ENCYCLOPEDIA
on Early Childhood
Development

Welfare Reform and the Impact on Children

Sheila B. Kamerman, DSW

Compton Foundation Centennial Professor, Columbia University, School of Social Work, USA

February 2008, 3e éd. rév.

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

©2008-2026 ABILIO | WELFARE REFORM

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.

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.

©2008-2026 ABILIO | WELFARE REFORM

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.

References

1. *The Green Book 2004*. Washington, D.C.: Committee on Ways and Means, U.S. House of Representatives; 2004. WMCP 108-6. Available at: http://waysandmeans.house.gov/Documents.asp?section=813. Accessed July 26, 2004.
2. Blum B. The evolution of income security research – 1968-2003. *the forum* 2004;7(2):1-6. Available at: http://www.researchforum.org/media/forum72.pdf. Accessed July 26, 2004.
3. Morris PA, Huston AC, Duncan GJ, Crosby DA, Bos JM. *How welfare and work policies affect children: A synthesis of research*. New York, NY: Manpower Demonstration Research Corp.; 2001. Available at: http://www.mdrc.org/publications/100/execsum.html. Accessed July 26, 2004.
4. Gennetian LA, Duncan GJ, Knox VW, Vargas WG, Clark-Kauffman E, London AS. *How welfare and work policies for parents affect adolescents: A synthesis of research*. New York, NY: Manpower Demonstration Research Corp.; 2002. Available at: http://www.mdrc.org/publications/69/overview.html. Accessed July 26, 2004.
5. Morris P, Michalopoulos C. *The Self-Sufficiency Project at 36 months: Effects on children of a program that increased parental employment and income*. Ottawa, Ontario: Social Research Demonstration Corporation; 2000. Available at: http://www.srdc.org/uploads/EngSSPChildOutcomes.pdf. Accessed October 25, 2007.
6. The Research Forum at the National Centre for Children in Poverty. Welfare, Children, and Families: A Three-City Study: Welfare Reform: What About the Children?Available at: http://www.researchforum.org/project_findings_19.html. Accessed July 27, 2004. [See also: Children, families and welfare reform: A three-city study; Grant Results Report; December, 2004.]
7. Information for Decision Making. Welfare Information Network. Meeting summaries: Welfare reform and child outcomes (2/22/2002).

©2008-2026 ABILIO | WELFARE REFORM

8. Levin-Epstein J, Hutchins J. *Issue Brief - Teens and TANF: How adolescents fare under the nation's welfare program* .Washington, DC: The Henry J. Kaiser Family Foundation; 2003. Available at: http://www.kff.org/womenshealth/3390-index.cfm. Accessed July 27, 2004.

9. Waldfogel J, Brooks-GunnJ, Han WJ. Early maternal employment's effects on children. *Joint Center for Poverty Research - Poverty Research News* 2002;6(2):8-10. Available at: http://www.jcpr.org/newsletters/vol6_no2/index.html. Accessed July 27, 2004.

10. Cook JT, Frank DA, Berkowitz C, Black MM, Casey PH, Cutts DB, Meyers AF, Zaldivar N, Skalicky A, Levenson S, Heeren T. Welfare reform and the health of young children: A sentinel survey in 6 US cities. *Archives of Pediatrics and Adolescent Medicine* 2002; 156(7):678-684.

©2008-2026 ABILIO | WELFARE REFORM