Long-Term Welfare Dependence

INDICATORS ON CHILDREN AND YOUTH

Updated: August 2013
Between 1999 and 2008, nearly three-quarters of children whose families had ever received welfare (TANF) received those benefits for one or two of those years, and less than ten percent received them for six or more of those years.

**Importance**

The Temporary Assistance for Needy Families (TANF) program succeeded the Aid to Families with Dependent Children (AFDC) program in 1996, as part of federal welfare reform. Among other changes, welfare is no longer an entitlement, and adult recipients in most cases are required to work at least part-time to continue receiving benefits. Additionally, federal funds can only be used to provide adult recipients with benefits for up to five years, although some states set a shorter cap.¹ States set TANF benefit levels, and they vary widely. Additional information on current state policies is available at [http://anfdata.urban.org/wrd/databook.cfm](http://anfdata.urban.org/wrd/databook.cfm).

Although current rules prohibit adults from receiving federal TANF benefits for more than five years, children continue to be eligible under certain circumstances, such as when they are cared for by a relative (who is not a parent). In some states, such as California, children continue to be eligible after a parent reaches her lifetime cap. A “child-only” benefit provides a significantly smaller level of aid, compared with a family benefit.²

Although a causal relationship is unclear, long-term receipt of welfare is associated with a number of negative outcomes for children, including fewer years of schooling completed, lower academic test scores, difficulties in the labor market as an adult, and greater risk of welfare receipt as an adult.³⁴⁵ Once other possible explanations are taken into account, such as local economic indicators and state policies, most associations between long-term welfare receipt in childhood and negative outcomes disappear (with the exception of employment difficulties for adults), and in some cases positive results are associated with this history.⁶
Trends

During the period 1999 to 2008, young children (ages five and younger in 1999) whose families received welfare benefits were much less likely to receive support from the program for many years, and more likely to receive benefits for just one or two of those years, compared with the period 1969 to 1978. From 1969 to 1978, 33 percent of children ages five and younger in 1969 received benefits for less than three years, 28 percent received benefits for three to five years, and 38 percent received welfare payments for six or more of those years. Between 1989 and 1998, the proportion receiving benefits for one or two years increased slightly, to 40 percent, while those receiving benefits for six or more years decreased slightly, to 32 percent. By 1999–2008, only eight percent of children received benefits for six or more of those ten years, while 73 percent received benefits for less than three. (Figure 1)

Even for those children in TANF for more than three years, that time may not have been in a single block. In 2004, Nearly half (48 percent) of spells in TANF among children under six lasted four months or less, and another 22 percent lasted between five and twelve months. Eighty-two percent of spells in TANF for that age group lasted less than 20 months.
Differences by Race and Hispanic Origin

Non-Hispanic black children are about twice as likely as non-Hispanic white children to receive benefits for more than five years, a difference that has changed little in four decades. Between 1969–1978, among children ages birth to five (in 1969) receiving any welfare payment during the decade, black children were more likely to receive benefits for the majority of that period (six or more years) than were white children (52 and 30 percent respectively). Between 1989 and 1998, the proportions were 44 and 18 percent, among black and white children, respectively, and between 1999 and 2008 the proportions were 15 and seven percent, respectively. (Figure 2)


State and Local Estimates
None available.

International Estimates
None available.

National Goals
None.

What Works to Make Progress on This Indicator


- The Self Sufficiency Research Clearinghouse has extensive resources on strategies to help families become economically self-sufficient. These are available at: https://www.opressrc.org/

Related Indicators

- Food insecurity: [www.childtrends.org/?indicators=food-insecurity](www.childtrends.org/?indicators=food-insecurity)
- Long-Term Poverty (archived): [www.childtrends.org/?indicators=8282-2](www.childtrends.org/?indicators=8282-2)

Definition

The term “welfare” in this report includes the federal AFDC and TANF programs, both of which have provided cash aid to needy families. In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (Public Law 104-193) repealed the Aid for Families with Dependent Children (AFDC) program and created the Temporary Assistance for Needy Families program in its place. The stated purposes of TANF are to: (1) provide assistance to needy families so that children may be cared for either in their own homes or in the homes of relatives; (2) end welfare dependence by promoting preparation for jobs, work, and marriage; (3) prevent and reduce nonmarital pregnancies; and (4) encourage the formation and preservation of two-parent families.9

This indicator examines the proportion of children in families receiving AFDC/TANF payments who, over the course of ten years, spent 1-2 years, 3-5 years, 6-8 years, and 9-10 years receiving payments. The times during which children received benefits may not have been in consecutive years. The cohort of children observed during each 10-year period includes only those who were under the age of six at the beginning of the period.
Data Source


Raw Data Source


http://www.isr.umich.edu/src/psid/
### Appendix 1 - Among Children\(^1\) in Families Receiving AFDC/TANF, Percentage Receiving Benefits for Selected Numbers of Years, by Race: 1969-2008

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<td>Non-Hispanic Whites</td>
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<td>47.4</td>
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<td>Non-Hispanic Blacks</td>
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<td>20.8</td>
<td>33.0</td>
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<tr>
<td>Received Benefits for 3-5 Years(^2)</td>
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<td>25.0</td>
<td>27.1</td>
<td>18.4</td>
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<tr>
<td>Non-Hispanic Whites</td>
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<td>23.3</td>
<td>31.3</td>
<td>15.2</td>
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<tr>
<td>Non-Hispanic Blacks</td>
<td>28.8</td>
<td>27.7</td>
<td>23.3</td>
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<tr>
<td>Received Benefits for 6-8 Years(^2)</td>
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<td>18.4</td>
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<tr>
<td>Non-Hispanic Whites</td>
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<td>5.2</td>
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<tr>
<td>Non-Hispanic Blacks</td>
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<td>23.0</td>
<td>24.4</td>
<td>9.1</td>
</tr>
<tr>
<td>Received Benefits for 9-10 Years(^2)</td>
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<td>Non-Hispanic Blacks</td>
<td>23.5</td>
<td>28.5</td>
<td>19.3</td>
<td>5.8</td>
</tr>
</tbody>
</table>

Note: The base for the percentages consists of all individuals receiving at least $1 of AFDC/TANF in any year in the ten-year period. Child recipients are defined by age in the first year of the 10-year period. This measure does not take into account years of dependency that may have occurred before or after the ten-year period.

\(^1\)Children include all children who were younger than six years in the first year of the period.

\(^2\)Includes other races not listed separately.

Endnotes


6 Ibid.


8 Hispanics may be any race. Estimates for whites and blacks do not include Hispanics of that race.