Welfare to Work: Analysis and Recommendations

Policymakers have long hoped to find ways to buffer children from the ravages of poverty without excusing parents from the responsibility of providing for their offspring. For 60 years, the Aid to Families with Dependent Children (AFDC) program guaranteed cash assistance for poor single-parent families, allowing the mothers to remain home with their children. In 1993, federal and state governments spent $22.3 billion on AFDC benefits to about 5 million families, reaching 9.5 million children. In recent years, however, frustration with the welfare program has escalated, and the faces of the children who depend on welfare have faded into the background.

Public opinion polls indicate that many Americans think the welfare system traps families in poverty and dependency, harming the very children it is designed to help. Many believe that the welfare system defies American values that stress work and self-sufficiency and is unfair to the working families who survive on low wages without government assistance. Policy discussions about welfare have also been colored by concerns about the cost and size of government and about the rising number of children born out of wedlock. Together, these factors contributed to the dramatic restructuring of the nation’s welfare system for poor single-parent families, when the Personal Responsibility and Work Opportunity Reconciliation Act became law in August 1996. Now states will design their own welfare programs within broad federal guidelines, recasting welfare as only a temporary support for needy families and requiring that single mothers leave home for work.

Often lost in the rhetoric is the most poignant and perplexing aspect of welfare reform—the fact that two-thirds of those who receive AFDC benefits are children. Children are not only the most numerous welfare recipients, they are the most vulnerable. The AFDC program was designed to assure them a basic living when their parents could not. Changes in welfare policy may alter the most basic aspects of their lives—their access to food, shelter, and medical care; their exposure to good or harmful child care; the time they can spend with their parents; perhaps even their aspirations for success.
This journal issue examines how children may be affected by one aspect of welfare reform—the increased emphasis on employment for single mothers. The new federal welfare law will propel mothers into the workforce by imposing work requirements as a condition of receiving cash assistance and by placing lifetime limits on eligibility for assistance. The articles included here examine the nature of the jobs that mothers leaving welfare are likely to find, discuss public policies that help those mothers juggle work and child-rearing responsibilities, and consider the ways in which a low-income mother’s work shapes the daily life and well-being of her child.

This analysis reviews the changes the 1996 federal welfare legislation will bring to the welfare system and suggests what may lie ahead for the children of single mothers who face new work expectations. It highlights the heterogeneity of the welfare population, suggesting that families will follow different pathways with different consequences for their children. Children in families that move from welfare into employment will need access to affordable child care and health insurance, and assistance in times of unemployment. Children in the smaller subset of families headed by adults who cannot work because of health problems, or do not work for other reasons, will face more serious risks. Their well-being may depend on individualized, concrete assistance. The federal welfare reform legislation opens the door to allow state governments to craft assistance packages suited to families with different prospects and needs. The analysis therefore closes with a set of broad recommendations for policymakers to consider when designing policies that will meet the needs of children as welfare is reformed.

Changing Expectations of Welfare

The American welfare system has its roots in the belief that children whose fathers died or abandoned them should be protected from destitution, as they are innocent of their parents’ misfortunes and mistakes. Since it was established as part of the Social Security Act of 1935, AFDC has provided monthly cash assistance to children living in homes considered to be “deprived of parental support and care,” typically because the father, who would be expected to provide the family’s income, was absent. As Blank and Blum discuss in this journal issue, the program was created to allow widowed or abandoned mothers to remain at home to raise their children.

The AFDC Program

The AFDC program “entitled,” or guaranteed, that families who met the eligibility criteria would receive benefits. It helped families in which children were present, the father was absent or unemployed, and available income fell below a threshold of basic need set by each state. As the article by Page and Larner explains, the federal government set the outlines of the AFDC program, but eligibility and benefit levels were determined by the states. To control costs and limit the appeal of government assistance, most states set income eligibility guidelines well below the federal poverty level, and in 1992, only 63% of children living in poor families received AFDC benefits.
As a family’s income from work or other sources rose, their AFDC benefits fell or were discontinued.

While the assistance that AFDC provided eligible families was reliable, it was not generous. In the average state, a single mother with two children and no earnings received only $366 per month in 1994. Nearly all welfare families received food stamps and Medicaid coverage, but the combined value of AFDC and food stamps left families in the typical state well below the federal poverty level. A case study of the household budgets of AFDC recipients in several cities revealed that after paying for food and housing, the average mother had only $90 left each month from her government benefits (AFDC, food stamps, and support for the disabled) to pay all other expenses, from utility bills to clothing to bus fare.

**Emphasis on Employment**

Times have changed since AFDC was created in 1935, as have public responses to welfare recipients. In 1993, nearly half the families receiving welfare (48%) were headed by never-married women, and the public view of unwed mothers is very different from its view of widows. Moreover, mothers of all income levels have joined the labor force: some 67% of women with children were employed outside the home in 1993. To many, it therefore seems reasonable to expect that poor single mothers will also work. However, since AFDC was designed to maintain family incomes, not encourage employment, imposing work expectations requires a dramatic change in welfare policies and programs.

In the past two decades, attempts have been made to help the adults in welfare families move into the labor force and support their families with earnings, but this task has proved difficult. (See the articles by Blank and Blum and by Nightingale and Holcomb in this journal issue.) In the 1970s, the Work Incentive Program (WIN) offered job training and gave work assignments to a small percentage of welfare recipients whose children were school-aged. The 1980s saw a number of state-run welfare-to-work demonstration programs, and 1988 brought the federal Family Support Act, which established the Job Opportunities and Basic Skills (JOBS) program. These work programs combined incentives and requirements that welfare recipients participate in job training, seek employment, or work in public jobs. For example, state JOBS programs paid for job-search classes, job training, and basic or postsecondary education; made participation obligatory for some; and extended Medicaid eligibility and provided child care subsidies to make it feasible for recipients to leave welfare for work.

Rigorous evaluations of many welfare-to-work demonstrations revealed that the programs had small positive effects on rates of employment and annual earnings, but, as Nightingale and Holcomb point out, none significantly reduced welfare caseloads or deterred long-term dependence on welfare. The article by Blank and Blum argues that the programs were never funded adequately or implemented on a significant scale. Nevertheless, political rhetoric and public opinion swept past the JOBS approach in the rush to make more decisive changes in the welfare system that would attach strings and limits to the receipt of public assistance itself.

**The 1996 Welfare Law**

The Personal Responsibility and Work Opportunity Reconciliation Act establishes a new era in federal policy toward children in poor single-parent families. It ends the federal guarantee of assistance to all eligible families, shifts authority to state governments, seeks to discourage out-of-wedlock childbearing, and emphasizes the employment of single mothers. Children’s needs have not gone altogether unnoticed: Funds are provided to pay for child care, and children’s access to Medicaid is protected. Nevertheless, children’s well-being may be threatened by poverty and uncertainty as their parents try to succeed in the low-wage labor market, and by crisis if their parents cannot work and lose all assistance. Now state governments have the challenge of designing strategies to protect these children.

The welfare legislation gives states unprecedented discretion in choosing which families to assist, what services to provide, what requirements to impose, and how to respond to families who cannot find work to support their households within the allotted time. Although state governments handle many complex policy issues, assuming
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full responsibility for welfare policy will tax their budgets and their planning, legislative, and social service systems.\textsuperscript{14} The result will be 51 state welfare programs that not only differ in eligibility and benefit levels, but focus on divergent goals and rely on new, untested strategies. The successes and failures of these new programs will have a great deal of influence on the lives of poor children and their single mothers, for good and for ill.

Several features of the new federal law deserve special mention. First, federal welfare funds will be provided through a lump-sum block grant to each state, called Temporary Assistance to Needy Families, or TANF. The block grant will not increase in size in future years, regardless of changes in the economy. Second, there is a five-year lifetime limit on the amount of time a family can receive federal assistance.\textsuperscript{15} And third, states receive full federal funding only if, by the year 2002, half of the adults receiving federal assistance work at least 30 hours each week.\textsuperscript{16} The law also terminates aid to legal immigrants who arrived in the United States after the date of the legislation and reduces funding of both food stamps and income support for the disabled (Supplemental Security Income, or SSI).\textsuperscript{17}

Of importance to children, federal spending on child care subsidies will increase, although the number of poor mothers with young children entering the labor force will grow even more sharply. Moreover, the federal funds for child care are capped, whereas previously child care assistance was guaranteed to welfare recipients who worked or attended training, and federal funds matched state child care expenditures. In contrast, eligibility for the Medicaid program depends on family income and not welfare status, so Medicaid will continue to be available to families who meet income guidelines. Under AFDC, families receiving welfare were automatically enrolled in Medicaid, but now welfare and Medicaid are less closely linked. New outreach and application procedures must be designed to ensure that families are aware of their eligibility for Medicaid benefits.\textsuperscript{18}

No policy studies are yet available to suggest the likely consequences of the most novel aspects of the new federal law, but recent research offers findings that bear on two crucial issues: (1) the employment and economic prospects of poor single mothers like those who currently receive welfare, and (2) the consequences that may result for children whose mothers move from welfare into the labor force. The major findings in these areas are summarized below. It must be noted, however, that all the research reflects the experiences of families when the AFDC program was available as a safety net or alternative to employment. The options families face under the new law are quite different, and that difference limits the applicability of previous research.

**Employment and Economic Prospects**

To anticipate the likely success of welfare reform efforts to promote employment among welfare recipients, policymakers can consider studies that trace the natural transitions single mothers make between welfare and work, as well as evaluations of the welfare-to-work demonstrations described above. Findings from both types of research document the job qualifications welfare recipients can offer to employers and the jobs they usually secure, and suggest what the effects of their employment on family poverty may be.

**Employability**

To find a job, a single mother must convince an employer with a job opening that she is capable of doing the work. Studies documenting the characteristics of welfare recipients suggest that it is doubtful that they all can find work in the regular job market. Disabilities will prevent some from working: About 10\% are estimated to have health problems that preclude or limit employment, and another 4\% face serious mental or psychological difficulties.\textsuperscript{19,20} Even setting aside those severe problems, Burtless reports in this journal issue that the majority of welfare recipients have poor skills to offer employers. Almost half (44\%) of the mothers who began receiving welfare in 1992 had not completed high school, and those who depended on welfare steadily for two years performed very poorly on a test of basic life skills such as making change or reading a bus schedule. Indeed, as Burtless reports, the typical mother who leaves welfare for work earns only about $6.00 per hour, and her wages rise little over time.
Some welfare-to-work programs have attempted to increase employment at good wages by using remedial education, vocational training, or postsecondary education to improve recipients’ job qualifications. So far, these approaches have shown limited success, as Nightingale and Holcomb point out. Welfare recipients with strong basic skills can capitalize on educational opportunities to secure stable, well-paid employment. However, many have only eighth-grade reading and math skills. Traditional literacy training and basic education approaches have not succeeded at engaging adults whose earlier school experiences were frustrating and demoralizing. Consequently, one expert concludes that wholesale reform of the public schools will be required to prevent the perpetuation of these educational deficits in the next generation.

Other welfare-to-work programs have focused not on education but on speedy employment and job training. Nightingale and Holcomb indicate that programs which urged recipients to find work quickly and provided job-search assistance raised rates of employment among participants to 5% or 10% above the rates achieved by the control group. These programs raised earnings by $100 to $500 per year, although most participants still earned less than $4,000 annually. Welfare costs shrank somewhat less, with savings coming at the expense of the single mothers whose grants were cut as their earnings rose. Because the programs were relatively inexpensive, these modest benefits outstripped the programs’ cost to taxpayers. More ambitious and expensive programs combining work expectations, training and support services, and assignment to subsidized public jobs have produced larger earnings gains, but it is unclear if such programs could be implemented on a large scale in today’s cost-conscious policy environment.

Overall, Nightingale and Holcomb suggest that welfare-to-work programs are most successful when they communicate clear and consistent expectations regarding work, use financial sanctions to reinforce those expectations, and forge strong linkages to the labor market. While effective programs can help some welfare recipients make the transition into employment and yield benefits that exceed their costs, most programs produce only small changes, and not all participants benefit. Therefore, such programs cannot in themselves solve the problem of long-term welfare reliance.

Job Availability
The fact that many welfare recipients lack skills and educational credentials does not make employment impossible for them, but it does limit their job choices to entry-level, unskilled positions. According to Burtless, many labor economists believe that such jobs are and will continue to be available in the United States, although rural communities and inner cities may lack employment opportunities. When they are available, unskilled jobs tend to be poorly paid, to offer few fringe benefits such as sick time or health insurance, and to be part-time or short-term positions. Wages for unskilled workers have stagnated or fallen in the past decade, and Burtless predicts that as growing numbers of welfare recipients are pressed into the labor market, average wages may fall still further.

Despite these problems, many welfare recipients want to work and escape the stigma and limited horizons of welfare reliance. Longitudinal research tracing the lives of welfare recipients revealed that nearly half (43%) of those who received welfare benefits over a two-year period also held jobs, typically working as maids, cashiers, nurse’s aides, child care workers, or waitresses. Their experiences offer glimpses of the employment prospects facing current welfare recipients, although 20% of the women in the study combined work and welfare at the same time, and 23% cycled back and forth between the two. Under the new law, mixing welfare with work to sustain an adequate family income will be less feasible.

Costs of Working
A primary challenge facing employed single mothers is that working entails new expenses that eat into the modest pay that the job provides. Researchers who studied the budgets of a sample of mothers who held low-wage jobs and did not use welfare found that the women earned an average of $888 per month. In addition to outlays for food and housing, they confronted work-related expenses of $345 per month for such items as child care and bus fare or car payments.
The significance of child care costs cannot be underestimated, in part because child care is an ongoing expense that accompanies the mother’s employment well into the child’s school years. Mothers who receive welfare have an average of 2.6 children, two-thirds of whom are under age six and must be supervised during the hours when their mothers are working, as the article by Kisker and Ross in this journal issue points out. Parents who purchased child care in 1990 paid an average of $1.60 per hour per child, a sum that represents a significant portion of a $6.00 per hour wage, especially when several children need care.25 Perhaps for that reason, when welfare was available to them, women who had problems finding child care they trusted and could afford sometimes chose not to work. In the restructured welfare system, more mothers will have to work more hours to support their families, and the need to make child care safe and affordable will take on new urgency.

**Job Stability**
Achieving economic self-sufficiency requires sustained employment, but studies show that from half to two-thirds of the welfare recipients who leave welfare for work lose their first job within a year, according to the article by Hershey and Pavetti in this journal issue. These authors report that in about 40% of the cases when former welfare recipients lost their jobs, the employer’s actions (layoffs and firings) were the cause. The other 60% of job losses were initiated by the employees in response to problems either on the job or at home. Women who lose employment are less likely to receive state-funded unemployment insurance than are men, in part because low wages, part-time schedules, and sporadic employment patterns make many ineligible for those benefits. Some policy analysts have called AFDC a “poor woman’s unemployment insurance,”26 but the new welfare law will make that safety net less accessible.

The instability of low-wage jobs can have adverse consequences for family earnings and for children’s well-being. Burtless argues that the prevalence of layoffs and temporary or seasonal employment must be factored in when estimating the earnings welfare recipients may be able to secure. Moreover, periods between jobs not only sap the family’s financial resources, they can undermine the mother’s confidence and disrupt the child care arrangements and family routines that structure daily life for the child.

**Child Support**
Simple logic suggests that two adults are better able to cover the costs of raising a family than a single parent who must handle child rearing and serve as the sole breadwinner. One avenue for improving the economic standing of single-parent families is the collection of child support from the absent parent, usually the child’s father, and recent legislation has brought new child support enforcement policies.27 Some question the value of pursuing the fathers of children who receive welfare because the men often lack earnings at the time the child is born.28 The article by Brien and Willis in this journal issue argues, however, that many noncustodial fathers eventually work and see their earnings rise. These authors estimate that over the child’s first 18 years, the typical absent father could contribute 40% of the amount received by the mother from AFDC during that time.

**Implications for Welfare Policy**
The findings reviewed here and in the articles in this journal issue indicate that even the mothers who succeed in finding work are likely to remain poor. After paying employment expenses and losing some government benefits, most will lead a life of financial pressure and uncertainty as they face the vicissitudes of the private labor market without a safety net. In this way, welfare reform will make “the rules of [welfare] more like the real world,”29 where hard work is necessary to get ahead and where there are few guarantees of income security. In that world, parents must meet the needs of children on their own.

Some believe that welfare policies which expose poor single mothers to harsh living conditions will increase their desire to work and discourage unwed childbearing. As one conservative policy analyst asked, “Will toughness or tenderness best motivate the dependent to take charge of their lives?”30 Whatever their effects on future childbearing and welfare use, however, tough policies impose hardships on the children who now rely on welfare’s support. Research suggests that the conditions associated with poverty
have damaging effects on children’s success in school and later life, whether the children’s parents relied on welfare benefits or on employment as a source of income.20 (The Summer/Fall 1997 issue of The Future of Children will focus on poverty in the lives of children.) Children deserve our compassion and represent our future. For both reasons, policies to protect their well-being are essential.

When the guarantee of public assistance is removed, sharp differences are likely to emerge in the pathways followed by different groups of welfare families. No doubt some single mothers will find work relatively easily and make their way into the mainstream economy, joining the ranks of the country’s many working poor families. For some, the transition may be more difficult, requiring short-term training, job-search support, and cash assistance. A smaller group of families have problems or limitations that make it unlikely that they will find a place in the labor market at all, and under the new welfare legislation they may lose any public aid. Policies to assist these diverse families must therefore be differentiated, emphasizing employment-related family supports (like child care) for the first group, providing transitional assistance and job training for the second group, and ensuring basic protections for children in the third category. The next section of this analysis considers the children’s perspective on welfare reform, then recommends steps that should be taken to care for those whose mothers find jobs, need transitional assistance, or cannot work.

Consequences for Children

To avoid instituting policies that will harm children, it is important for policymakers to consider what is known about how children will fare when their mothers move from welfare into the low-wage jobs just described. Unfortunately, little reliable knowledge is available about this topic. Developmental psychologists have studied the effects of social class and poverty on children’s development,31 but the effects of maternal employment on children in poor single-parent families have gone almost unexamined. Moreover, studies that compare families with a welfare background who worked to those who did not work are of limited value in the current policy context. As noted earlier, the fact that the employed mothers in these studies could have relied on public assistance but chose not to suggests that they were more motivated and employable than their peers. The new welfare law will force a broader cross-section of poor single mothers into the labor force, with more variable outcomes.

The summary below reviews what is known about how children’s lives may be affected when their mothers leave welfare for low-wage employment, considering five major areas: (1) basic needs for food, shelter, and safety; (2) access to health care; (3) access to good child care; (4) relationships with adults; and (5) developmental outcomes. The findings suggest that children whose mothers work but earn little are likely to experience both positive and negative changes in their daily lives.

Basic Needs

Will mothers who leave welfare for work be able to meet their children’s basic needs for food, shelter, and protection from harm? The mothers’ ability to do so will depend, in great measure, on the wages they are able to earn, the steadiness of their employment, the cost of food, housing, and child care in the communities where they live, the availability of informal assistance from relatives and friends, and the extent to which government assistance such as food stamps remains available to cover the costs of these essentials. One study found that half of the single mothers who received welfare over a two-year period shared housing and pooled resources with relatives,24 but not all single mothers live near relatives who have resources to share.

Economic pressures on isolated poor families may force them out of their homes32 or may lead mothers to cut the family’s food budget or leave school-age children at home alone while they work. In extreme cases, these situations constitute neglectful parenting that justifies intervention by government authorities to protect the child. Even when AFDC benefits provided a safety net for poor single-parent families, a strong link existed among poverty, reports of child neglect, and rates of placement in foster care.33,34 Time limits on assistance may make this situation far worse, exposing children in some destitute unemployed families to neglect, and perhaps
resulting in costly and wrenching foster care placements. Such undesirable consequences could be mitigated by assuring the availability of in-kind assistance like housing subsidies and food stamps to meet children’s basic needs even if their parents lose eligibility for cash assistance.

Access to Health Care
One of the most prevalent concerns cited by mothers on welfare as they contemplate moving from welfare to work is the fear of losing access to Medicaid, which pays for the health care of eligible women and children. Studies described in the article by Moffitt and Slade in this journal issue indicate that in families with serious or chronic health problems, for whom health services are critically important, employment decisions are strongly influenced by the availability and quality of the health care coverage offered by employers. As one observer has noted, “Welfare recipients are rational actors in the economic market; they do whatever is necessary to maximize the health and well-being of their children. If they have no health insurance or if they believe that they will be somewhat better off on welfare, they will apply for it... Like most other Americans, welfare recipients usually put the needs of their children first.”

In practice, the desire to maintain Medicaid eligibility need not keep poor mothers from leaving the welfare rolls for work. As Moffitt and Slade explain, recent expansions of the Medicaid program have made children’s eligibility for coverage independent of welfare receipt. States are now required to provide Medicaid to children under age six in families with incomes up to 133% of the federal poverty level, and many states cover children in families earning even more. At the same time as Medicaid coverage was expanded to reduce the number of uninsured children, however, the proportion of children covered by employer-based insurance has fallen. Some employers may have retracted their health care coverage, or families who knew their children were eligible for Medicaid may have opted not to use employer plans that require monthly premium payments. Between the expansion of public coverage and the retraction of private insurance, 20% of poor children lacked health insurance in 1993.

The importance of Medicaid to poor families competes with the fact that Medicaid costs make up a substantial portion of state budgets (consuming 13% of state general funds in 1993). To control costs while expanding eligibility, states have turned to Medicaid managed care contracts, with effects on health care quality that are not yet known. The evidence reviewed by Moffitt and Slade underscores the role that Medicaid eligibility for children whose parents work and do not receive welfare can play in the success of welfare reform.

Access to Good Child Care
The learning that takes place before children enter school creates a foundation for later educational success or failure, and children’s daily learning opportunities change when a mother moves from welfare to work. As the article by Parcel and Menaghan in this journal issue indicates, a mother who works long hours for low pay has less time to spend with her child, encouraging play, talking, and reading, so her employment may make the home a less stimulating place and limit the child’s learning. On the other hand, preschool children can reap cognitive gains if they spend their mothers’ working hours in high-quality child care environments. The impact on children’s development of shifting from care by their parent to child care will depend on both the parent-child relationship and the child care environment. Children suffer from poor care and can benefit from stimulating experiences, whether they occur in child care or at home with a parent.

The most basic role of child care is to provide a safe, supervised environment for children who are too young to be alone. The article by Kisker and Ross in this journal issue reports that parents who are required to work or attend job training usually manage to find some type of child care and do not leave their children unsupervised, but they frequently worry about the quality of the care they find. The fears of mothers with infants are especially intense, since their babies cannot complain if they are mistreated during the day. Yet, under the new welfare law, states can require mothers with children under one year of age to work 20 or 30 hours per week. Research on the quality of child care in the United States indicates that parents’ fears are not unfounded: some 12%
of the centers and 25% of the private homes caring for children were judged by researchers to be inadequate or even harmful to children.42

A study of participants in a welfare-to-work program showed that those who reported little trust in their child care arrangement when they entered the program were most likely to have stopped working or dropped out of training one year later.43 Mothers whose welfare benefits are terminated, however, will risk their only source of income if they stop work to rescue their children from unsafe child care settings. Kisker and Ross argue that stronger efforts to regulate the quality of child care settings are needed to protect all the children in care, particularly those in low-income households, whose parents must find care for them during odd hours, in dangerous neighborhoods, and at minimal cost.

Low-income mothers understand how important child care can be in the lives of their children—either by threatening their safety and stifling development, or by offering rich opportunities to develop intellectually and socially.41 Research indicates that low-income children benefit from attending high-quality early childhood programs, and many poor mothers hope to send their preschool-age children to a structured, center-based program like Head Start.44 As Kisker and Ross report, publicly funded child care subsidies allow some low-income families to use better child care than they could afford on their own. The authors argue that subsidies should be expanded and complemented by efforts to build a supply of good child care options that work for low-income parents. As former welfare recipients enter the labor force, child care programs will provide the primary early learning environments for more and more of America’s most vulnerable children. Adequate funding to ensure that these children receive good care is critical to protect their well-being.45

**Nurturing Relationships**

Relatively little is known about how the relationships between children and mothers in poor families change when mothers go to work outside the home. It is likely, however, that the nature of the change will depend on the age of the child and on the psychological effect that working has on the mother.

During the first years of life, children form stable attachments to the adults who care for them, beginning with their parents. Some studies of children whose mothers began work during the child’s first year of life have found that problems in the mother-child attachment result, but others have found the opposite.46 It seems that emotional problems are most likely when both the home and child care environments are unwelcoming to the child. Changes in caregivers are also thought to be problematic, but low-income mothers who have only a tenuous hold on their jobs must frequently change child care arrangements.45 One can easily picture the emotional impact such “revolving door” child care experiences can have on a very young child.

On the other hand, if employment is welcomed and a stable and nurturing child care arrangement can be found, working can have benefits for the relationship between the mother and her very young child. Depression is relatively common among mothers of young children, especially among those who receive welfare and do not work.47 Depressed mothers tend to withdraw even from their own children, and the mother’s passivity can deny the child attention and affection.48 Although no causal relationship has been shown, if working outside the home helps mothers escape depression, it may also help them to make good use of the limited time they have with their children.35

Relationships between parents and children also affect later developmental outcomes. Parents of schoolchildren need time to supervise the children’s activities and school work, or their increasingly independent youths may be caught up in a risky peer culture. On the other hand, parental aspirations contribute to their children’s school achievement,49 and mothers who have left welfare often report that they became better role models for their children once they began working toward independence and self-improvement. One mother whose adolescents hope to go to college commented, “I think it was me going back to school, because I’ve noticed they have tried to bring their grades up too. I tell them, ’If I can do it, you can do it.’”50
Developmental Outcomes

Indeed, the research on child outcomes summarized in the articles in this journal issue by Zaslow and Emig and by Moore and Driscoll suggests that among families with a recent history of welfare use, maternal employment does not harm and may help the development of school-age children. Moore and Driscoll found that children ages 5 to 14 whose mothers worked at jobs paying $7 or more per hour performed better on cognitive tests, and had fewer behavioral problems, than children with nonworking mothers. Of course, those wages exceed the average that most welfare recipients can expect to earn.

These authors caution that the working mothers captured in current research studies all moved voluntarily into the labor market, and their experiences were more positive than those of mothers who may be forced to work through welfare reform requirements or the loss of welfare benefits. Given that caveat, the evidence the authors present suggests that when a mother of school-age children is successfully employed, her work can have positive effects that may balance or even outweigh the stresses and time constraints that accompany it. Too little is known to draw conclusions about outcomes for younger children.

What Should Be Done?

State policymakers now face the longstanding dilemma of welfare—that of designing government policies and programs to promote family self-sufficiency without sacrificing children’s futures. Welfare recipients who make the transition to employment will face the risks of the free market with its business cycles, layoffs, and wages shaped by supply and demand. Some will need only ancillary assistance, such as help paying for child care. Others may be unable to support their children with earnings, needing more intensive assistance to keep their families together. When families have differing strengths and needs, “one size fits all” policies are inefficient and probably ineffective. It is up to state governments, primarily, to decide what types of help they can offer, but they must take into account children’s needs as they do so. The final section of this analysis highlights general recommendations for the creation of differentiated packages of assistance that may provide a framework for developing welfare and poverty policies that protect and nurture children.

1. Employment-related family supports for those who can work.

Measures should be adopted to help employed families with children confront the harsh realities of the low-wage labor market. Working welfare recipients face the same challenges of managing child rearing and breadwinning that confront the larger population of working poor families. To support working families, government requirements and funds must be used to compensate for the shortcomings of private-sector jobs, by assuring access to health and unemployment insurance, child care subsidies, and income supplements. Access to tuition grants and loans would help motivated low-income parents improve their educational credentials and secure better jobs.

RECOMMENDATION

To equitably assist poor working families, universal but income-linked policies should be introduced, expanded, and strengthened to provide affordable health insurance, guarantee child care subsidies, supplement low wages through tax credits, and give all workers access to unemployment insurance and temporary disability coverage. These supports should be independent of the welfare system, covering all families with children who meet income eligibility criteria. Premiums and copayment or sliding fee mechanisms should be used to ensure that parents share the cost of benefits as their incomes rise.

Providing work-related supports without regard to welfare status may increase the political viability of policies for poor children and families, but it will also add to their cost. In 1992, approximately 4.8 million families with 9.5 million children received welfare benefits and related assistance. That same year, another 1.8 million families with 5.1 million children were poor and supported themselves without the help of welfare grants. These families would also receive
assistance under the proposal suggested above, although they could contribute a portion of the cost of the specific services they used.

2. Improvements in child care for poor working families.
As is widely acknowledged, parents of young children cannot work if they are unable to arrange child care during their work hours. The child care subsidy programs recommended above help working poor families pay for child care, but other steps must also be taken to ensure that children are safe and can flourish in child care. Parents who live in poor neighborhoods, work odd hours, lack transportation, or have children of varied ages seldom find adequate child care options, and more care must be created to meet their particular needs.

RECOMMENDATION
Ongoing expenditures and innovative strategies are required to create good child care alternatives that fit the schedules, preferences, and residence patterns of poor working families. In addition, the quality of child care must be improved through regulatory oversight, training, access to capital for facilities, networks of professional support, and measures to attract and keep skilled providers working in child care centers and homes.

3. Transitional assistance for families entering the labor force.
Because of divorce, abandonment, widowhood, or choice, some parents will care for young children without a spouse, and they may need assistance to enter (or reenter) the labor force. Supports such as job training, aid seeking work, information regarding child care, and temporary cash assistance can help the entire family prepare for employment. State and local welfare agencies can draw on a decade of experience helping single mothers enter the private labor market. These services were funded and required in the federal JOBS program, but now it will be up to states to design and pay for them.

RECOMMENDATION
To facilitate entry into the labor force and smooth transitions between jobs, welfare-to-work supports and services like job search, job training, cash stipends, and child care information and subsidies should be provided by staff trained as employment counselors and offered on a negotiated but time-limited basis to unemployed mothers and fathers.

4. Follow-up case management for nonworking families.
Even in a reformed welfare system that emphasizes employment and limits access to government assistance, a subset of parents will remain unable to work. An even smaller group may be unwilling to work. As noted earlier, one expert estimates that 20% of the current welfare population will be unemployable. The AFDC program responded to such families by exempting them from work requirements and guaranteeing a monthly check, but it provided no specific services to help them surmount their problems or provide for their children. Under the new welfare law, states can exempt up to 20% of their welfare caseload from the five-year time limit on eligibility for federal cost assistance, due to family hardship. Exempting the hard-to-employ might relieve state governments of the need to create costly protected work placements for the most troubled adults on the welfare rolls, but it does not help the family resolve its problems and move toward economic self-sufficiency.

Ongoing cash assistance may be the most appropriate way to help parents who cannot work but are effective with their children and engaged in child rearing. However, the problems affecting some parents who cannot maintain employment may also undermine their child-rearing capacity. It will be critical that new social service strategies be designed to ensure that the needs of the children of these parents are met. Few families now receive intensive help with parenting unless serious maltreatment occurs, and then it may be too late to reverse problems
that might have been prevented or resolved at an earlier point.33,52

A system that ensured individualized follow-up with all families who were unable to move from welfare to employment would enable case managers trained in social work to assess the problems confronting each family and then make appropriate referrals to services as varied as rehabilitation, battered women’s shelters, substance-abuse treatment, or family support programs. Ongoing, voluntary contacts would allow case managers to reassess the family’s circumstances and continue family services, help the parent make the transition into employment, or work with the child welfare agency to safeguard the child’s well-being.

RECOMMENDATION

Families headed by parents who are unable to find or keep employment, even when they risk losing assistance, should receive special attention from trained case managers to ensure that the needs of their children are met. Given the authority to secure resources for families, such a skilled case manager can determine what problems the family is facing, what services may be required, and how well the child is faring and can maintain contact with the family to track progress and make additional referrals for services, as needed.

5. Continued learning to inform policy.

More objective knowledge is urgently needed to give policymakers a foundation for decision making as they reform welfare policies and programs. As noted earlier, the most significant welfare reform policies—time limits and work requirements for mothers of infants—are untested. Moreover, no one knows how current and potential welfare recipients will react to the new array of opportunities and consequences that faces them. Therefore, the effects of the new policies on children whose families do and do not receive welfare should be monitored in all states by objective researchers. Studies that track families over time can provide early notice of emerging problems and successes and can reveal important effects that develop after some time.53 It will also be critical to document community conditions outside the welfare system that help welfare recipients make the transition to work.

More basic research is also needed to learn how poor children of different ages are influenced by changes in their family circumstances and to discover the circumstances, resources, supports, and coping abilities that enable some poor families to remain independent while attending to their child-rearing responsibilities.24,49

RECOMMENDATION

New information should be gathered immediately to help policymakers anticipate the effects of the policies they are considering and to assess the short-term and long-term effects of policies they have adopted. Of special importance are evaluations of new policy measures like time limits, studies that track changes in the lives and well-being of poor children and families, and evidence indicating the community conditions that support successful welfare reform.


Polls probing the public’s views on welfare reform indicate that many believed that the AFDC program undermined American values of independence and self-sufficiency and was ineffective in combating poverty. They expressed less concern over the cost of the program.1 Changes in welfare policy should similarly focus on the values communicated by the way assistance is provided and on long-term success in helping families escape dependency and poverty, not on short-term effects on program costs and government budgets.9,13

Even drastic changes in welfare that are designed to save money will have relatively little impact on overall government budgets because the AFDC program actually consumed only a small portion of federal and state budgets. In 1993, about 5% of state general funds went to pay welfare costs, compared to 13% for Medicaid, 35% for public...
At the federal level, AFDC, food stamps, and aid to the disabled together made up about 3% of the budget. Moreover, short-term welfare cost savings (when parents are cut from the assistance rolls) may lead to long-term cost increases in other service systems (if a child must be placed in a foster home, for example). Similarly, increased payments for job training or child care assistance in the short term may yield long-term savings if the child’s mother succeeds in a new job.

RECOMMENDATION

Welfare reform plans should emphasize and respond to the core values that concern most Americans, stressing and balancing attention to the importance of work, independence, fairness, and responsibility for family. Assessments of the budget implications of welfare reform policies should emphasize long-term rather than short-term costs and benefits, especially those related to children.

Conclusion

In addition to the direct effects it will have on families’ lives, welfare reform may have provided the impetus needed to change the public policy climate surrounding poor mothers and children. Whether the new climate will be supportive of those families or punitive toward them remains to be seen. The stereotype of the welfare recipient has long been a mother who relies on public assistance, living in deteriorated public housing in a dangerous neighborhood, collecting food stamps, and watching her children while she waits for her welfare check. The new image may be a mother like one whose daily routines were profiled in the New York Times in 1994. Mary Ann Moore rises at 3:30 in the morning, dresses her sleepy two-year-old twins, drives 11 miles to reach her mother’s housing project apartment before 5 A.M., leaves her children there to wait for child care to open, drives another six miles to a Salvation Army homeless shelter where she cooks for 100 people, then reverses her steps again at the end of each day. Will Americans and their elected officials be willing to help her succeed and rear her children?

Welfare policies can press mothers to follow in Mary Ann Moore’s footsteps, changing the public image of the welfare recipient, but the limitations of welfare reform are as crucial to recognize as its potential. Work has many virtues, as welfare recipients themselves recognize, but it is not a panacea, and it is not easy to find, manage, or keep. Though the earnings of many single mothers are low, their children’s needs are urgent and often expensive. They need and deserve food and shelter, good child care, prompt health care, books and clothes, the time and attention of a loving parent, and so much more.

Many values and priorities are intertwined in welfare policy and welfare reform, and concern about children is often jostled aside by an emphasis on family self-sufficiency, impatience with the unintended consequences of public policies on private behaviors, and a general desire to reduce the size and cost of government. Children’s wellbeing, not budgetary concerns, should be in the forefront as new welfare programs and policies are designed and implemented. As one observer noted, “There is no cheap way to bring our lowest-skilled citizens and their children to a position where, for them, ‘work will work.’” Most Americans believe that work is important and that children are important. Our society must find ways to support and encourage both.

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4. Beginning in 1990, states were required to offer AFDC benefits to children in two-parent families if the main breadwinner was unemployed but had a work history. Earlier, such benefits were a state option. In 1992, 322,000 of the 4,769,000 families receiving AFDC were served under the “unemployed parent” provision of the program. See note no. 2, U.S. House of Representatives, pp. 325–26.


15. The law stipulates that a household which includes an adult who has received assistance through federal Temporary Assistance for Needy Families (TANF) funds for more than 60 months cannot receive additional federally funded benefits. Children who qualify for assistance and live in households in which the adults have not exhausted their welfare eligibility (children in foster care homes, for example) remain eligible for assistance without a time limit.


17. In separate legislation, the 104th Congress also raised the minimum wage to $4.75 per hour in 1996 and to $5.15 in 1997, and it expanded the Earned Income Tax Credit for low-income working families with children.


30. See note no. 13, Mead, p. 128.


This journal issue emerges from a collaborative effort between the Center for the Future of Children and the American Academy of Arts and Sciences. Recognizing how significant changes in the nation’s welfare system are likely to be for the 9.6 million children who receive welfare, the Academy convened a committee of scholars to review what we know about how the transition from welfare to work is likely to affect the lives of poor families and children.

The committee, chaired by Dr. Richard Behrman, included Dr. Howard Hiatt of the American Academy of Arts and Sciences; Drs. Christopher Jencks, Lawrence Katz, Frederick Mosteller, Paul Peterson, and Theda Skocpol of Harvard University; Drs. Jeanne Brooks-Gunn and Irwin Garfinkel of Columbia University; Drs. Frank Furstenberg and Rebecca Maynard of the University of Pennsylvania; and Dr. Janet Currie of the University of California at Los Angeles. The committee convened a conference in February 1996 at which the articles included in this volume were presented and discussed by policymakers, program administrators, and experts interested in anticipating both positive and negative changes that welfare reform may introduce into the lives of poor children.