: The Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Public Law 104-193, title I, section 103, 110 stat. 2113, August 22, 1996.

and physical health problems are often issues for these families.⁴ Moreover, children's health problems and severe physical abuse are found in the welfare population in numbers disproportionate to the general population. Finally, many recipients experience multiple barriers that make work and parenting more difficult. According to the report, the most difficult barriers to overcome are perceived discrimination, few work skills, and drug dependence. By shifting the focus and structure of services to family issues, more effective supports can be provided to assist these families in overcoming their barriers.

Consider, for example, children in the child protective services system (CPS), most of whom are also in TANF-funded programs.⁵ I believe that many children are in CPS because of family problems involving substance abuse, family violence, and mental health issues—family and personal issues that can best be dealt with through the mental health system. Therefore, TANF funds should be used to provide these families

with mental health services. Moreover, the work requirements for these families should be seen as part of their treatment program, monitored and supervised by the mental health system, similar to how the mental health system works with people who have chronic mental illness.

In addition, some of the difficulties TANF parents face in maintaining work may be related to cognitive disabilities. Recipients with this kind of condition may take longer to learn a work task or skill than the employer is willing or able to accept. They may be unable to cope with the demands of child rearing and work, or unable to organize and regulate behaviors. To help families address such problems, TANF funds should be used to support the developmental disabilities (DD) system. The DD system has a long history of addressing life skills issues, as well as placing people with cognitive disabilities into jobs, including people who have more severe disabilities than TANF recipients are likely to have. The DD work programs, both sheltered and supportive, may be appropriate for some TANF recipients who are unable to keep a job. In addition, the DD system could provide parenting support for TANF recipients with cognitive difficulties, as well as provide a network of resources to support families long term: supports that will be needed when the children in these families become adolescents and their cognitive capacity exceeds that of their parents.

Strengthening Families with Services for Fathers and Partners

Most families on welfare are single-parent families, and it is clear from a variety of studies that children living in single-parent families are more likely to be poor and at higher risk for negative outcomes than are children living in two-parent families.^{6,7} But when children in single-parent families receive financial support from the noncustodial, nonresident parent, and the custodial parent works, they are less likely to live in poverty. These findings suggest that focusing on family issues, especially the TANF goals of reducing out-of-wedlock births and promoting marriage, could lead to better outcomes for children.

Two points are important here. First, the design of many programs seems to assume that single parents

function in isolation, without relationships, especially a relationship with an intimate partner, but this flies in the face of reality. Such relationships generally do exist. They can be supportive, or they can be a barrier to recipients' employment success and their children's well-being. Either way, relationships are an important influence in these families' lives. Second, fathers—whether they live with the child or not—are often an extremely important influence on children. Thus, if children's well-being is a serious policy concern, then the needs and aspirations of fathers also must be served.

The term "family" should be redefined to mean the family of the child, which would automatically include the noncustodial, nonresident parent. A change in definition would give noncustodial parents access to TANF employment services and other supports. Furthermore, a focus on child well-being in developing and providing services to TANF families requires consideration of men in their roles as fathers, husbands, and boyfriends. Such services should include job programs for fathers, efforts to reduce family violence, and new strategies for promoting marriage.

Many of the fathers of children in families remaining on welfare need jobs and job skills, and many also need to overcome personal barriers to employment such as substance abuse, physical or mental health problems, or violent behavior. Although TANF fathers have issues and needs similar to those of TANF mothers, fathers have been neglected by social service policy and programs, and may distrust those programs. As a result, it may be difficult for these programs to serve fathers as well as mothers. For many fathers, a more user-friendly way to deliver services might be the substance abuse system coupled with a mental health component, as opposed to the welfare system with its traditional focus on mothers.

In addition, studies show that children are seriously affected when there is violence in the family.⁸ Programs for dealing with violent behavior and domestic violence are important because fathers and other men in mothers' lives often serve as role models for children and could cause children harm. TANF funds should be used to support the mental health system to assist these men and their families in overcoming violent behavior.



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Finally, marriage is important for children's well-being, but poor couples often do not have access to premarital, marriage, or divorce counseling. Additionally, because many unmarried parents did not themselves have parents who married or remained married, they lack models of successful marriage. TANF funds should be used to provide families with information and counseling regarding marriage as soon as they apply for aid. As discussed in the article by McLanahan and Carlson in this journal issue, studies of unwed fathers indicate that both parents are hopeful about marriage during pregnancy and soon after the birth of a child. Thus, if a child's birth leads a family to seek TANF assistance, this would be an opportune time to introduce marital services to both parents, with an emphasis on what is good for the child. Moreover, TANF funds could be used to make marriage counseling more available in community programs and churches. My experience has convinced me that faith- and community-based organizations are the best resource to provide these services because they can utilize couples who have been married for many years to mentor younger couples.

The Role of Communities and Neighborhoods

Strong communities and neighborhoods play an important role in supporting families in their child-rearing function. Local residents and neighbors of welfare recipients—the people who know them and live around them—should become the providers of services for TANF families. Having programs provided by the community helps ensure mutual trust and long-term support. Many of these programs already exist in communities and neighborhoods where TANF recipients live, but they need to be expanded and developed to accomplish the remaining goals of TANF.

Community-based programs could strengthen and revitalize not only TANF families, but also whole neighborhoods and communities. Although the emphasis would remain on TANF families, a community development approach to programming could benefit other low-income families as well, since welfare and low-income families live together in the same neighborhoods.

In sum, TANF-funded programs should continue to focus on families receiving welfare and not be redirected to the working poor, as much still needs to be done to help families remaining on welfare overcome their barriers to employment. Importantly, however, a restructuring of programs and services is needed. The current emphasis on job development and moving families off welfare and into work is designed to meet the TANF goal of ending dependence on government benefits, but is not well suited to meet the needs of low-income families. Instead, a greater emphasis on child well-being and family development, designed to meet the other goals of TANF, is much more likely to help these families address their barriers to employment, as well as promote positive outcomes for children.

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COMMENTARY 5

Barbara B. Blum

As reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act approaches, a review of prereform experience may help to inform the debate.

This commentary provides a historical perspective on the impact of welfare policy on children's lives, based on my personal experiences working with and studying low-income families for more than 30 years.

My first exposure to the welfare system and foster care services came in 1969, when I was asked to administer the child welfare system in New York City. Almost all of the 28,000 children then in public care came from families that were eligible for Aid to Families with Dependent Children (the public assistance program in place before Temporary Assistance for Needy Families, or TANF). This child welfare assignment was extraordinarily instructive. Despite the availability of assistance, children frequently were removed from their homes because their parents lacked sufficient resources to purchase shelter and sustenance. Clearly, public assistance allowances were inadequate to pay for housing and food in New York City. Moreover, once parents were deemed fit to have their children returned to them, the major barrier to reunification was the availability of affordable housing. To respond to this need, New York City's child welfare agency began in the 1970s to test whether an advance payment to parents could support reunification. Families used the one-time payments of about \$600 for rent deposits and, a bit surprisingly, for washing machines. Basic needs were being addressed.

Following my stint in child welfare services, in the late 1970s and early 1980s I served as commissioner for

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New York State's Department of Social Services, which administered welfare, Medicaid, food stamps, and the entire range of social service programs. In that role, I learned from county commissioners about the diversity of problems faced by families on our New York case-loads and the complex requirements for accessing benefits across various programs. Most of all, I remember the incomprehensible funding streams for child care and the challenges of establishing eligibility levels and fees for families using day care.

Subsequently, I became president of the Manpower Demonstration Research Corporation (MDRC), a nonprofit, nonpartisan social policy research organization. At MDRC, I saw the promise of work experience begin to emerge as findings from the welfare-to-work experiments of the 1980s consistently demonstrated modest improvements in income and employment, and modest reductions in the receipt of public assistance. Stemming from these findings, my later work at the Foundation for Child Development examined whether "two-generation effects"—that is, benefits to both mothers and their children—might be achieved if intervention programs were designed to address the needs of adults and children simultaneously.

These past experiences lead me to three key observations that deserve emphasis in the current debate over reauthorization. First, income security is extraordinarily important for all families. Second, nutrition and health care are also extraordinarily important for children's healthy development. And third, child care, and particularly early childhood education, should receive special attention, as these programs can provide a powerful intervention for young children and their parents.

Income Security

The reauthorization process needs to encourage states to provide sufficient support to working families, as well as to vulnerable families, to ensure that stable and decent housing, proper nourishment, and adequate clothing are available to children. Without such support, optimum child development is impeded. Strategies states can use to increase family incomes include financial incentives to help make work pay for families currently receiving assistance, and improved child support collections from noncustodial parents.

As described in the articles by Zedlewski and by Zaslow and colleagues in this journal issue, several studies have demonstrated the value of financial incentives to increase family income and help make work pay as families transition from welfare to work.¹ In addition, by using state dollars to fund a separate assistance program for working families, Illinois has shown that financial incentives can encourage families to work while they are still receiving assistance, without using time from the federal five-year clock.² (Five years is the maximum length of time that families are allowed to receive federal assistance under the TANF block grant.) Less has been done to examine how adequate income can be provided for vulnerable families that are not working. In fact, research findings are beginning to highlight how susceptible these families are to sanctions and termination of benefits.³ Much more attention to children in these vulnerable families is needed.

Child support is another important source of income. As described in the article by McLanahan and Carlson in this journal issue, recent improvements in the Child Support Enforcement program have increased payments from noncustodial parents.⁴ We should expand efforts to assist noncustodial parents by improving their employment opportunities, and whenever feasible, encouraging beneficial relationships between parents and children.

Nutrition and Health Care Programs

Several different programs help to ensure that low-income families have adequate food and health care coverage, which is so critical to children's healthy development. The food stamps program and TANF are the major sources of support for ensuring that children receive adequate nourishment. Medicaid and the more recent program, the State Children's Health Insurance Plan (SCHIP), are the major funding streams for children's health care. All these programs, however, have problems with eligibility determination, access, financing, and quality.

For example, differences in income, assets, citizenship, and recertification standards create confusion and errors in determining eligibility for children and their parents who seek benefits from TANF, food stamps, Medicaid, and SCHIP.⁵ Reauthorization of the federal welfare reform law provides an opportunity for Con-



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gress to reconsider and reconcile these differences with a focus on child well-being.

Moreover, eligibility for nutrition and health programs does not ensure access to the benefits. Frequently, services are provided at times and in locations that make access difficult for low-income working families.⁶ In addition, although children's health insurance regulations require extensive outreach, some states and localities have been less than vigorous in their efforts to establish Medicaid eligibility, because federal reimbursement rates for Medicaid are less than for SCHIP.⁷ Without extensive outreach and advocacy, many eligible families may never receive available benefits. States and localities, with federal encouragement, have an opportunity during reauthorization to amend and improve practices related to access.

In addition, the financing and quality of these programs, especially the health programs, have long raised concerns. With Medicaid and SCHIP, fees for preventive services in most states have been very low for many years, impeding the expansion of services for children.⁸ Furthermore, financing issues are frequently linked to quality. Again, both federal and state governments need to reexamine reimbursement practices and the allocation of existing resources to ensure that reimbursement is adequate to support a reasonable quality of care for low-income children.

Child Care and Early Childhood Education

Child care, and early childhood education in particular, should receive special attention during the reauthorization of federal welfare reform. High-quality, stable child care can be a powerful intervention for young children and their parents.⁹ It can stimulate children's healthy development and strengthen parents' child-rearing skills. It is an essential service for parents in the workforce. But problems related to eligibility, access, and financing also hinder current child care programs.

As the TANF block grants were implemented, many states made generous investments in child care. However, too few jurisdictions addressed issues concerning the link between eligibility for child care and the parents' employment status. To ensure continuity of care for young and often vulnerable children, eligibility should be connected to children's needs rather than to the categorical standards of various funding streams. Access is also an issue, as the supply of child care, particularly for infants, is not sufficient to ensure that children in families receiving TANF funds and other low-income working families will receive quality care.

The financing of child care is clearly an issue.¹⁰ Perhaps a commission or other appointed entity is needed to outline options for financing more adequate and robust child care services and to stimulate national debate. The problem is of sufficient scale and of such significance for America's children that major changes in financing are required. Possible options include a relatively small tax increase devoted to child care that could be added to the federal payroll tax. Responsibility for providing full-day early childhood education for children age three and older might be assigned to state and local education authorities, with resources from state and local tax revenues.

Altogether, the reauthorization process for welfare reform provides an opportunity to address the income security, nutrition, health, and child care needs of poor children in the United States today. Greatly improved information systems, administrative practices, and financing mechanisms will be required to achieve these goals. Hopefully, national policymakers and the general public are ready to take on these challenges.

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List of Acronyms

AFDC	Aid to Families with Dependent Children
CBPP	Center on Budget and Policy Priorities
CCDF	Child Care and Development Fund
CLASP	Center for Law and Social Policy
CSE	Child Support Enforcement
DHHS	U.S. Department of Health and Human Services
EITC	earned income tax credit
ESL	English as a second language
FIP	Iowa's Family Investment Program
FTP	Florida's Family Transition Program
GUP	Growing Up in Poverty Project
IDA	Individual Development Accounts
INS	Immigration and Naturalization Service
JOBS	Job Opportunities and Basic Skills Training
MDRC	Manpower Demonstration Research Corporation
MFIP	Minnesota Family Investment Program
MOE	maintenance-of-effort (required level of state spending based on previous years' spending levels)
NEWWS	National Evaluation of Welfare-to-Work Strategies
NICHD	National Institute of Child Health and Human Development
PFS	Parents' Fair Share
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act of 1996
SCHIP	State Children's Health Insurance Plan
SES	socioeconomic status
SPDP	State Policy Documentation Project
SSA	Social Security Administration
SSI	Supplemental Security Income
SSP	Canada's Self-Sufficiency Project
TANF	Temporary Assistance for Needy Families
TPD	Teenage Parent Demonstration

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