



ChildWise

Exploring Kids Count Data

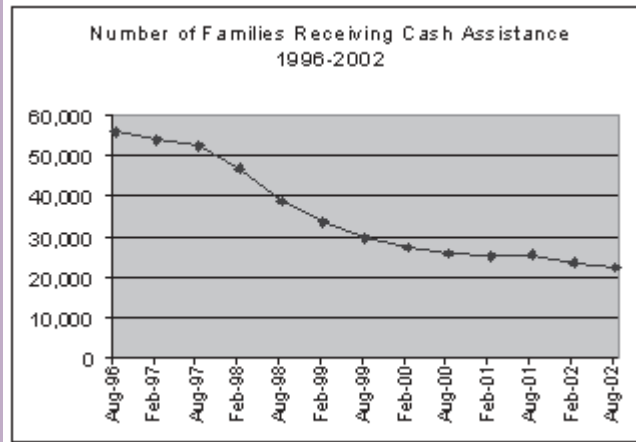
Connecticut Association for Human Services

Second in a series of newsletter inserts analyzing indicators from the CAHS 2003 KIDS COUNT Data Book.

TFA Rolls Decline, But Hardship for Children and Parents Continues

Between 1997 and 2001, the number of children receiving Temporary Family Assistance (TFA) dropped dramatically in Connecticut, from 73,241 to 41,409.¹ This 43% decline mirrored national trends for children and adults since the adoption of federal welfare reform legislation in 1996. This trend has been highly touted as an indication that welfare reform is succeeding, as illustrated in the Connecticut Department of Social Services 2001-2002 Annual Report, which listed reducing the TFA family caseload from 57,855 in December 1995 to 22,918 in April 2002 under "Significant Improvements/Achievements."²

This edition of *ChildWise* analyzes information behind the drop in the TFA caseload, changes to public assistance in recent years, and the impact for low-income children and families. It is important to note that while the TFA caseload has dropped, the circumstances of poor families with children have not improved by most measures.³



Source: Legal Assistance Resource Center of Connecticut

THE MEANING OF "WELFARE REFORM"

The nature and form of public assistance changed dramatically in the mid 1990s. In 1996, Congress replaced the federal Aid to Families with Dependent Children (AFDC) program with Temporary Aid to Needy Families (TANF), in legislation that President Bill Clinton said would "end welfare as we know it." The legislation ended poor families' "entitlement" to welfare and limited most recipients to five years assistance during their lifetime at the federal level.

The Connecticut Department of Social Services (DSS) administers the TFA program, which began operation in January 1996 and is the cash assistance component of "Jobs First," Connecticut's family welfare system.

Connecticut, in contrast to most states, spends no federal TANF funds on employment services for TFA recipients and directs little of its required state spending on employment services. Connecticut's funding for cash assistance dropped from \$325 million in 1997 to \$130 million in 2002, while overall federal funding was constant. Some of that funding has been for new services for families with children, such as School Readiness, but much is diverted to other programs formerly funded with state revenue, such as Department of Children and Families case management and investigations.⁴

THE IMPACT OF REFORM

In Connecticut, the large drop in the TFA caseload meant that only 4.9% of children lived in households receiving TFA in 2001, compared to 9.1% in 1997. Part of this change is attributable to the strong economy during this period, as well as welfare reform. Drops in the number of children receiving TFA occurred across the state, in large and small cities, as well as rural communities.

The decrease in TFA enrollment has continued since June 2001 and was accelerated by the adoption of strict new time limits by the state legislature in 2001. Prior to October 2001, there was no limit on the number of extensions a family could receive; each extension allowed benefits to continue for a six-month period. At that time, the number of extensions was limited to three. This year, the legislature dropped the number to two.⁵ According to DSS, between October 1, 2001 and June 1, 2002, 515 families with a total of 1,392 children lost benefits as a result of the 60-month assistance limit, while 1,027 families lost benefits as a result of the three-extension limit.⁶

An independent study commissioned by DSS found that Jobs First made progress toward replacing welfare with work, but had no consistent effect on a wide range of indicators of material wellbeing, and that levels of hardship remained high for Jobs First families and for those on the AFDC program that preceded it. The report also found that Jobs First had a few positive effects on the behavior of elementary school children, concentrated among 5- to 8-year olds, and had mixed effects for adolescents.⁷

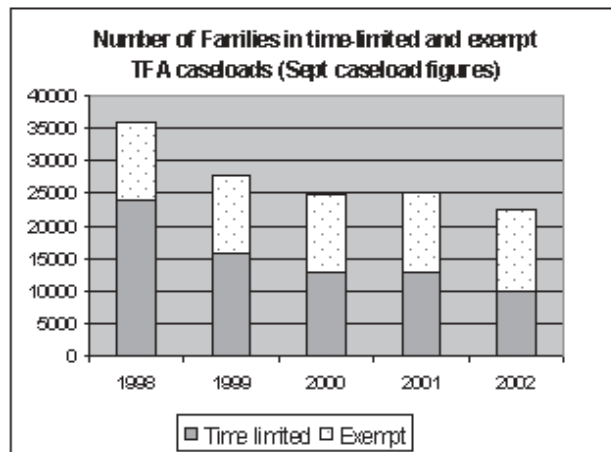
Overall, the strong economy of the late 1990s enabled many parents on TFA to find jobs and leave the program. Two-thirds of those jobs did not provide

enough income to lift families above the Federal Poverty Level, and three-fourths of TFA parents could not find and keep a job for six months.⁸

One study has reported that many more mothers in Connecticut are working under the Jobs First program, with only modest income gains. Participating mothers spent less time with their children, and children spent more time in child care. The study found that 78% of mothers worked evening, late night, or rotating schedules. On many measures, including use of soup kitchens and food pantries to feed children, and living in bug-infested apartments, there was no difference between Jobs First and AFDC participants.⁹

That report, part of the Growing Up in Poverty Project, found that:

- Income supports, including Food Stamps and health services, and facilitating their ease of use, are necessary to maintain family health and reduce childhood poverty.
- To compensate for the reduced time working mothers can spend with their children, expanded mental health services, parenting education, and family support efforts are crucial.
- Early learning success of young children in center-based child care can be increased, but only if government invests more in child care and preschool, with an emphasis on quality.¹⁰



Source: Legal Assistance Resource Center of Connecticut

In spite of the weak economy, TFA enrollment continues to drop. However, many are leaving now due to time limits, not because they have found secure employment. Fewer than half the 1,500 families dropped due to time limits over nine months in 2001 and 2002 were employed full- or part-time, and many face multiple barriers to employment.¹¹ In the wake of welfare reform, fewer eligible families receive TANF, perhaps due to new program rules or additional stigma.¹²

POLICY RECOMMENDATIONS

While early findings from studies indicate few benefits or detriments to children from the first wave of welfare reform, the negative effects of poverty still impact children. Yet, welfare reform policy continues to focus on work for parents rather than outcomes for children or reducing poverty for children and families. Congress is presently considering reauthorizing TANF, and many elements of

the reauthorization legislation would continue this focus. The welfare bill passed by the House earlier this year would increase the number of TANF recipients who must work and the number of hours they must work, with no new TANF funds and a minimal increase in child care resources. The bill would reduce state flexibility in the design of their welfare-to-work programs and allow federal agencies to grant “superwaivers” to states to override rules for low-income assistance programs.¹³ The Senate Finance Committee has approved a similar bill, but the full Senate has not acted, and Congress has passed a series of extensions that end in March 2004.

Bills before Congress would increase the amount of work for both the states and for families receiving cash assistance. Instead, changes could be made at the state and federal levels to improve outcomes for families and ensure that basic needs are met. In order to make sure families get the help that they need, Congress should instead:

- Redefine “work” to include efforts that enable people to get decent jobs, including more education and training activities,
- Allow federal funds to be use for benefits for legal immigrants,
- Provide substantially more funding for child care, and
- Eliminate “superwaiver” provisions.

Legislation before Congress to reauthorize TANF would only worsen the current situation, at a time when the slow economy has made the transition from receiving cash assistance to working poor even more difficult because of the barriers to successful employment faced by recipients. Instead, Congress should strengthen support systems to help recipients address barriers, meet the needs of parents and children, and improve the ability of families to become self-sufficient.

Endnotes

- ¹ Osuch, D. (2003). “A Tale of Two Connecticut.” 2003 Connecticut KIDS COUNT Data Book. Hartford, CT: Connecticut Association for Human Services.
- ² Connecticut Department of Social Services (2002). “2001-2002 Annual Report” Retrieved October 20, 2003 from www.dss.state.ct.us/pubs/AnnualReport2002.pdf.
- ³ Fremsted, S. (2003). “Falling TANF caseloads amidst rising poverty should be a cause of concern.” Center on Budget and Policy Priorities. Retrieved October 20, 2003 from www.cbpp.org/9-4-03tanfhtm.
- ⁴ Legal Assistance Resource Center of Connecticut. July, 2003. “Impact of welfare reform in Connecticut 1996-2002”. www.larcc.org/documents/reform_impact_inct.pdf.
- ⁵ Bridgeport Child Advocacy Coalition. July, 2002 “Connecticut’s welfare-to-work job training program: Is Connecticut giving parents the education and skills they need to get jobs that enable them to support their families?”
- ⁶ Legal Assistance Resource Center of Connecticut. July, 2003.
- ⁷ Bloom, D., Scrivener, S., Michalopoulos, C., et al. (2002). “Jobs First: Final report on Connecticut’s welfare reform initiative.” New York: Manpower Demonstration Research Corporation.
- ⁸ Bridgeport Child Advocacy Coalition. July 2002.
- ⁹ Fuller, B., Kagan, S.L., Loeb, S., et al. 2002. *New Lives for Poor Families? Mothers and Young Children Move Through Welfare Reform: State Highlights*. Retrieved January 2003 from www.teacherscollege.edu/new-lives.
- ¹⁰ Fuller, B. et al. April 2002.
- ¹¹ Legal Assistance Resource Center for Connecticut. July, 2003.
- ¹² Zedlewski, S. June, 2002. “Are shrinking caseloads always a good thing?” Washington, DC: The Urban Institute. Assessing the New Federalism. Short takes on welfare policy, Number 6.
- ¹³ “The Personal Responsibility, Work and Family Promotion Act of 2003,” H.R. 4., 108th Cong., (2003).