

Note from the Director—Barbara B. Blum

A FOCUS ON CHILDREN

Many social scientists, elected officials, administrators, and practitioners are concerned about the effects of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) on the well-being of disadvantaged children. For this issue of **the forum**, staff at Child Trends were invited to describe their organization's research focused on children and changes in welfare programs. Like the National Center for Children in Poverty (NCCP), Child Trends' work is devoted to examining the status and well-being of poor children in order to inform public policy. Child Trends prepared three articles for this issue of **the forum**:

- ▶ *Children in Fragile Families Face Multiple Risks Under Welfare Reform*
- ▶ *Working Poor Families with Children: A Statistical Profile*
- ▶ *Evaluating the Effects of State Welfare Policies on Children: The Project on State-Level Child Outcomes*

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Children in Fragile Families Face Multiple Risks Under Welfare Reform

Do welfare-to-work programs affect outcomes for families beyond the targeted economic outcomes? If so, what outcomes do they affect and how? These have been key research questions for at least a decade as the nation has moved from the reforms of the Family Support Act, to AFDC waivers, to the current Temporary Assistance to Needy Families (TANF) program.

Social scientists at Child Trends have approached this question first by reviewing the research. For example, the child development literature suggests that welfare-to-work programs could have effects on multiple aspects of family functioning, both economic and non-economic. Studies of early welfare reform experiments confirmed this, documenting effects on maternal psychological well-being, parenting behaviors, and child care experiences. This assumption is being tested in the Project on State-Level Child Outcomes (described on page 4), which worked with a dozen states to identify and evaluate additional areas of family life that state officials expected to be affected by welfare policies. Independent of this effort, other interdisciplinary research projects are also investigating how families and children are faring under the new state welfare policies. (See the Research Forum's database containing descriptions of these studies, accessible at: <http://www.researchforum.org>.)

How Welfare Reform Might Affect Children

At this stage in the study of welfare reform, it is apparent that initial findings and conclusions may well be altered by later and longer-term evaluation results. But the insights gained so far from basic research, existing evaluations, and intensive interactions with state officials already suggest several hypotheses for how specific provisions of the current welfare reform might affect children

Work Requirements

Employment initiated in response to work requirements may have positive or negative implications for children depending on the degree to which a welfare recipient is "job-ready" and whether employment is associated with improvements in family income and maternal psychological well-being. A small set of research findings indicates that, even after accounting for family income and maternal education, *voluntary* maternal employment in low-income families is associated with neutral or modestly positive outcomes for children, perhaps due to associations between employment and improvements in maternal psychological well-being or to increases in family income.

Welfare reform should not be viewed as a set of individual policies, each having isolated effects on different aspects of families' lives. Understanding how children fare in the context of welfare reform depends on examining the cumulative influence of multiple family and community factors.

However, when examining *mandated* employment among welfare recipients, special consideration should be given to the barriers to work that they face (e.g., low educational attainment and limited work experience) and the characteristics of the jobs they are able to get (e.g., the availability of benefits and the types of tasks they are assigned). In one study, welfare recipients with multiple barriers to work had children who scored lower on cognitive and behavioral measures than children of other low-income mothers. Work requirements and economic sanctions for noncompliance may place children in these already disadvantaged families at further risk for developmental problems.

Time Limits

Results from one study indicate that long-term welfare recipients (those who have received welfare for five or more years) reported more depressive symptoms and lower levels of personal control and social support than short-term recipients (receipt for less than two years). Recipients who had received welfare for two or more years were also less likely to have work experience and were more likely to believe that mothers of young children should not be employed. They provided less cognitive and emotional stimulation to their children, and their children had low scores on measures of receptive vocabulary and social maturity. If these long-term recipients resemble those recipients who are the least likely to meet work requirements and, thus, the most likely to reach the 60-month lifetime limit on receipt of federal welfare benefits, there is reason to be concerned about the already higher developmental risk of their children, particularly if the family receives economic sanctions.

Sanctions for Noncompliance

Economic sanctions that reduce or eliminate families' welfare benefits are applied when welfare recipients do not comply with program requirements. Welfare recipients with poor mental, emotional, and/or physical health, as well as those who are chemically dependent, have poor social skills, or a variety of other problems, comprise a disproportionate percentage of sanctioned families. This group of "harder-to-serve" welfare recipients are more likely to have had prior contacts with child welfare agencies or protective services. Thus, there is reason to be particularly concerned about the children in these very disadvantaged families.

Child Care

The choices states make about subsidy levels, reimbursement rates, and eligibility for child care assistance (in particular, whether low-income families who are not receiving welfare are eligible) will have important implications for the child care options available to low-income working parents. The availability of high-quality, flexible, reliable, and affordable child care settings is particularly important for children's positive developmental outcomes.

Other Important Policy Provisions

Policies aimed at increasing paternity establishment and child support, as well as those directed at decreasing nonmarital and teenage childbearing, also have the potential to affect children, usually in a positive way.

Policies Must Consider Already Fragile Families

Welfare reform should not be viewed as a set of individual policies, each having isolated effects on different aspects of families' lives. Rather, understanding how children fare in the context of welfare reform depends on examining the cumulative influence of multiple family and community factors. Some policies and services may promote positive outcomes, while some may place already disadvantaged families and children at greater risk for negative outcomes. Even if some low-income children experience little change in their lives as a result of welfare reform, if they remain poor, they may still be at risk for poor health, low academic achievement, poor socioemotional adjustment, and other negative outcomes associated with long-term poverty. Moreover, there are some indications that the families most likely to be denied benefits, face sanctions, or reach time limits have children who are already at particularly high developmental risk.

A more detailed discussion of the implications of welfare reform for children can be found in Zaslou, M.; Tout, K.; Smith, S.; & Moore, K. (1998). Implications of the 1996 welfare legislation for children: A research perspective. Social Policy Report [Society for Research in Child Development], 12(3), pp. 1-35.

Working Poor Families with Children: A Statistical Profile

When families leave welfare, do they also leave poverty? Or do declining welfare caseloads translate to growth in the ranks of working poor families with children? Using data from the March 1997 Current Population Survey and the Survey of Income and Program Participation, Child Trends developed a statistical portrait of working poor families with children in 1996, the year welfare reform was implemented. It provides a baseline from which to track changes in the number and characteristics of working poor families with children as implementation of welfare reform proceeds.

How Do We Define Working Poor Families with Children?

Definitions of *working* poor vary across studies. Using welfare reform's work requirements, Child Trends developed a work standard for families with children: families with at least one child under age 18 in the household, with incomes below the federal poverty threshold (\$16,036 for a family of four in 1996), and with two parents together working at least 35 hours a week or a single parent working at least 20 hours a week.

How Likely Is It for Children in Working Families to be Poor?

Among children living in families that met the work standard in 1996, only 9 percent were poor. In contrast, among children in families not meeting the work standard, 63 percent were poor. This substantial difference held for both married-couple and single-parent families.

How Common Is It for Children in Poverty to Have Working Parents?

Although children living in a working family have a substantially lower likelihood of being poor, 5 million children lived in poor families that met the work standard in 1996.

- ▶ 52 percent of children in poor, married-couple families had parents who met the work standard.
- ▶ 30 percent of children in poor, single-mother families had a parent who met the work standard.

How Are Working Poor Families Different from Poor Families Not Meeting the Work Standard?

Compared with children in poor families not meeting the work standard, children in working poor families are:

- ▶ more likely to live with both parents;
- ▶ more likely to have at least one parent who has completed high school;

- ▶ more likely to live in owner-occupied housing;
- ▶ more likely to live in a family that owns a car;
- ▶ more likely to be in child care paid for by parents; and
- ▶ less likely to be covered by health insurance.

How Are Working Poor Families Different from Other, More Prosperous, Working Families?

While there are substantial differences between working poor families and poor families not meeting the work standard, there are also important differences between working poor families and other, more prosperous, working families.

- ▶ Virtually all children in more prosperous working families have at least one parent who has completed high school.
- ▶ Children in more prosperous working families are more likely to participate in paid child care.
- ▶ Children in more prosperous working families are twice as likely to live in owner-occupied housing.
- ▶ Car ownership rates and health insurance coverage rates are also higher among more prosperous working families.

Summary

Having one or more working parents reduces the likelihood of childhood poverty, but it does not guarantee an escape from poverty. If welfare reform succeeds in moving more parents into the labor market, one consequence may be more working poor families with children.

We can expect the transition from welfare to working poor to be difficult (especially in a less robust economy), because poor parents not meeting the work standard are at a competitive disadvantage in the labor market relative to working poor parents. They are, for example, less likely to have completed high school and less likely to have a car for commuting to work.

Moving children from working poor families to a life above the poverty line may be even more difficult since working poor parents are at a similar competitive disadvantage in the labor market compared with other working parents. In short, if eradicating child poverty is the objective, welfare reform is only the first step in a long and challenging process.

A longer discussion of working poor families with children is available from Child Trends' web site at www.childtrends.org/workingpoor.htm.

Evaluating the Effects of State Welfare Policies on Children: The Project on State-Level Child Outcomes

In the three years before passage of national welfare reform legislation in 1996, more than 40 states received waivers from the federal government to launch their own welfare reform experiments. The states were required to conduct an experimental evaluation of the impacts of their waiver programs on adult outcomes and behavior. In addition, a dozen states worked with the U.S. Department of Health and Human Services (DHHS), Child Trends, and other researchers to extend the evaluations to include *child* outcomes. This article briefly describes some of the results of that work.

Pathways of Influence

To understand *how* welfare policies can affect child development, participants in the project on state-level child outcomes used the concept of *pathways* developed by Martha Zaslow, Kristin Moore, and colleagues at Child Trends. Pathways are the avenues through which children can be affected, intentionally or unintentionally, by welfare reform. One potential pathway, for example, is the increased turbulence or increased stability that occurs in a family's life when a parent begins a job. If parental employment results in a more stable home life with more predictable routines, the impact on children could be positive. Alternatively, if work makes a family's life more stressful and chaotic, the impact on children could be negative. A further possible child outcome is that the stress and turmoil associated with a parent starting a job may be temporary, yielding greater stability and other benefits to children once an initial adjustment is made.

A Conceptual Framework

Participants from the states used the pathways to develop a *conceptual framework* that depicts their hypotheses regarding pathways through which state policies targeted to adults could potentially affect children's well-being. (See Figure 1.) It identifies first those pathway areas that the state participants viewed as the *direct targets* of welfare policies. These include:

- ▶ income;
- ▶ employment;
- ▶ family formation; and
- ▶ attitudes toward welfare and employment.

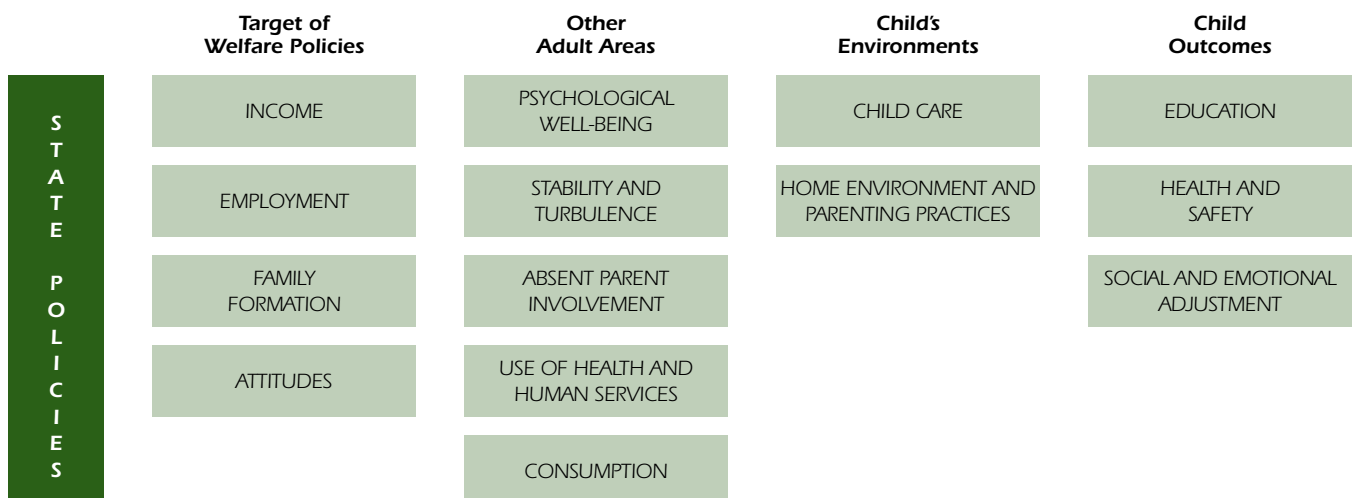
The model also highlights *other aspects of adult life* that are not directly targeted by state welfare policies but that could nevertheless be affected by these policies. These include:

- ▶ parents' psychological well-being (e.g., depression);
- ▶ stability and turbulence in a family's life;
- ▶ non-custodial parents' contact with their children;
- ▶ use of health and human services, such as Medicaid; and
- ▶ the consumption of goods and services.

The conceptual framework then identifies two important *aspects of the child's environment* that might be affected by welfare policies because of changes brought about in an adult's life. These include:

- ▶ child care, including the quality of care, extent of use, and consistency of use;

Figure 1: How Welfare Policies Might Affect Children: A Conceptual Framework



- ▶ home environment and parenting practices, such as the routinization of family life, the amount of aggravation and stress that parents feel when interacting with their children, and domestic violence.

Finally, the conceptual framework identifies three general types of *child outcomes* that state participants anticipated might be affected by their welfare policies:

- ▶ educational, such as school performance and grades;
- ▶ social and emotional, including positive as well as negative behaviors; and
- ▶ health and safety, such as health status and accidents.

The framework was designed to be followed from left to right. It begins with those aspects of adult life that are directly targeted by state policies, followed by other aspects of adult life that might also be affected. These, in turn, are expected to affect children’s experiences in their primary care environments, which then could affect child outcomes. Effects include both intended and unintended impacts. Both positive and negative outcomes for children are viewed as possible.

Developing Common Core Constructs

Working together, participants in the Project on State-Level Child Outcomes used the conceptual framework to select the specific domains and constructs that would be mea-

sured similarly across states, thus providing a strong methodological basis from which results could be compared. The final common core of constructs appears in Figure 2.

What Are the States Doing Now?

In 1997, five states (Connecticut, Florida, Indiana, Iowa, and Minnesota) were awarded grants from DHHS to add child outcomes surveys to their evaluations. The evaluations are in various stages of completion: the first child impact study report will be available in early 2000 (Minnesota), and the last will be available in the fall of 2001 (Indiana). Each state will produce an evaluation report.

Researchers and state officials are working closely to develop a common way of creating measures for these individual state reports. The possibility also exists for an integrative report that synthesizes findings on child outcomes from each of these reports.

A Guide for All States

Child Trends has just released *Children and Welfare Reform: A Guide to Evaluating the Effects of State Welfare Policies on Children*. This guidebook, derived from the Project on State-Level Child Outcomes, provides direction to states and localities wishing to assess the impact of welfare reform on children. Copies may be ordered from Child Trends’ web site at www.childtrends.org/newswort.htm.

Figure 2: Core Constructs for the Project on State-Level Child Outcomes

Target of Welfare Policies	Other Variables Likely to be Affected by State Policies	Aspect of Child’s Environment Likely to be Affected by Welfare Policies	Child Outcomes
<p><u>Income</u></p> <ul style="list-style-type: none"> ▪ Total income ▪ Sources of income (mother’s earnings, father’s earnings, child support, AFDC, food stamps, SSI, Foster Care/Adoption) ▪ Stability of income ▪ Financial strain/material hardship <p><u>Employment</u></p> <ul style="list-style-type: none"> ▪ Any vs. none ▪ Health benefits through employment ▪ Wages (hourly) ▪ Hours of employment ▪ Stability of employment ▪ Education/licenses ▪ Hard job skills ▪ Multiple jobs concurrently ▪ Barriers to employment <p><u>Family Formation</u></p> <ul style="list-style-type: none"> ▪ Nonmarital birth/marital birth ▪ Child/family living arrangements ▪ Marital status, whether married to child’s biological or non-biological father 	<p><u>Psychological Well-Being</u></p> <ul style="list-style-type: none"> ▪ Maternal depression <p><u>Stability and Turbulence</u></p> <ul style="list-style-type: none"> ▪ Foster care ▪ Stability in child care ▪ Stability in income ▪ Moving of residence ▪ Change in marital status or cohabitation ▪ Reason child not living with family <p><u>Absent Parent Involvement</u></p> <ul style="list-style-type: none"> ▪ Whether child support provided ▪ Paternity establishment ▪ Frequency of contact with child <p><u>Use of Health & Human Services</u></p> <ul style="list-style-type: none"> ▪ Food stamps ▪ Medicaid (awareness, use, eligibility) ▪ Child care subsidy (awareness, use, eligibility) ▪ Access to medical care <p><u>Consumption</u></p> <ul style="list-style-type: none"> ▪ Percent of income spent on child care and rent 	<p><u>Child Care</u></p> <ul style="list-style-type: none"> ▪ Type ▪ Extent ▪ Quality (group size, ratio, licensing, parent perception) ▪ Stability ▪ Child care history for last several years <p><u>Home Environment and Parenting Practices</u></p> <ul style="list-style-type: none"> ▪ Child abuse/child neglect ▪ Domestic violence/abusive relationships ▪ Family routines ▪ Aggravation/stress in parenting ▪ Emotional support and cognitive stimulation provided to child 	<p><u>Education</u></p> <ul style="list-style-type: none"> ▪ Engagement in school (ages 6-12) ▪ School attendance (all children) ▪ School Performance (all children) ▪ Suspended/expelled (all children) ▪ Grades (ages 6-12) <p><u>Health and Safety</u></p> <ul style="list-style-type: none"> ▪ Hunger/nutrition (ages 5-12) ▪ Child health status (ages 5-12) ▪ Regular source of health care (ages 5-12) ▪ Teen childbearing (ages 14-17) ▪ Accidents and injuries (all children) <p><u>Social & Emotional Adjustment</u></p> <ul style="list-style-type: none"> ▪ Behavior problems (ages 5-12) ▪ Arrests (all children) ▪ Social competence (ages 5-12)

Publications on Children and Welfare Reform Available from NCCP

ISSUE BRIEFS [\$5.00 each / 4 for \$15.00]

Issue Brief 1: *How Welfare Reform Can Help or Hurt Children*
by Ann Collins and J. Lawrence Aber

Describes the research base for NCCP's framework to assess welfare changes from a children's perspective and points to lessons from current and welfare-to-work evaluations. (1997). 12 pp.

Issue Brief 2: *Anticipating the Effects of Federal and State Welfare Changes on Systems that Serve Children*
by Ann Collins

Focuses on processes to assess how federal and state welfare initiatives will have an impact on state and community policies and systems that serve children and families. (1997). 12 pp.

Issue Brief 3: *The New Welfare Law and Vulnerable Families: Implications for Child Welfare/Child Protection Systems*
by Jane Knitzer and Stanley Bernard

Examines the potential impact of P.L. 104-193 on vulnerable families already in or at risk of entering the child welfare/child protection system. (1997). 20 pp.

Issue Brief 4: *Responsible Fatherhood and Welfare: How States Can Use the New Law to Help Children*
by Stanley Bernard

Outlines provisions in the welfare law related to fatherhood and offers states strategies to encourage responsible parenting by custodial and noncustodial fathers. (1998). 24 pp.

Issue Brief 5: *Children and Welfare Reform: Child Care by Kith and Kin—Supporting Family, Friends, and Neighbors Caring for Children*
by Ann Collins and Barbara Carlson

Summarizes the research on kith and kin child care, examines traditional policies, describes eight innovative program strategies, and makes recommendations that states and local communities can use to reach out directly to these child care providers and the children for whom they care. (1998). 20 pp.

RESEARCH FORUM ON CHILDREN, FAMILIES, AND THE NEW FEDERALISM

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The Research Forum, an initiative of the National Center for Children in Poverty, hosted at the Joseph L. Mailman School of Public Health of Columbia University, encourages collaborative research and informed policy on welfare reform and vulnerable populations. The Forum's ultimate goal is to identify and promote strategies that protect and enhance the well-being of poor children and their families.

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