
Executive Summary

Reforming the welfare system inevitably arouses passion and rhetoric. While many can agree on flaws in the current system, arriving at a consensus regarding solutions traditionally has proven extraordinarily difficult. One reason is that the welfare population is quite diverse. This briefing report begins with a paper by Thomas Corbett which describes why welfare is so hard to reform, with special attention to the diversity of welfare recipients. Two special segments of the welfare populations are discussed in the following two papers by Rebecca Maynard and Karen Bogenschneider.

Welfare, the Aid to Families with Dependent Children (AFDC) Program in particular, is unpopular. As many as 90% of respondents in some polls call for reform.

Why is it so unpopular? In part, it's the logic of welfare: benefits can be received in the absence of work and the rate at which benefits are reduced in the face of earnings substantially exceeds the rate imposed on other members of society. Looking closely, we can easily see that the problems with welfare emerge from efforts to apply sound policy principles: (a) narrow *targeting* of benefits to the income and asset poor and to children in a way that punishes work and which may tacitly encourage unwise fertility decisions; (b) permitting state *flexibility* that fosters a form of interstate competition resulting in a dramatic drop in benefits; and (c) the introduction of program *accountability* systems that push the "culture" of welfare offices toward getting the checks out accurately rather than getting recipients into mainstream society.

Why can't we change it easily? Several reasons. First, we cannot agree on the goal of reform. Are we trying to reduce economic insecurity of children, or the dependence on public transfer of their parents? Second, we cannot agree on the nature of the problem. Those who take a "hard" position often situate the problem within the individual, whereas the "softs" emphasize institutional and structural factors bearing on the individual. And we cannot agree on the solutions. Witness the fact that over 20 separate welfare reform bills were introduced in the 103rd Congress.

Who is right? Despite the fact that the debate often is cast in oppositional terms, welfare is one public policy area where both sides are right, and both sides are wrong. The disputants tend to engage in what we call perceptual reductionism—taking part of the welfare population and assuming it represents the whole. Starting with simple images, we are easily led through simple theories to "silver bullet" solutions. In reality, the welfare population is quite heterogeneous and the answer to the welfare dilemma quite complex.

Teenage parents and former teenage parents represent the majority of welfare recipients and consume the majority of welfare benefits. A decade of research on teenage childbearing provides important lessons that can shape the next generation of welfare reform. For example, employment has proven the surest means of escape from welfare and poverty; the mandatory Teenage Parent Welfare Demonstration reduced welfare dependency at modest cost by increasing education, job training, and employment. Moreover, the demonstration proved it is possible to change the culture of welfare among teenage parents and welfare caseworkers through programs that mandate participation and provide extensive support services.

These mandatory programs need not be harmful to children. Holding case managers accountable for addressing client needs can lead to increased support for teen parents and their children. Moreover, teen parents generally view the mandates as fair, when accompanied by extensive support. Child care and transportation are essential for promoting education and employment and are less costly than generally assumed.

The final paper focuses on yet another segment of the welfare population—the children in welfare families. The current debate on welfare reform has been primarily one-generational, focusing to a large extent on reducing dependency among parents, with much less attention to the well-being of children. Yet, studies suggest experiencing long bouts of poverty as a child lowers one’s chances of escaping poverty as an adult. Thus, welfare reform might benefit from what is known as a two-generational approach that addresses the needs of both parents and children.

Two-generational approaches have a dual focus on breadwinner strategies designed to improve parents’ employability and self-sufficiency, along with caregiving strategies which improve parents’ abilities to promote children’s well-being. Improving parents’ education and employability may benefit children if parents’ employment lifts the family out of poverty. Moreover, the evidence suggests that early childhood education programs combined with family support may benefit children’s well-being and reduce the odds of dependency in the next generation.

Investments in parents’ self-sufficiency may well be squandered if welfare reform ignores the future prospects of children in these families. Yet, the effectiveness of two-generational programs is not well studied. The paper describes two approaches for designing two-generational programs—new models that substantially reform service delivery systems, and the less costly collaborations of existing programs and services for at-risk children and families. The paper concludes by identifying several influences on children’s development that policymakers may want to consider when designing welfare policies—family income, the parents’ education, the quality of child care, the mother’s psychological state, the parents’ social network, and the quality of parenting and the home environment.