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**Wisconsin Family Impact Seminars  
Briefing Report**

**Welfare Reform:  
Can Government Promote Self-Sufficiency  
While Ensuring the Well-Being of Children?**



**University of Wisconsin-Extension  
Center for Excellence in Family Studies  
School of Human Ecology  
University of Wisconsin-Madison**

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# **Welfare Reform: Can Government Promote Parental Self-Sufficiency While Ensuring the Well-Being of Children?**

*Second Edition*

**Wisconsin Family Impact Seminars  
Briefing Report**

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**University of Wisconsin-Extension  
Center for Excellence in Family Studies  
School of Human Ecology  
University of Wisconsin-Madison**

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## Wisconsin Family Impact Seminars

“Welfare Reform: Can Government Promote Parental Self-Sufficiency While Ensuring the Well-Being of Children” is the fifth seminar in a series designed to bring a family focus to policymaking. This seminar featured the following speakers:

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Family Impact Seminars have been well-received in Washington, D.C., by federal policymakers, and Wisconsin is one of the first states to sponsor the seminars for state policymakers. Family Impact Seminars provide state-of-the-art research on current family issues for state legislators and their aides, Governor’s Office staff, state agency representatives, educators, and service providers. Based on a growing realization that one of the best ways to help individuals is by strengthening their families, Family Impact Seminars analyze the consequences an issue, policy, or program may have for families.

The seminars are based on a set of six guiding family principles developed by the Family Criteria (Ad Hoc) Task Force. These principles and an accompanying series of family impact questions can be used to assess the impact of policies and programs on family well-being.

- ~ Family support and responsibilities—Strengthen families’ abilities to manage and fulfill their own functions and provide substitute services only as a last resort.
- ~ Family membership and stability—Reinforce family, parental, and marital commitment and stability, especially when children are involved.
- ~ Family involvement and interdependence—Recognize the strength and persistence of family ties, and the wealth of resources that families can mobilize to help their members.
- ~ Family partnership and empowerment—Treat families as partners when providing services to each individual.
- ~ Family diversity—Recognize the diversity of family life and do not penalize families solely for reasons of structure, roles, cultural values, or life stage.
- ~ Targeting vulnerable families—Give top priorities to families in greatest economic need, social need, or those most vulnerable to breakdown.

For further information on the seminar series, contact director, Karen Bogenschneider, Associate Professor, UW-Madison/Extension, or Research Assistant Jonathan Olson:

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Each seminar is accompanied by an in-depth briefing report that summarizes the latest research on a topic and identifies policy options from across the political spectrum. Copies are available at Extension Publications, 630 West Mifflin Street, Room 170, Madison, WI 53703, (608) 262-3346 (voice and TDD); (608) 265-8052 (fax).

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| “Building Policies That Put Families First:<br>A Wisconsin Perspective”                                       | March 1993   |
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| “Promising Approaches for Addressing Juvenile Crime”  | May 1994     |
| “Welfare Reform: Can Government Promote Parental Self-Sufficiency While Ensuring the Well-Being of Children?” | January 1995 |

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## Executive Summary

**R**eforming 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.



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# Why Welfare Is Still So Hard to Reform

*Thomas Corbett*

**O**ver the past decade (at least) we have witnessed major changes in the conceptual and political consensus that supports public assistance policy in the United States. In consequence, the nature of that policy has changed dramatically. The evolving consensus includes

- ❖ renewed emphasis on the obligation of recipients of public assistance to seek employment and behave in ways consistent with an independent lifestyle;
- ❖ reorientation of welfare operations from an entitlement orientation to an emphasis upon the transition of recipients from welfare dependence to self-support;
- ❖ recognition of the role of services and support for adults both within welfare and outside of welfare in facilitating the exodus of adults from welfare by means of employment; and
- ❖ appreciation of the importance of local public assistance agencies in the operation of welfare employment programs and as sources of innovation.

This evolution in the culture of welfare assumes that something is very wrong with our current approach to helping the poor. There are about 75 programs that are income tested in the United States. Welfare, in the minds of most, has become synonymous with the Aid to Families with Dependent Children (AFDC) program, created in 1935 as Title IV of the Social Security Act.

A quarter century after its inception, AFDC remained a relatively modest and obscure program. In 1960, less than 1 child in 25 received AFDC in a typical month, although more than 1 child in 4 would have been considered poor by today's standards. In consequence, only about 13% of all poor children received AFDC. The typical grant at that time was about \$108 per month. Total expenditures on benefits of a little over \$1 billion went to some 800,000 families.

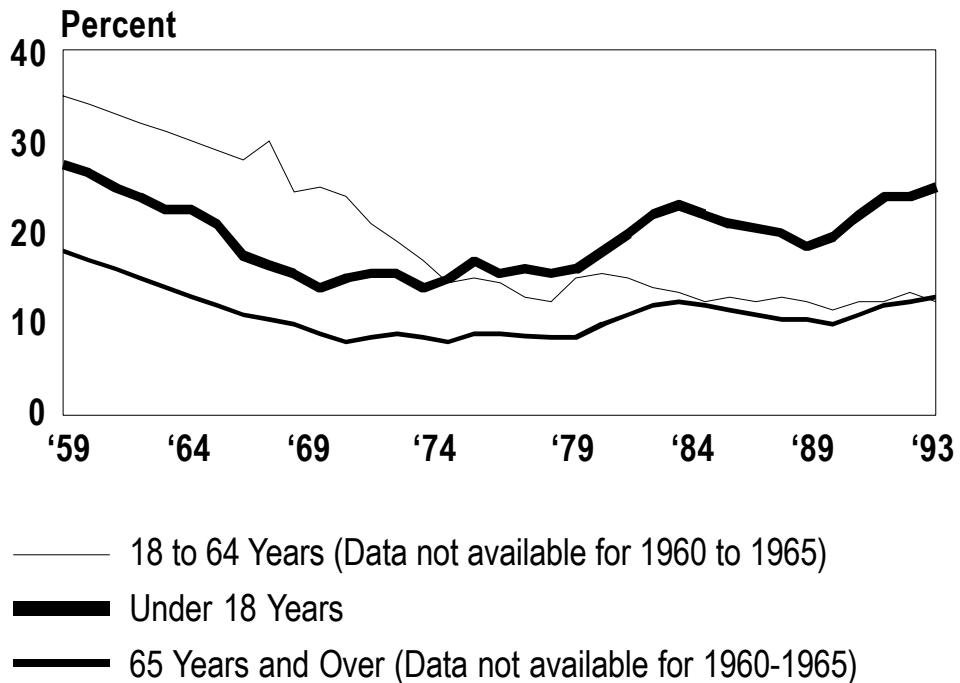
By 1992, however, over 14% of all children and over 60% of all poor children were receiving AFDC in any given month. The program provided benefits to a monthly average of almost 5 million families (14.2 million individuals, two-thirds of whom were children). The AFDC caseload now represents about 5% of the total resident U.S. population.

***The AFDC case-load now represents about 14% of all children.***

***AFDC gradually became a symbol for all that is wrong with the welfare state.***

What had been a small and noncontroversial provision of the Social Security Act gradually became a symbol for all that is wrong with the welfare state. In effect, the program persisted as the world changed. The composition of the caseload was transformed from one that easily evoked sympathy and concern to one that generated apathy at best, antipathy at worst. In the early 1940s, there were as many widows on ADC as there were women who were divorced, separated, or unmarried. The number of widows on the rolls dropped by a third by the end of that decade and constituted about 7% of the caseload by the early 1960s. Second, societal expectations about the role of women changed dramatically. Following World War II, less than 20% of mothers worked; now two-thirds of women with children are in the labor force. Third, a demographic earthquake has occurred in recent decades. The number of children in single-parent homes rose from about 8% in 1960 to over 25% today. Births to unmarried women increased from about 5% of all births in 1960 to 11% in 1970 to 18% in 1980 to about 30% at present. Demographers estimate that over half of all children born today will spend some of their childhood in a single-parent home. Finally, poverty among children has worsened. In 1993, 15.7 million children lived in poverty, yet in 1978 the number of poor children was less than 10 million. (See Figure 1 for poverty trends over time.)

**Figure 1. Poverty Rates, by Age: 1959–1993**



## The Failure of Welfare

Conservatives believe that AFDC destroys initiative and discourages work and marriage. Liberals argue that it offers inadequate benefits while robbing individuals of their dignity and self-esteem. Recipients feel degraded and trapped by a system that offers no reward for their efforts to be self-sufficient and that gives them little control over their lives. Taxpayers increasingly decry spending what appears to be an increasing amount on a program from which they see few positive results. Few, it would appear, defend the system. A 1992 national survey found that 9 of 10 Americans believed that the welfare system should be changed. This opinion was held by Blacks (81%) and Whites (92%), conservatives (92%) and liberals (89%), and the more affluent (93%) and the less affluent (87%). Republicans and Democrats responded in like fashion (both at 89%).

Why is it so unpopular? The short answer is that welfare is fatally flawed as an antipoverty strategy. That flaw is observed in the very concept of a welfare program. Basically, welfare programs are public transfers with two distinguishing characteristics: (a) the benefits can be received in the absence of work, and (b) the rate at which benefits are reduced in the face of earnings substantially exceeds the rate we would dare impose on other members of society.

Consider the second point. Few would consider raising the highest federal income tax rate to 50%—essentially the rate that existed prior to the last major overhaul of the tax system in 1986. Rates such as 70%, which existed in the 1960s, and 90+%, which were in effect after World War II, seem confiscatory in the current political environment. Yet, if an AFDC client works long enough but does not earn enough to get off assistance, she can lose one dollar in benefits for every dollar she earns. Economists call this a 100% marginal tax rate.

In fact, the work disincentive imposed by the high marginal tax rates that characterize welfare is only the tip of the iceberg. An AFDC recipient who works might lose access to health care for her children if she is successful in working her way off assistance in a job where the employer does not provide health benefits. She might face significant difficulties in finding or keeping quality child care. And certainly, a working recipient must continually (usually monthly) report a variety of work-related data to a system obsessed with the accuracy of the benefits issued.

When potential applicants walk into a welfare office, they typically confront a hostile “culture.” Staff are neither trained nor rewarded for helping welfare applicants or recipients achieve economic self-sufficiency and personal independence. Rarely, if ever, does anyone ask clients what they need or how the system can help. The interaction between worker and client is routine and adversarial. Information is processed and institutional antennae are tilted toward screening out the

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unworthy and detecting fraud and abuse. It is difficult to integrate the roles of cop, or protector of the public purse, and people-changer, even in a “tough love” program.

The closer we look into the logic and structure of welfare, the more problems we uncover. The underlying structure of welfare is seen as creating an array of perverse outcomes—the unintentional consequences of policies enacted with the best of intentions. These adverse outcomes are the consequence of applying to welfare what in most situations would be considered quite appropriate principles—target efficiency, flexibility (or local discretion), and accountability.

When resources are scarce, it seems sensible to target benefits on certain categories of individuals (e.g., single-parent families and children) and income classes (the asset and income poor) that are most in need. The effort to achieve target efficiency, however, can often breed unintended consequences. AFDC may deter marriage or foster the breakup of existing marriages because benefits are targeted on one-parent families. It may create incentives to make counterproductive choices concerning child-bearing and family formation. A teenager can obtain her own grant, and perhaps establish her own household, by having a child. Because grants are conditioned on family size, many believe that women have additional children to increase their income; this perception persists although the average size of families receiving AFDC fell from four persons to less than three between 1970 and 1992. Savings and asset accumulation are discouraged by the program. AFDC rules render ineligible those who have or accumulate cash assets or own a vehicle of value. And AFDC creates incentives for absent parents to avoid their financial and perhaps other responsibilities to their offspring. Non-custodial parents may assume that AFDC will take care of the children with whom they do not reside. And when a mother receives AFDC, a portion of any financial contributions made by the nonresident parent largely goes to offset AFDC costs, and not to help their children.

From the beginning, the federal government has been flexible with respect to AFDC, allowing states to make key decisions about program design and administration. As a result, important aspects of the program differ from state to state. Benefit levels, for example, evolved to be much higher in some states than in others. In recent years, legislators in high-benefit states have become concerned that poor families are moving to their states to take advantage of those benefits. In consequence they are permitting their benefits to fall behind inflation. Low-benefit states, not wanting to lose position in the queue of states ranked by the generosity of the AFDC guarantee, also permit their benefit levels to fall. The net result is that the AFDC guarantee for a three-person family in a typical state now comes to less than 40% of the poverty threshold.

The attempt to introduce accountability into welfare has had unintended consequences. For the past two decades, the dominant administrative goals have been getting benefits out accurately (no agency error or client abuse) and efficiently

(lowest possible administrative cost). In striving to meet these two goals the welfare system has subordinated the needs of its clients, becoming more concerned with processing data than with helping the poor. This is most evident in the case of recipients who want to work while on welfare. AFDC cases involving adults who combine work and welfare are, by definition, complex and error prone. Program staff must continually monitor data on earnings and other matters related to employment (e.g., child care) and make appropriate calculations. Given the emphasis on accuracy and efficiency, hard-pressed welfare workers may actually discourage clients from working in order to keep their cases simple and manageable.

Targeting, flexibility, and accountability seem like reasonable principles, but create incentives for the client and the system to act in counter-productive ways.

### Thinking About Reform

Despite the flaws, AFDC has endured because reform raises very difficult policy choices. Every dialogue on welfare reform inevitably confronts two policy challenges: (a) how to alleviate poverty, particularly among children; and (b) how to minimize welfare dependency, a concern particularly directed at their adult caretakers. Society is concerned about the condition of poor children, to whom no blame is assigned for their plight. At the same time, society has mixed feelings about the parents, toward whom some responsibility for the family's economic situation is assigned.

By any measure, U.S. children experience distressingly high rates of economic vulnerability. More than one child in five (22.7%), and one in four under the age of six, are poor. Some 40% of all the poor are children. Simple comparisons place the issue of child poverty in perspective:

- ❖ *Across groups:* The poverty rate among children in 1993 was 10 percentage points higher than the rates among prime-aged adults and the elderly. Few societies have permitted children to experience such relative economic vulnerability.
- ❖ *Over time:* The child poverty rate was almost halved between 1959 and the mid-1970s. Progress then stalled. Beginning in the late 1970s, child poverty began to increase and has remained quite high. The rate has risen by over one-third in the last 15 years.
- ❖ *With other advanced nations:* By the mid-1980s, child poverty in the United States was more than twice that of Canada, almost 3 times that of the United Kingdom, 4 times the French rate, and over 10 times the Swedish rate. In short, child impoverishment was greater in the United States than in other industrialized countries. (See Figure 2.)

**Some 40% of  
all the poor  
are children.**

**Figure 2. Relative Poverty Rates Among Children, Adults, and the Elderly in Six Industrialized Countries**

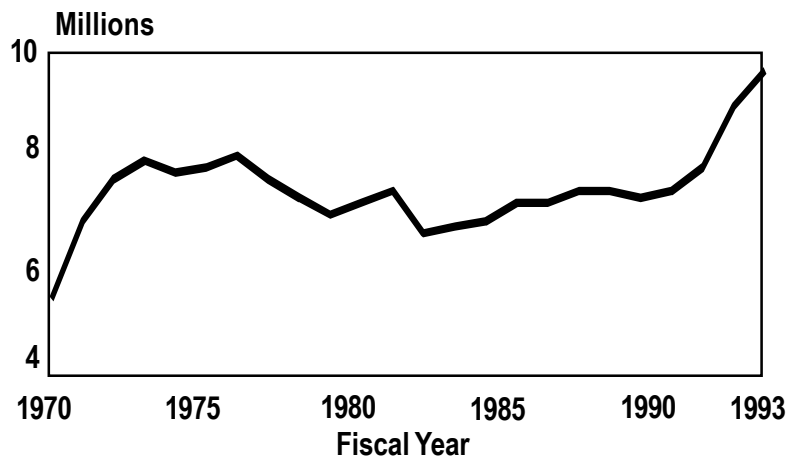
| Country (Year of survey) | Working-age |        |         | Overall |
|--------------------------|-------------|--------|---------|---------|
|                          | Children    | Adults | Elderly |         |
| Sweden (1987)            | 1.6%        | 6.6%   | 0.7%    | 4.3%    |
| West Germany (1984)      | 2.8%        | 2.6%   | 3.8%    | 2.8%    |
| France (1984)            | 4.6%        | 5.2%   | 0.7%    | 4.5%    |
| United Kingdom (1986)    | 7.4%        | 5.3%   | 1.0%    | 5.2%    |
| Canada (1987)            | 9.3%        | 7.0%   | 2.2%    | 7.0%    |
| United States (1986)     | 20.4%       | 10.5%  | 10.9%   | 13.3%   |

*Note.* Income includes all forms of cash and near-cash income, such as food stamps, minus national income and payroll taxes. Income is adjusted for family size using the U.S. poverty line equivalence scale. Persons defined as poor have incomes below 40% of the national median income. From Smeeding, T. (1992, January–February). Why the U.S. antipoverty system doesn't work very well. *Challenge* 35, 30–35.

At the same time that child poverty is getting worse, more children and their adult caretakers are depending on AFDC.

- ❖ The number of children receiving AFDC benefits remained relatively stable between 1971 and 1989, at 7.3 million. By July 1993, that number had increased by almost one-third, to about 9.6 million. (See Figure 3.)

**Figure 3. Child Recipients of AFDC: 1970–1993**

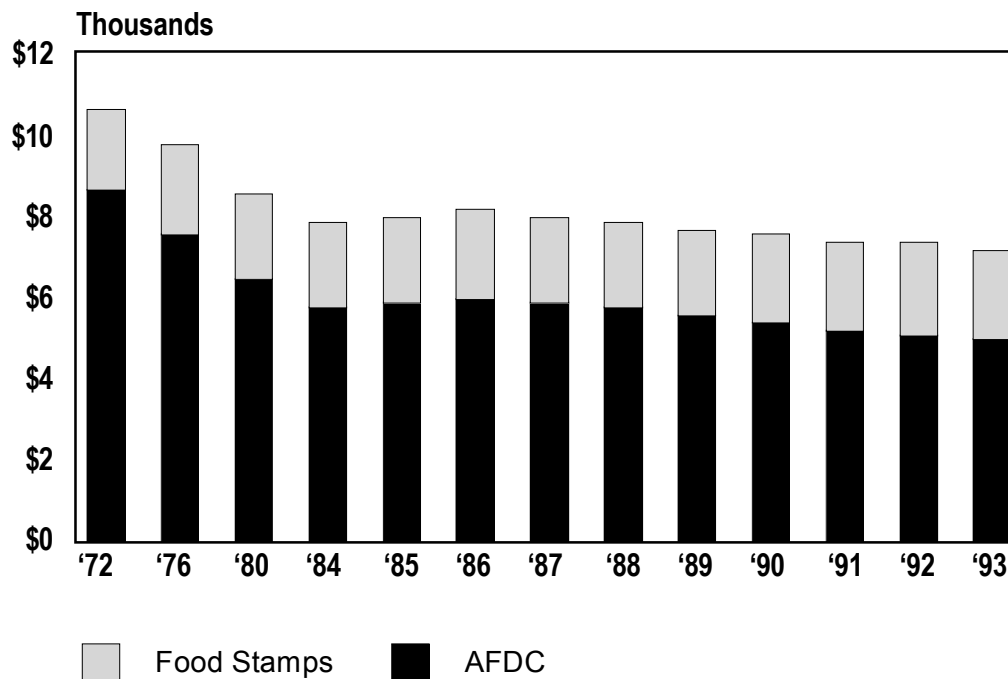


From *Overview of Entitlement Programs* (Green Book), 1993, Committee on Ways & Means, U.S. House of Representatives.

- ❖ In any month, about 1 child in 7 receives AFDC. Longitudinal studies indicate that 4 African-American children in 10 receive AFDC during their minority years. Among poor White children, 1 in 3 experience persistent use of welfare; for African-American children the rate is 3 in 5.
- ❖ For the first time in history, the number of families receiving AFDC benefits briefly exceeded the 5 million mark early in 1993. Spending on AFDC benefits increased by over 30% between 1989 and mid-1993 (in current dollars) to an annualized rate of \$22.3 billion.

We know how to eliminate welfare dependency. Solving the welfare dependency problem is quite simple: end welfare. Short of that, one could reduce the generosity of benefits and make access to those benefits more difficult, a tack that captures the drift of much of contemporary welfare policy. Think of the reaction that a proposal to simply cut AFDC benefits by about half might engender. Yet this is how much benefits have fallen in real terms since the early 1970s. (See Figure 4.)

**Figure 4. AFDC and Food Stamp Benefit Levels for a Mother and Two Children with No Earnings**



Note. Weighted averages across states in 1993 dollars. From *Overview of Entitlement Programs: 1993 Green Book* and ASPE staff computations for 1993 data, Committee on Ways & Means, U.S. House of Representatives.

As AFDC guarantees (the amount of benefits a family with no other income would receive) have steadily declined, we have witnessed a growth in the number of poor children to levels not seen since the War on Poverty was launched some 30 years ago. If reformers were concerned only with reducing dependency, then cutting benefits would be a simple policy solution. But when child poverty becomes part of the equation, the policy challenge becomes more daunting. Wisconsin provides an example. During the latter part of the 1980s, inflation-adjusted state annual AFDC expenditures fell by over 33% and caseloads fell by over 20%. During the 1980s, however, the number of poor children in Wisconsin increased by 35%, compared to a typical state increase of 11%. In terms of its relative ranking, Wisconsin fell from 5th best among all states to 22nd place. While many factors might explain these trends, a causal relationship between declining generosity of AFDC benefits and increasing child poverty remains plausible.

We also know how to reduce child poverty. Much as we have been doing for the elderly for the past two decades, we could seriously implement an incomes solution to the problem—that is, we could throw money at the problem. If we were to raise the AFDC guarantee for a three-person family in a typical state to the 1972 level, the 1993 annual payment of \$4,741 (\$395 per month) would be raised to \$8,548 (\$712 per month). By definition, however, this would increase welfare dependency. Wisconsin again illustrates the point. A mother in that state with two children and no other income received \$517 per month in AFDC benefits in 1993. The same mother would have received \$920 per month in 1975 in inflation-adjusted dollars. Moreover, the AFDC rules at that time would have permitted her to keep more of her welfare check were she to find employment. There is little hope that the prevailing political environment would permit a restoration of the AFDC rules and benefit levels as they existed in the early 1970s.

The real reform challenge is, and always has been, to reduce dependency and poverty at the same time. But how do we do this?

### **Rethinking Reform**

Getting the policy question right is the place to start but not always easy to do. Politics and ideology typically serve to obscure issues rather than enlighten public debate. As mentioned earlier, welfare reform in this country has focused almost exclusively on the question of dependency. And thinking on the problem has often been couched in simple oppositional terms: the “hards” versus the “softs.”

The hards situate the cause of poverty within the individual, whereas the softs emphasize institutional and structural factors bearing upon the individual. Conventional wisdom would place most liberals in the soft camp, where they are likely to stress the deleterious effects of poverty. Conservatives are more likely to empha-



size the dangers of welfare dependency. Acceptance of one position or the other leads observers toward quite divergent explanations for both poverty and dependency as well as toward radically different solutions.

Among the softs are those who believe that it is incumbent upon the state to provide its citizens with enough to enable them to subsist, whether they work or not. Among the hards are those who argue that proactive government action to reduce poverty is causally linked to increases in social disorganization and personal dysfunctioning, and that everyone would be better off if public interventions were minimized. Between these positions are, of course, those who believe that a myriad of factors contribute to and perpetuate poverty and dependency, including both institutional and individual factors. But the reform dialogue too often assumes the contours of a formal debate—with little real communication and an obsession with scoring points. The debate seems to focus on the extremes of the continuum and on the simplest of analyses and solutions.

Experts and the public alike engage in various forms of perceptual reductionism. Complex issues are simplified in the extreme. For example, conservatives often fix on an image of the poor (particularly the dependent poor) that draws upon the popular conception of the underclass. Somehow the African-American teen mother who has dropped out of high school and lives in the inner city becomes the proxy for all adults receiving AFDC. Yet the so-called underclass represents a minority of the poor and dependent at any one time.

Perhaps in response, liberals fix on a contrasting image of the welfare mother as a young struggling woman attempting to play by the rules but crushed by chauvinism, pointless or counterproductive welfare regulations, lack of opportunity, and various institutional or market failures. Perceptual reductionism—the tendency to assume that part of the population or problem represents the whole—is a powerful determinant of the character of the public debate.

Truncated images of the relevant population encourage restricted theoretical thinking. The hards, because they see poverty as a direct consequence of personal failings, prescribe reforms that impose obligations on welfare recipients and reduce the attractiveness of welfare. They tend to favor putting the dependent poor to work quickly, without expensive training or a lot of hand-wringing over whether the jobs they take have growth potential. They seldom support social service programs, which they tend to view as costly, ineffective, and likely to provide opportunities for clients to avoid their obligations. In short, people should work because it is the right thing to do.

The softs, who tend to view poverty and dependency as products of environmental shortcomings, typically argue that the existing welfare system should be made more accessible and possibly more generous, that reform should focus on developing remedies for the multiple obstacles to self-sufficiency faced by the poor,

***When we engage in perceptual reductionism, complex issues are oversimplified.***

***No one image of the poor captures the full reality of this diverse population.***

and that the system should create positive economic incentives to bring the poor into the economic mainstream. They typically dislike behavioral obligations (work requirements) and almost instinctively defend (or want to defend) entitlements. In short, government should do more because it is the compassionate thing to do.

But must one choose one side or the other? one image of the poor over all the others? one theoretical approach? one approach to reform? In fact both positions reveal part of the truth, because no one image of the poor captures the full reality of this diverse population.

**Heterogeneity—A New Place to Start**

The welfare dynamics literature suggests that the total population of the dependent poor can be disaggregated into recognizable groups. Point-in-time estimates indicate that most AFDC recipients—almost two-thirds—are (or will become) long-term users of welfare. Patterns of use among new entrants to the welfare system are quite different, however. Of those initiating their first spell on assistance, some 30% are likely to be short-

term users of assistance (less than 3 years), 40% are expected to be intermediate users (3 to 8 years), while the remaining 30% will become chronic/persistent users. Moreover, dependency is not a static phenomenon. Seventy percent of new entrants will exit within 2 years; however, about 70% of those who exit return within 5 years. Common sense suggests that what is appropriate for a short-term recipient of welfare will not be sufficient for someone who is chronically dependent.

An equally simple insight is that no single welfare strategy, by itself, works particularly well. That may not be an appropriate conclusion, however. The lesson is not that nothing can be done; rather it is that no single strategy will do the whole job.

**Toward a Conceptual Framework: The Onion Metaphor**

If we are to succeed in reducing dependency and enhancing the well-being of children, we must design solutions that respond to the diverse needs of the diverse population of the poor. If we visualize the successive and distinguishable layers of the dependent poor as an onion, we can select from an existing arsenal of initiatives an appropriate array of interventions to deal with successive layers of the needy. Those at the top, the skin of the onion, will need little assistance and that of a different sort from what will be required to attain self-sufficiency for those at the core. As those who can (or will) respond to softer measures leave welfare (or never come on), public resources can more efficiently be directed toward those seemingly hopelessly mired in poverty. (See Table 1 for a description of the layers of the dependent and the likely interventions available to assist them.)

**Table 1. Peeling the Onion: Matching Reforms with Subgroups**

| <b>Subgroups</b>  | <b>Programs for Adults</b>                                      | <b>Programs for Children</b> |
|---|---|------------------------------|
| <i>Outer layer</i>  |   |                              |
|   | <i>Foundation Reforms</i>                                       |                              |
| Working poor and those on welfare for less than 2 years   | Refundable personal tax credits                                 | Refundable child tax credits |
|   | Expand tax credit with cash value of food stamps                | Assured child support        |
|   | Other tax reforms   |                              |
|   | <i>Earnings Supplements</i>                                     |                              |
|   | Earned Income Tax Credit (EITC) (index and base on family size) | Refundable child care credit |
|   | Direct earnings supplement                                      |                              |
|   | Indexed minimum wage  |                              |
|   | <i>Transitional Supports</i>                                    |                              |
|   | Assured medical coverage  | Assured child care           |
| <i>Middle layers</i>  |   |                              |
| Those with limited options and very low earnings capacity (on welfare 2–8 years)  | Welfare-to-work training programs                               | Education reform             |
|   | Wage-bill subsidies   | “Soft” Learnfare             |
|   | Social contract   | School-to-jobs transition    |
|   | Service options   | Youth capital account        |
| <i>The core</i>   |   |                              |
| The systems-dependent: those with very low earnings capacity and additional barriers—chemical dependence, depression, etc. (long-term and chronic users of welfare) | Work requirements   | “Hard” Learnfare             |
|   | Intensive services  | Teen pregnancy prevention    |
|   | Time-limited financial assistance                               | Intensive services           |
|   | Guaranteed job  |                              |

**The outer layer.** The outer layer of the onion consists of those at risk of requiring welfare and short-term welfare recipients who are thought to enter dependency because of some discrete and observable adverse circumstance—a divorce or loss of a job. Those who turn to welfare possess the skills, motivation, and necessary supports to acquire economic self-sufficiency in a short time. Appropriate policy interventions should provide time-limited income support and short-term help into the labor market.

Reforms relevant to this group could obviate the need for welfare even in the short run. Such reforms should enhance the economic well-being of low-income families through nonwelfare transfers or by removing impediments to participating in the labor market. Nonwelfare mechanisms include supplemental transfers through the tax system, through earnings-related subsidies, and through the child support system. Removing impediments to labor force participation essentially means ensuring that certain costs associated with work are offset or reduced (e.g., that affordable child care and health care coverage remain available if the person takes a low-wage job with poor benefits and limited future prospects).

Refundable credits through the income tax system have long been recognized as a way of providing an income floor (or at least a way of cutting off the lower end of the income distribution). When tax credits are refundable, low-income families receive some economic support directly through the tax system. Thus, changing both the personal and child deduction to refundable credits affords a rather straightforward method for providing some income support to economically disadvantaged families.

No feasible tax-credit proposal can expect to transfer anything close to an adequate income to disadvantaged families with children—particularly female-headed families. For those ready and able to work, the emphasis should be on inducing dependency-reducing and poverty-reducing behaviors by offering rational choices to the poor—policy measures to “make work pay.” Other interventions designed to do the same thing include increasing (or indexing) the minimum wage, providing earnings-based income supplements, and/or ensuring that nonearned transfers (e.g., an assured child support benefit, described later) are not subject to confiscatory benefit reduction rates.

For some families, additional forms of nonwelfare assistance might be required. As a principle, children should always receive economic support from both of their parents. Although reforms have led to improvements in private child support, the fact remains that only 60% of those eligible for an award have one. Of those with an award, about half of them collect all that is due. There is widespread support for government to do more to ensure that all children with awards receive no less than some publicly guaranteed child support minimum. The public portion of any assured child support benefit would not be reduced as earnings increase—unlike typical welfare transfers—and could thereby serve as an income foundation upon which to build.

Finally, assured access to health care and child care represent essential guarantees if a transition into the labor force is likely to be permanent. It would not be rational for a mother to continue in a low-paying job that did not offer a reasonable health insurance package if that meant she and her children lost Medicaid coverage. Likewise, it would be irrational to continue working if child care arrangements were prohibitively expensive, unsafe, or unavailable. The reforms discussed here are examples of “foundation reforms,” those designed to help parents who play by the rules get their families out of poverty.

***Only 60% of those eligible for private child support receive it.***

**The middle layers.** The foundation reforms and rational choices already described will not, by themselves, eliminate poverty, end welfare, and bring into the labor market a large number of those in the middle layers.

Just below the outer layer are those with limited options. Although they may have reasonable levels of basic skills and education, available employment opportunities do not permit them to remove their families from poverty. Such individuals might profit from additional educational/vocational preparation, but what they first require are rational choices—economic opportunities that can lift them out of poverty. Those with very low earnings capacity may well need extensive (re)habilitation—intensive remedial educational and vocational services not normally available in typical welfare-to-work programs.

Some need the kind of welfare-to-work training programs that were promised, but not necessarily delivered in all states, by the JOBS provisions of the Family Support Act. The emphasis of a new and reinvigorated JOBS would differ from many of the existing versions of state welfare programs, which tend to stress immediate job placement and eschew longer-term vocational preparation.

Deeper into the onion are those whose self-confidence is likely to have been adversely affected by their experience on welfare. Presumably, their sense of what they can accomplish erodes over time. In this portion of the onion are also those who suffer from impoverished motivation (a form of learned dependency) and/or low earnings capacity.

Both those whose confidence has eroded and those with a motivational deficit would benefit from reciprocal agreements or a social contract between the client and government. This contract would impose expectations on client behavior to strengthen basic social skills (e.g., punctuality, reliability, appearance). The contract would impose real expectations on government as well. Since clients will be at varying places in terms of self-sufficiency, an array of service options should be available.

The new reciprocal relationship with actually or potentially disadvantaged individuals would start early on. Youth in dependent families have until recently been ignored. Society is now trying to reach them through a renewed emphasis on educational reforms and greater attention to problems associated with intergenerational dependency. Skills and capacities of the young should be improved before they develop traits that are associated with behavioral dependency. The policy landscape is broad here: change and improve schools; change the behavior of school-age children (“soft” Learnfare); and improve the school-to-work transition. These are institutional reforms. Others have suggested economic approaches, such as providing all youth with a “youth capital account”—an amount of money that could be drawn upon for the purpose of securing educational or vocational opportunities.

**The inner layers.** As we approach the core of this metaphorical onion, several layers can be distinguished. The systems-dependent include those with both low earnings capacity and other barriers that stand in the way of self-sufficiency—barriers such as chemical dependency, clinical depression, abusive personal relations, and so forth. Also in this layer are those who lack basic social values and may be isolated from most mainstream institutions. Here we encounter conventional “class/cultural” explanations of dependency that evoke images of the underclass. In addition to all the reform themes already described, this group might benefit from an exposure to reforms that emphasize personal responsibility. Impositions, accompanied by intensive service interventions, suggest themselves as the appropriate strategy.

Impoverished neighborhood environments, lack of proper role models, and inadequate institutional resources are contributing causes to problems experienced by the core group. But what most concerns policy-makers is the apparent deficit in basic motivations, the tendency toward dependency-perpetuating behaviors, and the absence of mainstream values. Again, the distinction between institutional and individual explanations of chronic poverty must be recognized.

The strategy thrust for the systems-dependent is to impose strict obligations on the individual and to communicate simple messages that counter-productive behavior will not be tolerated. For some, however, obligations will be unproductive given the multiple challenges they face. For those enervated by barriers such as drug addiction, help must accompany obligations. This is no less than a call for reuniting social services and case management to the provision of economic assistance—a tie that was severed with the rush to entitlements in the late 1960s.

Since this group has been ignored in the recent past, few models are available to adopt ready-made. The JOBS provisions of the Family Support Act modestly push states toward dealing with those closer to the core of the onion, but few states have pursued this policy objective aggressively. A number of promising “two-generational” and “family-centered” intensive intervention pilots are being developed, but their promise remains largely untested to date. The opportunity lost in seeking individual, family, and community-focused solutions to poverty as the policy community retreated from the 1960s War on Poverty must be addressed.

Ultimately, the clearest expression of real obligations—for both the recipient and government—would be a time limitation on welfare-type assistance. Many complex questions remain to be worked out, but the principle remains: Welfare is no longer an entitlement but a short-term form of assistance. More than any other provision, time-limited income assistance alters the character of welfare. Everyone involved would have a real stake in ensuring that substantive efforts to achieve personal self-sufficiency take place if the final consequence is termination of income support.

***More than any other provision, time-limited income assistance alters the character of welfare.***

**The core.** At the very core of the onion are the functionally limited. These are recipients of AFDC who are so impaired physically and/or emotionally that self-sufficiency is not a realistic objective. No one really knows the size of this group, though efforts are being made to identify the attributes that distinguish those who can be expected to work from those who cannot. The strategy for this group is to recognize that self-sufficiency is not an achievable goal and to develop nonstigmatizing ways of providing basic income support. An expanded disability program (e.g., a liberalization of Supplemental Security Income) seems an appropriate vehicle through which to assist this group.

### **Graded Policy Interventions**

The essential reform task is seen as one of peeling back the onion—the onion being visualized as successive and distinguishable layers of the dependent poor population—by systematically putting into place a set of initiatives that successively deal with the needs and circumstances of individuals who lie within each of the layers. (For the major reform strategies, see Appendix A.) The essential strategy is first to remove those on the outer layer of the onion through “softer” initiatives designed to rationalize the set of economic choices facing low-income families, then to enhance the capacities and opportunities of those in the middle layers of the onion through a combination of reciprocity (e.g., the social contract theme) and rehabilitative (e.g., human capital enhancements) initiatives, and finally to address the inner layers of the onion through a variety of responsibility-focused (e.g., obligation-based) measures. Once these strategies are in place, some would argue that the opportunity to transform welfare programs like AFDC into time-limited, transitional forms of assistance would present itself.

Thinking more imaginatively and productively about addressing dependency and poverty starts with the following principles:

- ❖ The ultimate aim of reform is to reduce both dependency and poverty, and the intermediate objective is to substantially eliminate reliance on welfare-type income support programs.
- ❖ The poor and dependent are not homogeneous but represent a population that is diverse both in terms of situational characteristics and personal attributes.
- ❖ There is no single approach for achieving poverty reduction or welfare reform—no unidimensional initiative (e.g., work requirements, child support, tax law changes) that, by itself, will solve the total problem.

***There is no single approach for achieving poverty reduction or welfare reform.***

- ❖ The basic challenge for policymakers is not to dream up new solutions—the array of ideas on the policy marketplace is already formidable—but rather to package and implement existing strategies in an integrated and effective manner.



This text is drawn from the following two articles:

Corbett, T. (1994–1995, Winter). Changing the culture of welfare. *Focus*, 16(2), 12–22. University of Wisconsin-Madison: Institute for Research on Poverty.

Corbett, T. (1993, Spring). Child poverty and welfare reform: Progress or paralysis? *Focus*, 15(1), 1–17. University of Wisconsin-Madison: Institute for Research on Poverty.

For a free copy of the issues of *Focus* in which the articles and references appear, contact

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# Teenage Childbearing and Welfare Reform: Lessons from a Decade of Demonstration and Evaluation Research

Summarized from a Statement for the  
Committee on Ways and Means, Subcommittee on Human Resources, U.S. House of  
Representatives, Hearing on Early Childbearing

*Rebecca Maynard*

In this paper, I share some important facts and findings from recent research on the causes and consequences of teenage childbearing, particularly for teen parents on welfare. I examine what we know about the effectiveness of various programs and policies aimed at delaying early childbearing and improving outcomes for those who do bear children. I conclude by drawing lessons for welfare reform.

## **The Causes and Consequences of Teenage Childbearing**

The odds that a teenager will engage in unprotected sex, become pregnant, and give birth increase in the face of multiple risk factors. These risk factors include coming from a single-parent family, living in poverty and/or a high-poverty neighborhood, low commitment to school, poor academic achievement, and having parents with limited education. For example, White teens living in single-parent households are twice as likely to become teenage parents as those in two-parent families; Black teens living in single-parent families are one and a half times more likely to become teenage parents (Zill & Nord, 1994).

The rise in teenage pregnancy and childbearing results from recent increases in sexual activity and fewer abortions. In 1991, there were 62 births per 1,000 teenage girls, compared with only 50 births per 1,000 in 1986—a 24% increase (Moore, 1994).

Most teenagers do not intend to become pregnant. Over 80% of teenage pregnancies are unintended, and almost 70% of births to teenagers result from unplanned pregnancies (Moore, 1994). A typical explanation is, “It simply happened.” For example, among first-time teenage parents on welfare, over one-fourth had never used any form of birth control prior to having their first child; more than 2 years after giving birth, half reported not using any contraception during their last intercourse (Gleason, Rangarajan, & Schochet, 1994).

These young mothers develop strong commitments to their child, however, and want to do what is best for them. For example, one first-time welfare recipient in the Teenage Parent Demonstration Project said:

*I like being a mom. I love my son, nothing could change that. . . I don't care about nothing else but him, how he is.*

Yet these young mothers face major challenges in fulfilling their goals for their children.

Teenage childbearing often results in a life of poverty for young mothers and their children. Five years after giving birth, 43% of teen mothers are living in poverty (Congressional Budget Office, 1990). Poverty rates are especially high among those living on their own (81%) and those not employed (62%); yet poverty rates are still relatively high among those employed (27%) and those living with a spouse (28%) or adult relative (34%).

Early childbearing lessens the likelihood that young women will complete their schooling, thereby weakening employment prospects. Just over half of all teenage mothers complete their high school education. Those who do finish high school have especially low basic skills (Nord, Moore, Morrison, Brown, & Myers, 1992; Rangarajan, Kisker, & Maynard, 1992; Strain & Kisker, 1989); when combined with parenting responsibilities, these young mothers have limited employment opportunities (Berlin & Sum, 1988; Cohen, Golonka, Maynard, Ooms, & Owens, 1994; Hoff-man, Foster, & Furstenberg, 1993; Moore, Myers, Morrison, Nord, Brown, & Edmonstron, 1993; Rangaragan, Myers, Maynard, & Beebout, 1994).

Nearly half of young mothers, and 77% of those who were unmarried when they gave birth, end up on welfare after becoming a parent. Moreover, the periods of welfare dependence are substantial. Over 60% of initial welfare spells last 2 or more years and 40% last at least 4 years (Glea-son et al., 1994). In addition, most teenage parents experience multiple spells of dependence, which average 8 to 10 years in total (Ellwood, 1988; Maxfield & Rucci, 1986; U.S. House Ways and Means Committee, 1993).

These high poverty rates are accompanied by numerous other life stresses, some caused by poverty and some contributing to its continuation. Teenage parents are concentrated in poor, often racially segregated, communities characterized by inferior housing, high crime, poor schools, and limited health services. Studies suggest that 10% to 50% of those who give birth before age 18 have been sexually abused, and 10% or more have been physically abused (Boyer & Fine, 1992; Moore, 1994; Roper & Weeks, 1993). This underscores the importance of flexibility within the welfare system to allow alternative living arrangements for some teenage parents.

#### **Teenage Parents on Welfare**

Teenage parents consume a large share of all welfare dollars. Teenage childbearing is estimated to cost over \$34 billion a year for the major income social support programs alone (Advocates for Youth, 1994). Indeed, nearly half of all welfare recipients are current or former teenage parents.

***Nearly half of all welfare recipients are current or former teenage parents.***

Teenage childbearing contributes to the intergenerational transfer of poverty. Teenage parents provide lower quality home environments for their children as measured by such factors as the number of children's books in the home and reading to children. Moreover, these same factors are strongly related to the odds that children will become teenage parents (Nord et al., 1992; Zill & Nord, 1994); nearly two-thirds of first-time teenage parents on welfare have mothers who also gave birth during their teen years (Maynard, 1993).

Support from family members and other adults is limited for many teenage parents on welfare. Currently, only about half of the young mothers remain at home with other adults (usually a parent). Less than 5% live with the father of their child, only about 30% receive any child support from the noncustodial fathers, and less than 20% receive child support on a regular basis. Some choose to live independently; others do so to escape abusive or otherwise inhospitable home settings.

Employment is the surest means of escape from welfare and poverty. Nearly half of teenagers who leave welfare do so as a result of employment, while only 12% leave as a result of marriage or cohabitation. Over 40% leave for various other reasons, such as administrative closings and geographic mobility. Whether welfare recipients leave welfare due to marriage or employment, nearly 30% will return to welfare within 6 months and two-thirds within 3 years (Gleason et al., 1994). For those welfare recipients who leave welfare for reasons of residential mobility or administrative actions, more than half return to welfare within 6 months and 90% within 3 years.

Having additional children is a major barrier to self-sufficiency for most teenage parents on welfare. Most teenage parents do not want additional children. After the first child, most teens on welfare (83%) do use contraception—most often an effective method like the pill or an IUD (75%) (Maynard & Rangarajan, 1994). Yet they fail miserably in postponing future childbearing. About one-fourth become pregnant again within a year after the birth of their first child, and about half become pregnant again within 2 years. Moreover, most of these pregnancies (75%) are carried to term.

Even though teen parents are using “effective” contraceptive methods, they are not using them “effectively” as indicated by the comments of teen parents involved in family planning programs:

*I didn't plan it, and then again I kind of knew it was going to happen because I wasn't like really taking the pills like I was supposed to. I couldn't remember every day to take the pill. And, I still don't.*

*I really don't want to take time off for no more children right now. . . But, I'm allergic to birth control pills.*

*My boyfriend thinks it [the pill] has something in there killing him.*

***Employment  
is the surest  
means of escape  
from welfare  
and poverty.***

Marriage is not a serious goal for many teenage parents on welfare. Young mothers cite a number of reasons for their lack of interest in or hope for marriage, including the unreliability of men, their own desires for independence, and the frailty of marriage in their communities.

*It don't seem like no marriage is gonna work. I don't want to go through that. Two months later, then he gets seeing somebody else. Then he ain't got no money or assets for you to collect.*

*When you're single, it's better. They treat you so much better when you're not married, you know. . . . When you're single, it's honey this and honey that. When you're married—do this, do that.*

*I want to be on my own, because you can never depend on a man. . . . Plus, if I go home with money, he and me is going to be arguing. So, it is best to be independent, because you never know that you and that man is going to be together forever.*

### **A Field Test of a Reformed Welfare System for Teenage Parents**

In the late 1980s, the U.S. Department of Health and Human Services launched a large-scale test of a mandatory JOBS-type program for first-time teenage parents on welfare, commonly known as the Teenage Parent Welfare Demonstration. The cornerstone of the program was case management to guide and support young mothers into active participation in jobs, job training, or education. By design, the program was modest in cost and operated through state welfare departments.

The program operated on the south side of Chicago and in Camden and Newark, New Jersey. Over a 2½ year period, 6,000 teens had their first child and were already receiving or started to receive welfare. Half of the mothers received regular welfare services, and half were randomly selected to participate in a new program requiring participation in programs geared toward self-sufficiency. The experimental group also received a fairly rich bundle of support services to encourage their compliance requirements; for those who did not comply, welfare grants were reduced by about \$160 a month.

Several impacts have emerged from the multifaceted evaluation of the demonstration over a 4-year period:

- ❖ Overall program participation rates were very high. About 90% of the eligible young mothers participated in the JOBS-type programs. Yet, this participation rate was achieved only with persistent outreach and follow-up. Over two-thirds of the participants received one or more sanction warnings, and one-third had their grants reduced for noncompliance.

- ❖ The demonstration had statistically significant, but modest, effects in promoting school enrollment, job training, and employment. It also reduced welfare dependence. Those in the JOBS program were in school, job training, or employed 28% more of the time than those subject to regular AFDC policies. The largest gains were in school enrollment—a 13 percentage point increase from 29% to 42%. Gains in employment and job training rates were in the 4 to 5 percentage point range.
- ❖ The reformed system led to small increases in earnings and reductions in welfare. The size of the average earnings gains (\$20 a month, or 20%) was the same as the size of the average reduction in welfare benefits (\$20 a month, or 8%), leaving the mothers no better off financially.
- ❖ Only those who found jobs experienced significant reductions in poverty. Only about 25% of those who were employed 2 years after enrollment were poor, as compared with over 95% of those who were unemployed. Too few (less than 10%) got married or established stable relationships with male partners to contribute significantly to poverty reduction.
- ❖ The reformed welfare programs did not succeed in increasing support from noncustodial fathers. Two sites increased paternity establishment by about 10 percentage points, but these increases did not translate into increased child support payments. Awards averaged about \$120 to \$140 a month; payments averaged less than \$50 a month. In large part, the failing in this area was due to low cooperation by local child support enforcement agencies that were skeptical of the pay-off.
- ❖ The reforms also failed to reduce the incidence of repeat pregnancies and births. These programs offered family planning workshops as well as family planning counseling and support from trained case managers. Yet over half of the young mothers were pregnant within 2 years after enrolling in the study and two-thirds were pregnant again within 30 months after enrollment.

***The Teenage Parent Welfare Demonstration reduced welfare dependence at modest cost by increasing education, job training, and employment.***

### **Other Demonstrations and Programs for Teenage Parents**

Over the past 10 years, many demonstrations and programs have tried to encourage teenagers to delay sexual activity and/or childbearing, and have tried to support teenage parents to improve their basic skills and employment prospects. These initiatives have provided few answers as to what types of programs work best.

The most promising pregnancy prevention programs provide clear messages on values. They also offer specific strategies and skills for resisting peer pressure to

engage in sex and for using contraceptives effectively after becoming sexually active. Several promising models warrant further study, including the Teen Services Program in Atlanta (Howard, 1985). This school-based program uses a peer or teacher-led program to encourage teens to practice refusal skills to resist peer pressure to become sexually active, as well as to encourage protected sex for those who are sexually active. Another promising model is the Children's Aid Society Teen Pregnancy Primary Prevention Program in New York. This program, designed by Dr. Michael Carrera from Hunter College, offers reproductive health education and counseling as part of a more comprehensive program to address the needs of teens from disadvantaged backgrounds.

The research on programs to reduce the negative consequences of teenage parenting also provides little guidance for developing effective interventions. While none of the following six programs changed these young mothers' life courses dramatically, each is noteworthy because it provides important lessons for welfare reform.

- ❖ *Job Start* was a 13-site demonstration of education, vocational training, and support services for disadvantaged, young school dropouts. The demonstration serviced about 100 youth between the ages of 17 and 21 between the years 1985 and 1988; about one-fourth were teenage parents. The experimental group was more likely to complete the GED (Cave, Bos, Doolittle, & Toussaint (1993); the program failed to increase earnings, however, and repeat pregnancies actually increased by 13%.
- ❖ *New Chance* was a national demonstration of small-scale, intensive, and comprehensive services for teenage parents on welfare who had dropped out of school. Between 1989 and 1992, the program provided education, training, and extensive social support services for up to 18 months to 1,400 volunteers. The program increased GED completion among the experimental group, but had negative impacts on employment, earnings, and repeat pregnancies and abortions (Quint, Polit, Bos, & Cave, 1994).
- ❖ *Project Redirection* was a four-site demonstration of comprehensive services for teenage parents age 17 or younger. Between 1980 and 1981, a total of 300 volunteers received education, training, mentoring, job placement, child care, family planning, and parent training. Compared to sites not involved in the program, the program led to modest increases in earnings, no impact on educational attainment, and a 20% increase in birth rates (Polit & White, 1988).
- ❖ *Ohio Learnfare* is a state welfare program designed to keep teenage parent welfare recipients in school through financial incentives and penalties. Extensive case management and support services are available in some sites, but not all. Early results suggest that the program increases the odds that youth will remain in or return to school (Bloom, Fellerath, Long, & Wood, 1993). Results for earnings or repeat pregnancy rates are not yet available.

- ❖ *The Teenage Parent Health Care Program* provided up to 18 months of intensive case management by trained medical social workers for about 200 mothers under age 17 and their infants. The program was not directed at education or employment. While there were no impacts on school enrollment, it did reduce by 57% the incidence of repeat pregnancies (O'Sullivan & Jacobson, 1992).
- ❖ *The Elmira Nurse Home Visiting Program* was a demonstration of home visiting by nurses to socially disadvantaged women bearing their first child. Of the 400 women served, about half were teenagers. The program reduced verified cases of child abuse by 75%, significantly reduced the rates of repeat pregnancies, and showed hints of increasing employment rates for teenage mothers (Olds, Henderson, Tatelbaum, & Chamberlin, 1988).

All of these programs for teenage parents faced major challenges in getting young mothers to participate and remain in the programs. Programs were able to reach significant portions of the target population only when participation was linked to financial sanctions.

The impact of these programs on human capital development and employment has been modest at best. Programs were successful in encouraging participants to complete GEDs. GED attainment, however, has not led to increased earnings or economic well-being (Cohen et al., 1994).

None of the employment or welfare-focused programs succeeded in helping young mothers control their fertility. Only the two small-scale demonstrations of medically-focused interventions with home visiting or extensive medical social work services show promise in family planning. These programs, however, did not generally succeed in addressing the economic needs of these young mothers and their children.

### Lessons for Welfare Reform

**The most effective programs for teenage parents share two common characteristics: clarity of purpose and seriousness in their implementation.** The one demonstration that succeeded in promoting increased education, job training, and earnings across multiple sites is the Teenage Parent Welfare Demonstration (Maynard, 1993). This project shared three features with the small number of programs showing signs of success: (a) reciprocal obligations between participants and the program, (b) a clear employment focus (although employment was not necessarily a short-run goal), and (c) consequences for failing to meet program performance standards.

***None of the employment or welfare-focused programs succeeded in helping young mothers control fertility.***

***Case managers encountered very few clients who truly could not make progress if encouraged and supported.***

**Mandatory, full-coverage JOBS-type programs like the Teenage Parent Welfare Demonstration can change key aspects of the welfare culture.** All recipients in the Teenage Parent Welfare Demonstration were expected to work toward self-sufficiency by addressing personal barriers, by improving basic and job-specific skills, and/or by gaining work experience. Equally important, the welfare system was obligated to work with the young mothers to address barriers to their pursuit of this goal. Failure on either part resulted in the young mother suffering a significant financial penalty.

Program staff were also held accountable for monitoring the activities and needs of the young mothers and for requesting a grant reduction for those who did not fulfill their obligations in the agreed-upon plan. Programs were not allowed to exempt young mothers from their obligations. Instead, they were challenged to find creative solutions to engage those who were reluctant or who faced greater barriers.

Indeed, we found little difference in outcomes for those who were more reluctant or less reluctant to participate. Moreover, case managers encountered very few clients who truly could not make progress if encouraged and supported. Sometimes case managers had to go to extraordinary lengths to identify the source of a problem and find a solution. For example, one of the Teenage Parent Welfare Demonstration case managers encountered a situation in which she could not understand why a young mother repeatedly failed to show up for program classes. The case manager took the initiative to visit the participant's home and found that the participant and her partner had to sleep in shifts at night so that one of them could guard their baby's crib against rats at all times. The case manager helped the couple find better housing, and the young mother began attending program classes.

**It is feasible to operate large-scale, universal, full-coverage programs.** The Teenage Parent Welfare Demonstration and Ohio's Learnfare programs illustrate the feasibility of establishing efficient programs to serve a large number of new clients and of managing caseloads in excess of 1,000—scales that would meet or exceed those of most welfare offices.

A key factor in serving these large numbers with few exemptions is providing flexibility; young mothers are required to engage in approved activity, but given latitude in the selection and sequence of activities. This program also promoted cooperation among the young mothers and encouraged them to take responsibility for their actions.

**Full-service programs like the Teenage Parent Welfare Demonstration are modest in cost.** Including child care costs, the Teenage Parent Welfare Demonstration cost an average of \$166 per month. The modest cost is due to both the relatively large scale of the program and the use of technology and management to help case managers handle 50 to 60 clients effectively. Indeed, Ohio's Learnfare program was equally effective when operated at modest cost and when the basic program was augmented by substantial support services.



**Financial sanctions can play a supportive role in welfare programs.** Financial sanctions need not hurt young mothers or children and will not do so if the sanctions are used as a case management tool. In the Teenage Parent Welfare Demonstrations, sanctions resulted in young mothers receiving more services and support than they otherwise would. Although a third of the young mothers had their grants reduced for one or more months for noncompliance, staff reached out before and after sanctions to coax, cajole, and pressure them into accepting whatever help was needed to get them back into compliance.

Half of those who received a sanction warning did comply with their service plan or left welfare shortly after their warning. Of those whose grants were reduced, only one-third (about 10% of the entire caseload) experienced a long-term grant reduction. Those who did not have their grant reinstated generally had alternative means of support.

*To me, I really didn't need it, you know. I needed it, but I didn't need it, you understand. It wasn't like, "Oh, my God, if I don't get this check." It was like, "You can keep the check and everything else that comes with it." Cause you know, I was never down out struggling.*

The clear message from both the young mothers and the case managers is that the financial penalties are fair and effective in changing the culture of welfare from both sides. Clients viewed the demonstration welfare system as supportive, albeit serious and demanding; case managers viewed it as highly motivating for them in their roles as service providers and also for clients who need to assume responsibility for themselves and their children.

*The first time they sent me a letter, I looked at it and threw it away. The second time, I looked at it and threw it away again. And then they cut my check and I said, "Uh, oh, I'd better go."*

**The quality of existing education and job training services seriously hinders the success of aggressive job-focused programs for teen parents.** The public high schools and alternative high schools were insensitive to the needs of young mothers and had many of the problems common to large urban schools. Few job training programs were available to those with low basic skills, and Job Training Partnership Act (JTPA) programs were not effective with youth (Bloom et al., 1993; Cave et al., 1993). Over time, the programs succeeded in working with some of the local providers to tailor their services to the needs of teenage parents.

**Child care and transportation services are critical to changing the culture of welfare.** Both are real barriers to successful participation in out-of-home activities

***The clear message is that financial penalties are fair and effective in changing the culture of welfare from both sides.***

for welfare recipients. Many young mothers opt for free or low-cost care by relatives. As children get older, however, the supply of relative care decreases and the need for more formal, paid arrangements increases.

### **Implications for Policy**

Eight conclusions can be drawn from a decade of research on teenage pregnancy and parenting that should influence the shape of the next generation of welfare reform:

1. The rates of teenage pregnancy and births are increasing, resulting in a growing number of mothers and their children living in poverty and depending on welfare.
2. Teenage parents and former teenage parents represent the majority of welfare recipients and consume the majority of welfare benefits. In large part, this is because of their long periods of dependency. Early intervention is critical to changing the culture of poverty and moving these young mothers toward self-sufficiency as quickly as possible.
3. Employment is the only route out of poverty for the vast majority of teenage parents on welfare.
4. Traditional ways of delivering family planning services, which emphasize education and counseling, do not work. Teenage parents on welfare do not want more children, at least in the short run, but most will have them.
5. It is possible to change the culture of welfare among teenage parents and welfare caseworkers through programs that mandate participation and extensive support services.
6. Mandatory programs need not be harmful to children. Holding case managers accountable for addressing client needs will lead to increased levels of support for teen parents and their children. Moreover, teen parents generally view the mandates as fair, when accompanied by extensive support.
7. Traditional approaches to second-chance education and job training are marginally effective. It is critical to find ways of keeping more teenagers and teenage parents on the traditional school-to-work transition, while simultaneously strengthening second-chance options.
8. Child care and transportation are essential for promoting education and employment and are less costly than generally assumed.



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## Welfare Reform and the Need for a Two-Generational Approach: A Wisconsin Perspective

*Karen Bogenschneider*

One particular challenge of welfare reform, according to Corbett (1993), is the difficulty of achieving two important but oftentimes conflicting goals—reducing family dependency on welfare while enhancing the well-being of children. Reaching either goal alone would be relatively simple, but attempting to reach both goals at the same time has proven extraordinarily complex.

For example, dependency on welfare could be eliminated by simply ending support programs like Aid to Families with Dependent Children (AFDC); this might well increase the number of children in poverty, however, thereby jeopardizing children's well-being and their prospects for becoming self-sufficient and caring adults. Conversely, we could enhance child well-being in the same way we have removed many elderly from poverty—by increasing benefit levels; making welfare more attractive, however, runs the risk of increasing the number of welfare recipients and the likelihood that they will become dependent on government assistance. Thus, the crux of welfare reform hinges on balancing society's concern about the condition of poor children, who are perceived as not being responsible for their plight and having little control over it, against society's mixed feelings about the parents in welfare families who bear some responsibility for the family's economic situation (Corbett, this volume).

When it was first developed in 1935, AFDC was child-centered, but has become increasingly adult-centered (Blum, 1994). The current debate on welfare reform has been primarily one-generational, focusing on enhancing parents' employability. Improving parents' earning capacity may benefit children; these same policies, however, if not carefully designed, could also have adverse side-effects for children (Hernandez, 1994).

Thus, an equally important target for policymakers, and one that is often overlooked, is the children in welfare families and their future prospects for becoming self-sufficient. Studies suggest that young women who experienced long bouts of poverty as children are twice as likely to be welfare recipients as adults (Smith & Zaslow, in press); moreover, nearly two-thirds of first-time teenage parents on welfare have mothers who also gave birth during their teen years (Maynard, this volume). Findings like these suggest that welfare reform might benefit from what is known as a two-generational approach that addresses the needs of both parents and their children (Smith, Blank, & Collins, 1992; Smith & Zaslow, in press; St. Pierre, Layzer, & Barnes, 1994).

In this paper, I first examine the well-being of children in welfare families. Then I describe two-generational approaches and why welfare reform initiatives might benefit children by focusing on both parents' breadwinning and caregiving capacity. Finally, I identify several important influences on child well-being that policy-makers may want to consider when designing welfare policies, as well as two approaches for establishing two-generational programs.

### **How Do Children in Welfare Families Fare?**

AFDC benefits are not generous enough to lift families out of poverty (Corbett, this volume). While many factors underlie developmental problems among the young, the most profound and pervasive is poverty. Almost every form of childhood damage is more prevalent among the poor—malnutrition, childhood injuries and death, recurring and untreated health problems, child abuse, low achievement, early pregnancy, alcohol and drug abuse, aggression, delinquency, and failure to become economically self-sufficient (Huston, 1994).

Of those children whose families receive AFDC, only about one-third could be considered in excellent health compared with almost half of nonpoor children (Zill, Moore, Smith, Stief, & Coiro, 1991, cited in Smith & Zaslow, 1992). By adolescence, 36% of AFDC children have repeated a grade, and 23% of AFDC adolescents have been suspended or expelled from school (Smith et al., 1992). A study of poor children in the Milwaukee Public Schools revealed that 82% did not graduate from high school in 4 years; of those in alternative schools, 97% did not graduate on time. These graduation rates were virtually identical for teenagers from families on AFDC and teenagers from families of former AFDC recipients (Pawasarat, Quinn, & Stetzer, 1992).

Poverty and AFDC receipt, while not harming all children and families, do place them at greater developmental risk. Poverty's legacy for children and families provides compelling evidence of the need for two-generational approaches to welfare reform.

### **What Are Two-Generational Approaches to Welfare Reform?**

In a nutshell, the goal of two-generational programs is to promote the general functioning of both parents and children with special attention to two types of strategies (Smith et al., 1992; Smith & Zaslow, in press; St. Pierre et al., 1994; Zaslow, Moore, Coiro, & Morrison, 1994):

- ❖ “Breadwinner” Strategies—Self-sufficiency programs designed to improve parents' employability with education, literacy, job skills, and career training
- ❖ “Caregiver” Strategies—Child development programs which include high quality child care and parenting education; some definitions also require early childhood education (St. Pierre et al., 1994) and preventive health care (Smith et al., 1992; Smith & Zaslow, in press)

To date, many of our programs and policies have been one-generational. For example, “breadwinner” policies designed to improve self-sufficiency among welfare recipients have virtually ignored any steps to reduce the likelihood of welfare dependency in the next generation. Very few state welfare programs have family goals not tied directly to employment of adults in welfare families (Bruner, Berryhill, & Lambert, 1992). The federal Job Opportunity and Basic Skills (JOBS) program of the Family Support Act also concentrates primarily on building employment skills with little attention to how children’s development may be influenced by the social and psychological well-being of parents.

Similarly, “caregiving strategies,” as found in most child development programs, have made few attempts to improve parents’ employability and the families’ chances of escaping poverty (Smith & Zaslow, in press). For example, family resource centers, Right from the Start initiatives, and the majority of Head Start programs focus primarily on enhancing child development, parent education, and family support to the exclusion of parents’ literacy and job skills.

Some definitions of two-generation programs require that activities must be included for the direct benefit of each generation. These definitions require early childhood education for children, and adult education, parenting education, and job training for adults (St. Pierre et al., 1994). If the adult component is only parenting education, this is not enough to qualify a program as two-generational; even though parent education is directed at adults, the intent is primarily to benefit children.

A number of pioneering welfare-to-work programs that encompass both breadwinning and caregiving strategies have been reviewed by Child Trends in Washington, D.C. (Zaslow et al., 1994), the Foundation for Child Development (Smith et al., 1992), and ABT Associates, Inc. (St. Pierre et al., 1994). These two-generational programs recognize that families need more than money to do a good job of raising their children (Jacobs & Davies, 1994); furthermore, if we don’t pay attention to children’s basic needs, the investment in parents’ self-sufficiency may well be squandered (Blum, 1992):

*Neither society nor individual families will be better off if parents are helped to move from welfare to employment, but children fail to attain the competencies they need to become productive adults. (p. 2)*

The next two sections turn to how children might benefit by investing in parents’ breadwinning and caregiving capacities. Since much of the public debate has focused on increasing parents’ earning capacity, this paper focuses on how these welfare reform efforts may inadvertently impact children.

***If we don’t pay attention to children’s basic needs, the investment in parents’ self-sufficiency may well be squandered.***

***When children live in poverty for several years, it lowers their chances of escaping poverty as an adult.***

### **How Might Children Be Affected by Focusing on Improving Parents' Self-Sufficiency?**

Welfare recipients with little education or few job skills may remain dependent on welfare and unable to achieve even limited economic self-sufficiency (St. Pierre et al., 1994). Welfare approaches that provide education and job training for parents clearly have the potential to improve child well-being, since investments in the earning capacity of parents have the potential to lift the family out of poverty.

Family poverty and low levels of maternal education are two of the most powerful predictors of children's poor social adjustment and failure in school; for example, when children live under conditions of poverty for several years, it substantially lowers their chances of succeeding in school and escaping poverty as an adult (Smith & Zaslow, in press). Thus, welfare approaches that improve a family's earning potential may well benefit children; too little is known, however, about the ways in which these programs may harm or help children:

- ❖ Participation in work or training responsibilities are demanding and may take time away from other activities, such as parenting (Bruner et al., 1992). The effect of participation in welfare-to-work programs on children may depend on the tradeoffs among several important influences on children's well-being. For example, if the mother copes well and the child is placed in high quality child care, the child may benefit. Conversely, a child may be harmed if the mother is overwhelmed by her new responsibilities and worried about the care her child is receiving.
- ❖ Little is known about the amount of additional family income that is needed to benefit children and whether the source of income matters, specifically, whether it stems from parental earnings or an AFDC check. In a recent review of two-generational programs aimed at welfare families, three of five programs increased family earnings; none of the programs reported any increase in total family income, however, since earning gains were offset by declines in AFDC receipts (Zaslow et al., 1994).
- ❖ While mother's education is a proven predictor of children's development, little is known about whether completing a GED will benefit children, especially when education is mandated rather than freely chosen (Smith & Zaslow, in press).

### **How Might Children Be Affected by Focusing on Improving Parents' Caregiving Capacity?**

While poverty affects children directly, it may also affect children indirectly through its detrimental impact on the caregiving capacity of parents. For example, researchers have studied the home environment by assessing factors such as the



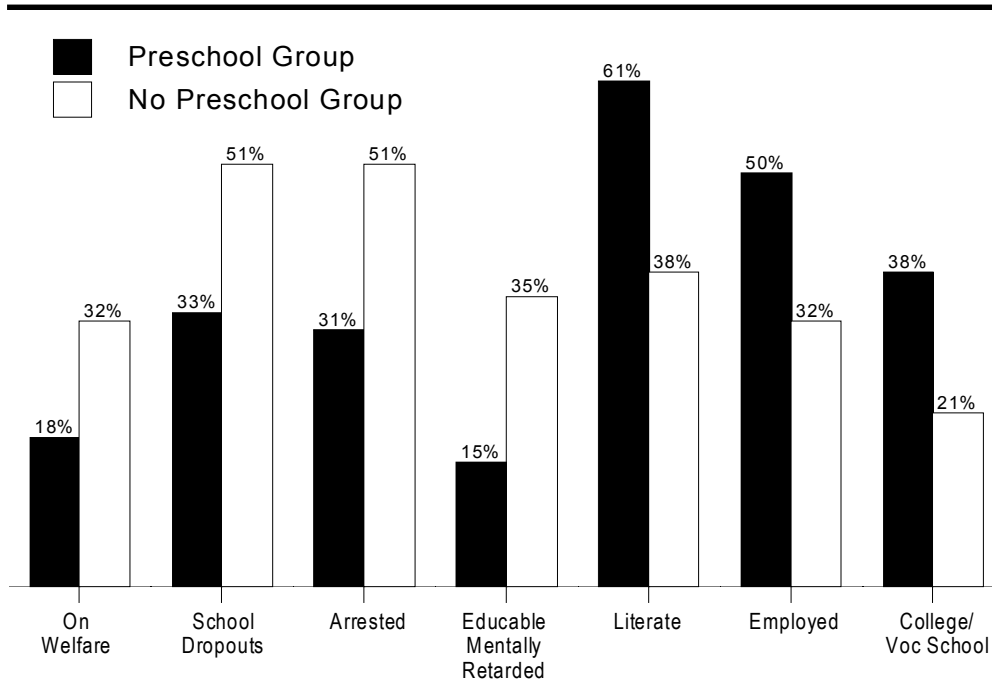
quality of parent/child interaction, the reading materials available in the home, and the safety of the home. Studies suggest that only about one-third of welfare homes provide a supportive home environment, while one-fourth provide care for their children that is clearly deficient (Ooms, 1992). Since a myriad of studies suggest that parents are the first and foremost influence on child development (Bronfenbrenner, 1986; Riley, 1994), do we know how to improve the caregiving skills of parents and, thereby, improve outcomes for children?

**Only about one-third of welfare homes provide a supportive home environment for children.**

**Do We Know Enough to Mount Effective Programs to Improve Parental Caregiving and Enhance Children’s Well-Being?**

Much of the research on parent education and family support comes from careful longitudinal studies of a few early intervention programs for low income families (Zigler, Taussig, & Black, 1992). While the primary intent of these programs was to promote children’s social competence, one of these programs examined children’s future welfare use. The Perry Preschool Program at the High/Scope Educational Research Foundation in Ypsilanti, Michigan (Weikart & Schweinhart, 1991), provided a daily, high quality preschool program for low income 3 and 4 year olds, frequent home visits to parents, and monthly parent meetings. At age 19, program participants were less apt to be welfare recipients, school dropouts, in trouble with the law, or enrolled in programs for the educable mentally retarded (see Figure 1). At the same time, participants were more apt to be literate, employed, and attending post-secondary education. Results were similar when program participants were studied again at age 27 (Schweinhart, Barnes, & Weikart, 1993).

**Figure 1. High/Scope Perry Preschool Study: Age 19 Findings**



Note: All group differences are statistically significant,  $p < .05$ , two-tailed.

The long-term success of early childhood education programs is thought to be due, in part, to the high quality of the preschool component (Zigler et al., 1992). Intervening at an early age may help develop skills and behaviors that can prevent the development of traits associated with adult dependency. For example, better preparation of children for school may contribute to later school success. Children's school success is an important consideration for welfare reform, since each year of high school education decreases the likelihood of welfare dependency in adulthood by 35% (Lerner, Bogenschneider, & Wilcox, in press).

The long-term benefits resulting from short-term early childhood education programs suggest the importance of other continuing influences on the child such as improved parenting. One component of any early childhood education program with demonstrated long-term benefits for children is home visiting (Weiss, 1993). Home visits and parent education appear to benefit parents, which enables them to help their children function better (Bronfenbrenner, 1986; Ramey, Bryant, Sparling, & Wasik, 1985). Furthermore, improved parenting practices equip parents to benefit all children in the family long after the formal program ends (Zigler & Styfco, 1993).

One of the reasons Perry Preschool has received so much public interest is because of a cost-benefit analysis. The investigators estimated the savings to society from lowered usage of the welfare and criminal justice system, reduced grade retention, and increased tax revenues from higher employment rates. They reported that for every dollar spent on the preschool program, taxpayers received a savings of \$3 to \$6 by the time the participants reached 19 years of age and \$7 by age 27 (Schweinhart et al., 1993; Zigler & Styfco, 1993).

### **What Factors Will Influence the Effect of Welfare-to-Work Programs on Children?**

The effectiveness of programs that combine both self-sufficiency for parents and services to promote children's well-being is not well studied. Whether children will be hurt or helped by encouraging poor single mothers to enter the labor force is yet to be seen. The consequences for children may hinge on the tradeoffs among several important influences on child well-being including the following (McLanahan & Sandefur, in press; Zaslow et al., 1994):

- ❖ *The level and security of family income.* Poverty is the most powerful predictor of negative outcomes in children (Huston, 1994; Zaslow et al., 1994); the longer children are exposed to poverty, the more damaging its effects.
- ❖ *The parents' educational attainment.* Parents' education turns out to be the best predictor of the attainments of the next generation; it also has the largest impact on those children most at risk (Haveman & Wolfe, 1994). Moreover, parental education determines, to a large extent, whether parents can secure decent-paying jobs (Blum, 1994).

- ❖ *The quality of out-of-home child care.* High quality child care stimulates a child's development and improves the child's life chances (Blum, 1994); children participating in low quality child care, as measured by poorly trained teachers, large classes, and poor adult to child ratios, are less socially competent and more unhappy than children attending higher quality programs (Vandell, Henderson, & Wilson, 1988; Zaslow et al., 1994).
- ❖ *The mother's psychological state.* Studies suggest as many as half of low income mothers exhibit clinical depression; depression interferes with competent parenting, placing children at risk of behavior problems and impaired psychosocial development (Longfellow, Zelkowitz, & Saunders, 1982; Smith & Zaslow, in press; Weissman & Siegal, 1972; Zaslow et al., 1994).
- ❖ *The parents' social network.* When parents are connected to other parents in the community, their children benefit. Larger, stronger social support networks improve parents' ability to deal with stress, mothers' perceptions of themselves and their children, fathers' involvement in childrearing, and children's school success (Carnegie Corporation, 1994; Cochran & Brassard, 1979; Crockenberg, 1981; Riley & Cochran, 1987).
- ❖ *The quality of parenting and the home environment.* Children benefit from a rich home environment, measured by such factors as competent parenting and age-appropriate books and play materials (Desai, Michael, & Chase-Lansdale, 1990; Ramey, Farran & Campbell, 1979; Riley, 1994; Zaslow et al., 1994).

**As many as half of low income mothers exhibit clinical depression, which interferes with competent parenting.**

How children will be affected by self-sufficiency programs for their parents depends upon the tradeoffs among these factors. For example, if child care is good and the family income is higher and more stable than while the family was on welfare, the children are likely to be better off. If child care is poor, however, and the mother has less time and energy for parenting, the child may be worse off (Blank, 1994; McLanahan & Sandefur, in press). By considering these important influences on child development, policymakers may be able to develop policies to promote parents' breadwinning ability without inadvertently diminishing their caregiving capacity.

### **What Models Exist for Designing Two-Generational Welfare Programs?**

Across the country, a couple different models have arisen for designing two-generational welfare programs that simultaneously attempt to strengthen parents' self-sufficiency and caregiving skills: (a) new program models that entail substan-

***New systems of service delivery are needed to develop decent programs for kids and families.***

tial reform of service delivery systems, and (b) collaborative efforts that attempt to reach the goals of welfare reform by building on existing programs and policies for at-risk children and their families.

**New Two-Generational Program Models.** Since the 1970s, reformers have criticized the patchwork of federal social welfare programs. For example, there are 154 job training programs, 71 social service and welfare programs, and hundreds of nutrition, housing, and health programs (Besharov, 1994). Each comes with slightly different eligibility rules and services, yet substantial overlap, resulting in inefficiency and considerable staff time coordinating funding and documenting eligibility (Besharov, 1994). New systems of service delivery are needed, according to proponents, because attempts to categorically respond to the social problem of the moment have resulted in a “thin veneer of programs and policies, layer on layer of categorical services, none of which accumulate in what is a decent set of policies and programs for kids and families” (Weiss, 1994).

A paper by Zaslow and colleagues (1994) identifies five new program designs that serve families on welfare or predominantly low income families: the Comprehensive Child Development Program (CCDP), the Even Start Family Literacy Program, New Chance, Project Redirection, and the Teenage Parent Demonstration Project. The Teenage Parent Demonstration Project, in particular, may hold unique implications for welfare reform, since it is the only program that mandated participation.

The five programs discussed in this paper were selected for review by Zaslow and associates (1994), in part, because of the rigorous evaluation; in each, the evaluation compares an experimental group, which received the program, with a randomly assigned control group. They are classified as two-generational because they attempt to promote the economic self-sufficiency of parents and enhance the development of children. Interestingly, St. Pierre and colleagues (1994) did not categorize the Teenage Parent Demonstration Project and Project Redirection as two-generational programs; while these programs provide components like education and job training as well as workshops on nutrition, family support, and life skills, they do not include early childhood education. Other programs, often considered two-generational, that are not described in this paper include the Iowa Family Development and Self-Sufficiency Demonstration Grant Program (see Bruner and associates, 1992), and Avance, the Child and Family Resource Program, Head Start Family Service Centers, and the Kenan Trust Family Literacy Program (see St. Pierre and associates, 1994).

Consistent with other reviews (St. Pierre et al., 1994), the evidence regarding short-term effects of the 5 two-generation programs discussed by Zaslow and associates (1994) are mixed. None of the programs were effective in all the domains of influence on child development cited in the previous section; these programs provide some important lessons for welfare reform, however, because each was effective in at least one domain (see Appendix B for details.)

- ❖ *Family Income.* Project Redirection and the Teenage Parent Demonstration Project increased earnings and decreased AFDC receipt; none of the programs reported any increase in total family income, however, since earnings gains were offset by declines in AFDC receipt. Surprisingly, CCDP resulted in an increase in the number of families receiving AFDC, presumably because of families' increased access to services.
- ❖ *Educational Attainment.* All of the programs except Project Redirection increased educational participation and three (CCDP, Even Start, and New Chance) led to completion of a higher level of education. Of the three programs that examined achievement, there were no impacts on basic skills or literacy.
- ❖ *Quality of Child Care.* All five programs increased the use of formal child care arrangements. In the only study that assessed the quality of care, the Teenage Parent Demonstration Project found some evidence that program mothers were pushed toward care of lesser quality, although most measures of quality showed no differences.
- ❖ *Mother's Psychological State.* Of the four programs that offered mental health services, all showed increased participation, yet none showed effects on maternal depression or stress.
- ❖ *Parents' Social Network.* Of the four programs that examined social support and social relationships, two programs (New Chance and CCDP) showed improvements; specifically, program mothers were more likely to be living with a partner or husband than control mothers.
- ❖ *Quality of Parenting and the Home Environment.* At the 5-year follow-up, Project Redirection improved both socioemotional and cognitive aspects of the home environment; for example, mothers provided more language stimulation and were warmer, more accepting, and more affectionate. Four programs (CCDP, New Chance, Project Redirection, and Teenage Parent Demonstration Project) improved only the socioemotional climate of the home, while two (Even Start and Project Redirection) improved the cognitive environment.

These new models have the potential to develop into more comprehensive, coordinated, humane, and holistic approaches for dealing with at-risk families (Cohen & Ooms, 1994). The main barriers are categorical funding, turf issues (Cohen & Ooms, 1994), and cost. The direct costs of the programs (excluding the value of referrals to existing services) vary widely. At the upper end of the spectrum, CCDP costs about \$10,000 per family per year. New Chance costs about \$7,646 per family for an intervention that averaged about 6 out of 18 possible months. Programs like Even Start cost between \$2,000 and \$2,500 per family (St. Pierre,

1994), while the Teenage Parent Demonstration Project cost only \$1,992 per year per participant (Maynard, this volume). The high costs of some of these new programs have prompted some policymakers to turn to another model of two-generation programs—collaborating with existing child and family services (Smith et al., 1992).

**Two-Generation Collaborations of Existing Programs and Services.** According to Corbett (this volume), the basic challenge for policymakers is not to dream up new solutions, but rather to package and implement existing strategies in a more integrated and effective manner. As an example, two-generational approaches have been forged by combining the self-sufficiency and support of JOBS with the child and family services of Head Start (Smith et al., 1992). The Foundation for Child Development has reviewed how JOBS has collaborated with other employment, education, and training programs (Smith et al., 1992); profiles are given of two-generation JOBS programs in Kentucky, Hawaii, and Illinois as well as Denver, Baltimore, Philadelphia, Tampa, and Portland. The Minnesota JOBS program has also collaborated with the Periodic Screening, Diagnosis, and Treatment (EPSDT) services operated under Medicaid; Minnesota's JOBS program mandates outreach to enroll children of JOBS participants in EPSDT (Smith & Zaslow, in press).

Integrating welfare reform into existing programs may reduce costs by tapping into other funding streams; in addition, collaboration may also avoid duplication, allow for faster and more efficient implementation, and foster public understanding and support of new welfare initiatives. The child development and family support component of welfare reform could be provided through existing programs in Wisconsin including the following:

**Integrating welfare reform into existing programs may reduce costs, avoid duplication, speed implementation, and foster public support.**

- ❖ *Head Start* is a well-respected national program that has been in existence since 1965 (Carnegie Corporation, 1994); the program received an additional \$550 million in the FY 1994 federal budget, with a promise of full funding to accommodate all eligible children by FY 1999 (Jacobs & Davies, 1994). In Wisconsin, Head Start currently receives \$49,155,000 of federal dollars and \$4,950,000 of state dollars (Haglund, Mapp, Babula, Roman, & Adams, 1994). Wisconsin has over 400 licensed centers with at least one classroom and oftentimes more (V. Roman, personal communication, January 10, 1995). Almost 12,000 children aged 3 to 5 are funded with federal dollars and almost 1,300 with state dollars. Of the current enrollees in Wisconsin, 80% are enrolled in Medicaid, which is a fairly accurate marker of the proportion of AFDC families (V. Roman, personal communication, January 10, 1995). One strength of collaborating with Head Start is its track record, specifically, its experience operating four Family Service Centers which address education, literacy, and substance abuse of parents. One barrier for collaboration is that Head Start is primarily a half-day, part-year program; while not insurmountable, this does restrict its usefulness as a child care option for parents involved in educational activities or job training.

- ❖ *Child care programs* in Wisconsin are administered by over 32 different governmental funding sources. For example, the Wisconsin Department of Health and Social Services currently receives about \$71,331,000 for child care programs. Federal funds total about \$44,131,000 for such child care programs as low income, AFDC, JOBS, AODA, crisis respite, migrant care, resource and referral, early intervention Birth to Three, M-Teams for cocaine families, and grants for child care start-up and expansion, quality improvement, and technical assistance. The state contributes approximately \$27,200,000 for child care for low income families, AFDC, JOBS, family support, early intervention Birth to Three, M-Teams for cocaine families, and children in crisis (Haglund et al., 1994).
- ❖ *Chapter 1* is an educational program for economically and educationally deprived children in preschool through Grade 12 in the majority of the nation's schools. In Wisconsin, the Department of Public Instruction (DPI) receives \$102,114,000 of federal funds (Haglund et al., 1994).
- ❖ The Wisconsin Children's Trust Fund has been providing funding for child abuse prevention programs since 1983 and *family resource centers* since 1990; currently, nine family resource centers are funded at \$75,000 annually for a total of \$675,000 (\$600,000 of state money and \$75,000 of federal revenue). The majority of funding comes from a \$5 charge on duplicate Wisconsin birth certificates (M. Snyder, personal communication, January 10, 1995).
- ❖ Through legislation passed in Wisconsin in 1994, four comprehensive *Right from the Start Programs* are funded at \$100,000 annually; each includes the services of a family resource center, additional sustained outreach, and/or home visiting. In addition, two \$30,000 supplemental Right from the Start programs were granted to two existing family resource centers for sustained outreach/home visiting (M. Snyder, personal communication, January 10, 1995).
- ❖ The Wisconsin Department of Health and Social Services will receive about \$900,000 for planning from the federal *Family Preservation and Support Initiative* in the first of four years with amounts expected to rise from \$2 million to \$3.7 million to \$5 million. This funding aims to serve as a catalyst for establishing prevention (family support) programs and services to families at-risk or in crisis (family preservation) at the local level.
- ❖ *Goals 2000* provides funding to local school districts to improve the educational system in ways that enhance children's learning (e.g., family involvement, school to work initiatives); an estimated \$1.6 million is available for planning through July 1995 with \$4 to \$6 million available the following year for local grants.

Limited research is available on the effectiveness of these collaborative approaches, although some evidence does exist on the effectiveness of individual programs. The Early Periodic Screening, Diagnosis, and Treatment program, for example, has proven cost-effective by providing early treatment of health problems that can be costly if not identified early (Zigler & Styfco, 1993). While studies are limited, students enrolled in Chapter 1 do not exhibit a meaningful gain in achievement (Zigler & Styfco, 1993). Little evidence is available on the effectiveness of family resource centers, although studies suggest that family support alone is not as effective as family support in combination with preschool education (Ramey et al., 1985).

More research is available on Head Start and how it compares to other early childhood education programs such as the Perry Preschool Program described earlier. Head Start is a much more comprehensive program than Perry Preschool. Both programs serve primarily children whose income falls below the poverty line, although Head Start is required to include six components: early childhood education, health screening and referral, mental health services, nutrition education and hot meals, social services for the child, and family and parent involvement.

Perhaps Head Start's strongest benefits have been in physical health and well-being. Head Start children have better health, immunization rates, nutritional status, and social competence (Zigler & Styfco, 1993). Head Start is a major provider of health services to poor children with a high percentage of enrolled children receiving medical screening, immunizations, and dental exams. Head Start participants have higher IQs and school readiness skills, but these gains fade after children enter school. Some lasting effects are found, however: Head Start participants are less likely to be held back a grade in school and are less likely to be assigned to special education classes.

***Perhaps Head Start's strongest benefits have been in physical health and well-being.***

Head Start is thought to be less effective, however, on outcomes such as welfare use, future employment, delinquency, and teen pregnancy, although some contend that the definitive studies have not been done. These weaker results in improving long-term outcomes may be because parent involvement and family support have been the most neglected component of Head Start (Yoshikawa, 1994; Zigler & Styfco, 1993). Currently, service delivery to families is hampered because most family service workers have caseloads triple that recommended, according to a report by the Inspector General (General Accounting Office, 1993, cited in Zigler & Styfco, 1993). Staff training on parent involvement is limited; between 1987 and 1991, training was held in every component of Head Start except parental involvement. The ability of staff to involve parents also varies substantially from site to site (Zigler & Styfco, 1993).



Head Start has a good track record in tailoring services to local community needs. For example, in one study the opening of a Head Start center in 48 communities brought about almost 1,500 institutional changes in the health care and educational systems (Kirschner Associates, 1970, cited in Zigler & Styfco, 1993). A recent General Accounting Office report praised Head Start's track record for linking families with local services, which was judged to be far more effective than efforts to create new services or delivery mechanisms (General Accounting Office, 1993, cited in Zigler & Styfco, 1993).

Which of these two-generation approaches is best—collaborations of existing programs and services or new program delivery models? The evidence isn't all in. The optimum model may depend, in part, on funding streams. If funding for welfare reform is primarily categorical, then collaboration of existing programs may be the most viable alternative. If the funding is largely block grants to the states, some political observers contend this may provide an opportunity to develop more holistic and comprehensive services (Weiss, 1994); others contend, however, that block grants are not forwarded in the spirit of experimentation, but rather as a political ploy to justify deep cuts in social spending (Besharov, 1994).

### **Conclusions and Implications for Policy**

How can policymakers overcome the inherent difficulty of attempting to reduce family dependency on welfare, while, at the same time, enhancing the well-being of children? What conclusions can be drawn that might benefit the welfare reform debate?

- ❖ Welfare reform might benefit from a two-generational approach—breadwinner strategies designed to improve parents' employability and self-sufficiency, and caregiving strategies which improve parents' abilities to promote children's well-being. Policymakers concerned with the "effectiveness of future citizens, future workers, and future parents, should focus explicitly on the development and well-being of today's children" (Hernandez, 1994, p. 21).
- ❖ 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 have the potential to benefit children's well-being and reduce welfare dependency in the next generation.
- ❖ When designing new welfare policies and programs, policymakers must take into account those family circumstances which influence children's development—family income, the parents' education, the quality of child care, the mother's psychological state (e.g., depression), the parents' social network, and the quality of parenting and the home environment (Zaslow et al., 1994).

***Early childhood education combined with family support may reduce welfare dependency in the next generation.***

- ❖ Among the models for designing two-generational approaches are new models that substantially reform service delivery systems and the less costly collaborations of existing programs and services for at-risk children and families. Which of these models will best promote self-sufficiency in parents and their children is not yet known. Findings to date caution against drawing conclusions based on preliminary results. The benefits of educational attainment, earnings, or improved parenting skills may not be immediately apparent, but may emerge over time (Zaslow et al., 1994).
- ❖ The next issue on the agenda may be three-generational models which focus on the needs of children, parents, and grandparents. Children who face multiple risks but overcome the odds often have the opportunity to establish a nurturing relationship with at least one other person; in high risk families, this nurturing often comes from grandparents (Werner, 1990). Also two-generational models may need to be defined broadly to include whoever cares for the child. For example, mothers on AFDC often have men in their lives who can be a powerful untapped force for family improvement (Bruner et al., 1992).
- ❖ Helping ensure that children and their families get a fair shot at becoming responsible, contributing members of society cannot be solved through piecemeal efforts or through government or business alone. All Americans must assume responsibility in their communities to help ensure that children and their parents get the decent chance they deserve (Carnegie Corporation, 1994).



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## Wisconsin Resources on Welfare Reform

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|  |                       |
|--|-----------------------|
| <b>Gary Kuhnen</b>   | <b>(608) 267-9022</b> |
| Treatment of earnings or assets                                |                       |
| Parental and family responsibility                             |                       |
| Transitional child care and transitional Medicaid              |                       |
| Time limits of AFDC benefits                                   |                       |
| Food stamp cash-out  |                       |
| Family cap on AFDC benefits                                    |                       |
| Changes affecting two-parent families<br>(e.g., 100-hour rule) |                       |
| Work Not Welfare   |                       |
| <b>Steve Perales</b>   | <b>(608) 266-7517</b> |
| Job creation for AFDC recipients                               |                       |
| <b>Susan Reinhardy</b>   | <b>(608) 267-3544</b> |
| Electronic benefit transfer<br>(Wisconsin has no EBT program)  |                       |
| <b>Ingrid Rothe</b>  | <b>(608) 266-7046</b> |
| Caseload data  |                       |
| <b>Mary Southwick</b>  | <b>(608) 267-0926</b> |
| Child support enforcement                                      |                       |
| Paternity establishment  |                       |
| <b>John Touhy</b>  | <b>(608) 266-3039</b> |
| Initiatives to promote school attendance                       |                       |
| <b>Jason Turner</b>  | <b>(608) 266-9622</b> |
| Community service jobs   |                       |

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Income inequality and welfare dependency

**Maria Cancian** (608) 263-6633

Women's market work and marriage patterns  
Family economics  
Distribution of income  
Child support

**Thomas Corbett** (608) 262-5843

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Child support

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History of AFDC  
Family violence  
Single motherhood  
Abortion and birth control

**Tom Kaplan** (608) 262-0345

Status of children in Wisconsin  
Families and social policy

**Daniel Meyer** (608) 262-7336

Economic support for single-parent families  
Nonwelfare income transfer programs for families with children  
SSI and General Assistance

**Gary Sandefur** (608) 262-0037

Minority issues related to poverty—household structure  
Intergenerational consequences of marital disruption  
Single-parent families

**Karl Scholz** (608) 262-5380

Earned income tax credit/tax policy in general

**Michael Wiseman** (608) 262-3581

Administration/evaluation of welfare programs

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## Appendix A: Major Reform Strategies

**Social service strategies.** Modestly undertaken in 1956 and greatly expanded in 1962, the concept was that social workers would counsel recipients out of poverty and dependency. The credibility of this approach evaporated when caseloads began to increase at an accelerating rate. This approach can be traced back to the “friendly visitors” of the scientific charity movement in the late 19th century. It reemerges as part of the tough-love and social-contract initiatives discussed later.

**Institutional strategies.** As part of the War on Poverty and Great Society effort, programs were initiated to revitalize social and political institutions at the local level. It was an attempt to empower individuals and neighborhoods, a strategy consistent with the “blocked opportunity” thesis that informed and shaped the War on Poverty. These initiatives (e.g., model cities and community action programs) encountered severe political problems and most were short-lived. In the 1980s, enterprise zones and public housing “ownership” initiatives were suggested to counter disinvestment and disorganization in disadvantaged areas.

**Human capital strategies.** By the early 1960s, it was argued that some were poor because of insufficient skills and education. The remedy was to enhance their earnings capacity and improve their competitiveness in the labor market. That is, their human capital was to be increased. Undertaken in the early 1960s with the Manpower Development and Training Act (for the disadvantaged in general) and the Community Work and Training programs (for welfare recipients), this approach was greatly expanded for AFDC clients with the introduction of the Work Incentive Program (WIN) in 1967. Since then, there have been numerous shifts in program design and administration (as well as names), but the approach continues under the federal JOBS initiative as well as residual initiatives from the War on Poverty, such as Head Start. A second human capital strategy involved enhancing the motivation of welfare recipients to enter the labor market. The marginal tax rates imposed on AFDC recipients (the rates at which their benefits were cut as their earnings increased) were reduced to allow working adults to keep part of their grant after securing employment (between 1967 and 1981) and by providing income help to the working poor through the tax system (e.g., the Earned Income Tax Credit).

**Job creation and subsidization strategies.** Public Service Employment (PSE) jobs were used to offset deficient demand for disadvantaged job seekers. At the height of the New Deal of the 1930s, some 4.6 million jobs were created, covering about a third of the jobless. PSE strategies continued to be in favor, at least sporadically, until the 1980s, when private sector solutions to insufficient demand for labor gained favor. Unpaid public employment as a condition for getting wel-



fare (i.e., Workfare) was introduced in the mid-1960s and has been employed sporadically since. A variety of subsidies to employers (wage-bill subsidies) to offset the costs of hiring disadvantaged job seekers have been tried—becoming a major strategy in the late 1970s. The Targeted Jobs Tax Credit and WIN Tax Credit are two such subsidies. Yet another variant of this approach is the AFDC grant diversion program.

**Income strategies.** The best example of the income approach to reducing poverty was found in the several comprehensive federal mega-plans proposed during the 1970s: Nixon’s Family Assistance Plan, Senator George McGovern’s universal demogrant proposal, and Carter’s Program for Better Jobs and Income. Their roots can be traced back to proposals for a negative income tax, initially suggested by Milton Friedman and others during the 1960s. A more subtle expression of this approach is found in the rather unplanned increase in the generosity of welfare guarantees and the easing of restrictions to obtaining benefits that took place in the 1960s and early 1970s.

**Child support strategies.** The changing composition of the AFDC case-load—proportionately fewer widows with children and more women with children whose other parent was alive but absent from the home—eventually led to a series of initiatives designed to ensure that both legally liable parents contribute to the economic well-being of their children, whether or not they were living with them. Although some federal activity was taken as early as 1950, substantive reforms were not carried out until the creation of the federal Office of Child Support Enforcement (OCSE) in the mid-1970s. This reform strategy was strengthened by federal legislation in 1984 and 1988 (the Family Support Act).

**Macroeconomic strategies.** For several decades, monetary and fiscal policy has been used as a tool for addressing poverty. The Kennedy tax cuts of the early 1960s, and their alleged positive effects on a sluggish economy, were seen as evidence that the economy could be fine-tuned and used as a weapon against economic want. Until the 1980s demand-focused approaches (e.g., increasing the money supply or increasing spending on public works projects) were favored. Since then, so-called supply-side approaches (e.g., lower marginal tax rates on individuals and businesses) came into favor. The principle remained the same: A strong economy is essential to lowering poverty and dependence. That is, a rising tide will lift all boats.

**The “make work pay” strategy.** This approach has been supported by an increasing number of economists who trade in poverty policy. (The phrase “make work pay” is found in *Working but Poor* by Sar Levitan and Issac Shapiro, 1987, Baltimore: The Johns Hopkins University Press, and popularized in *Poor Support: Poverty in the American Family* by David Ellwood, 1988, New York: Basic Books.) The approach is conceptually similar to some aspects of the job creation and subsidization initiatives introduced as far back as the 1960s. The un-

derlying principle is simple: Work ought to be a rational option; those adult AFDC recipients who work more ought to have more income, and those who really play by the rules and work full time ought to be able to get their families out of poverty.

**The “make ‘em suffer” strategy.** The “make ‘em suffer” label refers to a broad set of proposals to impose penalties on what are classified as inappropriate or counterproductive behaviors. (This label is used in *Rethinking Social Policy* by Christopher Jencks, 1992, Cambridge: Harvard University Press). Benefits are conditioned on such positive activities as attending school, partaking in work-preparation activities, immunizing children in the care of the recipient, not having more children while on public assistance, avoiding certain felonious activities such as illegal drug use or dealing, or paying the rent. The recipient is obliged to engage in specific activities to get full benefits. In reality, the “tough love” innovations of the 1980s did little more than resurrect provisions widely used in the “fit home” criterion of the preentitlement era.

**Social contract strategies.** The term “social contract” is used to describe a current approach to reform. (A good introduction to this principle can be found in *Beyond Entitlement* by Lawrence Mead, 1986, New York: Free Press). In principle, this approach balances both institutional and individual explanations for poverty/dependence as well as both liberal and conservative approaches to reform. That is, it would borrow elements from both the “make work pay” and the “make ‘em suffer” approaches noted earlier. The recipient is obligated to work toward self-sufficiency, and government is obligated to provide the instruments and opportunities that will enable the individual to reach that goal.

**The “thousand points of light” strategy.** The “thousand points” strategy means, essentially, that there are to be no more “solutions from the center.” Each state is encouraged to seek its own solutions to the problem of welfare.

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## Appendix B: New Two-Generational Program Models

These summaries are based on a paper by Zaslow and associates (1994).

*The Comprehensive Child Development Program* was created by federal legislation in 1989 and operates in 34 sites for approximately 5,000 families. Comprehensive, continuous support is available to families and children from birth through the child's entry into school. Core services include health care, child care, early childhood education, early intervention for developmental problems, and nutrition services. Parents and other adult family members receive prenatal care, parenting education, health care, job readiness services, substance abuse treatment, and mental health services. CCDP reported increased participation in parenting classes and benefits for children's socioemotional but not cognitive development. Parent's participation in mental health services, life skills training, and counseling increased, and their relationships and social networks improved; children in the experimental group were more likely than control group children to have their biological father or other father figure living in the household. The program had positive effects on educational participation and attainment, but no effect on maternal depression, earnings, employment, or total family income; AFDC receipt actually increased, presumably due to increased access to services.

*The Even Start Family Literacy Program* was administered by the U.S. Department of Education in 240 program sites between 1989 and 1991. Even Start targets low income families with a child under 8 years of age and a parent in need of adult education. Core services include adult basic education, parenting education, and early childhood education with support services such as child care, health care, and transportation. Most programs are center-based, although some deliver services through home visits. Even Start reports positive impacts on participation in parenting classes and the amount of reading materials in the home, but no impacts on seven other measures of cognitive stimulation. Participants increased educational involvement and attainment, but there were no impacts on family income, AFDC receipt, employment, maternal depression, or social support.

*New Chance* is a national demonstration program that operated in 16 sites between 1989 and 1992 for teenage welfare parents who had dropped out of school. New Chance provided education, training, and extensive social support for up to 18 months for 1,400 volunteers. Parents in the experimental group were more apt to attend and complete educational programs. They were also more apt to attend parenting classes and were warmer and less harsh in their childrearing beliefs and practices than were the control group. The experimental group reported more sources of social support and greater satisfaction with social sup-

port. Furthermore, experimental group mothers were more likely to be living with a partner or husband at the 18-month follow-up, while control group mothers were more likely to be living with a parent or grandparent. The program had negative effects, however, on participant earnings, and no effects on employment, AFDC receipt, total family income, or maternal depression.

*Project Redirection* was sponsored by the Manpower Demonstration Research Corporation in the early 1980s in four sites. The program was directed toward teenagers 17 or younger who had no high school diploma or equivalency degree and were eligible or receiving AFDC. The voluntary program provided comprehensive services aimed at education, job service, parenting, life management skills, and delayed childbearing. Project Redirection increased earnings and decreased AFDC receipt, but had no effect on total family income and educational participation or completion. At the 5-year follow-up, the program improved the home environment in ways that benefit both children's cognitive and socio-emotional development. For example, parents provided more language stimulation and mothers were warmer, more accepting, and more affectionate.

*The Teenage Parent Demonstration Project* was a major demonstration sponsored by the U.S. Department of Health and Human Services in two sites in New Jersey and one in Chicago between 1987 and 1991. Half of the 6,000 teenage parents were randomly selected to participate in mandatory JOBS-type programs offering extensive case management to support participation in school, work, and job training; support services were also provided for child care and transportation. The other half received only regular AFDC benefits with no school or work requirements. The program resulted in higher employment, increased earnings, and decreased AFDC receipt, but no increase in total family income. Parents were more apt to participate in parenting classes and parents were warmer and less harsh in their parenting beliefs and practices. Parents were more apt to participate in educational activities, but no more likely to complete an educational degree. The participants were more apt to participate in mental health services and counseling, but there was no difference in depression, daily hassles, or social support.



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