A Two-Pronged Reform

Welfare Reform in the United States
Two policy initiatives aimed at changing the behaviors of poor adults with dependent children

I. Work First
II. Building “Strong Families”
OFFICIAL GOAL OF THESE POLICIES

- Enhance Child Well-being
- Help Current and Future Generations now "Trapped" in "Dependency" into America’s "Mainstream."
  - Promoting Self Sufficiency through Work
  - Building and Sustaining Two-Parent Families
Research Question

- What could Policy Makers Learn by Talking to the Targets of this Legislation, and Learning about their Unique Social Contexts and World Views?
Outline of Presentation

I. Work First
   IA. Legislation
   IB. Quantitative Evidence
   IC. Qualitative Insights
   ID. Lessons for Policy

II. Building Strong Families
   IIA. Legislation
   IIB. Qualitative Evidence
   IIC. Qualitative Insights
   IID. Lessons for Policy
IA. Work First Legislation

- Old AFDC System
  - Entitlement to all income-eligible children and their custodial parent.
  - Focus on human capital development through GED and short-term training.
  - Essentially voluntary work requirements under both WIN and FSA.
  - Very few recipients combined welfare and employment.
IA. Work First Legislation

- New TANF System
  - Time Limited
    - Nearly immediate participation requirements
    - 24 months and a job
    - 60 months lifetime limit
  - Rapid Immersion rather than Human Capital
  - Generous, Time Limited, Work Supports
  - State Choice
    - Most States Chose
      - Generous, time limited, EIDs
      - Even shorter time limits than federal mandate
      - Some states more generous, no time limit on children
IB. Work First Quantitative Evidence

- Prior to PRWORA
  - PA recipients tell CES that spend nearly 2X what they earn.
  - Most spells last 2 years or less, but most leavers return. Many receive welfare for 5 years or more over their lifetime.
  - Few transitions unto the work rolls last unless the recipient lives with wage-earning partner.
  - Training programs only modestly effective at promoting work transitions or increased earnings.
IB. Work First Quantitative Evidence

- Post PROWRA
  - Rolls down by ~ 50%
  - Not just exits, diversion
  - Know little about divertees, but large minority of leavers report no wage income in a given month
  - Low take up of transitional benefits, such as Food Stamps, Medicaid, Child Care subsidies.
  - Adolescents, esp. with younger siblings, may be worse off.
IC. Work First Qualitative Insights Pre-PROWRA

- Edin/Lein Survival Strategies Study. An In-Depth, Qualitative Study of the Economic Lives of…
  - Nearly 400 low-income single mothers across four major US metro areas
  - Half on welfare, half working at low-wage jobs
  - All major racial and ethnic groups within these cities
IC. Work First Qualitative Insights Pre-PROWRA

- The Economic Story
  - No one can live on welfare alone. Welfare only covers 3/5ths of expenditures.
    - $311 gap remains.
    - Exception that proved the rule.
  - Welfare rules do not allow supplementing one’s benefits without taxing the income by nearly 100%.
  - Mothers must engage in covert survival strategies to make ends meet.
IC. Work First Qualitative Insights Pre-PROWRA

- The Economic Story, Continued…
  - Three Types of Survival Strategies
    - Work – a whole subterranean world of economic activity not picked up by surveys or administrative records. 50% had substantial work income over the last year, including…
      - Formal, but short term
      - Formal, but under false ID
      - Informal, but not illegal per se
      - Informal, and illegal (only 9%)
IC. Work First Qualitative Insights Pre-PROWRA

- The Economic Story, Continued
  - Three Survival Strategies
    - Work
    - Networks (Cash or Near-Cash)
      - Boyfriends
      - Absent Fathers (Usually Covert)
      - Kin
      - Friends
IC. Work First Qualitative Insights ProWRA

- The Economic Story, Continued
  - Three Survival Strategies
    - Work
    - Networks
    - Agencies (Cash or Near Cash)
IA. Work First Qualitative Insights Pre-PROWRA

- The “Character” of these Survival Strategies
  - Survival strategies were a crucial supplement to welfare benefits, but were highly unstable, resembling a continually unraveling patchwork quilt
  - Flexible yet could be highly time consuming, sometimes as much as a part-time job.
  - Enhanced stigma by making everyone technically a “welfare cheat.”
IC. Work First Qualitative Insights Pre-PROWRA

- What about workers? Even a poorly paying job pays better than a welfare check!
  - Not so! Work “costs” more than welfare.
  - Workers have a larger gap between income and expenditure -- $411.
  - Are even more reliant on income from survival strategies to make it through the month.
  - And these are the lucky ones! Almost all enjoyed two or more special circumstances that artificially lowered the cost of working.
ID. Lessons For Policy Makers

- THE REAL WELFARE PROBLEM IS A LABOR MARKET PROBLEM, ONLY THE LUCKY CAN AFFORD TO WORK!
- WORK IS NOT ENOUGH
IC. Work First Qualitative Insights
Post-PROWRA

- URBAN CHANGE QUAL COMPONENT
  - Longitudinal study of ~ 150 families who received TANF at baseline, recruited from high poverty/high welfare neighborhoods of 4 large US cities.
  - Followed for 3-4 years.
IC. Work First Qualitative Insights
Post-PROWRA

Workers better off economically

Reasons

- Very low unemployment means more jobs, better pay
- BUT workers do less covert work and get less agency support, and have to sustain the added costs of working, so they lose income as well as gain
- Work-based safety net crucial
  - EITC
  - CHILD SUPPORT
  - CHIPS
  - Generous, time limited, Medicaid, FS, and child care subsidies
  - Generous, time limited, EIDs
- Work is now affordable, at least in the short term!
IC. Work First Qualitative Insights Post-PROWRA

- Compliance or Curb-Stoning?
  - Mothers largely bought the rhetoric of welfare reform, even adopting the belief that they couldn’t be good mothers unless they worked in the formal sector
  - Believed the time-limits were real
  - Complied with requirements as fully as possible, often exceeding them
  - Took any job available, even ones they knew could not sustain them once TANF lapsed and transitional benefits ran out
  - Sought full rather than part time jobs, though the incentives favored part time work
IC. Work First Qualitative Insights Post-PROWRA

- Huge Heterogeneity of Outcomes
  - Jobs unstable, income fluctuations exacerbated by TANF.
  - Implementation problems and onerous reporting requirements.
  - Unable to compensate by purchasing these goods and services on the market.
  - Only those with a strong PRIVATE SAFETY NET managed the transition without serious strains.
  - Families with adolescents especially strained, due to “adultification” and inability to replace parental time.
  - Families with health problems especially strained.
ID. Work First Lessons for Policy Makers

- THOUGH FAMILIES HAVE SLIGHTLY MORE DISPOSABLE INCOME, THEY DO NOT FEEL BETTER OFF.
- THESE GAINS HIGHLY DEPENDENT ON A CONTINUING STRONG ECONOMY, ON THE EITC, AND ON TIME LIMITED WORK SUPPORTS.
- EVEN SO, WORK IS STILL NOT ENOUGH.
IIA. Building Strong Families Legislation

- **PROWRA**
  - Two of the four goals of PROWRA were aimed at building strong families, but no specific mandates.
    - Freed states to use TANF dollars for relationship skills training and marriage promotion programs.
    - Allowed states to offer marriage incentives within TANF.

- More recently, 1.6 billion may go to states and locales who initiate program activity in this area, including large federal evaluation.
IIB. Building Strong Families
Quantitative Evidence

![Graph showing trends in percent of mothers who are never-married by educational attainment from 1960 to 2005.](image)
IIB. Building Strong Families

Quantitative Evidence

- Strong statistical link between parent’s marital status and child well-being.
- Over 80% of unmarried mothers AND fathers with a newborn say they’re romantically involved, and 50% are living together.
- Of these, over 80% of unmarried mothers AND fathers with a newborn say there is at least a 50% chance they’ll marry the other parent.
- Nearly 2/3 of mothers and 3/4 of fathers say the chances are good to certain.
## IIB. Building Strong Families

Quantitative Evidence

<table>
<thead>
<tr>
<th>% Married</th>
<th>% Broken Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Months</td>
<td>30 Months*</td>
</tr>
<tr>
<td>12 Months</td>
<td>30 Months*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>At baseline</th>
<th>% Married</th>
<th>% Broken Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohabiting or Visiting (Romantic)</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>Cohabiting</td>
<td>15%</td>
<td>21%</td>
</tr>
</tbody>
</table>

*Initial data in from 7 cities only. 1-03
IIB. Building Strong Families
Quantitative Evidence

- Dad isn’t employed 20%
- Dad has prison record 40%
- Mom or Dad a high school dropout 40%
- Mental health problems 14%
- Reported domestic violence 8%
- He or she has child with another partner 50%
- Parents already broke up 17%
IIC. Building Strong Families
Qualitative Insights

- **TLC3**
  - In-depth qualitative interviews with a sub-sample of 75 FF couples in 3 US cities
  - Interview parents both together and separately at the birth, and at age 1, 2, 4

- **Parenting Project**
  - Repeated, cross-sectional qualitative interviews with 180 low-income single mothers in poor Philadelphia neighborhoods
  - Not restricted by age of child.
Fragile Families Pre-Pregnancy

- Typically seeing each other for about 1 year before conception
- “Pillow talk” about having a baby together early in the relationship
- Pregnancies largely unplanned, but not avoided
- Many feel abortion is irresponsible
  - Unfair to punish child for the parent’s mistake
- Childlessness inconceivable – High social value to children
Fragile Families During Pregnancy

- The relationship is mostly about the baby. Wouldn’t be together otherwise.

- If not cohabiting already, many start cohabiting around the birth (“shotgun”) or break up.

- Many hope to marry someday, but it is in the indefinite future.
What is Pregnancy Like for the Poorest Couples

- Some couples enter into pseudo marriage.
- For others, fighting, breakups, tension common
  - He denies paternity, may pressure her to abort
  - Infidelity
  - Domestic violence, drugs, alcohol, “ripping and running the streets”

- Yet many of the more troubled couples stay together for, or reunite around, the birth
  - Does he visit the hospital?
  - How does she name the baby?
Common Problems for Fragile Families after the Birth

- **Money Issues**
  - Not enough; even most cohabiters don’t pool
  - Conflicts about partner’s spending habits
  - Increased pressure due to shotgun cohab norm

- **Relational Quality**
  - Infidelity not uncommon (esp. men)
  - Resent partner’s distrust and controlling
  - His going out with his friends often a sore spot
  - Relationships with parents of other children cause tension
Even Worse Problems Among the Very Poor

- Often not living together; he visits (monitoring)
- On-again, off-again relationships
- Infidelity common
- Domestic Violence/Drugs/Alcohol
- Can’t or won’t find job and contribute $
- Crime/Incarceration
- He wants final word; she wants equal say
- Know/trust few people; little social support
The Economic Bar for Marriage

- Economic ability to support a child and set up a household together not enough (many already cohabiting).

- The “white picket fence” dream/bar includes some combination of the following:
  - A mortgage on a modest home
  - Furniture, a car or two
  - Modest Savings
  - Enough left over for a ring and to host a “decent” wedding

- Hold a mainstream cultural view about what goes with marriage
Does Women’s Economic Dependence or Independence Promote Marriage?

- Women want a good job before they marry
  - Earnings buy her some control over household decisions, she can kick him out if he behaves badly
  - She can support herself if they break up
  - He often wants her to have a job too
  - Immigrants more traditional about this
The Relational Bar for Marriage

- Partners need to be mature, relationship needs to be mature
- Takes years to be sure this person is right for forever (divorce to be avoided)
- No deadline (as in 1950s “shotgun marriages”)
- But the relationships aren’t that great, and in some cases, the relational quality is dangerously low
IID. Lessons for Policy in Building Strong Families.

- Parents are more likely to stay together and marry if they have more
  - Economic resources—his and hers
  - Relational skills
- But unmarried parents have serious problems that interfere with healthy relationships
  - Low earnings/unemployment
  - Infidelity, distrust, volatile relationships (domestic violence), substance abuse, incarceration
  - Problems worse among the poorest
Other Qualitative Policy Studies

- Non-Marital Fertility
- Child Support
- Housing Mobility Programs
- Non-Profits and Welfare Reform