COMMENTARIES

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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 measuring 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. 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. 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.

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.

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.

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.
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. 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.

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% reported three or more obstacles. 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.

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.

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. 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.

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.

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. 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 single-parent families. States should also take steps to reach out and serve a much larger proportion of eligible two-parent families.

❖ 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. 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. 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, 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.

❖ 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. Reforms in these programs should be judged by their ability to increase participation among the working poor.
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

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 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. 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.

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. 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. They now receive more income from work and less from welfare, and their total income has increased substantially since 1993. 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,

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many issues will receive attention during the reauthoriza-
tion 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 fund-
ing level, innovative work programs, work programs
for poor fathers, and programs to reduce nonmarital
births and promote marriage.

The TANF Funding Level

Unfortunately, cutting the $16.5 billion TANF block
grant may well be the biggest issue in the reauthoriza-
tion 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 pro-
gram 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 depend-
cency (and perhaps of nonmarital births), the current
level of TANF funding is needed to ensure that states
can maintain and expand their work programs.

Innovative Work Programs

Beyond helping mothers on welfare find jobs, states
also are investing in new types of innovative work pro-
grams to help low-income mothers win the battle for
self-support. Many of the mothers who have left wel-
fare 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 impor-
tance of education and training, then provide them with
opportunities to advance their skills, often while they
continue working. States are beginning to develop pre-
cisely this type of program, but again, if Congress
reduces TANF funding, states will not be able to both
maintain benefits and simultaneously continue to de-
velop and run these job advancement programs.
**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.

**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 information 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.
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


2. Calculations based on information provided by the Congressional Research Service.

3. Years of experience with state-designed work programs had shown that most individuals on welfare did not respond voluntarily when called to work and that states did not aggressively pursue work policies. See Mead, L. The new politics of poverty: The nonworking poor in America. New York: Basic Books, 1992.

4. Around 60% of the adults leaving welfare have a job at any given moment, and over a period of months about 80% of them work at least part of the time. See note 1, U.S. House of Representatives, Committee on Ways and Means, Appendix L.


7. See note 1, U.S. House of Representatives, Committee on Ways and Means, appendix L.


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 circumstances 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

- 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.

- 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.

- 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.

- 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...
read and other basic skills. Without access to public transportation, the father transports his children and himself on a bicycle.

- 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.

- 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. 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. 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. 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.”

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. 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.

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.

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. 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

1. These brief case histories reflect the circumstances of several families receiving services in a primary care clinic in San Antonio, Texas. The descriptions were kept general to protect the families’ identities.
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, 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.

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. 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
and physical health problems are often issues for these families. 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. 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. 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. 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.

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.

ENDNOTES


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 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 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.

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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. 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. (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. 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. 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. Reauthorization of the federal welfare reform law provides an opportunity for Congress 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. 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. 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. 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. 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. 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.


10. See earlier journal issues on caring for infants and toddlers, The Future of Children (Spring/Summer 2001) 11(1); and on financing child care, The Future of Children (Summer/Fall 1996) 6(2).