CCF Welfare Reform at 20 Online Symposium
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Welfare Reform at 20. How’s that Working? Introduction to the Online Symposium

Overview of the Welfare Reform at 20 Online Symposium prepared for Council on Contemporary Families by symposium editor Virginia Rutter, Professor of Sociology, Framingham State University. CCF’s Online Symposium examines the origins, progress, and future of welfare reform.

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Twenty years ago, President Bill Clinton proposed to “end welfare as we know it,” and on August 22, 1996, he did just that when he signed into law The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). This welfare reform repealed the cash assistance program, Aid to Families with Dependent Children (AFDC), and replaced it with a program called Temporary Assistance to Needy Families (TANF).

This wasn’t just an alphabet soup change-up; it effected a significant transformation in policy, based on an amalgamation of old racial prejudices and new expectations about families, women, and self-reliance. That is the conclusion of six new papers presented to the Council on Contemporary Families for their Welfare Reform at 20 Online Symposium. As University of Maryland demographer Philip Cohen demonstrates, the PRWORA reflected changing norms about the employment of mothers along with an abiding hostility towards black women. Stephanie Coontz of The Evergreen State College points out that it also embodied several myths about the history of the War on Poverty. One result of these myths was a growing diversion of welfare funds to programs designed to promote marriage and responsible fatherhood. But as Cal State-Fresno sociologist Jennifer Randles’ in-depth study of these programs reveals, they did not increase marriage rates or relieve poverty. Indeed, the few benefits they conferred came despite their out-of-touch condescension towards poor families, not because of the middle-class values and skills they tried to teach.

The Act succeeded in reducing the number of families receiving assistance: In 1996, according to the U.S. Department of Health and Human Services, 4.4 million families received aid, and in 2012, 1.9 families received aid. Yet it failed at reducing the need for assistance, as documented in legal scholar Shawn Fremstad’s examination of the state of millennials. In 1996, 5.6 million families were in need; in 2012, 5.7 million families were in need.

The Act was initially deemed a success because more single moms found paid employment and the employment rate reached historic highs, CEPR’s domestic policy director Alan Barber and Framingham State University sociologist Virginia Rutter report. This employment surge, though, started in the early 1990s, well before welfare reform. Furthermore, the job losses starting in the 2000s have not been mitigated by this program, leading to intensive instability, especially for very poor families, per American University economist Bradley Hardy. Notably, child poverty today is as high as it was when President Lyndon Johnson announced the War on Poverty in 1964.
Read on for a brief synopsis of each of the contributions to the series, or access all the articles via CCF Welfare Reform at 20 Online Symposium.

**Why reform? It’s the attitudes.** As Philip Cohen reports: “If there was one thing the majority of Americans could agree on in 1996, it was that people on welfare were a big problem…. In April 1996, 77 percent of Americans told the Gallup poll that taking action on welfare was either ‘very important’ or a ‘high/top priority.’” In Welfare Reform Attitudes and Single Mothers’ Employment after 20 Years, Cohen documents how married mothers’ growing employment rates interacted with racism to cultivate negativity toward the cash assistance program for single mothers that had been expanded by Presidents Johnson and Nixon.

Ironically, while welfare programs are seen as a pet of liberals, Cohen charts how hostility against welfare has been lower in years when a Republican is in the U.S.’s highest office, and higher when a Democrat is president. Fernstad notes, that President Richard Nixon even supported a minimum national income and advocated ending unequal benefits across states, arguing that “no child is ‘worth’ more in one State than in another State.”

**The way we were and could have been.** The negativity of the 1990s, according to historian Stephanie Coontz in Welfare Reform’s 20th Anniversary, also reflected a revisionist history of the anti-poverty measures passed under Johnson and Nixon. President Ronald Reagan fanned the skepticism of the 1980s: “We fought a war on poverty, and poverty won.” In fact, the 1965 war on poverty programs reduced poverty by nearly half.

Some criticisms of the old model were legitimate. “AFDC tended to penalize work and encourage under-the-table ways of earning money because the grant was reduced if a recipient earned or reported any extra income,” explained Coontz. “The work deterrent was much more modest than often assumed, but it was real.” Still, the solution was draconian: The 1996 law abolished AFDC’s guarantee of cash assistance to all eligible poor families. It gave states a fixed pool of money for income support and work programs, along with “considerable leeway about how – or whether – to spend that money.” Louisiana, Michigan, and Missouri are among the states that cut direct benefits and diverted funds to other uses. The federal government also allocated new funds for programs to promote marriage as a solution to poverty, an agenda that became increasingly central to welfare policy in the early 2000s.

**Marriage promotion didn’t reduce poverty.** Over the past 20 years, one billion dollars (total) of welfare funds have been directed at programs aimed to increase marriage rates and thereby reduce poverty. In The Frontlines of Welfare Reform: Why Marriage and Responsible Fatherhood Programs Succeed or Fail, sociologist Jennifer Randles reviews studies of welfare-funded couples workshops that targeted poor families.

As Randles points out, none of these programs has been shown to reduce poverty or increase marriage rates. Couples did experience some benefits from some of the programs, but not for the reasons the organizers originally thought. “Instead of being magically transformed by mentors or experts into stable middle-class partners, couples in these classes ended up learning from each other that their relationship and parenting challenges are shaped by economic stress
and race, class, and gender inequalities, not just their own or their partners’ shortcomings,” explains Randles.

Fathers appreciated programs that gave them the “opportunities, resources, and social support they needed to be there for their children, and didn’t just lecture them about financial responsibility.” But Randles quotes Christopher, a 22-year-old, African-American father of one young son: “There was nothing else after. It’s not like we finish the program and get an interview or start another program. Other guys went back to the street after the program, just doing what they can to make a dollar…. We went from being on this block every day, to making it to class every day. It became a priority for us. We’re trying to better ourselves, but what are we supposed to do now? We got a certificate, now what?”

Let’s try a little economic and policy research. CEPR’s Alan Barber and sociologist Virginia Rutter offer a targeted report on the employment dynamics of single mothers without a high school degree. A single graph in TANF didn’t fight poverty. Full employment did, tells all. The rate of work among single mothers—who were disproportionately African American—rose prior to welfare reform, and continued into the late 1990s. In that period of time, TANF use declined. When jobs began to disappear in the early 2000s, welfare dependence remained low, but poverty and hardship began to rise again because welfare was not acting as a safety net.

The safety net for the poorest of the poor is the focus of economist Bradley Hardy, assistant professor of public policy at American University. In examining family stability in the past two decades, Hardy notes that poor families don’t just have low incomes, they have volatile incomes, with no savings or wealth to buffer them against layoffs or emergencies. TANF reforms, which removed any kind of income floor, “resulted in a weakened cash-based safety net….For such families, there is often no adequate substitute for cash assistance to pay bills—near-cash programs providing important food and housing assistance will not buy a coat, bus fare, or emergency auto repairs,” he notes in TANF Policy to Address Low, Volatile Income Among Disadvantaged Families.

What about the Next Generation? “Millennial parents should be the most prosperous parents in history,” writes Shawn Fremstad, who has worked on TANF, labor market and related policies since the 1990s. “In addition to being better educated than any previous generation and waiting longer to become parents, they are raising children in an economy that is 70 percent more productive than when Baby Boomers were the same age. Yet, roughly one out of every five (20.6 percent in 2014) live below the federal government’s outdated and increasingly austere poverty line ($24,000 for a married couple with two children). This is about twice the rate of their counterparts in 1979.”

Yet only 21 percent of poor parents aged 20-29 were receiving TANF in 2013. In Is TANF Working for Struggling Millennial Parents? Fremstad shows how TANF has whittled away needy parents’ access to resources. Those fragmented policies have led to just the disparities that Nixon sought to eradicate back in the 1970s: because of variations in services and generosity, Massachusetts ranks first, while Mississippi ranks last in Annie Casey Foundation child well-being ratings.
Now what? As Coontz argues, several policies initiated in the 1990s have been effective in reducing material hardship among those able to find and hold on to jobs. But high unemployment rates, low wages, and the inaccessibility of childcare means that many poorly-educated parents, especially single mothers, cannot work enough to take advantage of programs such as the Earned Income Tax Credit. And the end of cash assistance for these families has greatly increased the hardships of the poorest of the poor. Cohen sums up: “There is a sad irony here, one that is familiar to students of racial conflict in U.S. history. We had a moment in which single and married mothers – all moving toward higher employment rates – might have benefited from improvements in work-family policy for all families. This might have improved child well-being and reduced gender inequality at a time when women’s rising employment was reaching a limit under the existing policy regime. Instead, however, we ended up with a punitive policy directed at poor single mothers – and little progress on work-family policy for the next two decades.”
Welfare Reform’s 20$^{th}$ Anniversary

A briefing paper prepared for the Council on Contemporary Families by Stephanie Coontz, Professor of History and Family Studies, The Evergreen State College

Twenty years ago this month, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which repealed the cash assistance program, Aid to Families with Dependent Children (AFDC), and replaced it with a program called Temporary Assistance to Needy Families (TANF).

Myths about welfare at the time

Hostility toward AFDC had been building since the early 1980s, as Philip Cohen explains. While some of the criticisms were legitimate, much opposition was spurred by myths about the history of poverty programs. As President Reagan memorably summed up those myths, “We fought a war on poverty, and poverty won.”

The reality is that the War on Poverty was remarkably successful, even though successive administrations fought it with one arm tied behind the back and retreated in the face of economic challenges that should have elicited heightened efforts, such as the oil crisis of 1973, the stock market crash of 1974, and the 1979 energy crisis.

Between the mid-1960s and 1980, poverty rates were almost halved. Poverty rose again in the 1980s in response to deteriorating economic conditions and Reagan-era cutbacks, but economists calculate that in the early 1990s poverty would have been nearly twice as widespread if government programs had not been available.

Racism as well as historical misrepresentation fueled the attack on AFDC. Most Southern states and many Northern ones had successfully excluded Blacks from New Deal jobs and postwar economic assistance programs. As the Civil Rights movement gained clout, this became harder to do and African-Americans, who had long been more likely than whites to experience poverty, now became highly visible on the welfare rolls.

As marriage rates fell and out-of-wedlock births rose, opponents of welfare promulgated a new myth. Unmarried poor women, they argued, were literally reproducing poverty, having babies in order to collect welfare checks. This despite the fact that a year before the repeal of AFDC, a rigorous state by state examination found “no” evidence that welfare was behind the increase in female-headed households. Other studies also refuted the claim that welfare caused the rise in unwed births.

In fact, other countries and American states with the most generous income assistance programs have lower rates of out-of-wedlock births than the US states with the most miserly ones. Recent research shows that unwed births are largely driven by the dynamics of joblessness and inequality, along with the chaotic life situations produced by intense economic insecurity.
Some truths about AFDC
Aside from these falsehoods, however, many observers began to question the AFDC in light of the transformation in the marriage arrangements of the non-poor, as described by Philip Cohen. Originally, cash assistance to families with children was designed to help “deserving” single mothers – mostly widowed or abandoned women – stay home with their children. But as more mothers entered the workforce in the 1980s and early 1990s, it became difficult to justify paying poor mothers to stay home when so many married moms could not afford to do so.

Another problem was that AFDC tended to penalize work and encourage under-the-table ways of earning money because the grant was reduced if a recipient earned or reported any extra income. The work deterrent was much more modest than often assumed, but it was real.

One solution would have been to provide a minimum income floor that would not be cut if recipients started taking steps toward full independence. Instead, the 1996 law abolished AFDC’s guarantee of cash assistance to all eligible poor families, giving states a fixed pool of money for income support and work programs, and considerable leeway about how – or whether – to spend that money. The act also imposed strict lifelong limits on the amount of aid a family or individual could receive, no matter how long a person worked in between spells of hardship.

The rise of TANF
Opponents predicted the cuts would lead to "children sleeping on grates, picked up in the morning frozen." But the first four years of the program seemed to contradict their forebodings. Welfare caseloads fell sharply, and in the context of the expanding job market that America experienced from 1996 to 2000, the majority of adults leaving public assistance found jobs. Few of those jobs paid enough to move a family out of poverty, but the number of families with children in poverty did fall, largely thanks to the Earned Income Tax Credit (EITC), a program that puts extra income back in the hands of low-wage workers.

To the surprise of many conservative as well as liberal skeptics of mandatory work requirements, sending single mothers of young children to work didn’t have the ill effects that many had predicted. Researchers found that mothers’ transition to employment had several positive effects on young children’s cognitive achievement and behavior. And a 2016 study of employed and unemployed single mothers confirms earlier research showing that employed single mothers reported less sadness and stress, and no more fatigue, than non-employed single mothers.

Ominously, however, there were some negative effects of maternal employment on teenagers’ school achievement and behavior, probably due to reduced parental supervision in disadvantaged neighborhoods. Furthermore, the positive impact of maternal employment on children was found only in conjunction with jobs that provided more income than the women had formerly received. Maternal employment coupled with increased income had more positive effects than increased income from welfare alone. But maternal employment that did not increase income over previous assistance levels did not produce positive results.

Under the George W. Bush administration, promoting marriage as a solution to poverty became a more important component of welfare policy. But increases in economic insecurity since then have actually been associated with further decreases in marriage rates, and rigorous evaluations.
of “healthy family” programs have shown no effect on marriage rates and mixed effects on
couples relationships, as Jennifer Randles describes.

TANF’s gaps showing
When the job market weakened after 2000, the holes in the TANF program became more
obvious. For individuals unable to find or hold full-time jobs, as well as for people who become
unemployed again after using up their lifetime TANF limits, the EITC is no use because one has
to earn income to collect benefits. The end of cash assistance has created serious hardship for
families where lack of child care, poor education, mental or physical issues, or simply a
depressed job market prevents a parent from working.

Furthermore, Congress has not changed the funding of the basic grant since 1996, causing its real
value to fall by one-third. By 2013, moreover, spending on child-care assistance had been falling
for 11 years, and fewer than 20 percent of families eligible for child care subsidies were actually
receiving them.

Worse yet, many states used the latitude granted them under the act as a license to divert money
from actual assistance to the poor toward other priorities. Louisiana used some of the money to
fund anti-abortion pregnancy centers, while Michigan spent part of it on college scholarships.
Georgia actually sent letters to welfare applicants saying “we believe welfare is not the best
option for your family,” and “TANF is not good enough for any [emphasis added] family.”
Those who applied anyway were often rejected for such things as failing to file 24 or more job
applications a week.

In June 2015, the Missouri state legislature voted to cut thousands of families off the state’s cash
assistance program, reduced the life-time limit for assistance from 60 to 45 months, slashed cash
benefits by half for those unable to find jobs, and redirected a significant proportion of welfare
funds to pro-marriage and anti-abortion programs.

Real talk: Movement in the wrong direction
Nearly half of all Americans receive some form of government benefits, such as Social Security,
food stamps, housing subsidies, the earned-income tax credit, or the child tax credit. Such social
welfare programs have reduced poverty by 40 percent since the 1960s and given many low-to-
middle-income Americans a higher standard of living than their earnings alone could ensure.

But over the past several decades a declining portion of these benefits have gone to the poorest
families. In 1995, the AFDC program lifted more than two million children out of deep poverty,
accounting for 62 percent of children who would otherwise have been classified as such. By
2010, TANF lifted only 629,000 children – just 24 percent – out of deep poverty.

Two researchers recently calculated that the number of families living for at least part of the year
on incomes of just $2 a day per person grew from 636,000 in 1996 to 1.46 million in early 2011,
an increase of 130 percent. If we include in-kind benefits, the number of people living on $2.00 a
day or less increased to “only” 67 percent in that period, but that’s still a dramatic example of
movement in the wrong direction. As Christopher Jencks writes in a carefully balanced
evaluation of the research, “the poorest of the poor are... worse off today than they were in 1969.” And a sizable number of those poorest of the poor are children.

Most Americans want people who cannot work to get assistance and people who can work to earn enough to keep them out of poverty. And almost no one wants children to be scarred by the kind of economic deprivation that our current welfare system perpetuates. As Randles argues, there are programs that can help individuals cope better with poverty, both as parents and partners. But 20 years of history demonstrate that few of these have long-term effects on family stability or child outcomes in the absence of improved employment opportunities, wage levels, and social safety nets, including affordable child-care that allows mothers to earn income without leaving their children in dangerous situations.
Welfare Reform Attitudes and Single Mothers’ Employment after 20 Years

A briefing paper prepared for the Council on Contemporary Families by Philip Cohen, Professor of Sociology, University of Maryland.

The welfare reform bill that emerged in 1996, after a back-and-forth struggle between President Bill Clinton and the Congress (both houses of which were controlled by Republicans), imposed a two-year continuous term limit, and a five-year lifetime limit, on poor cash welfare recipients. It ended Aid to Families with Dependent Children (AFDC), an entitlement program, and replaced it with Temporary Assistance to Needy Families, a state block-grant program. The policymakers who engineered this change took advantage of a growing popular expectation that mothers should be in the labor force. There was widespread resentment against those (perceived to be mostly Black) who used welfare payments to shirk the obligation to work, choosing dependence on the state rather than getting married or refraining from childbearing.

This policy reform, motivated and supported at least in part by racist ideas and stereotypes, set out to fundamentally alter the relationship between work, parenthood, and marital status for U.S. women. Instead, despite some increase in employment rates, it mostly increased the hardship – and reduced the support – for poor families and their children, who are disproportionately people of color. Reflecting on this anniversary, it now appears this was a tragic misdirection, and we lost an important opportunity to change work family policy for the benefit of all women and poor families.

Politics and the rise of welfare reform

In 1994, the percentage of Americans telling the General Social Survey the government was spending “too much” on welfare peaked at 62 percent, having jumped almost 20 points around the 1992 election that brought Bill Clinton to power. We can now see this as a cyclical pattern, in which the presence of a Democrat in the White House is associated with a tilt against welfare in public opinion (see figure). Aware of the negative implications of that pattern for his political fortunes, Clinton twisted arms in his party, and the reform ended up passing with a large majority – possibly a key factor saving Clinton’s chance for re-election in 1996.

Public opinion was very strongly against welfare as we knew it. If there was one thing the majority of Americans could agree on in 1996, it was that people on welfare were a big problem. The specifics were foggy, but on that much the majority seemed clear. In April 1996, 77 percent of Americans told the Gallup poll that taking action on welfare was either “very important” or a “high/top priority.” Seventy-one percent said they were for “cutting off federal welfare benefits to people who had not found a job or become self-sufficient after two years.”
After the bill passed, in August, 68 percent told Gallup they favored it, with just 15 percent opposed. Forty-nine percent said the “cuts in benefits to welfare recipients” were “about right,” and another 25 percent said they “do not go far enough.” That fall, 55 percent agreed with the statement, “Government should limit the amount it spends on welfare programs, even if some poor people do not receive assistance.”

Work versus laziness, self-sufficiency versus dependence, these were the popular themes tapped to build support for the bill. These long-standing tropes in the dominant American culture were reinforced at the time by panic over high urban crime rates and Black violence (the Rodney King riots in Los Angeles occurred in 1992). Poverty, welfare, and crime, were bound up with race and racism by a tight web of highly-charged code words and concepts. For example, Republican House Speaker Newt Gingrich wrote in 1995:

“No civilization can survive for long with 12-year-olds having babies, 15-year-olds killing one another, 17-year-olds dying of AIDS, and 18-year-olds getting diplomas they can’t read.”

In this popular view, the threat to America came from the urban Black poor. Cutting benefits to poor people who were perceived as Black, and discouraging (or punishing) what were perceived as their dependent and – frankly – crime-producing ways, was very popular. A 1995 New York Times poll found 79 percent agreed with the statement, “most people on welfare are so dependent on welfare that they will never get off it.”
The most fundamental reform idea - make them work

The *marriage promotion* components of the welfare reform – some of which were added after a few years – were not big parts of the debate at the time. That is surprising, given that the *bill itself* opened with a 1,200-word section titled Findings, which began, “Marriage is the foundation of a successful society,” and ended:

“Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important Government interests and the policy [here] is intended to address the crisis.”

But marriage was only a signal of virtue, unmarried childbearing was its absence, and requiring work was a punishment for failure to abide by this norm. Work was not mentioned in the introduction to the bill, but it emerged as a key rationale. In a *2006 interview* looking back at the welfare reform on its 10-year anniversary, Ron Haskins, a conservative policy advocate working at the Brookings Institution and an architect of the reform, did not mention increasing marriage rates as a goal of the policy. He said, “The most fundamental reform idea was that mothers on welfare, even those with young children, should be encouraged, cajoled, and, when necessary, forced to work.”

An under-appreciated factor in the shifting public opinion on single mothers and work was the massive increase in employment rates among *married* mothers in the three decades leading up to 1996. In an article Suzanne Bianchi and I *wrote in 1999*, we argued that there had been a major change in the popular view of women’s work accompanying that trend. Whereas welfare from the time of the New Deal had sought to help mothers remain out of the labor force – so they could raise their children – by the late 1990s mothers were increasingly expected to work for pay while their children were in paid childcare. And suddenly single mothers not “working” looked lazy compared with married mothers – especially middle-class married mothers, a rapidly growing and politically influential group – who increasingly were in the labor force.

Held up to the light of the trend, single mothers not employed became the object of newfound resentment. “Although welfare reform has concentrated attention on single women with children,” we wrote, “married mothers’ allocations of time to paid work also are central to the welfare debate, as these women often appear as a de facto comparison group.” The figure below illustrates the tension of that moment, showing the rapid convergence in employment rates between married and single mothers. (In the figure I show raw employment rates as well as rates at the mean of controls for age, education, race/ethnicity, and the presence of young children; this is to illustrate the trends are mostly not driven by changes in the composition of the two groups.)
Increasing hardship more than work

Although the number of single mothers was indeed increasing, it’s not that they were increasingly exhibiting laziness or dependence – leading to public scorn – it’s that married mothers were increasingly employed, making a non-employed mother appear outside the norm. With the White majority perceiving poor single mothers as mostly Black, this norm violation was received with outrage and condemnation.

The reform was successful at reducing the number of people receiving cash welfare, and as a result it probably did contribute to the increase in employment rates for single mothers – along with, of course, the very strong economy at the end of the 1990s.

Note that the rise in single mothers’ employment starting in 1994 predates the reform, which took several years after the 1996 passage before being fully implemented. And then when fully implemented, the welfare reform era saw an eight-year slide in single-mothers’ employment rates from 2005 to 2013. The timing of single mothers’ employment surges and declines undermines the idea that the welfare reform fundamentally altered the relationship between work, parenthood, and marital status for U.S. women.

Source: Chart by Philip Cohen using data from the Current Population Survey via IPUMS.org. The sample includes women living in their own (or their spouses’) households, with the own children, in the ages 18-54. The dotted lines are unadjusted employment rates, the solid lines are adjusted for age, education, race/ethnicity, and the presence of children under age 5. Details provided at: https://osf.io/5ywra/.
Unnoticed at the time, married mothers’ employment rates stopped rising in the late 1990s after all, running into the barriers erected by poor work-family policy, men’s resistance to adopting women’s traditional roles, and a cultural shift toward “egalitarian essentialism” — the idea that women should be free to “choose” non-employment among other non-traditional options (as I argued in this essay).

There is a sad irony here, one that is familiar to students of racial conflict in U.S. history. We had a moment in which single and married mothers — all moving toward higher employment rates — might have benefited from improvements in work-family policy for all families. This might have improved child well-being and reduced gender inequality at a time when women’s rising employment was reaching a limit under the existing policy regime. Instead, however, we ended up with a punitive policy directed at poor single mothers — and little progress on work-family policy for the next two decades.

If employment rates were not permanently raised, one lasting change produced by the welfare reform nevertheless was to increase the hardship and struggle for the poorest families, as has been demonstrated by Kathryn Edin and Luke Shaefer in their 2016 book, $2 a Day; and by Robert Moffitt in his 2015 presidential address to the Population Association of America. In the end the reform may tell us more about dominant American attitudes toward poor people and their children — especially those who are Black — than it does about crafting social welfare policy for their benefit.
The Frontlines of Welfare Reform: Why Marriage and Responsible Fatherhood Programs Succeed or Fail

A briefing paper prepared for the Council on Contemporary Families by Jennifer Randles, Assistant Professor of Sociology, California State University, Fresno

“Marriage is the foundation of a successful society.”
“Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children”

...These were the assumptions that most members of Congress made as they designed the 1996 law that became the Personal Responsibility and Work Opportunity Reconciliation Act. Welfare reform's strategy to decrease poverty involved increasing the number of children raised in two-parent, married families.

In the 20 years since President Bill Clinton signed that bill into law, Congress has earmarked $150 million of welfare money annually for marriage promotion and responsible fatherhood programs. Federal funding has been continuously renewed through 2016. That's almost a billion dollars spent on marriage programs alone since welfare reform. Funding continues to mount through current “Healthy Marriage and Relationship Education” and “New Pathways for Fathers and Families” grants. These grants support state, local government, and community-based programs that provide marriage/relationship and parenting education and services believed to increase the economic stability of participants, mostly low-income parents.

Did the marriage and responsible fatherhood programs work? Cumulative studies from two decades say no. Considerable research indicates that the low marriage rates of impoverished individuals are rooted in their economic insecurity and that teaching relationship skills does not increase marriage rates. Government-sponsored evaluations of healthy marriage programs have found that couples who took government-funded relationship skills classes were neither more likely to marry or stay together nor to improve their financial situations. In many cases, the classes did help improve couples’ communication and relationship satisfaction and fathers’ engagement with children. Ironically, however, most of their successes came not because they taught impoverished couples middle-class values but because they helped such couples realize that the challenges they faced were triggered more by their chronic stress than by their own or their partners’ inadequacies. Simply put, even when relationship skills classes improve low-income couples’ relationship experiences, they do not affect marriage or poverty rates.

The way forward. Is this a condemnation of marriage and fatherhood classes? Should we avoid publicly funded interventions that seek to help impoverished families function better? No; there are real benefits of some interventions, but to build on these, policymakers need to understand that couples’ relationship problems are more often a consequence rather than a cause of their poverty. Twenty years of research makes it clear that economic deprivation undermines relationship quality and stability in ways that are far more difficult to root out...
than the communication problems and other issues that middle-class couples often bring to counseling. Classes designed to teach people to mimic the relationship dynamics of financially stable middle-class, married couples do not help poor couples address the toll that economic stress takes on their family relationships.

**Up close and personal.** My years of research observing government healthy marriage and responsible fatherhood classes and interviewing low-income parents in them showed me what works and why, as I describe in *Proposing Prosperity* (December 2016). In studies in California, I learned how these classes bring together parents who struggle with social and economic disadvantages, including little education, persistent unemployment, precarious and low-wage work, lack of access to transportation and childcare, homelessness, food insecurity, the stigma of a criminal record, the daily peril of life-threatening violence, and even such “little things” as inability to afford diapers.

Previous studies have shown that some relationship classes actually harmed relationship quality, as this 2014 study demonstrated. Others had no effect. But some worked. The programs I studied, however, worked for almost the opposite reasons that the program designers had assumed. They worked by showing the participants how difficult it is to be consistently nurturing, as a partner or a parent, under conditions of scarcity and insecurity.

Instead of being magically transformed by mentors or experts into stable middle-class partners, couples in these classes ended up learning from each other that their relationship and parenting challenges are shaped by economic stress and race, class, and gender inequalities, not just their own or their partners’ shortcomings. When participants heard other parents talk about struggles with money, kids, and romance, they understood how much social and economic disadvantage undermines the capacity to sustain harmonious relationships. David, a 28-year-old, African-American father who took a healthy marriage class, told me: “Almost everyone in the class had the exact same problems: money.... If you have no finances, you’re struggling. You constantly snap at each other.... *We didn’t argue when we didn’t have to worry about money.*”

Rather than teaching poor couples about the benefits of marriage—which exist only under specific social and economic circumstances not typically experienced by poor parents—relationship programs could take these lessons from couples themselves to focus classes on how chronic stress from economic deprivation and insecurity impact family experiences. Offering couples skills for working together as a unified team, rather than as adversarial individuals, can give partners a boost for confronting these shared challenges.

When couples have problems, this approach suggests, *it is often something that is happening to them, rather than something that they are doing to each other,* to borrow from the framing psychotherapy researchers Neil S. Jacobson and Andrew Christensen developed for use in empirically-validated couple therapy. The problem happening to low-income couples is inequality—not personal failings or interpersonal incompatibilities. Solving that problem entails shifting from promoting marriage as an (unsubstantiated) anti-poverty strategy to one of directly reducing poverty through job and income-support policies to promote more stable families—which evidence shows does work.
Better job opportunities promote marriage: Unmarried parents are more likely to marry when they are employed and when their income rises. Work and more generous family benefits, such as public subsidies for child care, have reduced childhood poverty in families headed by single mothers significantly more than marriage has since welfare reform.

Fathers overcoming obstacles. My in-depth interviews with low-income Latino and African-American fathers who participated in a federally-funded responsible fatherhood program revealed ways to help disadvantaged men overcome obstacles to the paternal involvement that is core to being a successful father. Fathers in this program, which I call “DADS,” had access to high school completion and college courses that were combined with job training programs that paid. The program helped men demonstrate to co-parents, extended family members, and judges—those who might have doubted them and had power to grant access to their children—that they were working hard to improve their children’s lives. Program incentives, including bus tokens, bicycles, diapers, baby clothes, car seats, and food, allowed fathers to see their children and not show up empty-handed. The relationship and fathering skills classes offered by DADS did not focus on encouraging marriage; instead they emphasized the importance of effective co-parenting and confirmed that directly caring for their children was as valuable as providing financially.

Fathers told me that they appreciated how the program provided the opportunities, resources, and social support they needed to be there for their children, and didn’t just lecture them about financial responsibility. But their experiences also revealed why welfare and family policies need to do more than offer short-term, low-wage employment. As Christopher, a 22-year-old, African-American father of one young son, told me following the completion of the DADS program: “There was nothing else after. It’s not like we finish the program and get an interview or start another program. Other guys went back to the street after the program, just doing what they can to make a dollar…. We went from being on this block every day, to making it to class every day. It became a priority for us. We’re trying to better ourselves, but what are we supposed to do now? We got a certificate, now what?”

Now what? To promote stronger families, policymakers must answer Christopher’s question. We have had 20 years of marriage promotion as poverty prevention, and it has not worked. Two decades of evidence—including my studies on what low-income parents found useful in government marriage classes, how marriage classes have promoted responsible fatherhood, and messages about gender in healthy marriage curricula—point to how we can really help families. Going forward, welfare policies and programs to assist families should aim to mitigate the class, race, and gender inequalities that prevent marriage, undermine co-parenting relationships, and impede paternal involvement. Healthy relationship and responsible fatherhood programs are an important part of our welfare policy. But they will only be successful to the extent that they help families overcome the numerous social and economic challenges that undermine impoverished parents’ best relationship and parenting intentions.
References:

Christensen, Andrew, David C. Atkins, Brian Baucom, and Jean Yi. 2010. “Marital Status and Satisfaction Five Years Following a Randomized Clinical Trial Comparing Traditional Versus Integrative Behavioral Couple Therapy.” *Journal of Consulting and Clinical Psychology* 78(2): 225-235.


TANF didn’t fight poverty. Full employment did.

A briefing paper prepared for Council on Contemporary Families by Alan Barber, Director of Domestic Policy, Center for Economic and Policy Research, and Virginia Rutter, Professor of Sociology, Framingham State University.

Welfare reform hits 20 this month. The Center for Economic and Policy Research has done much work examining how full employment in the 1990s shaped employment, income, and poverty. In observation of this 20th anniversary, CEPR prepared a graph that tells an important, often neglected, piece of the story:

![Graph showing change in employment and TANF caseload](http://cepr.net)

Using data from the Current Population Survey and Department of Health and Human Services TANF Caseload report, the figure tells a simple story. Never-married mothers with a high school degree or less increased their rate of work from the early to the late 1990s by nearly 30 percentage points. As Philip Cohen also discusses, this trend began well before the 1996 welfare reform, suggesting that the policy was not the source of the rise, but that other macroeconomic forces were helping these families do better.

As the graph also demonstrates, the rise in employment is associated with a decline in reliance on the welfare program, Temporary Aid to Needy Families (TANF). The line at the bottom of the chart shows a steady decline in the late 1990s that corresponds to the rise in women’s work in the line above.
**Here’s the catch:** Employment stopped rising, and began to fall by the early 2000s. Yet, TANF, as part of the so-called safety net, did not move upwards as less-skilled jobs disappeared. Instead, the TANF rolls continued to decline, as Shawn Fremstad details in his report on millennial parents.

What does this mean? CEPR director Dean Baker has written extensively about how to fight poverty through full employment. This chart suggests that the current system of welfare is not part of the solution, and stands as a reminder that data, not ideology, will help us reduce poverty.
TANF Policy to Address Low, Volatile Income among Disadvantaged Families

A briefing paper prepared for Council on Contemporary Families by Bradley Hardy, Assistant Professor of Public Administration and Policy, American University.

On the 20th anniversary of Welfare Reform, it is worthwhile considering the economic conditions facing today’s low-income individuals and families, and the welfare programs they can utilize for assistance. By many accounts, Temporary Assistance for Needy Families (TANF)—the nation’s primary welfare program for the poor resulting from Welfare Reform—was unresponsive during the 2001-2003 recession as well as the Great Recession. For families facing instability in today’s job market, cash welfare could provide an income floor during difficult economic times, but for most it does not. Instead, today’s TANF program funds areas including job search, state refundable tax credits, and even marriage promotion activities. Meanwhile, spending on cash assistance has fallen dramatically since 1996—the beginning of the TANF program. Amid these spending changes, my research suggests that socio-economically disadvantaged families differ from the “typical” American family in that their incomes are, on average, not only lower but highly unstable between weeks, months, and years. This “income volatility” tends to rise during recessions, and is attributed to short-term economic shocks such as job loss as well as permanent structural changes throughout the economy (e.g. the decline of blue-collar manufacturing jobs) and the emergence of part-time and contingent work arrangements. 1-2

For such families, there is often no adequate substitute for cash assistance to pay bills—near-cash programs providing important food and housing assistance will not buy a coat, bus fare, or emergency auto repairs. Other programs providing cash are, while effective on some grounds, ill-equipped to serve as an income buffer for America’s poor families. For example, many policymakers agree that the Earned Income Tax Credit (EITC) lowers poverty, providing large cash refunds subsidizing earnings for the working poor during tax season. That said, the EITC is not designed to address the needs of the jobless poor. Collectively, this is less of an indictment of the EITC, food stamps (SNAP), and housing assistance, but instead an acknowledgement that TANF could do more to provide a basic income floor for families in need—families with low and fluctuating income throughout the year.

I close with three points as we consider the 20th anniversary of Welfare Reform:

First, my work confirms that the poorest families generally face the highest income volatility over the past 30 years. While TANF could perform better, the full set of transfer programs aid low-income families by reducing poverty and income volatility. Still, today’s poor families receive far less direct cash assistance than in 1996.

Second, many poor families have limited credit market access and savings. In the absence of TANF, many low-wage workers and their families also lack access to savings and face limited access to loanable funds. Such families may be denied loans or credit cards that allow households to absorb a drop in earnings—perhaps the first solution many households pursue when faced with an unanticipated expense or income shortfall. Whether due to displacement from employment altogether or unpredictable hours, credit and loan denials can lead to far costlier alternatives such as payday lenders. Such financial streams provide financial assistance for low-income families facing liquidity constraints, but they do so at interest rates that can exceed 100 percent and cause longer-term damage to borrowers.

TANF reform resulted in a weakened cash-based safety net. Low-income workers with children face higher income volatility on average and are less likely to have affordable access to credit markets. These families are underserved by TANF in that they generally receive little if any cash assistance today. The evidence suggests that Welfare Reform and the resulting TANF program likely reduced the effectiveness of the safety net to insure and buffer families from negative economic shocks. The reform occurred amid a strong economic expansion, and today’s program should reflect new realities—namely by providing greater cash benefits and support for those who wish to gain additional skills and training within a riskier labor market.
Is TANF Working for Struggling Millennial Parents?

A briefing paper prepared for the Council on Contemporary Families by Shawn Fremstad, JD, Senior Fellow at the Center for American Progress and Senior Research Associate at the Center for Economic and Policy Research. The views expressed are his own and do not necessarily represent the views of either organization.

Millennial parents should be the most prosperous generation of parents in history. In addition to being better educated than any previous generation and waiting longer to become parents, they are raising children in an economy that is “70 percent more productive than when Baby Boomers were the same age.” Yet, as this brief shows, roughly one out of every five (20.6 percent in 2014) live below the federal government’s outdated and increasingly austere poverty line ($24,000 for a married couple with two children). This is about twice the rate of their counterparts in 1979.

How is TANF working for these parents? The short answer is very poorly, at least as far as we can tell based on the available objective evidence. Compared to better designed federal programs targeted to low-income working parents—including the Earned Income Tax Credit (EITC), the Supplemental Nutrition Assistance Program (SNAP), and Medicaid—TANF is reaching relatively few struggling millennial parents. More parents received employment services and financial assistance under the AFDC-JOBS program two decades ago than do today under TANF. Moreover, the program has heightened inequalities of opportunity and treatment based on where parents and their children live.

Economic Hardship among Millennial Parents

There is broad agreement that millennials are faring worse economically than earlier generations did when they were in their 20s and early 30s, especially once one takes their higher level of educational attainment into account. Figure 1 tracks the official poverty rate since 1979 for parents ages 20-34 living with one or more of their own children. As the black line in the figure shows, the poverty rate for parents ages 20-34 overall increased from 11.2 percent in 1979 to 18.7 percent in 1995. Two decades later, in 2013, it was 20.6 percent. (All three time periods are comparable in that they represent a point four years into an economic recovery; however, the national unemployment rate was higher in 2013 (7.6 percent) than in both 1995 (5.4 percent) and 1979 (5.8 percent)).

This increase in poverty happened despite increases in educational attainment and mothers’ employment during this period. As figure 2 shows, in 1979, just under half of poor parents under age 35 did not have a high school diploma (46.7 percent), and only about 13 percent had education beyond high school. By 2013, one in three had post-secondary education beyond high school, and only 26 percent had less than a high school diploma.
Some may argue that this increase in poverty is due solely to an increase in single-parent families. Single parenthood has contributed some to the increase in poverty among parents under age 35 since 1979, but most likely only modestly. In 1979, about half (52 percent) of poor young parents were married, compared to 45 percent in 1995 and 40 percent in 2013. But over the same time period, the share of poor parents under age 35 who were living with unmarried parents has increased. Today, about one-third of millennial unmarried parents are living with partners. Under the official poverty measure, unmarried couples, even if they are both living with a shared child, continue to be treated as separate units for purposes of determining whether they are poor.\textsuperscript{v} If unmarried parents living with partners were treated as a single unit for poverty measurement purposes, the poverty rate for unmarried parents would be lower than currently reported.\textsuperscript{vi}

However, it probably wouldn’t be that much lower, because unmarried-couple families are more disadvantaged than married ones. Laryssa Mykyta of the U.S. Census Bureau recently estimated the child poverty rate would only be about 1-2 percentage points lower if unmarried parents and their partners were treated as living in the same poverty unit.\textsuperscript{vi}
Moreover, the poverty rate for married parents under age 35 is higher today (11.7 percent) than it was in 1979 (6.7 percent). And, like the overall trend in educational attainment among poor parents, millennial married parents with incomes below the poverty line are much more likely to have education beyond high school than their baby boomer-era counterparts (about three in 10 have education beyond high school today, almost twice as many as in 1979).

**TANF and Millennial Parents**

Under TANF, the federal government distributes funds to the states from a $16.5 billion-per-year block grant. States must use their portion of these funds to provide “assistance to needy parents” as well as other benefits and services that states can claim are “reasonably calculated” to further the program’s other three purposes: “ending the dependence of parents on government benefits by promoting job preparation, work and marriage”; “preventing and reducing the incidence of out-of-wedlock pregnancies”; and “encouraging the formation and maintenance of two-parent families.” All states combined must contribute $10.4 billion per year of their own funds under a maintenance-of-effort (MOE) requirement based on what they spent in the early 1990s on AFDC-JOBS.

How many millennial parents receive temporary financial assistance for basic needs from TANF? In FY2013, about 504,000 parents age 20-29 received TANF assistance, as did about 287,000 parents age 30-39. (HHS only breaks out the ages of adult receiving TANF assistance in 10-year bands, so 35-39 year olds don’t technically meet my narrower definition of millennial parents). As Table 1 below shows, this means that relatively few millennial parents living in
poverty receive TANF assistance. In 2013, only 21 percent of poor millennial parents ages 20-29 received TANF assistance, and only about nine percent of poor parents ages 30-39 received TANF assistance. SNAP, by contrast, reaches considerably more struggling millennial parents.

<table>
<thead>
<tr>
<th>Table 1. Few Poor Millennial Parents Receive TANF Assistance</th>
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<tr>
<td>Age 20 - 29</td>
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<tr>
<td>Parents Below Poverty Line</td>
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<tr>
<td>Parents Receiving TANF Assistance</td>
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<td>Percentage of Poor Parents Receiving TANF</td>
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*Source: Author's calculations from IPUMS-CPS and FY2013 TANF Characteristics Report, Tables 15 and 67.*

Why do so few poor millennial parents receive TANF assistance? In general, states have not imposed stricter income and asset limits than were in place under AFDC in the early 1990s. However, under TANF, states must impose additional eligibility requirements that were not allowed under AFDC, and have free-rein to impose even more restrictive rules than are required under federal law, as described also by Stephanie Coontz. For example, under the federal TANF law, states must deny TANF assistance to otherwise eligible families that include an adult who has received more than 60 cumulative months of assistance. Many states impose time limits that are more restrictive than this. Just recently, Arizona became the first state to limit assistance to one single year over a parent’s lifetime.

![Figure 3: More poor families are eligible for TANF, but fewer receive it](source)

*Source: Table IND 4a in HHS, Welfare Indicators and Risk Factors, Fourteenth Report to Congress (2015).*
The information we have on participation in TANF by parents who are financially and otherwise eligible for TANF shows that time limits and similar restrictions are not the primary problem. The top line in figure 3 tracks the number of families who were eligible for TANF (and for AFDC before TANF was implemented by individual states) and the bottom line tracks the number of poor families who actually received TANF. In the 1980s and first half of 1990s, about 80 percent of eligible families participated in the AFDC program. TANF was enacted in August 1996 and mostly implemented by states between then and 2000. During this early implementation period, participation by eligible families fell from about 80 percent in 1996 to about 50 percent in 2000. It stabilized briefly above that level in the early 2000s but then started falling again in 2003 until it stabilized again at about 33 percent between 2008 and 2012. This means that in 2012, some 3.8 million families, the majority of whom are likely millennial parents, were poor enough to be eligible for TANF, but were not participating in it.\textsuperscript{vii}

While time limits and other restrictions have reduced the number of millennial parents who are eligible for TANF assistance, the decline in participation among those eligible is likely due to a broader range of factors. These include: the use of diversion tactics by states and local TANF agencies that aim to prevent eligible families from receiving regular TANF financial assistance as well as unrealistic and overly burdensome work-related requirements that don’t take family obligations and other considerations into account. Finally, most states have very low benefit levels. According to the Congressional Budget Office, “when adjusted for inflation, the value of [the average TANF monthly payment] declined by 30 percent, from about $540 to about $380 in 2013 dollars.”\textsuperscript{viii} Even for desperate families, the time and other costs involved in obtaining TANF assistance and maintaining eligibility may often outweigh the very modest assistance on offer in most states.\textsuperscript{ix}

**TANF and Regional Inequality**

Although often misleadingly described as an “entitlement” program like Social Security or Medicare, states had complete discretion over where they set their AFDC benefit. In most states, benefit levels were rarely adjusted to keep pace with inflation or housing costs.\textsuperscript{x}

During his first administration, President Richard Nixon proposed reforming AFDC and the Social Security Act’s means-tested programs for the aged and disabled by creating a national benefit structure. As he put it in a national address: “benefit levels are grossly unequal—for a mother with three children, they range from an average of $263 a month in one State, down to an average of only $39 in another State. Now such an inequality as this is wrong; no child is ‘worth’ more in one State than in another State.”\textsuperscript{xi} He called it a “new approach” that “aims at ending the unfairness in a system that has become unfair to the welfare recipient, unfair to the working poor, and unfair to the taxpayer” and “aims to make it possible for people—wherever in America they live—to receive their fair share of opportunity.” Nixon’s overall reform failed to get Congressional approval, but Congress did agree to federalize the aged and disabled programs, merging them into SSI in 1972.

*Under TANF, the pendulum has swung sharply and much further in the opposite direction.* The gross inequalities between state TANF programs go far beyond benefit levels and now extend to a long list of eligibility and program requirements. The impact of these inequalities on millennial
parents can be seen in Table 2, which compares poverty and TANF participation among millennial parents in the South (the 16 states and the District of Columbia in the Census Bureau’s South region) with the rest of the United States.

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<th>Table 2: Poor millennial parents living in South much less likely to receive TANF assistance</th>
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<td>Census Region</td>
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<td>Age 20-29</td>
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<td>Parents Below Poverty</td>
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Note: For listing of states by Census Regions, see [http://www.census.gov/econ/census/help/geography/regions_and_divisions.html](http://www.census.gov/econ/census/help/geography/regions_and_divisions.html).

Source: Author's calculations from IPUMS-CPS and FY2013 TANF Characteristics Report, Tables 15 and 67.

Nearly half (44 percent) of poor millennial parents live in this Southern region, but poor millennial parents living in the South are much less likely than parents living in the rest of the United States to receive TANF assistance. For example, among poor parents age 20-29, only 8.4 percent living in the South receive TANF assistance, compared to 31 percent living in the rest of the United States. This grossly unequal state of affairs is due to at least three factors: 1) the lack of any provisions in TANF establishing a national floor for financial assistance or other national standards for eligibility and treatment; 2) a flawed design that incentivizes states to shift TANF funds from financial assistance to other uses, including ones that are not means-tested or are only loosely related to TANF’s core purpose; and 3) a flawed funding formula that short-changes poorer states, including nearly all of those in the South relative to other states. A related factor is historical and ongoing structural discrimination within states. Nationally, about 26 percent of poor millennial parents are black, but in the South, just over half (53 percent) are black.\textsuperscript{xii}

The case of Massachusetts versus Mississippi

The current allocation of the $16.5 billion in TANF funds among the states bears little relationship to how funding for a program designed to increase work, family stability and child well-being would be distributed if rationally based on objective indicators. The Annie Casey Foundation ranks states on child well-being using objective data across four domains: economic well-being; education; health; and family and community. In the most recent ranking, Massachusetts ranks first and Mississippi ranks last. A reasonably designed federal program
would aim to improve child well-being in both states, but would aim to narrow the gap by delivering greater resources to Mississippi. Yet, even before adjusting for economic and other differences, Massachusetts receives over 2.5 times the amount of TANF funding per poor child ($1,100) than Mississippi ($410). Housing costs are lower in Mississippi than in Massachusetts, but Massachusetts also provides more amenities, including better public schools, to its residents than Mississippi. Even if one takes differences in living costs into account, the magnitude of inequities in funding are indefensible, especially in a program that should be aiming to reduce inequalities of opportunity that exist across states.

Reforming TANF
Some of what TANF should be doing for struggling parents and their children would arguably be better accomplished through expansions of child care, the Child Tax Credit, and other social insurance programs, as well as strengthening labor market institutions in ways that improve the bargaining position of poorly compensated workers. For example, my colleagues at the Center for American Progress have proposed making the Child Tax Credit fully refundable, so that all working-class parents receive the $1,000 it currently provides to nearly all upper-middle class parents. They also propose establishing an additional Young Child Tax Credit for children under age three. And, in partnership with the Georgetown Center on Poverty and Inequality and the National Employment Law Project, they have proposed a series of reforms to strengthen the Unemployment Insurance system, including the creation of a Jobseeker’s Allowance that would provide financial assistance to job seekers who are ineligible for UI.

But even if reforms are made in these areas, we will continue to need a well-functioning and fair program that provides temporary financial assistance and employment services to disadvantaged parents who are struggling to get a foothold in the job market or improve their skills, as well as ones who are unable to work or would be better off not working for a time for family reasons. Among the structural reforms that should be considered: splitting TANF into two completely separate federal programs: one dedicated to providing financial assistance to struggling families according to national standards that treat families fairly, and a second that provides funding to states for effective social services based on an equitable funding formula.

Real reform of TANF may take a while, but there are at least two reasons to be optimistic. First, we have a set of national programs, including EITC, the Child Tax Credit, and SNAP, that provide a strong foundation to build on. Second, there is good reason to think that the diverse millennial generation of policymakers will bring a new mindset to the task of reform.

References:
1 Brendan Duke, When I was Your Age: Millennials and the Generational Wage Gap, Center for American Progress, March 3, 2016, https://www.americanprogress.org/issues/economy/report/2016/03/03/131627/when-i-was-your-age/
2 In FY2014, 490,000 adults receiving TANF were working or participating in work-related activities in one or more hours. Table 7B in Work Participation Rates—Fiscal Year 2014. http://www.acf.hhs.gov/sites/default/files/ofa/wpr2014table07b.pdf. By comparison, in FY1994, 593,000 adults receiving AFDC were participating in work-related activities in AFDC’s JOBS program (Table 8.9
in 1996 Green Book). These numbers aren’t strictly comparable, but taking these differences into account would only increase the number of parents participating in work or work-related activities under AFDC compared to TANF. For a detailed analysis of trends in participation in work and work-related activities under AFDC and TANF, see Peter Germanis, TANF is Broken!, July 2015, http://mlwiseman.com/wp-content/uploads/2013/09/TANF-is-Broken.072515.pdf.


The federal poverty measure is a very imperfect measure of economic hardship. Because it has only been adjusted for inflation and not for increases in median or average family incomes since the 1960s, it has fallen further and further below the amount of family income needed to have a mainstream or middle-class standard of living. Moreover, it uses a pre-tax measure of income that doesn’t include some important transfer programs, such as SNAP and the EITC, or needs like child care, education, and health insurance. As a result, it likely undercounts economic insecurity today compared to 1978 because it has not kept pace with increases in mainstream living standards. At the same time it undercounts economic insecurity in other ways because it doesn’t count the EITC or SNAP, which have become increasingly important. See Shawn Fremstad, A Modern Framework for Measuring Poverty and Basic Economic Security, Center for Economic and Policy Research (2010), http://cepr.net/publications/reports/a-modern-framework-for-measuring-poverty-and-basic-economic-security. Still, it does provide a commonly used measure of economic hardship that takes earnings and income from programs like Social Security, Unemployment Insurance, TANF, and SSI into account.

A family consisting of two unmarried parents living with their shared child is split into two units: a two-person unit consisting of one of the parents and the child, and a separate one-person unit consisting of the other parent. Each unit has its own poverty threshold and their income is not counted together. If the income and needs of unmarried partners were counted together, some millennial parents currently classified as poor would no longer be counted as poor (because the partner’s income lifts the unit above the higher poverty threshold), while other partners of millennial parents classified as not poor would be now be counted as poor (because any income they have does not put the unit above the higher poverty threshold).


Although we don’t have estimates of TANF participation that are limited to eligible millennial parents, there is little reason to think that they would look much different. Most parents who do receive help from TANF today are millennials. Under AFDC, most parents who received help were in the same age range as millennials today. On balance, the age distribution of parents who receive help from TANF is skewed a bit younger than that of parents who received help from AFDC, but the difference isn’t big enough to make a real difference. Millennials may be less negatively impacted than older parents by some TANF policies (like TANF limits), but more negatively impacted by other ones (like restrictions on pursuing post-secondary education).


families “diverted” from entering by TANF agencies in three major cities were non-entrants were significantly more likely to be disabled or have other health problems than TANF entrants).

The characterization of AFDC as an “entitlement” is also often used pejoratively in a way that implies parents who received AFDC had a “right” to it without any reciprocal obligations. But after the passage of the Family Support Act of 1988, AFDC-JOBS had meaningful job training and work requirements for most adults who had received benefits for more than a short period of period, although these varied somewhat from state to state.

President Richard Nixon, Address to the Nation on Domestic Programs, August 8, 1969, http://www.presidency.ucsb.edu/ws/?pid=2191.


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Links:

CCF ADVISORY/OVERVIEW: Welfare Reform at 20. How’s that working? By Virginia Rutter
(https://contemporaryfamilies.org/tanf-symposium-2016/tanf-symposium-2016/)

Welfare Reform’s 20th Anniversary by Stephanie Coontz
(https://contemporaryfamilies.org/welfare-reform-at-20/)

Welfare Reform Attitudes and Single Mothers’ Employment after 20 Years by Philip Cohen
(https://contemporaryfamilies.org/tanf-attitudes-at-20/)

The Frontlines of Welfare Reform: Why Marriage and Responsible Fatherhood Programs
Succeed or Fail by Jennifer Randles (https://contemporaryfamilies.org/welfare-reform-frontlines/)

TANF didn’t fight poverty. Full employment did. by Alan Barber and Virginia Rutter
(https://contemporaryfamilies.org/welfare-reform-full-employment/)

TANF Policy to Address Low, Volatile Income among Disadvantaged Families by Bradley Hardy
(https://contemporaryfamilies.org/instability-safety-net/)

Is TANF Working for Struggling Millennial Parents? by Shawn Fremstad
(https://contemporaryfamilies.org/afdc-to-tanf/)

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