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# Welfare reform

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# Synthesis

**How important is it?**

In 1996, new legislation in the United States transformed the welfare system from a federal entitlement program to a state block grant that focused on encouraging and requiring very low-income parents to find jobs and stay employed. As a result, more single mothers have entered and remained in the labour force and teen pregnancy and out-of-wedlock birth rates have declined. Only recently has there been some evidence about the causal effects of welfare policies on children.

In Canada as well, responsibility for welfare programs has shifted to the provinces. In 1992, a Canadian study, the Self-Sufficiency Project[1] (SSP), was developed in an effort to reduce poverty, encourage steady work and reduce welfare dependency. SSP involved 9,000 one-parent families in both New Brunswick and British Columbia.

**What do we know?**

Welfare reform programs have been characterized by three policy components: earnings supplements, mandatory employment services and time limits. The dramatic negative effects on children that some expected as a consequence did not occur, but neither did consistent positive effects.

The outcomes for infants and toddlers are as yet unknown, although there is some indication that mothers' full-time work has negative consequences on children younger than nine months. Earnings supplements, designed to increase both employment and income, led to small but positive effects on preschool and elementary school-aged children's developmental outcomes. These outcomes were most consistent for school achievement and cognitive test scores, and appeared to be sustained into the long term. However, programs that increased maternal employment without increasing income had few and inconsistent effects on children's cognitive and social development.

The effects of welfare policies—particularly those with more generous earnings supplements—were most pronounced during two developmental transition periods: *positive*

effects were found for children going from preschool into middle childhood, and *negative* effects were found for children making the transition out of middle childhood and into early adolescence. Possible factors leading to negative outcomes for teens may include harsher parenting as a result of working mothers' stress, teenagers having to care for siblings and mothers having less time to supervise teens.

In general, poor-children's outcomes have changed very little as a result of welfare reform. They continue to show lower levels of school involvement and higher levels of behavioural problems, regardless of whether or not their mothers receive welfare. Yet preschoolers of recent welfare-leavers have the highest levels of behavioural problems. Preschoolers and adolescents in sanctioned families also show problematic cognitive and behavioural outcomes. Mothers' marital, educational, mental and physical health status, as well as their parenting practices, seem to account for most of the welfare group differences.

**What can be done?**

Welfare policies are generally designed for adults, with little attention paid to the effects on their children. Yet the impacts on children (both positive and negative) should figure into the cost/benefit calculations.

Welfare reform policies can benefit younger children when designed in ways that increase the employment and the income of single parents. For policy-makers interested in using welfare policy to improve children's well-being, earnings supplements might be an important complement to programs aimed directly at improving the development of low-income children.

Since more parents are relying on child care as a result of welfare reforms, more attention should be paid to the quality of early-childhood education and care programs, especially family daycare, in order to foster children's positive development and school readiness. This is of special concern given the long hours more and more young children are spending in child care, and the potentially low quality and instability of child care available for very young children.

Finally, policy-makers should be increasingly concerned about the potentially negative effects of welfare reform on adolescents, and should focus on the role of institutions and social context for adolescents. More research on the effects of welfare policies on children across their developmental stages would help inform policy-makers as they grapple with how to balance budgets and provide a cohesive and comprehensive social safety net for low-income families.

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# Welfare Reform and the Impact on Children

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## Introduction

The passage of the 1996 PRWORA (Personal Responsibility and Work Opportunities Reconciliation Act) transformed the U.S. welfare system from a federal entitlement program that emphasized cash assistance to poor families, primarily, to a state block grant that stressed time limits and work. More specifically, the law mandated lifetime time limits of five years for receipt of cash assistance (TANF), required employment for most mothers on welfare, even those with very young children (as young as three months of age). It also required teen parents to live in an approved supervised setting, preferably at home with their parents, and to participate in school or training to receive benefits. It also brought increased attention to the critical role of child care in supporting parents' employment and self-sufficiency as well as the healthy development and school readiness for children. The law's explicit goals include: preventing non-marital births, encouraging marriage and strengthening two-parent families.[1]

## Subject

Barbara Blum notes that research on child and family well-being became the primary focus of income security research in the 1990s. According to her, "During this period, an interesting cohort of studies was developing with a focus on the well-being of families and children and their behaviour during the period of welfare reform following the passage of PRWORA."[2] These are the studies whose findings are summarized here. The main studies and the reviews of research on the impact of the U.S. welfare reform legislation, focused on school-aged children and adolescents. Only one major U.S. study paid attention also to children aged birth to age four, largely two- to four-year-olds (the Three-Cities Study). A Canadian study (the Canadian Self Sufficiency Project) focused on very young children as well.

A major Manpower Demonstration and Research Corporation (MDRC) project, the Next Generation, is a collaboration between researchers at MDRC and several leading research universities and draws on 10 MDRC studies of the impact of welfare, anti-poverty, and

employment policies, using random assignment in a large controlled experiment, and does include preschool-age children aged two to five, but not infants.

**Problems**

While there have been dramatic changes in the lives of parents as welfare caseloads declined, more single mothers entered and remained in the labour force, and teen pregnancy and out-of-wedlock birth rates declined, the outcomes for children have changed very little. Poor children are especially badly off with outcomes such as lower levels of school involvement and higher levels of problem behaviours, whether or not their mothers are receiving welfare.

**Research Context and Key Research Questions**

The major reviews of the impact of a series of experimental welfare to work studies on the well-being of children were carried out by MDRC (Manpower Demonstration and Research Corporation).

Morris, et al. synthesized the results of five large-scale studies that together examined effects on children of 11 different employment-based welfare and anti-poverty programs aimed primarily at single-parent, mother-only families.[3] The focus was on identifying the program features that are associated with effects on children's school achievement, social behaviour, and health. The studies were begun before the enactment of the 1996 PRWORA, but the features studied were all included in the 1996 legislation and incorporated in many state laws. All the studies used a rigorous random assignment, experimental research design and the programs were classified on the basis of three features that were viewed as especially likely to affect the experiences of children in the participating families: earnings supplements; mandatory employment services; and time limits.

The review focused on pre-school and elementary-school aged children. Some attention was paid to adolescents but none to infants and toddlers, because there was an insufficient number of studies focused on these very young children.

This and a subsequent review[4] that focused specifically on adolescents, were carried out as part of the MDRC Next Generation project, an interdisciplinary collaboration among researchers from several organizations who reviewed the research on the impact of the welfare legislation on children.

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**Recent Research Results**

The Next Generation project provides evidence that income does have a positive impact on cognitive outcomes of very young children (2-5), as well as on their behaviour, health, and family well-being.Increased use of center-based child care, played a significant role as well. However, these positive effects are not large and appear to diminish over time, suggesting that reducing income poverty by itself is not sufficient to improve children's cognitive functioning.[3,4,5]

The major findings are:[3,4,5,6,7]

1. In general, there were no or weak impacts on children, but what impacts were found included both positive and negative impacts.
2. Most important, programs that provided earnings supplements to working parents and thus increased parental employment and family income – showed improved outcomes for children. In effect, there are consistently positive impacts; children do better if mothers work more and family income is higher. (This may suggest the importance of refundable tax credits and in-kind benefits as policies that could improve the economic situation of children and their families.)
3. Welfare and employment programs affect children differently depending on their age and developmental stage.
4. It is unclear whether it was income alone or some combination of income, employment, and center-based child care that led to the benefits for the very young.
5. When mothers worked in paid employment, elementary-school aged children's school achievement was higher than that of children whose families received traditional welfare. Adding mandatory employment services did not reduce the positive effects of earnings supplements on children.
6. A failure to increase both employment and income leads to negative impacts. Mandatory maternal employment without raising family income is not enough to achieve positive impacts.
7. Increases in mothers' education leads to better outcomes for children.
8. Two studies found negative impacts on adolescents – decreases in school achievement and increases in behaviour problems.

9. Time limits had no consistent impact, probably because it was too soon for time limits to take effect.

Judith Gueron, MDRC President, concluded that based on this review of research, "… policymakers face a choice between offering mandatory employment services without financial work supports, which increase parental employment and reduce welfare dependence but have only neutral effects on children, and providing financial work supports, which increase parental employment, boost family income, and benefit children but also raise government expenditures."[3]

A second MDRC monograph, reviewing and synthesizing the relevant research, focused on how policies directed at increasing employment among low-income parents affected their adolescent children.[4] Unlike elementary school-aged children, the teenagers fared worse than their control group counterparts. Although the effects were small, all three policies had negative effects on some adolescent outcomes, in particular, those adolescents with younger siblings. Possible factors leading to these negative outcomes include: mothers under stress may be harsher parents; teenagers may now be working more at home, caring for siblings; moms who are now working may have less time to supervise teens and may therefore need more access to supportive teen programs. The major findings reported in these two reviews held true for the Canadian Self Sufficiency study as well.[5]

In addition to the findings of the experimental studies summarized above, the Three City Study specifically focuses on the impact of welfare reform on the well-being of children and families.[6] This study is tracking 2,400 low-income families, about 40 percent of whom receive welfare in Boston, Chicago, and San Antonio. A primary focus is the health and development of children. The four-year project consists of three components: (1) A longitudinal survey of mothers and preschoolers (from birth to age four) and adolescents (10-14 years). (2) A developmental study of children ages of two and four that includes videotape interaction with their mothers, interviews with their fathers, and observations while at childcare settings; and (3) An ethnographic study of the three cities, which will provide a more in-depth picture of 215 families and show the influence of welfare reform on neighbourhood resources and state and local child services. The study is child-oriented. There is a focal child in each family, birth to age four or 10-14.

Researchers found that adolescents whose mothers are on welfare score an average of five points lower on cognitive achievement. On measures of emotional and behavioural problems, 42 percent of teenagers with mothers on welfare score in the range indicating a need for

psychological services.[7] They also found lower scores for quantitative/analytic skills for children of welfare mothers and recent welfare leavers, but no significant differences in scores for reading/pre-reading skills. The highest level of behavioural problems was also found among preschoolers of recent leavers. Behaviour problems are three times higher than national norms among children from families that have been sanctioned and left welfare.[7] A Kaiser Family Foundation Issue Brief by Levin-Epstein and Hutchins describes what is currently known about the PRWORA impact on three different groups of adolescents: teen parents, teenagers living in TANF households, and teens who are involved in TANF funded initiatives.[8] Evidence on the policies' impact on teens is limited and results are mixed. Neither teen co-residence with mothers or grandparents, nor linking benefits to school attendance, for example, had consistently negative or positive effects.

In short: Preschoolers and adolescents show patterns of cognitive achievement and problem behaviour that should be of concern to policy-makers. They are more at risk developmentally compared to middle-class children in national samples. Mothers' current or recent welfare participation is linked with poor cognitive achievement, and preschoolers of recent welfare leavers have the most elevated levels of problem behaviour. Preschoolers (and adolescents) in sanctioned families also show problematic cognitive and behavioural outcomes. Mothers' marital, educational, mental, and physical health status, as well as their parenting practices, seem to account for most of the welfare group differences.[6] More recent research suggests more positive outcomes for preschoolers aged two to five when increased family income is coupled with maternal employment.[4,5,7]

Though the impact on infants and toddlers was a top concern of advocates when welfare reform became law in 1996, data still remain too limited to permit definitive conclusions about how infants and toddlers are faring. available evidence reveals little systematic harm or benefit to very young children's later achievement or schooling when their mothers go to work, depending on the age of the child. There is some evidence that children younger than nine months have negative consequences when their mothers work full time.[9] In addition, there is some evidence from a six-city retrospective cohort study with cross-sectional surveys at urban medical centers, that terminating or reducing TANF benefits by sanctions, or decreasing benefits because of changes in income or expenses is associated with a greater probability that young children, under age three, will experience food insecurity and hospitalization.[10]

Probably the most extensive evaluation of program effects on very young children was undertaken in Canada's Self-Sufficiency Project (SSP), the voluntary earnings supplement program that had large initial effects on full-time employment and income.[5] Despite concerns that increases in full-time work would reduce parents' time with their young children, no effects on children were found either at the 36-month follow-up point, when a test of language comprehension was administered to the children who would then have been three to five years of age, or at the 54-month follow-up point, when parents were asked about their children's school performance. Nor were behavioural differences between the program and control groups found, based on maternal reports. According to Morris and Michalopoulos, “SSP did not affect test scores, social behaviour, emotional well-being, or health.”[5] However, maternal reports on children's development are not the ideal source of information for assessing very young children's development.

**Conclusions and Implications**

The horrible effects on children that some expected as a consequence of welfare reform did not occur but neither are there consistent positive effects. In short, the outcomes for school-aged children are positive; the outcomes for adolescents are negative; and the outcomes for infants/toddlers are as yet unknown.

We know especially little regarding the impact on infants and toddlers. The measures in these studies with regard to very young children are very limited and we have poor indicators regarding babies. Very little is known about how the youngest children are affected when their mothers are required to work as a condition of welfare receipt. We could learn a great deal from a systematic examination of any variations in impacts on infants and toddlers based on different policies concerning the age of the child when parents' work requirements begins (for example, varying when recipients are required to work from earlier to later in an infant's first year) and the number of hours of work required for recipients with infants and toddlers.

The fact that more very young children are being cared for in a variety of programs for long hours raises the issue of the quality in these early childhood education and care programs, especially, family day care. Most of the debate has focused on poor quality, but we also should pay more attention to the quality of programs that fosters children’s positive development.

We should explore further the possibility that programs that increase mothers' education may benefit children.

Finally, as Jodie Levin-Epstein and John Hutchins of CLASP point out, “Research to date suggests that TANF provisions have had mixed effects on the well-being and health of children and youth.” [8] One problem, they note, may be that the overall picture may be merging subgroups that are going in different directions – so it may require more refined analyses to discern differential impacts. The positive outcomes for the two- to five-year olds underscore this.

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# The Effects of Welfare Reforms on the Social and Emotional Development of Young Children

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## Introduction

Over the past 30 years, welfare and other public policies for families living in poverty have developed a primary objective of increasing parents' self-sufficiency by requiring and supporting employment. Fortunately, there is now consistent evidence from well-designed studies about whether promoting work among low-income single parents helps or hurts children, and under what conditions it does so. This paper summarizes the results on children from a set of research studies conducted over the last few years as part of MDRC's Next Generation project, relying on data from a set of welfare experiments aimed at increasing the self-sufficiency of low-income parents in the U.S. and Canada. Such research provides critical information to advance developmental research on the effects of changes in parents' employment and income on the development of low-income children, in addition to informing the decisions policy-makers will make as their welfare policies continue to evolve.

## Subject

In both the U.S. and Canada, federal governments have passed legislation turning welfare from an entitlement program to a federally funded block grant with considerable local discretion, although benefit levels in most Canadian provinces tend to be higher than in much of the U.S.[1] This legislation has given states and provinces considerable latitude in designing their welfare policies. At the same time, until relatively recently, there was little research on the effects of welfare policies on children to inform decisions policy-makers were making. Yet, because these changes encourage parental employment and, in some cases, attempt to increase family income as well, they may have important consequences for children.

Non-experimental developmental research would suggest that policies targeted at increasing employment among welfare recipients and sometimes increasing parents' income as well might

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affect children's development. For low-income families headed by single mothers, the associations between maternal employment and children's cognitive and social development tend to be neutral or positive, but much of this difference is a function of pre-existing differences between mothers who are or are not employed.[2,3,4,5] The effects of maternal employment on children's development also depend on the characteristics of employment – its quality, extent and timing – and on the child's age.[2,6,7] On the other hand, poverty has consistently negative associations with young children's development, but here, too, there is considerable controversy about the causal role of income *per se*, as opposed to other correlates of poverty.[8,9,10,11,12,13]

**Problems**

Despite the wealth of research on the economic determinants of children's well-being, non-experimental designs leave nagging doubts about biases in attempts to estimate the causal impacts of employment and income as they affect children's development. For this reason, it is difficult to know whether and how increases in employment and income brought about by welfare reform strategies are likely to affect children, and how these effects may differ across the childhood age span. Similarly, non-experimental research relying on natural variation in welfare policy over time or locale may have difficulty attributing any observed effects to welfare reform policy as compared with other factors that complement (or compensate for) changes in the public assistance system.

**Research Context**

The studies reviewed here represent a broad range of geographic areas in the United States and in two provinces in Canada. All were begun in the early to mid-1990s and evaluated with random assignment designs, and all were conducted to estimate the effects on low-income families of programs designed to increase parental employment. The studies can be characterized by three distinct policy components: 1) *earnings supplements* that are designed to make work more financially rewarding, either by increasing the earnings disregard (the amount of earnings that is not counted as income in calculating a family's welfare benefit) so that families can keep part of their welfare dollars when they go to work, or by providing supplements to families' earnings from outside the welfare system;[a] 2) *mandatory employment services* are requirements that recipients participate in employment-related activities as a condition of receiving their welfare benefits. The primary tool used to enforce participation mandates is sanctioning, whereby a recipient's welfare grant is reduced if she or he does not comply with program requirements;

and 3) *time limits* are intended to reduce welfare dependence, encouraging parents to work by limiting the length of time recipients are eligible to receive welfare benefits.

These policies were evaluated by using social policy experiments where welfare recipients, at application or redetermination for welfare benefits, were randomly assigned, using a lottery process, to an intervention group that receives the benefits and requirements of the new welfare policy or program or to a control group that remains subject to the status quo. This process of random assignment ensures that there are no systematic differences between the two groups at the beginning of the study and that any differences between the two groups observed later can confidently be attributed to the intervention being examined. These experiments, akin to medical clinical trials often conducted to test the effectiveness of a particular drug or treatment, are the most rigorous way to examine the effects of welfare policies on children.

**Key Research Questions**

Because all of these studies began prior to some of the major shifts in federal welfare policy in the U.S. and Canada, and because they do not reflect every welfare reform policy that states and provinces have implemented, they cannot answer the question, “Overall, how has welfare reform affected children?” However, the studies discussed here can answer several equally important questions for decision-makers as they look forward:

- Which welfare reform strategies are especially beneficial or harmful to children?
- Are there points in children’s development that represent particular sensitivity or vulnerability to welfare and employment policies?
- How can the welfare system be designed to reduce the disadvantages that low-income children and adolescents face?

**Recent Research Results**

Recent findings provide strong evidence that welfare reform policies can benefit younger children, when designed in ways to increase both the employment and the income of single parents. More specifically, for children who were of preschool and elementary-school age at the point of their parents’ random assignment to program and control groups, programs that were designed to increase both employment and income (through earnings supplements, like those in place in the Canadian Self-Sufficiency Project)[14] led to small, but consistently positive, effects, on

children's developmental outcomes.[15,16] By contrast, programs that encourage employment without earnings supplements (through mandatory approaches and, in one case, time limits) typically increase employment among parents (and reduce welfare use) but not their income, and have few and inconsistent effects on young children's development.[15,17] The benefits of earnings supplement programs appear to be most consistent for school achievement and cognitive test scores as compared to measures of children's social behaviour, although effects on social behaviour that are observed are positive as well. Finally, these benefits of earnings supplement programs for younger children appear to be sustained into the long term,[18,19] and appear to be due to the income increases brought about by these programs (as opposed to some combination of income and employment change).[20]

Notably, the pattern of effects for older children is much different than for their younger peers. For children who were pre-adolescent and in early adolescence at the beginning of these studies, negative impacts on schooling outcomes (e.g. grade repetition) are found, regardless of whether the program included earnings supplements or not.[21] These negative effects were most pronounced for adolescents with younger siblings, suggesting that single parents may have relied on their adolescents for the care of the younger children as they went to work, and these responsibilities may have impeded adolescents' schooling.

A more systematic examination of the effects of welfare policies across the childhood age span points to two sensitive periods of children's development – both of which are points of developmental transition – in which the effects of welfare and employment programs are strongest.[22] Because of the reorganization that occurs with developmental transitions,[23,24] children's development may be most open to change during these periods. More specifically, small positive effects of welfare and anti-poverty policies are found for children making the transition *into* middle childhood, and small negative effects of these same policies are found for children making the transition *out of* middle childhood and into early adolescence. Effects are more pronounced for generous earnings supplement policies than other welfare and employment strategies. These differing effects are not due to differences in economic impacts for parents with children of different ages, nor can they be attributed to family characteristics that differ for children of different ages.

**Conclusions**

These findings suggest that welfare policies that increase employment, but do not affect income, have few effects on young children. These findings are consistent with the generally neutral effects of maternal employment for low-income children found in the developmental literature, and should be reassuring to those concerned about the negative effects to children of requiring mothers to go to work.[b] In addition, these findings affirm that welfare reform can actually benefit young children. Welfare reforms that support work, and thus succeed in increasing income as well as employment, have positive effects on younger children. The benefits were particularly pronounced for preschool-aged as compared to middle childhood or adolescent children, and appear to be due to the income increase for parents that resulted from these income-support policies. Notably, however, a very different pattern of effects was observed for adolescent children – in which negative effects were observed on school progress, whether or not the policy increased parents' income. Finally, findings suggest that periods of developmental transition may be most sensitive to these changes in welfare reform policies.

**Implications**

This research has implications for developmental theory as well as for policy.

First, these findings suggest that increases in income may have a causal effect on the well-being of preschool-aged children (but not older children), answering a long-standing question of relevance to developmental psychology. The pattern of effects across child age is consistent with some of the non-experimental work in this area, as well as developmental theories suggesting that children's development is most malleable and most susceptible to family influences during the preschool period. For policy, this research suggests the potential of welfare policy to benefit young children living in poverty.  While the effects of welfare policies are not large, child development is only one of many possible goals for these adult-focused policies. Ensuring school readiness for all children probably requires that some receive preschool education intervention programs, independent of whatever welfare program might be present. But these results suggest that child impacts should figure into the cost/benefit calculus of income transfer programs. For policy-makers with an interest in using welfare policy to improve children's well-being, earnings supplements might be an important complement to programs aimed directly at improving the development of low-income children.

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**Notes:**

[a] The Canadian Self-Sufficiency Project used this latter form of earnings supplement to encourage work and increase income among long-term welfare recipients (Morris & Michalopoulos, 2003).

[b] Notably, in none of these studies did family income decline on average as a result of sanctions or time-limited welfare policies. Effects on children may be different in stricter policies that result in large income declines for low-income parents.

# Welfare Reform and Its Effects on the Social and Emotional Development of Young Children (Birth to Five Years): Comments on Morris and Kamerman

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## Introduction

The welfare reform legislation of 1996, as noted by Morris and Kamerman, overhauled Aid to Families with Dependent Children (AFDC) from a federal entitlement to a system that has become increasingly focused on encouraging and requiring very low-income parents to find jobs and stay employed. Mandatory work requirements and time limits remain the most hotly debated components of current federal and state TANF (Temporary Assistance for Needy Families) programs. Faced with meeting the dual goals of decreasing welfare roles and reducing public expenditure, and with helping families attain self-sufficiency, federal and state policy-makers have traditionally been focused on the implications of welfare reform policies on parental economic well-being and sometimes on their marital stability. How such policies might affect children is often of secondary concern during policy debates, and rightly so, since, with the exception of teen parents, welfare policies are not designed to directly target children. Fortunately, due to the foresight of and financial support from federal and state agencies and several private foundations, efforts were made just over a decade ago to collect information about the outcomes of children in welfare and low-income families in the context of welfare reform. Morris and Kamerman summarize several of the main findings in this emerging body of important research.

## Research and Conclusions

Morris summarizes findings on the effects of welfare policies on children's outcomes from a set of random assignment studies of welfare and employment programs that were originally conducted by MDRC and re-examined and synthesized as part of MDRC's Next Generation

project. As a group, these studies, which include the Milwaukee New Hope project and the Canadian Self-Sufficiency Project (SSP), tested three distinct policy components (earnings supplements, mandatory employment services and time limits). Taking place during the early 1990s, largely under federal welfare waivers, these studies were not designed to test 1996 welfare reform, but nevertheless did test policies that are key components in several current TANF programs. Because of the random assignment design of the studies, Morris rightly argues that these experiments provide some of the best evidence to date about the causal effects of welfare policies on children.  Morris should also acknowledge that in fact, because New Hope and SSP are included in this body of work, this summary of research goes above and beyond lessons for U.S. welfare policy and more generally applies to employment and income-support policies.

The key finding in this research is that welfare and employment programs that increase parental employment and income had small and consistently positive effects on the developmental outcomes of children who were preschool- and elementary school-aged at study entry. Programs that increased employment but not income had few and inconsistent effects on young children's development. These benefits of earnings supplement programs appear to be concentrated in school achievement and cognitive test scores and are sustained in the long term. In contrast, these same programs have unfavourable effects on the schooling outcomes of children who were in pre-adolescence and early adolescence at study entry. Further work shows that the small positive effects on achievement primarily occur for those children making the transition into middle childhood, whereas the small negative effects occur among those children making the transition out of middle childhood. These main conclusions are similar to complemented research conducted by the Project on State Level Child Outcomes (led by Child Trends).

That these particular programs, tested via well-implemented rigorous random assignment design, affected children in the ways summarized above is largely undisputable. Because of this, these findings have been widely disseminated and have had an enormous impact on the conceptual thinking behind welfare reform. However, experimental research has its limitations. Since the studies all took place during a particular time and place, the findings might not be applicable to a different context or environment.  In addition, this particular set of studies was not designed to appropriately measure the well-being of infants and toddlers, nor of adolescents (with the one exception of SSP as noted by Kamerman). Yet it is these two groups of children that policy-makers should be increasingly concerned about, given the potentially low quality and

instability of child care available for very young children and the unexpected hints of potentially negative effects among adolescents. Finally, the child outcomes collected in these studies are primarily based on maternal reports; though the random assignment design ensures that the effects are not biased by maternal perceptions, “what” these outcomes are actually capturing is a question, particularly with respect to children’s social behaviour.

Indeed, Kamerman touches upon many of these weaknesses of experimental research in her summary of findings to date, which includes the Morris et al. work as well as research conducted under the Three-Cities Study, a longitudinal study of low-income families in Boston, Chicago and San Antonio that collected detailed observational assessment as well as survey data on families and their preschool- and adolescent-aged children.  Kamerman’s conclusions have a slightly broader focus than those of Morris. In her view, the first major finding from the experimental research is that “there were no or weak impacts [of welfare programs] on children, but what impacts were found included both positive and negative impacts.” Across age groups and across a variety of outcomes, this main conclusion is an important one in that, as Kamerman notes, the detrimental, or “horrible,” effects on children that were expected as a consequence of welfare reform did not occur.  The substantial increases in maternal employment did not translate into equally substantial negative effects on their children.  This is true even for adolescents where the noted negative effects on achievement and grade repetition, for example, are quite small in magnitude.

Many of Kamerman’s other conclusions are similar to those of Morris with the exception of two. It is not clear from the experimental studies that a decrease or a neutral change in employment and income can lead to negative effects on children’s outcomes.  Time limits have not resulted in dramatic decreases in family income, possibly because of extensions and because families rely on informal support. The current set of experimental studies has also not clearly shown that increases in mother’s education can benefit children. How very low-income children are faring in general (poorly vis-à-vis their middle-income counterparts), and how transitions into and out of employment might affect very low-income children are two additional and important points that Kamerman makes, drawing on findings from the Three-Cities Study and related projects.

**Implications for Child Development and Policy**

These findings pose difficult trade-offs for policy-makers as they grapple with balancing budgets and providing a cohesive and comprehensive social safety net for low-income families and

children.  While one potential policy response is to develop strategies to increase both family income and employment, several open questions remain about whether and how increased income should be targeted (e.g. pure transfers or in-kind), about the role of child care for very young children and the role of institutions and social context for adolescents (as suggested in recent ethnographic research) and how these policy responses can be sustained under tight budget constraints.  The next wave of non-experimental research is positioned to tackle these questions, with more experimental studies potentially becoming available. This next wave of research should also focus appropriately on collecting more and better measures of social development, understand how children are affected across their various stages of development from infancy to young adulthood and strive to improve upon the application of developmental theory to inform hypotheses about the effects of welfare and employment policy across domains of children’s development.