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Children and Welfare Reform Reauthorization: A Golden Opportunity or a Missed Opportunity?

The good news about the 1996 welfare reform is:

- More families are off of welfare, more parents are working, and child poverty has declined.
- There appears to be an increase in two-parent households. However, much of the change seems related to increases in cohabitation, not marriage.
- Rates of nonmarital childbearing have stopped rising and rates of teen childbearing are falling. However, it is the decline in the teen childbearing that has caused the nonmarital birth rate to stabilize; birth rates among single women in their twenties have been rising.

Meeting the needs of poor children is the unfinished business of welfare reform.

- There have been dramatic changes in the lives of parents but little change in child outcomes. There is no pattern of either solid improvement or substantial decline for children nationally.
- Low-income children – including children touched by welfare reform – continue to lag far behind all other children on these measures.
- Many families may be making more money than they did on welfare, but many still remain near the poverty line.

Welfare-to-work programs often resulted in no, or only weak, patterns of impacts for young, school-aged children. But, for specific groups of children and families, welfare-to-work programs have had both favorable and unfavorable impacts.

- **Favorable impacts were found:**
 - When welfare-to-work programs resulted in both increases in employment by mothers *and* increases in family income, children fared better on behavioral outcomes and cognitive and academic development. *This finding suggests that wage supplements, earned income credits, and other means of raising the income of working poor parents are a good investment in children's well-being, when they result in sustained improvements in income.*
 - When welfare-to-work programs led to an increase in mothers' educational attainment, some groups of children did better on cognitive outcomes. *This finding suggests that, for at least some groups, investments in maternal education may be an important buffer for their children.*
- **Unfavorable impacts occurred:**
 - When welfare-to-work programs did not lead to increases in employment *and* in family income, or when families experienced setbacks in employment and/or income.
 - Among children in families new to the welfare system (sometimes even when children of long-term recipients showed positive impacts). *Policy and program options for new welfare families may need to address recent job loss, domestic violence, or loss of a spouse. Supports for long-term recipients may need to address serious health or mental health conditions, limited education, lack of transportation or child care.*

- **Unfavorable impacts occurred (cont'd):**
 - Among adolescents whose parents were moving from welfare to work. Teens whose parents were enrolled in welfare-to-work programs sometimes did worse in school and had more problem behaviors. These behavior problems included smoking, drinking, drug use, and delinquency. Some possible policy and program options could include:
 - *Providing social or family supports for newly employed parents so they can better focus on parenting their teens.*
 - *Improved child care options for young siblings, to reduce the burden on adolescents.*
 - *Increased after-school activities for adolescents.*

Welfare reform can be an opportunity to improve child well-being if investments in children are guided by research.

- Research indicates that investments in high-quality early childhood educational programs can improve outcomes for poor children. Policy options here include going beyond just providing child care so that mothers can work; investing in early childhood development programs for young children; and retaining the child care money for quality enhancements.
- Continue the reduction in teen childbearing. Research indicate that both more abstinence and more contraception by teens have played crucial roles in the drop in the teen birth rate so far.
- Evaluations of welfare-to-work programs indicate that different groups of families on welfare have different needs. Policy options include giving states the flexibility and funding to craft different responses to families in different circumstances.
- Research confirms that children develop best in families formed by both biological parents in a low-conflict marriage. However, more research is needed into how to form and maintain strong, healthy marriages.
- In order to determine how children are faring under welfare reform, include specific child outcomes in the ongoing monitoring of the policy.
- All of these policy and research options cost money, therefore funding for the welfare block grant and child care should at least be maintained at inflation-adjusted levels.

As we approach the next phase of welfare reform, Congress and the states have an opportunity to complete the task of welfare reform by focusing specifically and directly on what research tells us helps children.

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