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# ISSUE BRIEF

## Welfare Reform and the Well-Being of Families: Successes To Date and Challenges Ahead

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A discussion featuring

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## Welfare Reform and the Well-Being of Families

In 1996, Congress enacted and President Clinton signed legislation repealing the nation's longstanding Aid to Families with Dependent Children (AFDC) program. This legislation replaced AFDC with a program known as Temporary Assistance to Needy Families (TANF), which provides block grants to states. The new law no longer required states to provide welfare to all eligibles, set a lifetime limit on benefits, and mandated that most recipients prepare and search for work while still on the rolls.

The design and passage of the law fostered one of the most heated political episodes in decades. It is rare that Washington dismantles an entitlement program, especially under a Democratic president. Passionate rhetoric came from both sides of the political aisle. Supporters insisted that the law provided the recipe to end both the cycle and the culture of poverty by no longer allowing people to stay on welfare interminably. TANF's new time limit and work requirement, they said, would deter out-of-wedlock childbearing, instill confidence in welfare adults, and evoke pride among the children of newly working parents.

Many of the law's critics decried the repeal of AFDC, saying the nation was turning its back on a 60-year-old promise to aid poor families. The law, some estimated, would throw another million children into poverty, increase homelessness, and swell the nation's foster care rolls.

Four years later, as reauthorization of TANF approaches, the question arises, "has the law benefited the poor?" The answer, true to politics, depends on one's definition of "benefit."

If TANF's success is measured by lower welfare rolls and higher work rates and earnings for recipients, as the law states, the answer is an unambiguous "yes." Four years later, welfare rolls have been cut by nearly one-half, most former adult recipients are working and earning more than ever, child and adult poverty rates have dropped, and the incidence of teen pregnancy is also on the decline.

Even liberals concede that their worst nightmares have not come true, and many are surprised that so many former recipients are working. They are also quick to point out that these gains were made during the most economically prosperous time for the nation in 30

years. Wages for low-skilled workers rose after two decades of stagnation, and jobs, even for the less skilled, have been plentiful.

But critics believe the law's success is hollow if family disposable income does not rise when parents leave welfare for work. The extent to which increased earnings offset declines in government benefits and increases in work-related expenses is, so far, unclear.

While the ratings on welfare reform's success range from "no visible harm done yet" to "fabulous," even the law's supporters acknowledge the higher risk that poor families face in not always being able to fall back on welfare, and many share critics' concerns about two issues as TANF progresses: how families who use the welfare system will do during economic slowdowns and what to do even now about the portion of families who have fallen deeper into poverty, despite the remarkable economy. The poorest 20 percent of families headed by single mothers were the only income group in the country to suffer a loss in disposable income between 1995 and 1997, largely due to the loss of means-tested benefits.<sup>1</sup>

Fortunately, conclusions are not being drawn through anecdote. The implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), with TANF as its centerpiece, has been intensely scrutinized by teams of government and foundation-funded researchers. Volumes are being

### ISSUE BRIEF/No. 761

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written about the fortunes of welfare leavers, the types of jobs they are getting, the job supports they are using, recidivism rates, and how nonworking welfare leavers are surviving. Thus, it is possible to develop a rough sense of how states are implementing the program and how families are faring through this extraordinary change.

As more evidence is analyzed on how welfare reform is affecting the well-being of families, policy-makers will likely face the following issues when TANF is reauthorized in the 107th Congress:

- Should more flexibility be given to states to extend the law's benefit time limits during periods of economic downturn?
- Should the concept of workfare—government-subsidized employment—be resurrected to aid low-income families during times of economic recession?
- What can be done to help the subgroup of families whose incomes actually decline after leaving welfare?
- Given that both welfare leavers and other low-income families underutilize government benefits for which they are eligible, what can or should be done to encourage families to access these supports?
- How well does the unemployment compensation system work as a safety net for low-income families, now that they can no longer fall back on welfare?

In this issue brief NHPF examines the earnings and incomes of former recipients, any changes in the well-being of their children, and what is happening to those not on welfare and not working. At the session itself, the audience will be encouraged to step back and consider both the policy and political challenges that state as well as federal policymakers will have to address in coming months.

## **DEVOLUTION TO STATES FOR IMPLEMENTATION**

The welfare reform law was intended to drastically alter the federal-state partnership in running welfare as well as the way states implement their welfare systems. The TANF block grant has pushed states to change their basic focus from running an error-free cash relief system to concentrating on activities that place recipients quickly into jobs. The law reins in federal oversight capacity and offers states great flexibility in designing and administering their programs.

There is now a growing body of research that explores the variations in how states have chosen to

implement welfare reform and the results that some of the more creative and promising approaches are yielding. NHPF will focus more deeply on implementation issues at a later time. Meanwhile, this paper offers a brief overview of states' efforts.

While states were given freedom to reduce cash welfare payments under TANF, most states have kept the same benefits as under AFDC; 15 states have increased benefits and 4 have reduced them. And, to ease the transition to work, most states have increased the amount of earnings and savings a family can retain before losing welfare eligibility. Diversion programs have become a popular way to keep families from joining the welfare rolls. Under these programs, states require welfare seekers to search for jobs before applying for welfare. In some cases, states offer them emergency funds to weather a short-term crisis that has led them to the welfare office. More than 25 states run diversion programs.<sup>2</sup>

In addition, states have substantially changed the way they spend their welfare funds. There have been large declines in direct cash aid and increases in activities that help recipients find and keep jobs.<sup>3</sup> A number of states are actually spending more welfare money on activities that promote work than on cash aid, largely because of funds freed up by caseload declines.

Overall, states are adopting a "work first" strategy that emphasizes job search and job placement services over work training and education programs. States are requiring "quick and sometimes immediate involvement in work or work-related activities, often before an application for assistance is approved," notes researcher Thomas L. Gais and colleagues in a recent paper prepared for the Rockefeller Institute of Government. States also appear to concentrate their services on welfare families with multiple barriers to employment.<sup>4</sup>

The PRWORA has inspired some states to try creative approaches to reducing welfare assistance. Some are using their TANF block grant to help recipients with transportation, as well as housing costs. Others are experimenting with work bonuses, while some states are helping noncustodial fathers to train for and find work.

## **THE UNDERLYING POLITICS**

Clinton's legacy with welfare reform seems two-sided. On the one hand, some will remember him for weakening the nation's safety net for the poor by agreeing to eliminate their entitlement to cash aid, an

ironic legacy for a Democratic president. On the other hand, others note that, by requiring poor families to work, he has muted the conservative argument against helping low-income families and improved the political climate for building a new safety net of supports for the working poor.

As a “New Democrat,” Clinton pledged during his first presidential campaign to “end welfare as we know it.” This pledge embraced work as a behavioral norm for welfare mothers, a concept that was included in Congress’s 1988 welfare overhaul but was barely implemented. Early in his first term, the Clinton team crafted a plan that would have required most adult recipients to work within two years or be cut from the rolls. Tough as it sounded, the plan also promised a government job for any able-bodied recipient who could not find one on his or her own and waived the work requirement if the recipient needed child care but could not secure any.

The welfare reform plan was part of Clinton’s overall strategy to fulfill another campaign promise to “make work pay.” Welfare reform was to be accompanied by the adoption of universal health care insurance as well as increases in the minimum wage, the Earned Income Tax Credit (EITC, a wage subsidy for low-income workers), and government child care subsidies. Taken as a whole, this package would have allowed low-income working families to stay above the poverty line. In 1992, a single parent who had two children and worked full-time at the minimum wage lived below the poverty line, even when accounting for food stamps and the EITC.

The only major element of Clinton’s package enacted before Republicans took control of Congress in 1994 was a significant increase in the EITC. In 1993, Congress raised program spending by \$21 billion over five years. This increase, combined with an earlier EITC hike enacted in 1990 under Pres. George H. W. Bush, tripled the credit’s value over the decade to about \$3,600 per year for a family of three with a single-earner working full-time at the minimum wage.

Meanwhile, the administration’s welfare reform plan had stalled. In 1994, a Republican-dominated Congress invited Clinton to “end welfare as we know it,” but on their terms. Those terms emphasized ending welfare dependence and encouraging marriage. Climbing out of poverty was never an explicit goal. Ron Haskins, a former House Republican aide involved in TANF’s design, comments,

Many conservatives think welfare reform would be a smashing success if every poor person in the nation

had exactly as much money after as before welfare reform on the single condition that after reform, the poor earn most of their own money rather than getting it from other taxpayers through government transfers.<sup>5</sup>

The following four goals were spelled out in the law’s language:

- Aid needy families so that children can be cared for in a family member’s home.
- End welfare dependence through job preparation, work, and marriage.
- Reduce the incidence of out-of-wedlock pregnancies.
- Encourage the formation and maintenance of two-parent families.

The law that ultimately passed set a lifetime limit on benefits of five years for most recipients. States were given leeway to provide counseling and job training and placement, but TANF’s priority on expediting work was clear. States would need to place a certain portion of their caseload in work activities each year or lose grant money. Funds for child care were increased but capped. Any recipients who could not work because they were not given child care subsidies would receive cash aid, but their benefits clocks would still be ticking.

Advocates were particularly angry that Clinton signed a bill that they believed weakened the safety net for poor families before a stronger package of income supports for the working poor could be constructed. Now, however, some are noting that the risk has paid off because, without the scapegoat of long-term welfare receipt, Congress is in a much stronger position to enhance other benefits to help the working poor. “The resentments that stood in the way of helping poor people have diminished considerably because we’re no longer fighting about whether they deserve help or not,” Bruce Reed, a Clinton domestic policy advisor, recently told the *New York Times*. “Everybody’s expected to work, and as a result, society’s willing to help.”<sup>6</sup>

Recent legislative activity suggests this may be true. Congress increased the minimum wage (from an hourly rate of \$4.25 in 1996 to \$5.15 in 1997)<sup>7</sup> and expanded child care subsidies for low-income families. And, while the administration’s attempts to provide universal health insurance coverage failed, Congress in 1997 enacted the State Children’s Health Insurance Program (SCHIP), which so far has expanded coverage to about 3.3 million low-income children.<sup>8</sup>

Finally, Congress defeated proposals in 1997 and 2000 to pare back the EITC. Fiscal year (FY) 1999

spending on the EITC totalled \$30 billion, substantially exceeding both federal and state spending on TANF, which amounted to \$21.7 billion that same year.

## WELFARE VERSUS NONWELFARE POPULATION

Since 1996, economic concerns about low-income families have centered on the well-being of those who exit welfare. To date, over 40 studies have been conducted on the status of welfare leavers, tracking their work patterns, hourly wages, and participation in other government benefits. But this study group may be too narrow. In the wake of both the publicity surrounding the entitlement termination and the diversion efforts of many states, TANF has actually deterred many would-be welfare recipients from applying for benefits. Therefore, the status of welfare exiters may be quite similar to the profile of the less-spotlighted population of low-income families overall.

Recent research bears this out. When compared to two groups of low-income mothers who have not recently been on welfare—(a) mothers with children under 18 and family incomes under 150 percent of the official poverty level, called “near-poor,” and (b) mothers with family incomes under 200 percent of poverty, called “low-income”—welfare leavers work at about the same rate and have similar incomes. While former welfare recipients are more likely to use government benefits, all three groups are underutilizing benefits to which they are eligible.<sup>9</sup> The similarities between groups should be useful when examining the sea of information on welfare leavers.

## THE STATUS OF WELFARE LEAVERS

About 45 percent to 65 percent of adults exiting the welfare rolls are working at any given point. It is difficult to assess how well they are able to support their families, in part because current data do not offer a complete picture of family income after expenses and public benefits are factored in, and in part because the measure of an adequate standard of living is subjective.

### Benefit Scenarios

Without accounting for costs of housing, child care, and health care, a few facts are clear. Working—if only part-time—yields a family more income than not working and collecting welfare. Families with part-time workers see increased income as a result of combined earnings, the EITC, and cash aid and food stamp

benefits. One study of families (one adult, two children) in 12 states found that incomes rose by an average of 51 percent after this transition.<sup>10</sup> Such families saw income rise more slowly as the part-time workers increased work effort from 20 hours to 35 hours per week (still at the minimum wage); in this case, income increased by 20 percent, despite a 75 percent increase in work effort. Still, the study showed, family income with one full-time worker was close to \$17,000, or about 20 percent above the federal poverty line; a nonworking family on welfare would have income at about 30 percent below the poverty line.

But living above the poverty line is a crude measure of family economic well-being. Whether families with a full-time, minimum wage earner can make ends meet is uncertain when considering the work-related costs they encounter (transportation, child care, clothes) and whether they are able to use government subsidies to help defray some of these costs. For example, government subsidies are available for child care but are not required to reach all those who are eligible. Low-income families who paid for child care in 1995 spent an average of \$300 per month on such care.<sup>11</sup>

Housing costs are another major variable in a family’s income equation. A recent study by the U.S. Department of Housing and Urban Development found that “1.1 million low-income working families with children faced severe housing cost burdens and/or lived in severely substandard housing.”<sup>12</sup> Government housing subsidies are available but certainly not plentiful; three-fourths of all families on welfare do not receive them. In 1995, 77 percent of all poor renters who did not live in subsidized housing spent at least half of their incomes on rent.<sup>13</sup>

Whether the family can afford health care is also uncertain. Theoretically, the children would be eligible for Medicaid or SCHIP in most states, but parents in most cases would have to find coverage through their employer or through an individual plan. The costs would be variable and may discourage parents from insuring themselves.

### Actual Profile

The above discussion shows the variability of disposable income among families with full-time, year-round workers who use the government benefits for which they qualify. Few welfare leavers fit this profile. A synthesis of 11 leaver studies funded by DHHS, whose findings are consistent with other major leaver studies, offers a more realistic story. Most former

welfare recipients earn above the minimum wage rate and do not work year round; many do not access benefits for which they are eligible. Many also experience job turnover and spells of unemployment over the course of their first year in the job market.<sup>14</sup>

Only 30 percent to 40 percent reported working every quarter of the year they exited.<sup>15</sup> The average leaver works more than 30 hours a week at wages ranging between \$6.00 and \$7.50 per hour. Average annual earnings are between \$10,000 and \$13,000 (not including food stamps, EITC, and other government benefits). Six months after leaving welfare, between 10 percent and 28 percent return to the rolls.

Estimated annual earnings suggest that many former recipients remain eligible for food stamps and Medicaid, yet the DHHS studies found that only between one-third and two-thirds of leavers received food stamps immediately after exiting. This is consistent with Urban Institute estimates that, in 1999, only one-third of welfare leavers were receiving food stamps during the year they left the rolls.<sup>16</sup> In addition, the Urban Institute estimates that in 1997, about 30 percent of welfare leavers were uninsured, and the likelihood that they would lack insurance increased the longer they were off the rolls (see more below).<sup>17</sup>

A number of studies have looked at material hardship as another measure of how families are faring after welfare. An Urban Institute study of welfare leavers in 1999 found that over the year one-third reported having to reduce meal sizes or skip meals because there was not enough food, 46 percent reported a time when they were not able to pay housing or utility bills, and 9 percent said they had to move in with others for at least some time because they could not make housing or utility payments. However, the study also found that nonwelfare low-income families with similar earnings were reporting a significantly lower incidence of the same hardships.

### Off Welfare, Not Working

Studies estimate that, at any given time, between 40 percent to 50 percent of welfare leavers are not working, and that more than 10 percent have not worked in a long time. Some have married, are living with an employed partner, or are receiving government disability benefits. In 1997, however, roughly 20 percent of former recipients were not working and had no reported means of support.<sup>18</sup> How they were living is unknown.

More recent research by Sheila Zedlewski and Pamela Loprest at the Urban Institute offers a glimpse

of the most “at-risk” leaver population—those who are not working, have not worked in some time, and have no reported means of support. A significant portion of the people in this group have a child on Supplemental Security Income, report to be in poorer health, and have lower education levels than working leavers. They are also less likely than working leavers to be on food stamps and Medicaid, despite their lack of earnings.

At the same time, a review of income and spending data offered by the government Consumer Expenditure Survey reveals that the poorest group of single mothers spend considerably more on goods and services than their incomes would allow,<sup>19</sup> suggesting that they have unreported income. Such income could be gifts from friends and family, from loans, or earnings from underground work.<sup>20</sup>

### CHILDREN OF WELFARE LEAVERS

In 1996, some of the arguments around the passage of TANF centered on whether the bill would harm or help children in welfare families. TANF supporters believed that requiring mothers to work would benefit children by imposing structure in their lives and creating the expectation of work in adult life. Perhaps most importantly, they believed, the law’s attempt to curb the increase of single-parent families would greatly help children. In TANF’s preamble, marriage is described as “an essential institution of a successful society which promotes the interests of children.”<sup>21</sup>

Critics warned that many children would suffer the effects of living with lower incomes because of TANF’s time limits; the direst claims predicted more homeless children and more placements in foster care. Maternal employment, they also warned, would leave children, especially the youngest, with little time with their mothers and could also stress mothers’ patience with their children.

Due to a lack of data, the verdict about TANF’s impact on children is not in yet. However, researchers have tracked child well-being during welfare experiments conducted under numerous state waivers in the early 1990s. Generally, they found virtually no evidence that welfare reform packages were harmful to preschool and elementary-school-aged children, but some evidence that adolescents were engaging in more risky behaviors because they were left unsupervised.<sup>22</sup>

In synthesizing the child outcomes of four major welfare reform studies, Northwestern University researchers Greg Duncan and Lindsay Chase-Lansdale

found that children fared better under certain program structures than others. The highlights of their findings are as follows:

- Children had higher school achievement results under work programs that offered generous supports (income subsidies, child care subsidies, higher earnings disregards) than those that required mothers to find work without offering the supports.
- Child impacts were as positive in a mandatory work program as in a voluntary one.
- Programs focusing on job training and education had no more positive effects on children than those that just focused on employment.
- Evidence from two of four studies show that parents used their increases in work-related resources to put their children in after-school programs and extracurricular activities. Some evidence suggests these programs had a greater influence on improving child well being than parental mental health, family routines, or other aspects of the home environment.
- The impact on family formation was mixed. Both increases and decreases in marriage and marital stability were found in programs with and without generous work supports.
- The only study to measure domestic violence—the Minnesota Family Independence Program—found that violence within participating families decreased considerably compared to control families. Even so, among families participating in programs with generous work supports, domestic violence and maternal health problems were “alarmingly common.”<sup>23</sup>

## CHILD CARE

Child care is a chief job support for most working parents. In 1998, two-thirds of mothers with children under age six worked; about three-quarters of all preschoolers with working mothers in the United States are in some form of child care.

Given the profile of families on welfare, Congress believed that, in designing the PRWORA, there would be a critical need for child care. Two-thirds of adult welfare recipients have preschool-aged children. The law streamlines federal child care programs and, anticipating that more work would require more child care, boosts overall child care funding for low-income families. Four programs—three that were connected to the old welfare system and one for low-income

families—were consolidated into one block grant called the Child Care Development Fund. Mandatory funding under the six-year appropriations for the new block grant—nearly \$14 billion—is \$4 billion more than projected spending for the replaced welfare-related programs.<sup>24</sup> In addition, PRWORA allows states to use up to 30 percent of TANF funds for child care. In FY 1999, states used 10.5 percent of TANF funds for this expense, the single largest use of TANF money for purposes other than cash assistance.<sup>25</sup>

Interestingly, most welfare leaver studies have found that less than a third of the families who leave welfare and are working are receiving any child care subsidies.<sup>26</sup> Instead, a number of studies indicate that working welfare leavers are relying mostly on family and friends for child care. These findings are not dramatically different from the child care use rates of working mothers living in poverty, regardless of welfare involvement. In 1994, the U.S. Census Bureau found that 52 percent of preschool children living in poverty relied primarily on relative care, while 22 percent relied on center-based or family day care.

Whether the subsidy’s low take-up rates are because parents are satisfied with their current arrangements is unclear. It is known that more than one-quarter of employed former recipients are working at night,<sup>27</sup> thus making it more convenient for friends and family members to watch their children.

At the same time, a few leaver studies have indicated that parents do not know about the benefit. A 1999 analysis done by the Center on Law and Social Policy (CLASP) suggests that there are few opportunities for states to inform welfare leavers about child care subsidies because cases are closed without note of whether the welfare leaver found work. (CLASP found that while most studies are reporting that more than 50 percent of welfare leavers are working, FY 1998 national administrative data found only 22 percent of case closings were recorded as due to employment.) Thus, states are not able to identify who should be notified about the child care benefit.<sup>28</sup>

## MEDICAID

Perhaps the most glaring effects of both the unintended and natural consequences of welfare reform are seen in the area of health care coverage. As part of welfare reform, Congress severed the historic eligibility link between cash aid and Medicaid, whereby enrollment in AFDC automatically triggered enrollment in

Medicaid. TANF provides that low-income families are still eligible for Medicaid if they meet their state's old AFDC income and related standards. But Medicaid enrollment at the welfare office is no longer automatic.<sup>29</sup>

Medicaid enrollment for welfare eligibles has dropped significantly since 1995. This has led to major concerns that not all TANF applicants are notified of their Medicaid eligibility, that those moving from welfare to work are not given access to the Medicaid transitional benefit, and that state welfare diversion programs are lessening the likelihood that people who qualify for Medicaid will know they are eligible.

Recent studies estimate the Medicaid enrollment decline. According to the Congressional Research Service, from 1995 to 1997 Medicaid enrollment of nondisabled, nonelderly adults and children declined by about 1.2 million; all of the decline was among persons receiving cash aid.

Medicaid participation rates for recipients newly off the welfare rolls points to the problem of incorrect termination. The 1996 law guaranteed up to one year of transitional Medicaid assistance to those who leave welfare due to increased earnings, and states have options to encourage and ensure that the Medicaid benefit continues. But data from the Urban Institute's 1997 National Survey of America's Families show that only 56 percent of women off welfare for less than six months were still receiving Medicaid; 34 percent were uninsured.<sup>30</sup> "The steady reduction in Medicaid coverage is matched by a steady increase in the proportion [of adult leavers] with no insurance," the Urban Institute's report states. After at least one year off the rolls, only 28 percent of former adult welfare recipients had private coverage; 49 percent were uninsured.<sup>31</sup>

In response to concerns about wrongful termination of Medicaid, last April the Health Care Financing Administration directed states to review their TANF case closures and reinstate those who had been mistakenly terminated. As a result, several states, including Maryland, Pennsylvania, and Washington, have made aggressive efforts to reinstate people who were inappropriately terminated.

Recent research suggests that progress is being made to insure more children newly off welfare. An Urban Institute study that looked at groups of children formerly on welfare in 1997 and in 1999 found that health insurance coverage rates increased from 44 percent to 53 percent during that time. The Urban Institute's data suggest the increases are related to improvements in CHIP enrollment and outreach.<sup>32</sup>

Finally, the success of welfare reform is underscoring the problems of the private health insurance market for low-income workers. As more former recipients get jobs, a substantial portion are finding themselves uninsured, highlighting their difficulty in securing coverage through the private market.

## NEXT STOP: THE WORKING POOR

The transition of welfare families into work has illuminated the economic struggles of the working poor. Families with full-time low-income workers have trouble paying for child care, health care for parents, and adequate housing. The problems are, of course, more severe for single-parent families. These difficulties may move Congress to reevaluate how its policies affect the working poor, at least until they can get more established in the workforce. For instance, should greater subsidies be available for child care, health care, and housing? Should any type of work quota be set for receipt of these benefits? Without a permanent net of cash assistance, should low-income, part-time workers have better access to unemployment compensation?

Another set of income policy questions emerges as families try to advance beyond the ranks of the working poor. While disposable income can rise when leavers go from welfare to full-time, year-round work at the minimum wage, they encounter significant disincentives when trying to move further up the income ladder. The phase-out of government supports such as the EITC and child care subsidies dilutes gains made from higher wages. For instance, in a 1999 12-state study conducted by the Urban Institute, a family of three with a full-time working mother gained, on average, 16 percent in disposable income when going from the minimum wage to \$9.00 an hour—a 75 percent wage increase.<sup>33</sup> These earnings offsets will likely attract thoughtful attention as more families enter the ranks of low-income workers.

## THE FORUM SESSION

At this Forum session, various perspectives will be offered on how low-income families are faring under the welfare reform law. In addition, speakers will comment on the challenges and opportunities states and the federal government are facing in implementing the legislation. This dialogue is critical as discussions begin about reauthorizing the PRWORA statute and related laws during this Congress.

**Pamela J. Loprest**, a labor economist and researcher with the Urban Institute, will begin the session with an



overview of data describing the work rates, earnings, and other income of people recently off of welfare. Loprest's recent work examines welfare reform and work policies, the status of families leaving welfare, and welfare-to-work policies for persons with disabilities.

**Lawrence Mead**, professor of politics at New York University, will follow. Drawing on concerns he and others raised when the PRWORA was being debated, Mead will offer some thoughts on the challenges that lie ahead, some regarding political will and others addressing difficult policy and philosophical choices in welfare reform and income support policies.

Offering state perspectives on the impact of welfare reform on both families and state government will be two state officials. **Douglas E. Howard**, director of the Michigan Family Independence Agency, has overseen the implementation of TANF and related work support programs in that state, and **Natasha K. Metcalf**, commissioner of the Tennessee Department of Human Services, administers similar programs in Tennessee.

Reactions to speakers' presentations will be offered by **Ron Haskins**, former staff director of the House Ways and Means Committee Human Resources Subcommittee and a key player in the design and drafting of the 1996 welfare reform statute. Haskins is now a co-director of the Brookings Institution's Welfare Reform and Beyond initiative and a consultant to the Annie E. Casey Foundation.

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