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Introduction

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Introduction

*Douglas Besharov and Peter Germanis**

Since 1994, welfare rolls have decreased sharply—by more than 50 percent nationwide. A question that many people ask is whether low-income children and their families are better off—or worse off—as a result of welfare reform.

Unfortunately, no existing or planned study can provide a reliable assessment of welfare reform’s impact on children and families because it is too late to construct a valid control or comparison group with which to measure the “counterfactual,” or what would have happened in the absence of welfare reform.

That fact, however, does not end the inquiry. It remains important to gauge the changing condition of low-income children and families *after welfare reform, leaving aside the question of causation*. (This group includes not just families who have left welfare but also those who have remained on welfare or have never been on welfare.) Although this approach cannot tell us precisely what impact welfare reform has had on low-income children and families, it can provide an important yardstick for determining whether welfare and other policies for low-income families need to be changed. For the long term, that is certainly the key issue.

This volume reports on “Family Well-Being After Welfare Reform,” a conference held by the American Enterprise Institute for Public Policy Research (AEI), in association with the David

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and Lucile Packard Foundation, on December 8 and 9, 1999.¹ The conference had three objectives:

1. to provide an initial exploration of the well-being of low-income children in the wake of the sharp decrease in welfare caseloads;
2. to identify the existing data sets, surveys, and other materials that could help assess their well-being; and
3. to suggest, in general terms, how existing data sources could be enhanced and what additional ones might be needed for a continuing assessment of the well-being of low-income children and their families.

This volume contains the papers presented at the conference, together with an edited transcript of the comments and general discussion. Like the conference, this book is divided into twelve topic areas: (1) welfare reform update; (2) ongoing major research on welfare reform: what will be learned; (3) material well-being; (4) family versus household; (5) teenage sex, pregnancy, and nonmarital births; (6) child maltreatment and foster care placements; (7) homelessness and housing conditions; (8) children's health and well-being; (9) nutrition, food security, and obesity; (10) crime, juvenile delinquency, and dysfunctional behavior; (11) mothers' work and child care; and (12) plans of the Department of Health and Human Services to monitor the well-being of low-income children.

In each area, one or more presenters address a series of questions: Can existing surveys and other data be used to measure trends in the area? What key indicators should be tracked? What are the initial trends after welfare reform? What other information or approaches would be helpful? The major data sources cited by the authors are summarized in boxes 1–11.

Welfare Reform Update

Between March 1994 and June 2001, the size of the welfare rolls fell an amazing 59 percent from its historic high of 5.1 million families—and that is the national figure.² Twenty-two states experienced declines of more than 60 percent, and two reported declines of 85 percent or more.³

¹In addition, the Packard Foundation will devote an edition of its journal, *The Future of Children*, to this topic.

²U.S. Department of Health and Human Services, Administration for Children and Families, unpublished data (March 1994) and “Temporary Assistance for Need Families, Total Number of Families,” available from <http://www.acf.dhhs.gov/news/stats/families.htm>, accessed January 7, 2002.

³U.S. Department of Health and Human Services, Administration for Children and Families, unpublished data (March 1994) and “Temporary Assistance for Need Families, Total Number of Recipients,”

In “Welfare Reform Update” (chapter 2), Douglas J. Besharov, a resident scholar at AEI and a professor at the University of Maryland School of Public Affairs, and Peter Germanis, assistant director of the university’s Welfare Reform Academy, trace what is known about the decreases in welfare reciprocity and what families are doing after they leave welfare. The main data sources they use are the Current Population Survey (CPS), the Survey of Income and Program Participation (SIPP), state administrative data on welfare submitted to the U.S. Department of Health and Human Services (HHS), and state “leaver studies” (see boxes 1 and 2).

According to Besharov and Germanis, a number of respected researchers have used econometric models to estimate how much of the decline was caused by welfare reform compared with other factors. That research suggests that 15 to 25 percent of the decline resulted from the strong economy, 30 to 45 percent stemmed from massive expansion in aid to the working poor, up to 5 percent came from an increase in the minimum wage, and 30 to 45 percent was a result of welfare reform. The authors express each factor as a range, to

Box 1. Multipurpose Data Sources

The Consumer Expenditure Survey (CEX) is an ongoing survey of about 5,000 families designed by the Bureau of Labor Statistics (BLS) and conducted by the Census Bureau. Each family is surveyed for five consecutive quarters regarding their purchases during the previous three months. The survey also includes information on the income and demographic characteristics of participating families.

The Current Population Survey (CPS) is a monthly survey of about 50,000 households sponsored jointly by the Census Bureau and BLS. The data are collected by the Census Bureau. Although the main purpose of the survey is to collect data on employment-related outcomes, each March a supplement to the CPS collects detailed information on the nation’s families, including family income, poverty status, living arrangements, and participation in government and welfare programs. Other supplements focus on food security, fertility and marital history, and other topics.

The Decennial Census is the complete enumeration of the nation’s population, conducted by the Census Bureau every decade since 1790. The “short form” of the survey (sent to five out of six households) is used to collect information about each housing unit and basic demographic information for all household members. A subset of the population is asked more detailed questions on the “long form” (sent to one out of six households), including questions about the demographic, economic, and social circumstances of the sample and about the characteristics of the participants’ housing.

The Survey of Income and Program Participation (SIPP) is a longitudinal survey conducted by the Census Bureau. The 1996 panel had 36,700 participating households, which are interviewed twelve times over a four-year period. The survey provides detailed information on the demographic characteristics of participating families and their income, labor force participation, participation in government and welfare programs, living arrangements, and other factors. Topical modules conducted periodically have covered issues such as child care, child support, disability, and support from nonhousehold members.

available from <http://www.acf.dhhs.gov/news/stats/recipients.htm>, accessed January 7, 2002.

Box 2. State-Based Welfare Data

“Leaver studies” are state studies of families leaving welfare that are based on surveys or administrative data. They attempt to track the employment, earnings, welfare receipt, and other outcomes of families leaving welfare. The studies vary considerably in the scope and completeness of their data, the length of their follow-up, and the comprehensiveness of their questions. As a result, many analysts limit the use of such studies to those that meet certain minimum criteria. For example, the U.S. General Accounting Office (GAO) summarized only those studies that achieved a 70 percent response rate or included a nonresponse analysis indicating that the nonrespondents were similar to the respondents. Many of the leaver studies also examine specific issues, such as use of child care, use of health care services, and homelessness.

States are required to submit detailed **administrative data** to the federal government for most major programs, such as Temporary Assistance for Needy Families (TANF), food stamps, and Medicaid. The data can include program aggregates, such as caseloads and total spending, as well as detailed information about the characteristics of public assistance recipients, including their age, sex, race/ethnicity, income, employment, and the number and characteristics of other people living in the home. The “TANF Second Annual Report to Congress” and other HHS materials, for example, are based on state administrative data on caseload size and welfare recipient characteristics submitted by all states to HHS.

reflect the uncertainty surrounding the estimates, but they nevertheless conclude that their results roughly indicate the contribution of each factor to the decline in caseloads.

Besharov and Germanis observe that one of the most fundamental changes that has occurred after welfare reform is the transformation of welfare offices from places where mothers are signed up for benefits (with almost no questions asked beyond those concerning eligibility) to places where they are helped, cajoled, and pressured to get a job *or* to rely on others for support. This dual approach is reflected in case outcomes: Survey research of those who have left welfare (“leavers”) suggests that only about 50 to 60 percent of leavers seem to be working regularly, often in low-paying jobs. The other 40 or 50 percent are just leaving—some to work eventually, but more immediately to move in with (or to be supported by) family, friends, or boyfriends. (Besharov and Germanis note that several studies of leavers suggest that even those who have “barriers” to employment are leaving the rolls at a high rate.) Most welfare leavers report that they are as well off or better off after leaving than while on welfare, but a significant minority report being worse off.

Besharov and Germanis point out that many nonworking mothers who have left welfare could be falling back on preexisting co-residency arrangements (together with other sources of support). Wendy Manning and other presenters focus on cohabitation, but Besharov and Germanis describe a far more extensive economic and support network composed of other shared

living arrangements. SIPP data, for example, suggest that 37 percent of welfare mothers lived with other adults in 1990—18 percent with their parents, 6 percent with a boyfriend, and 13 percent with others.⁴

When welfare reform was first debated, many people feared that it would hurt the poor, especially children. But according to Besharov and Germanis, as well as most of the other contributors to this volume, little evidence suggests that—as of now—it has caused widespread additional hardship, such as increased homelessness and foster care placements. As described below, however, the incomes of the poorest single mothers may have declined somewhat. Besharov and Germanis conclude that substantially better data are needed to assess the condition of low-income families after welfare reform.

In his comments on the Besharov and Germanis chapter, Sheldon Danziger, a professor at the University of Michigan School of Social Work and School of Public Policy and director of its Center on Poverty, Risk, and Mental Health, focuses on two issues the authors raise: (1) the role of the economy in explaining the decline in welfare caseloads and (2) the effects of various “barriers” on welfare recipients’ ability to work.

Danziger agrees that isolating the factors responsible for the caseload decline (such as the economy, welfare reform, and aid to the working poor) is difficult, and he suggests that the total effect is larger than the sum of the parts because of interactions among these three factors. He points out that—although states can reduce their caseloads through rule changes that limit eligibility or alter financial incentives to work—the condition of the economy and the extent of aid to the working poor will be important in determining whether recipients can get and keep jobs and therefore stay off welfare. Danziger cautions that the independent impact of economic conditions will be better understood once a severe recession occurs, but even then states may modify their reforms in response to the downturn, complicating any attempt to quantify the relative effects of welfare reform and the economy.

Danziger then turns to a discussion of barriers to work, describing the findings of a panel survey that he and his colleagues are conducting. They began with a sample of 753 women who were on welfare in one urban Michigan county in February 1997 and found a large increase in work effort, from about 40 percent to 60 or 70 percent, about twenty months later—although the employment rate appears to have plateaued. Many of those who did not go to work have multiple barriers to employment, including no high school degree, limited work experience, few job skills, physical and mental health problems, transportation problems, and other related barriers. For example, at the first wave of the survey, the probability of working twenty hours or more per

⁴Calculated from data presented in Rebecca A. London, “The Interaction Between Single Mothers’ Living Arrangements and Welfare Participation,” *Journal of Policy Analysis and Management* 19 (2000): 93-117; and personal communication from Rebecca London, April 5, 2000.

week was 82 percent for those with no barriers, but just 40 percent for those with four to six barriers.

About twenty-two months into the study, the women who had left welfare and were working (44 percent) had higher family incomes and had suffered less material hardship (as measured by indicators such as food insufficiency, homelessness, and utility shut-offs) than those who were still on welfare but not working (20 percent). The incomes and material hardships of women who were combining work and welfare (27 percent) were closer to those of the wage-reliant than to those of the welfare-reliant. The latter, in turn, were better off than those who left welfare but were not working (9 percent) in terms of material hardship but about the same in terms of family income—because a substantial portion of this latter group lived in a household with another earner.

In his response to the Besharov and Germanis paper, Robert Lerman, director of the Human Resources Policy Center at the Urban Institute and a professor of economics at American University, offers one possible explanation for how the labor market was able to absorb the influx of a million low-skilled welfare recipients. He argues that welfare reform efforts benefitted from a fortuitous demographic development: the exit from the labor force of many workers with only a high school diploma or less. As he puts it, “The older group of people leaving the labor force and dying off were people who had much less education than the entering cohort.”

According to Lerman, most of the job growth in the 1990s was among workers with at least some college education. Although the number of adult workers increased by 13 million between 1992 and 1999, the number of newly employed high school graduates and dropouts just about balanced the number leaving the labor market (through death and retirement), making it possible for the labor market to absorb 1 million low-skilled welfare recipients. Lerman cautions that this demographic phenomenon may not continue, and he recommends that policymakers “improve job opportunities now and make sure that people are increasing their skills for the future.” For the hard-to-employ, he recommends development of temporary disability, job-creation, and sheltered employment programs.

Lerman also suggests reconsideration of programs for the working poor, such as food stamps and the Earned Income Tax Credit (EITC) because so many former welfare recipients are now working. He questions, for example, whether low-income working families should be offered food stamps, and thus be kept in the welfare system, or whether—instead—such families should be given regular cash payments, perhaps through the EITC.

Ongoing Major Research on Welfare Reform

About a quarter billion dollars is being spent on studies and surveys specifically designed to monitor and evaluate “welfare reform.” Can these surveys and studies be used to make causal statements about the condition of low-income children? If not, what can they tell us about the well-being of children after welfare reform? What other information can they provide? What other approaches should be considered?

In “Ongoing Major Research on Welfare Reform: What Will Be Learned” (chapter 3), Peter H. Rossi, a professor emeritus at the University of Massachusetts at Amherst, describes the four major research projects assessing welfare reform, programs that account for more than half of the spending in the area: the Survey of Program Dynamics (SPD), the National Survey of America’s Families (NSAF), the Project on Devolution and Urban Change, and the Child Impact Waiver Experiments (see box 3).

Rossi notes that response rate problems plague both the SPD and the NSAF. In the SPD, only 50 percent of the original sample responded in both 1998 and 1999.⁵ “Especially worrisome is that higher percentages of low-income households stopped cooperating,” he says, concluding that “SPD will not be very useful unless response rates can be materially improved.” Even if efforts to reduce future attrition are successful, he fears that the rates will not be high enough to satisfy most researchers.

⁵The 1992–1993 SIPP began with 50,000 households. The 1997 SPD “bridge survey” was limited to the 38,000 households that completed all of their earlier SIPP interviews (about 73 percent of the original sample). The response rate to the bridge survey was 82 percent, yielding a sample of 30,125 interviewed households. As a result, the cumulative response rate at that point was just 59 percent. Budget constraints then forced the Census Bureau to reduce the sample to 18,500 in 1998. It then oversampled low-income households, using weights to attempt to maintain national representativeness. (This change does not affect the measured response rate.) The 1998 SPD suffered more attrition, resulting in a cumulative response rate of 50 percent. The response rate remained at 50 percent in 1999, as the Census Bureau made special efforts, including incentive payments, to bring some nonrespondents back into the sample. The Census Bureau has asked Congress to appropriate funds for incentive payments to induce past nonrespondents to participate. Specifically, by offering an initial \$100 incentive payment plus a \$40 incentive for each subsequent year, the bureau hopes to raise the response rate to 63 percent by 2002.

Box 3. Focused Welfare Reform Evaluative Studies

The National Survey of America's Families (NSAF), part of the Urban Institute's Assessing the New Federalism project, is a nationwide survey of 44,000 households conducted first in 1997 and again in 1999, with plans for an additional survey in 2001 and, possibly, 2003. The New Federalism project is intended to provide researchers resources to monitor and assess the consequences of program changes and fiscal developments. Thus, the NSAF captures information on the economic, health, and social well-being of children, adults under age sixty-five, and their families. Although the survey is national in scope, the focus is on thirteen states that together account for about half of the nation's population. The 1997 survey was intended to be a snapshot of family life on the eve of major policy changes, most notably welfare reform, with subsequent surveys capturing the period after welfare reform.

The Survey of Program Dynamics (SPD), conducted by the Census Bureau, is a national longitudinal survey that was authorized by the 1996 welfare reform law to evaluate the impact of welfare reform. The SPD is an extension of the 1992 and 1993 panels of the Survey of Income and Program Participation (SIPP) and will follow the same households for ten years, from 1992 to 2001. It collects detailed information on the socioeconomic characteristics of participating households, including family composition, program participation, and employment and earnings. Because it is longitudinal, researchers will be able to examine transitions on and off welfare programs. In some years, the survey includes special questions related to child and adolescent well-being. The SPD started with 50,000 households in 1992–1993 (as SIPP), but attrition and budget restrictions have steadily eroded the sample.

The Project on Devolution and Urban Change (UC), conducted by the Manpower Demonstration Research Corporation (MDRC), is studying the aftermath of welfare reform in four large cities (Cleveland, Los Angeles, Miami, and Philadelphia). The project has several components, including ethnographic studies in poor neighborhoods, implementation studies examining how welfare agencies implemented the new law, and studies assessing the impact of welfare reform on local social agencies and businesses. In each city, 1,000 single mothers who received AFDC in 1995 were interviewed in 1998, covering such topics as their experience with welfare, their labor market participation, and the well-being of household members, especially children. The survey achieved what Rossi termed an "excellent" response rate of 79 percent. A second survey of 1,000 single welfare mothers, covering the same topics, is scheduled for 2001. Finally, detailed administrative records covering welfare receipt and employment and earnings have been collected since 1992.

The Child Impact Waiver Experiments are five experiments funded by HHS that began before enactment of national welfare reform to test alternatives to the old AFDC program. States were granted waivers to try such experiments only if they established rigorous, random-assignment experiments to measure the impact of their new policies. Many of the waiver projects resemble the TANF programs. HHS supported expansions of evaluations in five states (Connecticut, Florida, Indiana, Iowa, and Minnesota) to include additional measures of child well-being. The studies will concentrate on families with children between ages five and twelve.

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In the first NSAF survey, response rates were only 65 percent for families with children and only 62 percent for families without children.⁶ Rossi characterizes those rates as “average for well-run national telephone surveys,” but he warns that “‘average’ may not be good enough for surveys that are highly policy relevant.”⁷

Moreover, given the variation in state welfare regimes, Rossi says that “PRWORA⁸ cannot be evaluated as a national program—only state programs can be evaluated.” Consequently, many of the national surveys that have yielded so much of the information we have about welfare dynamics and other subjects are of limited usefulness. Much greater attention must be devoted to state, local, and even neighborhood data. (An obvious move, according to Rossi, would be to enlarge sample sizes of ongoing national surveys to provide adequate state sample sizes.)

Although NSAF’s large samples for each of thirteen states also make it possible to examine how families in states with different TANF plans have fared, the decline in welfare rolls has considerably reduced the number of welfare families in the survey taken after TANF went into effect. The resultant small sample sizes of welfare recipients within each state will restrict the ability of analysts to estimate the impact of welfare reform, especially subgroup differences at the level of individual states. State samples of welfare recipients are even smaller in the SPD.

The first survey in the MDRC Urban Change project achieved what Rossi termed an “excellent” response rate of 79 percent. The project should provide a rich picture regarding the characteristics and circumstances of the most vulnerable families. Unfortunately, because the study is limited to selected poor neighborhoods in four cities, the findings cannot be generalized to the broader welfare population nationally or even to other urban neighborhoods.

In addition to questions regarding the integrity of the data, Rossi cautions that none of the studies will be able to provide credible estimates of the effects of welfare reform and thus should not be used to make causal statements about the impact of welfare reform on the condition of low-income children. Before-and-after studies, he explains, cannot convincingly distinguish the

⁶These rates were achieved only after substantial additional efforts that may have introduced other methodological complications to the analysis.

⁷In their response to Rossi, the Urban Institute researchers argue that comparisons with other surveys should be based on an alternative weighted response rate that is slightly higher (about 70 percent).

⁸The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) replaced the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance for Needy Families (TANF) program.

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effects of welfare reform from other changes occurring at the same time, such as improvements in the economy and expansions in other social programs, such as the EITC.

Rossi also suggests that

some attempts to estimate the net effects of PRWORA generally, or TANF specifically, may turn out to be more than merely suggestive, especially when findings are strong, consistent, and robust. For example, if analysis using NSAF data were to find that states with more generous earnings disregards had relatively higher caseloads, holding other interstate differences constant, and that such effects were muted when combined with a strict time limit or work requirement, then the findings could be regarded as supporting a causal inference, if they held up under different specifications and were confirmed in comparable analyses in the SPD and UC data sets as well as in the Child Impact waiver experiments. However, Such a convergence of findings across data sets, however, is not likely to occur often.

Moreover, because each state has its own unique welfare program and because the programs are evolving over time, it will be difficult to estimate the effects of welfare reform generally. Cross-state comparisons also are problematic because of the difficulty of controlling for socioeconomic differences between the states and target populations as well as the difficulty of characterizing state welfare reform policies.

Rossi also summarizes five randomized experiments of state welfare reform programs that compare each state's welfare reform plan with the old AFDC program. According to Rossi, "The importance of these continuing experiments is considerable." He believes that the experiments come closest to testing the impact of welfare reform but points out that they, too, suffer from problems such as a lack of generalizability, failure to isolate control groups from some elements of welfare reform, and an inability to capture entry effects.

Rossi concludes by outlining a research agenda for the future. He believes that additional efforts should be made to bolster the SPD and NSAF response rates. If efforts in that regard do not appear to be fruitful, he urges that consideration be given to enhancing other surveys, especially CPS and SIPP.

As Rossi writes:

It is likely that, in the end, SPD will not be very useful. Hence, serious consideration ought to be given to bolstering other ongoing large-scale surveys. In particular, it would be very useful to augment SIPP and CPS by enlarging their sample sizes, especially bolstering their coverage of poor families. Ideally, I would like to see the sample sizes in at least the largest states increased enough to support state estimates.

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Rossi predicts, however, that “neither the research nor the policy communities will be content with only descriptive analyses” and says that one way to “promote responsible analyses” would be for those who “release public data sets . . . should warn potential users about the limitations of their data. . . .” Finally, he recommends that randomized experiments be designed to test the impact of specific welfare reform provisions.

Daniel H. Weinberg, chief of the Housing and Household Economic Statistics Division of the Census Bureau, and Stephanie S. Shipp, assistant division chief for Labor Force Statistics and Outreach, then respond to Rossi’s comments about the SPD, acknowledging that the SPD cannot estimate net effects directly (because of the absence of a control group or other counterfactual), but they argue that

through modeling, [the SPD can] decompose the impact of economic changes and welfare reform. Several studies have done this using pooled time series, cross-sectional data. The same models could be tested using longitudinal data from the SPD for the 1992–2001 period. Furthermore, even “gold standard” random assignment impact studies use modeling to account for differential attrition from the treatment and control groups.

Weinberg and Shipp concede that the SPD’s response rates are low but argue that they are comparable to those of other major longitudinal surveys, such as the Panel Study of Income Dynamics (PSID) and the National Longitudinal Survey of Youth (NLSY).⁹ They also acknowledge that response rates are lower for people with lower incomes (those of greatest interest to researchers evaluating welfare reform), but they describe the differences as “not enormous.” Moreover, they argue, the SPD data are representative of the population when compared with CPS data on a range of socioeconomic variables.

Weinberg and Shipp then describe the steps the Census Bureau is taking to address the response-rate problem. On the basis of a 1998 experimental study using monetary incentives to bring nonrespondents back into the survey, the bureau has concluded that a modest cash payment could be effective in reducing attrition. If additional funding is made available, the bureau plans to interview the people who dropped out during the early periods of the survey and offer them financial incentives to participate in the survey, hoping to increase response rates to 60 to 63 percent by 2002. The incentives would include an initial payment of \$100 in the first year and \$40 in subsequent years.

⁹However, the benchmark for their comparison was the response rate after about a dozen interviews, which represents a period of about twelve years since the initiation of the PSID and NLSY, but only about six years for the SPD: Respondents were surveyed three times a year in SIPP, which was used as the basis for SPD.

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Responding to Rossi's comments about the NSAF, Kenneth Finegold, a visiting scholar at the Urban Institute, and Fritz Scheuren, senior fellow at the institute, explain that the focus of the institute's Assessing the New Federalism project is much broader than welfare reform and covers child care, child support, health insurance, and child welfare and foster care as well as other topics. (Like the SPD, it includes detailed questions on child well-being.) According to Finegold and Scheuren, an added advantage of the NSAF is its large sample sizes in thirteen states, which will allow researchers to conduct more detailed state-level analyses.

Finegold and Scheuren then address several of Rossi's concerns. They argue, for example, that although the NSAF's response rates were originally reported to be 62 or 65 percent (as Rossi reports), it is also appropriate to use an alternate weighting methodology that would bring the response rate up to about 70 percent. They maintain that this response rate is superior to that of most other surveys similar in scale and describe several steps they have taken to compensate for the response rate problem and to minimize the bias associated with nonresponse.

Finegold and Scheuren agree that determining causality is difficult and that even randomized experiments are plagued by numerous problems. They therefore advocate using survey analysis and microsimulation to supplement experiments. They explain that each approach has different strengths and weaknesses and that "optimally, what is needed is to use all three [approaches] to evaluate PRWORA."

Charles Michalopoulos, a senior research associate at the Manpower Demonstration Research Corporation (MDRC), generally agrees with Rossi's description and assessment of MDRC's Project on Devolution and Urban Change, but takes issue with certain specifics.¹⁰ He agrees with Rossi that randomized experiments are ordinarily the best way to understand the effects of new policies and that "TANF cannot be evaluated as a national program; only state TANF programs can be evaluated."

Michalopoulos, however, disagrees with Rossi's conclusion that the nonexperimental studies, including the Urban Change project, cannot support very credible impact estimates. He believes that the Urban Change project will do better than Rossi suggests, because of the wealth of data it will analyze, derived from administrative records, periodic surveys, implementation research, ethnographic interviews, neighborhood indicators, and research on local institutions. Assuming successful statistical modeling, he believes that Urban Change will provide good estimates of the effects of welfare reform in four counties.

Michalopoulos also takes issue with Rossi's assertion that the findings cannot be generalized to the nation or even to other urban neighborhoods. He points out that, in 1997, more than 10 percent of all welfare recipients were in the four study counties, "so they may be as

¹⁰Charles Michalopoulos and Howard Rolston did not deliver their comments in person at the conference.

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representative as any four large urban counties could be.” Moreover, he observes, this criticism applies to randomized experiments as well. He concludes by noting that no research effort is perfect, including Urban Change, but that the project will help determine whether or not TANF has harmful effects on the poor.

Howard Rolston, director of Planning, Research and Evaluation at the Administration for Children and Families, U.S. Department of Health and Human Services (HHS), is responsible for monitoring the random assignment evaluations of the five waiver experiments Rossi reviews. Rolston largely agrees with Rossi’s assessment of what will and will not be learned from these projects. He also echoes Rossi’s support for random assignment experiments to test policy variations and notes that “enormous opportunities are available not only to *do*, but to *learn* while doing” (emphasis in original). He describes some of the efforts of states and localities, in collaboration with HHS, to design and evaluate policy options using experimental design, including job retention and advancement strategies, supported work, and alternative approaches for implementing child care subsidies.

In response to Rossi’s concerns about maintaining the integrity of the experiments, Rolston shares new findings indicating that “participants in the experimental and control groups correctly understand their respective policy regimes.” (He also describes how the failure to inform research subjects properly about the policies to which they were subject led to the premature termination of a sixth, unrelated, experiment in Arizona.) Although Rolston concedes that the experiments are not perfect, he concludes that they should be regarded as “conservative estimates of how particular policies compare with [AFDC], and as more accurate estimates of their relative effects in an environment of national welfare reform.”

Judith M. Gueron, president of MDRC, emphasizes that the “key story” in understanding the impact of welfare reform may not be average effects but effects on subgroups, such as the most disadvantaged. She points out that there will be “winners” and “losers” after welfare reform and that “this can be lost in the average.”

Gueron cites a medical analogy from Robert Solow to illustrate her point: “If a pharmaceutical company had populationwide information on the results of a drug that proved effective only for the 5 percent of the population that had a specific illness, you would not want to emphasize the overall average impacts. The correct story would be the effectiveness [of the drug for] the sick 5 percent of the population.”

For the most disadvantaged adults on welfare, for example, she says, “We will want to look hard at the effects of time limits, incentives, different packages of services in different locations, different packages of treatments on people with mental health issues, domestic violence issues, homelessness, substance abuse, and language barriers.” Because, as Rossi explains, the small number of TANF recipients in both the SPD and NSAF will limit subgroup

analyses, Gueron believes that experimental research will be critical for sorting out what works and for whom.

Material Well-Being

Given the response rate and other limitations of the four major studies described above, can existing surveys, studies, and other data be used to measure the well-being of low-income children and families? In effect, the remainder of the volume addresses this question in its various dimensions.

In “Material Well-Being” (chapter 4) Richard Bavier, a policy analyst at the United States Office of Management and Budget, traces changes in child poverty and the incomes of female-headed families from the period before welfare reform. For his analysis, he uses three long-standing federal surveys: CEX, CPS, and SIPP (see box 1).

According to Bavier, before 1996, changes in both child poverty rates and welfare caseloads were closely linked to economic factors, such as unemployment rates and real wage levels. Since 1996, child poverty rates have continued to maintain their historical relationship to changes in the economy (and other variables). Welfare caseloads, however, have fallen much more sharply than would have been expected on the basis of improvements in the economy, changes in the number of female-headed households with children, and other factors that influence welfare participation.

Bavier describes his use of the CPS and SIPP to explore the income changes among female-headed families. He finds that from 1993 to 1995, progress occurred all along the income distribution. From 1995 to 1998, however, families in the bottom quintile experienced an annual income decline of about \$567 (in 1998 dollars), or about 8 percent. (When household income, rather than family income, is used, the drop in income is much smaller—just 3 percent.) He finds similar declines using SIPP, with a decline of 7.2 percent in average monthly income for the bottom quintile between 1995 and 1997. (When household income, rather than family income, is used, the drop is about the same, 7.6 percent.)

Paradoxically, CEX indicates that quarterly spending by the poorest female family heads grew steadily, increasing 9.4 percent between 1995 and 1998. This growth suggests that the group’s economic situation was improving throughout this period. Differences in how the surveys are conducted and what they seek to measure account for some of this inconsistency, according to Bavier, but he cautions that the contradictions in the three surveys should make us hesitant to draw conclusions about how female-headed families in the bottom quintile have been affected by welfare reform.

Family versus Household

Besharov and Germanis and Danziger point to cohabitation and co-residence (living with relatives, friends, and other adults) as important sources of support for low-income, female-headed families. Those supports help explain why so many mothers have been able to leave welfare without working and without becoming homeless.

How extensive is cohabitation and co-residency? According to Harvard University's Christopher Jencks and Joseph Swingle, in March 1999 16 percent of single mothers with related children under age eighteen lived in a relative's household, 4 percent lived in a nonrelative's household, and 16 percent lived with another adult. Less than one-half of shared living arrangements involved a cohabiting relationship.¹¹

In "Family Versus Household" (chapter 5), Wendy D. Manning, a professor at Bowling Green State University, summarizes what is known about cohabitation and its effects on children. She limits her discussion to "cohabiting-parent" families (that is, couples cohabiting with a child of at least one of the adults) because some people view them as a two-parent family form and one of the major goals of the 1996 welfare reform law was to encourage the formation and maintenance of two-

Box 4. Fertility and Family Living Arrangements

The National Survey of Families and Households (NSFH) is a survey of nearly 13,000 people ages nineteen and older conducted by researchers at the Center for Demography and Ecology at the University of Wisconsin-Madison in 1987–1988. It collected information on respondents' fertility, marriage and cohabitation histories, and child outcomes. A five-year follow-up survey in 1992–1994 targeted a sample of the original cohort and added spouses and children in selected age groups.

The National Survey of Family Growth (NSFG), a survey of nearly 11,000 women ages fifteen to forty-four conducted by the National Center for Health Statistics (NCHS), collects current information on childbearing, factors affecting childbearing (such as family planning), and related aspects of maternal and child health. The last NSFG was conducted in 1995; the next one is scheduled for 2002.

The Vital Statistics Cooperative Program (VCSP) is run by NCHS and is based on 100 percent of the birth certificates nationally. It includes information on all births (including health outcomes) by marital status, race, age, and educational attainment of mothers, both by state and nationally.

¹¹Christopher Jencks and Joseph Swingle, "Without a Net: Whom the New Welfare Law Helps and Hurt," *The American Prospect* 3 (January 2000).

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parent families. The main sources of data she uses are CPS, the Decennial Census,¹² SIPP, NSFH, and the National Survey of Family Growth (NSFG) (see boxes 1 and 4).

Manning reports that, according to the 1990 Census, 2.2 million children (3.5 percent of all children) were in a cohabiting family. This estimate is only a point-in-time estimate, however. According to other estimates, about 40 percent of all children will spend some part of their childhood in a cohabiting family. For African-American families, the estimate is even higher: 55 percent. Manning points out that 60 percent of the children in cohabiting parent families live with just one biological parent. In some cases, these families are more akin to stepfamilies than to two-parent families with two biological parents.

Manning discusses the positive and negative aspects of cohabitation for children. The most obvious benefits are that a child has two potential caregivers and income providers. Indeed, the poverty rate for children living in such relationships falls dramatically once the income of the cohabitor is included. Many children born into a cohabiting relationship—almost 70 percent—remain in a stable union (either subsequent marriage or continued cohabitation) through age five. However, according to Manning, children in cohabiting stepfamilies are more likely to have lower levels of academic performance and greater behavioral problems than those in intact families.

Manning concludes that a great need exists for additional data and recommends greater study of patterns of cohabitation and their impact on children. In particular, she recommends more research on income-sharing among cohabiting families, the effects of transitions into and out of cohabiting families on child well-being, and the way that cohabiting families are treated under the new welfare reform law. She indicates that large and targeted samples would enhance our ability to analyze those effects across racial and ethnic groups.

Commenting on Manning's paper, Irv Garfinkel, a professor at the Columbia University School of Social Work, agrees that cohabitation is a little-appreciated aspect of how low-income women survive after welfare reform. Garfinkel describes his "Fragile Families and Child Well-Being" study, which collects detailed information on cohabitation and fathering through interviews with new mothers and fathers immediately or soon after the birth of a child. The study ultimately will collect data in twenty cities. In the first two cities studied, about three-quarters of the children in the sample were born out of wedlock, although approximately half were in cohabiting relationships. In addition, at least half of the unmarried, non-cohabiting mothers were living with their mothers or other adults.

¹²The "short form" (sent to five of six households) of the survey is used to collect information about each housing unit and basic demographic information for all household members. A subset of the population is asked more detailed questions on the "long form" (sent to one of six households), including questions about the demographic, economic, and social circumstances of the population as well as housing-stock characteristics.

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In other words, about three-quarters of the unmarried mothers were living with someone else, thus reinforcing the importance of distinguishing between family and household measures of poverty and well-being. (These measures do not represent a simple one-for-one relation. The few studies that have examined cohabitation suggest that less income sharing occurs in that relationship than in marriage.)

Garfinkel asserts that the high degree of cohabitation has enormous implications for welfare and child support policy. He points out, for example, that in the past fifteen years, the large increase in paternity establishment has not been matched by a similar increase in child support orders. He believes cohabitation may be an important part of the explanation because cohabiting couples, particularly if they are not on welfare, have no incentive to get a child support order: "As long as the father lives with the mother and child and contributes to the child's support, neither he nor the mother have any reason to secure a child-support order." A dilemma arises with respect to welfare cases, however. Garfinkel observes that "it is a little bizarre to think about taking money from the person who is living with the mother of the child and reimbursing the state."

In commenting on Manning's paper, Wade Horn, a child psychologist and director of the National Fatherhood Initiative, explains that "fatherlessness is a significant risk factor for poor developmental outcomes for children." This connection has led some observers to view cohabitation as a substitute or at least an alternative to marriage.

In his comments, Horn argues that cohabitation is a weak family structure compared with marriage. Many cohabiting couples break up, and even those who marry are more likely to divorce than are couples who marry before having children. As a result, 75 percent of children born to cohabiting couples will have their parents separate before age sixteen, compared with just one-third of children born to married parents. Outcomes for children whose fathers leave may actually be worse than for those who have had a continuously absent father. Horn also points out that many cohabiting men are not the biological fathers of the children involved, making the children more vulnerable to physical and sexual abuse. Thus, encouraging cohabitation may do more harm than good.

Horn asserts that marriage is the best option for children and that children in households with married parents do better on almost any measure of child well-being, even after controlling for income. Horn points out that welfare and tax policies often penalize marriage by reducing household income for those who marry. He recommends that those penalties be removed and that state welfare officials do more to promote marriage and to "promote the employment of low-income men so that they are seen as better 'marriage material.'"

Teenage Sex, Pregnancy, and Nonmarital Births

Child poverty is strongly associated with single parenthood and family breakdown. Hence, a major objective of the 1996 welfare reform bill was to reduce nonmarital childbearing (especially among teenagers) and to promote marriage. To do this, the new law imposes new requirements on teen parents (raising the cost of early childbearing), gives states funds for abstinence education programs, and authorizes bonuses to states that are most effective in reducing nonmarital childbearing without increasing abortion.

In “Teenage Sex, Pregnancy, and Nonmarital Births” (chapter 6), Isabel V. Sawhill, a senior fellow at the Brookings Institution, describes recent trends in teenage sex, pregnancy, and nonmarital births. Her main sources of data are CPS and VCSP (see boxes 1 and 4).

Sawhill begins by describing the high proportion of children living in single-parent families and how this arrangement contributes to child poverty. Between 1970 and 1996, for example, poverty rose from 15 percent to 20 percent of all children. Virtually all of this increase stemmed from the growth of single-parent families. Moreover, a shift in the composition of single parents, a greater number of whom are never-married mothers, exacerbated poverty and welfare dependency. In the 1960s and 1970s, the growth in single parenthood was largely attributable to increases in divorce; in the 1980s and 1990s, however, the growth was largely driven by out-of-wedlock births.

Sawhill links the increased number of nonmarital births to three factors: “later marriage, a higher birth rate among young unmarried women, and a lower birth rate among older married women.” Echoing the earlier discussion by Manning and Garfinkel, she describes how less stable family or household structures are replacing marriage. Some research suggests that about half of the mothers who give birth out of wedlock are cohabiting with the fathers and another 30 percent are “romantically involved” with those men. Sawhill calls these “fragile families,” and notes that “past research suggests that such ties are not very durable.”

Sawhill notes that nonmarital childbearing appears to have leveled off and that teen births had been declining even before welfare reform, largely because of a decline in sexual activity and an increase in contraception. She cites five possible reasons for this change in behavior: (1) a growing awareness of AIDS and other sexually transmitted diseases; (2) more conservative attitudes about sexual behavior; (3) the availability of more effective forms of contraception, such as Norplant and Depo-Provera; (4) a strong economy, which gives young people more opportunities; and (5) welfare reform and increased aid to the working poor, which have greatly increased the financial returns to single mothers who take a low-paying job. She points out that in 1986, a single mother was only a little better off going to work than being on welfare but, by 1997, she was able to double her income by doing so.

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Sawhill believes it is too early to determine whether the welfare law's emphasis on reducing nonmarital and teen childbearing has had an effect, but she notes that employment rates have risen for young unmarried mothers. She concludes, "Work is, I would suggest, a great contraceptive."

Although largely agreeing with Sawhill, Robert Rector, a senior research fellow at the Heritage Foundation, stresses that encouraging marriage, not better contraception, should form the basis for the fight against illegitimacy. He argues that teenage pregnancies are only part of the larger problem of nonmarital births. Policy should focus on the unwed women who have children in their early twenties, because they account for almost two-thirds of all nonmarital births.

Rector also examines the reason for the leveling off of the out-of-wedlock birth rate around the time welfare reform passed. That rate increased from 1940 to 1995 and then remained flat until 1998, when it began to rise once again. Rector attributes the leveling off between 1995 and 1998 to the suspension of what he describes as the thirty-year "gag rule" on discussing illegitimacy. In 1995, three pieces of legislation concerning illegitimacy and the decline of marriage were introduced in Congress, spurring widespread—although short-lived—public debate about marriage and out-of-wedlock births. Rector suggests that the dying out of this debate in 1998 is connected to the recent rise in nonmarital births, especially among whites.

Rector expresses concern about research suggesting that most women do not regard having a child out of wedlock as a problem. Although welfare reform declared an intention to reduce illegitimacy and authority was devolved to the states, few states have any initiatives, and governors who have tried to implement programs have met with strong ideological resistance. Rector attributes these circumstances to what he calls the pro-illegitimacy lobby.

Child Maltreatment and Foster Care Placements

Opponents of the 1996 welfare reform law were concerned that some provisions, such as mandatory work, benefit sanctions, and time limits, would lead to more child maltreatment and an increase in foster care placements. Work requirements, for example, could lead some single mothers to leave welfare and live with a boyfriend who might become physically or sexually abusive, especially if he is not the biological father. Foster care placements might increase if mothers who lose their benefits have no income and no place to live.

In "Child Maltreatment and Foster Care Placements" (chapter 7), Richard J. Gelles, a professor at the University of Pennsylvania School of Social Work, reports what is known about the incidence of child maltreatment and foster care placement rates since welfare reform. He relies on four major sources of data: *Current Trends in Child Abuse Reporting and Fatalities: Results of the 1998 Annual Fifty State Survey*, the National Child Abuse and Neglect Data

Box 5. Child Welfare

The Adoption and Foster Care Analysis and Reporting System (AFCARS), which replaced the VCIS, is a federal effort that will eventually collect data from all the states on all children in foster care for whom the state child welfare agency has responsibility for placement, care, or supervision.

Current Trends in Child Abuse Reporting and Fatalities: Results of the 1998 Annual Fifty State Survey is based on an annual national survey conducted by Prevent Child Abuse America (formerly the National Committee to Prevent Child Abuse), a private, nonprofit organization.

The National Child Abuse and Neglect Data System (NCANDS) is an annual survey of child abuse reporting and child abuse fatalities from states that voluntarily submit data to the HHS Office of Child Abuse and Neglect. (In 1998, all states submitted data at least some data.)

The National Incidence Survey of Reported and Recognized Child Maltreatment (NIS), conducted by HHS's Office of Child Abuse and Neglect, surveys more than 5,600 professionals who have contact with suspected cases of child maltreatment in a stratified sample of counties. It collects data on the incidence of child abuse and neglect and has detailed information on the characteristics of affected children. Surveys were conducted in 1979–1980, 1986, and 1993.

The State Automated Child Welfare Information System (SACWIS) is a federal effort that will collect aggregate and case-level data on children in out-of-home care.

The Voluntary Cooperative Information System (VCIS) is a voluntary survey of the states regarding the characteristics of children in foster care and adoptive care. It was conducted annually by the American Public Human Services Association (APHSA) from 1982 through 1995, when slightly more than half the states responded to the survey.

System (NCANDS), the National Incidence Survey of Reported and Recognized Child Maltreatment (NIS), and the Voluntary Cooperative Information System (VCIS) (see box 5).

According to Gelles, many of the data sets contain incomplete and inaccurate data. Nevertheless, he says, collectively they “present a rough portrait of maltreated children and their placements.” NCANDS data, for example, indicate an increase in the reported number of such children from 2.6 million in 1990 to nearly 3 million in 1998. The reporting rate appears to have plateaued beginning in 1994, however, and it has not risen since welfare reform. In fact, the rate of *confirmed* child maltreatment has actually declined since 1996. It rose from 13.4 per 1,000 children in 1990 to a peak of 15.3 per 1,000 children in 1993 and has since declined to 12.9 per

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1,000 children in 1998. The sharpest declines occurred after 1996. Gelles notes that “the rate of victimization is presently the lowest it has been in the decade since the NCANDS data collection began.” The number of child fatalities, however, has remained roughly constant in recent years.

According to Gelles, foster care placements increased steadily throughout the 1990s. Researchers at the Urban Institute, however, attribute the growth in foster care during the past fifteen years to factors independent of welfare reform. One factor, for example, is the increasing reliance on “kinship care,” a practice in which extended family members care for children when their parents are unable to do so and that is widely thought to increase caseloads.¹³

On this basis, Gelles concludes that “no evidence indicates that welfare reform legislation has produced an increase or decrease in child maltreatment reports, child abuse and neglect fatalities, or the number of children placed in foster care. Some data show that the rate of [confirmed cases of child maltreatment] has fallen. . . .” He is careful to qualify his conclusion, because of the limited and weak data available and because welfare reform may not really have an impact until after families begin reaching the federally imposed sixty-month time limit in 2001.

Stephanie J. Monroe, majority staff director and chief counsel for the Senate Subcommittee on Children and Families, agrees with Gelles’ assessment of trends since 1996 and reiterates some of the problems with the data. In particular, she notes that only about one-third of the 3 million reports of abuse and neglect filed every year are substantiated. The large number of unsubstantiated cases, according to Monroe, has overwhelmed an already overburdened child protective system, meaning that child welfare agencies often cannot investigate reports in a timely manner. But, she cautions, determining the seriousness of the remaining two-thirds is an important policy issue. She suggests that as welfare rolls decline, the number of reported cases of child maltreatment may decline simply because families are less likely to be seen by caseworkers once they leave welfare.

To improve the existing data systems, Monroe recommends increasing the financial penalties on states that do not provide data through the Adoption and Foster Care Reporting System (AFCARS) and the State Automated Child Welfare Information System (SACWIS). She explains that the systems are essential for obtaining reliable data on child abuse and neglect and adoption and foster care services, “but some states actually are considering not participating and just taking the penalty. The penalty may need to be enhanced to make that a difficult choice for states to make.”

¹³Shelley Waters Boots and Bob Geen, *Family Care or Foster Care? How State Policies Affect Kinship Caregivers* (Washington, D.C.: Urban Institute, 1999).

Homelessness and Housing Conditions

Another concern expressed by critics of welfare reform was that homelessness would increase—particularly among families that lost their welfare benefits as a result of a sanction or time limit. Moreover, even if families do not become homeless, a decline in income might increase the risk that they live in substandard or overcrowded housing conditions or spend a larger share of their income on housing, at the expense of other needs.

In “Homelessness and Housing Conditions” (chapter 8), John C. Weicher, Assistant Secretary for Housing/Federal Housing Commissioner at the U.S. Department of Housing and Urban Development, discusses trends in homelessness and housing conditions. His main sources of data are the American Housing Survey (AHS) and special surveys on homelessness (see box 6). Because of the dearth of post-1996 data, he focuses on trends before welfare reform.

In regard to homelessness, Weicher explains that few reliable data are available, so that estimates of the total number of homeless people are problematic. The numbers are not large, and they vary considerably by season. The most recent national data are for 1996 and serve as a baseline from which to observe trends. At present, virtually no evidence indicates that homelessness has increased (or decreased) since the passage of welfare reform.

Weicher addresses changes in housing conditions that might affect child well-being: adequacy, overcrowding, and affordability. Using data from AHS, he finds that “by every objective measure, housing quality has been steadily improving for virtually every identifiable demographic group of interest” since 1974.

Weicher reports that according to the AHS, in 1995 2 percent of very low-income renter households (127,000) lived in housing with severe physical problems, down from 7 percent in 1978. Furthermore, Weicher points out, the incidence of overcrowding (defined as more than one person per room in a housing unit) was 8 percent (527,000) in 1995, down from 11 percent in 1978. Although housing quality seems to have improved steadily for low-income renters, Weicher notes that affordability has decreased. In 1995, 30 percent of low-income renters

Box 6. Homelessness and Housing

The American Housing Survey (AHS) is a survey of more than 45,000 households conducted biennially by the Census Bureau for the U.S. Department of Housing and Urban Development (HUD). It provides information on the quality and quantity of the nation’s housing stock as well as the socioeconomic characteristics of household members. Topics include housing costs, the physical condition and age of units, available equipment (such as a heating system), residential mobility, neighborhood services, and needed improvements for all types of public and private housing in various locations.

Special surveys are the only sources of information on homelessness. Most such surveys are limited in geographic scope and miss individuals not served by homeless programs.

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with children (1.9 million) paid more than half their incomes for rent (up from 28 percent in 1978).

Weicher notes that the apparent decline in affordability is not large (2 percentage points between 1978 and 1995) and that there may be problems with the data. The data on affordability reveal a different trend from the data on quality and space. The increased rent burden may reflect improvements in housing quality, but even if so, low-income families may have little left over for other purchases after paying the rent.

Jason Turner, commissioner of the New York City Human Resources Administration, reports that New York City's experience also suggests that welfare reform has not led to greater homelessness. In 1995, the city had 5,600 families in shelters, compared with 4,800 in 1999. Turner describes how housing could be used to further the goals of welfare reform. He argues that those who exhibit responsible behavior could receive priority for public housing. Some of the criteria might include employment, absence of criminal record and drug abuse, and even marriage. Because the waiting list for housing is long, Turner believes that such incentives could be implemented ethically.

Children's Health and Well-Being

Welfare reform could affect the physical and mental health of low-income children either positively or negatively. Employment that leads to higher incomes or better functioning families could result in better health by improving nutrition, housing, child care, and health-related behaviors. But lower income, greater stress on parents, or the loss of health insurance could be detrimental to children.

In "Children's Health and Well-Being" (chapter 9), Lorraine V. Klerman, a visiting professor at the Heller School for Social Policy and Management, Brandeis University, describes the difficulty of measuring welfare reform's impact on children's health and mental health using existing data sources and suggests additional approaches to consider. She relies on the following data sources (see boxes 1, 4, 7, and 10):

- Behavior and Risk Factor Surveillance System (BRFSS)
- Current Population Survey (CPS)¹⁴
- Medical Expenditure Panel Survey (MEPS)
- National Health Interview Survey (NHIS)
- National Health and Nutritional Examination Survey (NHANES)
- National Hospital Discharge Survey (NHDS)
- National Household Survey of Drug Abuse (NHSDA)

¹⁴The March supplement collects information on the health insurance coverage of the population.

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- National Immunization Survey
- State and Local Area Integrated Telephone Survey (SLAITS)
- Vital Statistics Cooperative Program (VSCP)¹⁵
- Youth Risk Behavior Surveillance System (YRBSS)

Klerman believes that using current federal data sources to measure the impact of welfare reform on children's health will be difficult for several reasons. First, most children are relatively healthy, even though the health of low-income children is worse by almost every indicator than is the health of more well-to-do children. Thus, changes in health status, if they occur, will be difficult to detect, especially in the short term. Changes in health insurance status, which can certainly affect health care utilization and status, should be easier to detect.

Second, according to Klerman, each of the data sources she lists has deficiencies that make them of limited use in assessing the impact of welfare reform on child health. "None are totally adequate to the task of assessing the impact of welfare reform" because, she explains, most do not have information on welfare status and some do not even have an indicator of economic status more generally. Moreover, most have relatively small samples of the population of interest—that is, low-income families—and suffer from low response rates (particularly among those most likely to have been affected by welfare reform). Also, state-level data are not usually available, and given the differences in implementation of welfare reform among states, such data are important.

Klerman believes measuring the impact of welfare reform on health would require data sets with the following characteristics: information on health before the implementation of reform to detect time changes; periodic data collection, again to show changes over time; oversampling of special populations, including the poor and minorities; state-level data; a good response rate; valid indicators of socioeconomic status, including past and present welfare status; and improved measures of child health. The traditional measures of child health status are deaths, illnesses, and injuries. Because these measures, with a few exceptions, such as asthma, are already on the decline, using them to measure the impact of welfare reform is difficult. New measures of physical and mental health functioning are needed to complement studies of health-related behaviors and medical care access or utilization.

Because no currently available national data set possesses all the desired characteristics, Klerman believes that information on the impact of welfare reform will be obtained largely from the independent studies of low-income and welfare families that are funded by the federal government, some states, and foundations. Many use a common set of child health and well-

¹⁵The Vital Statistics Cooperative Program, which is based on 100 percent of the birth certificates nationally, is collected by NCHS. It includes information on births, including health outcomes, by marital status, race, age, and educational attainment of mothers by state and nationally.

Box 7. Children's Health and Well-Being

The Behavior Risk Factor Surveillance System (BRFSS) is a state-based system that collects information on the prevalence of risk behaviors among adults, some of which can influence child health. The system is operated by the National Center for Chronic Disease Prevention, Centers for Disease Control and Prevention (CDC).

The Medical Expenditure Panel Survey (MEPS) is a nationally representative survey of health care use, expenditures, sources of payment, and insurance coverage for the population. It surveys about 10,000 people or households over a 2.5 year period. The survey is co-sponsored by the Agency for Health Care Research and Quality (AHRQ) and the National Center for Health Statistics (NCHS).

The National Health Interview Survey (NHIS) is a continuing, nationwide survey of about 40,000 households that collects information about illnesses, injuries, chronic conditions, utilization of health care services, and other health topics. The survey is sponsored by NCHS and carried out by the Census Bureau. Topical modules are conducted periodically, covering subjects such as adult or child health-related behaviors.

The National Health and Nutritional Examination Survey (NHANES) collects data on about 34,000 people age two months and older. The data are based on surveys and direct physical examinations and cover a range of health conditions. The survey is designed by NCHS and conducted by the Census Bureau.

The National Hospital Discharge Survey (NHDS) is an annual survey of patients discharged from a selected sample of hospitals. The survey was designed by NCHS and is carried out with the assistance of the Census Bureau. It collects information on reasons for hospitalization but asks few questions about family characteristics. Moreover, unlike population-based surveys, it is a facility-based survey, so it captures only information on the health problems of health care users.

The National Immunization Survey collects data on the immunization coverage of more than 30,000 children ages nineteen to thirty-five months from across the United States. The survey is a collaborative effort between NCHS and the CDC and Prevention National Immunization Program.

The State and Local Area Integrated Telephone Survey (SLAITS) is a multipurpose survey developed by NCHS to collect information on health insurance coverage, access to care, health status, and utilization of services as well as welfare-related topics.

The Youth Risk Behavior Surveillance System (YRBSS) is a survey of about 16,000 students in grades nine to twelve in about 150 schools. It is conducted by the National Center for Chronic Disease Prevention with Westat, Inc., and Macro International. The survey monitors six areas of health-risk behaviors among youth, including those that contribute to unintentional and intentional injuries, tobacco use, alcohol and other drug use, unintended pregnancy and sexually transmitted diseases, unhealthy diets, and physical inactivity.

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being measures developed with the help of Child Trends, Inc., which will allow comparisons across sites. Because the surveys focus on the welfare population, which is also a population at high risk for health problems, they are more likely than national studies to detect the impact of welfare reform on the physical and mental health of children and their parents. In addition, Klerman recommends appropriation of additional funds to expand the NHIS to collect more data on children or administer new surveys that would be sensitive to the health problems of low-income children, including the so-called “new morbidity.” The additional data might be supplemented by intensive, on-going, small-area surveys that trace the health of a group of low-income children over a period of years, using a population laboratory approach.

Kristin Moore, president of Child Trends, Inc., agrees with Klerman that indicators of child health are extremely difficult to track. Moore is not sure that welfare reform will result in large effects on child health because many determinants of health, including genetics and the physical environment, will not be affected (at least not immediately). Welfare reform, she says, “is a pretty distal influence on children’s health.” Thus, any likely effects would probably be too small to detect. Hence, she concludes, the research community needs to consider more carefully what measurements are needed to paint an accurate picture of changes in children’s health.

Moore elaborates on Klerman’s recommendations for improving the data pool on children’s health. She emphasizes that access or utilization of health care services should not be confused with child outcomes, although, like Klerman, she believes outcomes may be a separate area of concern. She recommends that indicators of child health be bidirectional because changes after welfare reform might be positive or negative, and that they focus on mental as well as physical health. Moreover, because most children are basically healthy, and because any health effects of welfare reform are likely to be too small to measure across the entire low-income population, she recommends a greater focus on subgroups, such as children of different ages, inner-city children, and immigrant children.

Finally, because health conditions are infrequent and take time to develop, Moore recommends development of measures that “might serve as harbingers of good or poor child health outcomes. Possible outcomes include health status, infectious diseases, accidents, injuries, or poisonings. Such problems could result from poor supervision, monitoring, or care on the part of parents or child care workers.” Other such measures might include adolescent sexual activity or substance abuse.

Jerry Wiener, a psychiatrist at the George Washington University Medical School and former president of the American Psychiatric Association, discusses how various “problem” environments—such as single parenting, poverty, unstable parenting, and homelessness—affect child outcomes, particularly when a child is exposed to many such conditions. Wiener explains, for example, that homelessness is linked to poor nutrition and fewer immunizations and is often

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associated with mental illness among adults. Thus, homelessness, because it is associated with so many other negative conditions, is an important risk factor.

Wiener also raises the question of whether children are better or worse off if their mothers work or, conversely, stay home. He explains that the question is unanswered; many factors have both positive and negative effects on children's well-being. On the positive side, for example, he "suspects" that "work may change a woman's sense of confidence about what she has to offer her child as a parent." On the negative side, inadequate child care for the children of mothers who go to work may be harmful.

Nutrition, Food Security, and Obesity

If welfare reform results in less income to former recipients, they might compensate by cutting back on food, especially healthy foods (which tend to be more expensive). In "Nutrition, Food Security, and Obesity" (chapter 10), Harold S. Beebout, vice president and director of research at Mathematica Policy Research, Inc., reviews what is known about nutrition, food security, and obesity, relying on the following data sources: the Continuing Survey of Food Intake for Individuals (CSFII), the CPS, the National Health and Nutritional Examination Survey (NHANES), and state administrative data reported to the U.S. Department of Agriculture (see boxes 1, 2, and 8).

Box 8. Nutrition and Hunger

The Continuing Survey of Food Intake for Individuals (CSFII) is a survey of more than 15,000 people of all ages conducted periodically by the U.S. Department of Agriculture's Agricultural Research Service. The survey is intended to monitor the nutritional adequacy of American diets and includes information on dietary intake and participation in food programs.

Beebout first examines the forces behind the dramatic decline in food stamp rolls, which dropped by 8 million (31 percent) between August 1995 and May 1999. He describes how the welfare reform legislation restricted eligibility, particularly for able-bodied adults who have no children and who work less than twenty hours per week and notes that many legal immigrants were disqualified. He adds that those changes explain only about 20 percent of the food stamp decline: Most of the decline occurred among households with children, many of which still appear to be eligible for benefits. He suggests two possibilities for the large impact on this group:

- Efforts to divert families from welfare have also caused them to leave the food stamp program, perhaps because families do not realize that they remain eligible.
- The relatively low benefit amounts for working families have discouraged many of them from applying for benefits.

Beebout concludes that if families know they are eligible for the Food Stamp Program but choose not to participate, "current policies and program operations may be appropriate," but

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because participation rates vary substantially from state to state, he concludes that the data does “give rise to concern that some states are offering greater access to food assistance than others.”

Beebout explores the question of whether welfare reform has affected food insecurity and hunger. Although Beebout recognizes that the relationship between these measures and health status is uncertain,¹⁶ he concludes that “between 1995 and 1998, there was no appreciable change in these measures for low-income households or for households as a whole.”

Beebout describes troubling trends in excess weight and obesity among adolescents in low-income families, calling it “a high-priority problem with serious long-term consequences.” Low-income adolescents have double the rate of obesity in the rest of the adolescent population, making them vulnerable to diabetes, high blood pressure, and other health problems.

David Murray, director of research at Statistical Assessment Service (STATS), echoes Beebout’s concerns about current measures of hunger and food insecurity:

The term “hunger” cannot be given an objective characterization. It is defined in a variety of ways, not all of which are constant across the different surveys. The effort to define hunger as “food insecurity” or “food security” is relatively recent. Depending on the questions, a survey can magnify the appearance of real need by confusing it with food insecurity, a subjective perception.

Like Beebout, Murray also raises the problem of obesity. In the past decade, the number of children who are overweight has more than doubled, prompting the need to broaden the policy discussion from nutrient underconsumption to overconsumption and physical activity patterns.

Murray then asks, “if overconsumption is the most immediate threat,” why is so much attention focused on hunger? Murray believes that the reason stems from the way questions are asked in surveys of well-being. In particular, he describes the array of conditions associated with “hunger,” ranging from malnutrition to “experiencing reduced food intake” at some point because of “a lack of financial resources.” He argues that “lack of access” is not the same as having no food and that this whole area is plagued by a variety of measurement difficulties. Murray concludes that because applications of both definitions are highly subjective and have varied historically, measuring effects or legislating changes is quite difficult.

¹⁶According to Beebout, “These food security measures have been criticized because they are based on the perceptions of respondents and thus have an unclear relationship to more objective measures of nutrition or health status.”

Richard Bavier, a policy analyst at the U.S. Office of Management and Budget, raises several questions regarding the validity of food security measures.¹⁷ For example, he points out that in the 1995 CPS survey, “38 percent of the households that were classified as ‘food insecure with moderate hunger’ answered ‘No’ every time they were asked a direct question about hunger.” Moreover, only about one-third of the households with “moderate hunger” were poor in 1994, and less than half (46 percent) with “severe hunger” were poor. He concludes that “if many households reporting food insufficiency or classified as food insecure with hunger do not seem very poor,” the problem may lie with the measures of food security or insufficiency, or at least in how well they measure these phenomena.

Crime, Juvenile Delinquency, and Dysfunctional Behavior

Crime and violence have perhaps the most immediate impact on children, who are often the direct victims of street crime and indirect victims through effects on parents and relatives. Also, when parents or other caretakers abuse drugs, children suffer.

In “Crime, Juvenile Delinquency, and Dysfunctional Behavior” (chapter 11), Lawrence W. Sherman, professor at the University of Pennsylvania, describes how changes in criminal and other dysfunctional behaviors could be measured. He relies on data from the National Crime Victimization Survey and the Uniform Crime Reporting System (see box 9).

Sherman describes how criminal behavior tends to be concentrated in inner-city neighborhoods. He contends that “it is misleading to compare homicide rates across cities or to look at national homicide rates without disaggregating them by the factors that are most strongly correlated with their existence.” In particular, he notes that although individual

Box 9. Crime

Juvenile Offenders and Victims: 1999 National Report, published by the Office of Juvenile Justice and Delinquency Prevention, cites FBI and other data sources to track changes in the rates of juvenile crime and of juveniles in correctional facilities.

The National Crime Victimization Survey is conducted twice annually by the Census Bureau for the Bureau of Justice Statistics. A nationally representative survey of the population, it focuses on collecting information on the characteristics of victims (age twelve or older) and offenders and the circumstances surrounding incidents of violence. Victims are interviewed twice a year for two years.

The Uniform Crime Reporting System is a compilation of crime statistics voluntarily reported to the FBI by police agencies. The main categories include murder-homicide, assault, robbery, rape, burglary, larceny-theft, motor vehicle theft, and arson. The data are standardized by the FBI and published in *Crime in the United States*.

¹⁷ Bavier did not present his paper at the conference, but he did raise some of the points during the discussion period. His remarks were originally prepared for the Second Food Security Measurement and Research Conference, February 23–24, 1999, Alexandria, Virginia, sponsored by USDA’s Economic Research Service and Food and Nutrition Service and NCHS.

characteristics, such as age, race, and income, are important, “the effects of those characteristics are magnified by location and space.”

Sherman argues that if we want to understand the effects of welfare reform on a range of behaviors, including crime, data collection should focus on high-poverty areas, where such behaviors are concentrated. For example, the city of Baltimore has a homicide rate of about 40 per 100,000, or more than 40 times the rate for the rest of Maryland. But most of those homicides occur in East Baltimore, where the homicide rate is probably about 200 to 300 per 100,000. Sherman laments that homicide rates are not reported to the FBI at the neighborhood level and emphasizes that those data should be collected to understand how our policies are working.

According to Sherman, any assessment of welfare reform’s impact on crime and other behaviors must “get below the national and city-level data and zero in on where the problems are most heavily concentrated.” Indeed, he writes, “The goal of reporting ‘national’ rates of crime and arrests interferes with good measurement of problems in hard-to-serve populations.” He explains that “examining a subgroup organized by space and then by the demographic categories of age, gender, and race within those spatial areas would perhaps be the most informative way to investigate many kinds of questions.”

Adele Harrell, director of the Urban Institute’s Program on Law and Behavior, reemphasizes Sherman’s discussion of the importance of geographically concentrated crime. The primary additional data source she uses is *Juvenile Offenders and Victims: 1999 National Report* (see box 9).

Harrell reports that 25 percent of all juvenile homicides occurs in five of the nation’s 3,000 counties. Moreover, most occur within subareas of these counties. As a result, Harrell

Box 10. Drug Use

The Arrestee Drug Abuse Monitoring (ADAM) program is an ongoing voluntary survey of randomly selected arrestees in thirty-five urban areas. The survey, which is conducted by the National Institute of Justice (NIJ), collects information about the prevalence and types of drug use among arrestees and includes drug testing as part of the survey effort.

The Drug Abuse Warning Network (DAWN), sponsored by the Substance Abuse and Mental Health Services Administration, is an ongoing national survey of hospitals (604 in 1997) that have a twenty-four hour emergency department (ED). The survey provides information on the number of drug-related ED episodes and the specific drugs involved.

Monitoring the Future is an annual survey of about 50,000 eighth, tenth, and twelfth graders conducted by the Survey Research Center of the Institute for Social Research at the University of Michigan under the sponsorship of the National Institutes of Health (NIH). It collects information on students’ behaviors, attitudes and values.

The National Household Survey on Drug Abuse (NHSDA) is a nationally representative annual survey of more than 25,000 individuals age twelve and older, sponsored by NIH. It is designed to provide estimates of illicit drug use over time.

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recommends that attempts to evaluate the impact of welfare reform on juvenile delinquency should focus on these small areas rather than on the entire country.

Harrell explains that welfare reform could affect juvenile delinquency and crime in several ways. It could increase criminal behavior by reducing the incomes of welfare mothers, leading them to rely more on off-the-books work and illegal activities. Even if welfare reform got more people into traditional jobs, it could result in less supervision of children and a higher juvenile crime rate. Of course, it could also be a force for positive change: If more low-income mothers (and fathers) are working, children may view employment as a more realistic goal and be encouraged to remain in school so they can get jobs.

Peter Reuter, a professor at the Maryland School of Public Affairs, addresses another aspect of dysfunctional behavior: substance abuse and addiction. His main data sources are the Arrestee Drug Abuse Monitoring (ADAM) program, the Drug Abuse Warning Network (DAWN), Monitoring the Future, and the National Household Survey on Drug Abuse (NHSDA) (see box 10).

Reuter explains that although drug abuse is associated with poverty, the direction of causality is unclear and probably bidirectional. Many other factors, such as price, enforcement, prevention, and social attitudes, also influence drug use—as evidenced by the wide fluctuations in prevalence rates over short periods of time.

According to Reuter, drug use in the general population increased rapidly in the late 1970s, declined in the 1980s, and remained relatively flat in the 1990s. The patterns, however, are driven largely by changes in marijuana use. The pattern of frequent use of more dangerous drugs, such as cocaine, is different. During the late 1980s, heavy use of cocaine—especially crack cocaine—grew rapidly. By the early 1990s, however, the number of new addicts fell dramatically, although not many heavy users discontinued their use. As a result, the stock of frequent users held constant through much of the 1990s and only recently began to decline as more users discontinued their use or died.

Reuter believes that this process has led to an aging population of dependent drug users, and he points to fragmentary evidence suggesting that few in this group are welfare recipients. On the basis of his six-state study of welfare and drug abuse, he finds that despite the perception that drug use is common among welfare recipients and despite “some states’ aggressive efforts to detect it, generally less than 2 percent of welfare applicants are being referred to substance abuse treatment.” In fact, he concludes that drug dependence “may come to be a minor element in the response to welfare reform.”

Mothers' Work and Child Care

Welfare reform could have its most immediate impact on child well-being through child care. If a mother works, someone needs to take care of the children. The authors of this section describe what is known about the utilization of child care and early childhood development programs and their impact on children.

Box 11. Child Care

The National Household Education Survey (NHES) is an annual survey of 60,000 to 75,000 households sponsored by the National Center for Education Statistics (NCES) and conducted by Westat, Inc., under contract to NCES. It includes information about “child care arrangements for children in third grade or below, including details about the language of the provider, sick child care, and distance between the care and home and job—data not found in other national surveys.”

In “Mothers' Work and Child Care” (chapter 12), Julia B. Isaacs, director of the Division of Data and Technical Analysis of the Office of Planning at HHS, discusses the main data sources that HHS uses to measure the availability and quality of child care for low-income families: the CPS;¹⁸ the National Household Education Survey (NHES); state administrative data collected by the federal government that includes aggregate numbers of children receiving subsidies as well as some of the characteristics of those subsidies, such as type of provider and age of child; state leaver studies;¹⁹ and SIPP²⁰ (see boxes 1 and 11).

Isaacs describes the strengths and weakness of the main national surveys. The SIPP provides information about child care utilization patterns and costs. The CPS does not provide direct information about child care arrangements, but it provides detailed information regarding the employment patterns of parents. CPS data have been used by HHS to estimate the potential need for child care and child care subsidies. The National Household Education Survey (NHES) provides detailed information about child care for young children and detailed information about child care providers. Isaacs cautions that the income information is relatively poor. Finally, the National Survey of America's Families (NSAF) provides data on child care arrangements that can be linked to various measures of child well-being. Isaacs explains that an obvious advantage of the data sources is that they provide nationally representative data; unfortunately, they provide limited information at the state and local level.

Isaacs then discusses federal and state administrative data that provide information on child care subsidized through various federal programs, primarily through the Child Care

¹⁸Although the survey does not collect information on child care, it does collect extensive information on the labor force participation of family members with children, providing an indication of the need for child care.

¹⁹Many leaver studies include questions about the patterns and costs of child care utilization.

²⁰A special topical module collects information on child care utilization patterns and child care costs.

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Development Fund (CCDF). In an average month in 1998, Isaacs writes, 1.5 million children up to age thirteen received subsidized child care. (Using the CPS data described above, she estimates that 10 to 15 million children were eligible for subsidies.) She indicates that the data can provide information on the characteristics of children in child care and the setting of that care. A strength of the data is that they cover all children receiving subsidies, so small sample sizes are not a problem. However, the data can provide no information on unsubsidized child care or care provided by other state programs.

Surveys of welfare leavers also provide information about how many former welfare recipients are using subsidized child care, although many of those surveys suffer from low response rates and other methodological problems. Few of them question parents on whether they are satisfied with the quality of the care that their children receive.

Ron Haskins, senior fellow at the Brookings Institution, outlines what is known about the impact of child care and early childhood development programs on children. He begins by describing the child care policy problem as a tension between two groups. One group believes that early childhood development programs have beneficial effects on child well-being. This group supports expansions in expensive early childhood programs. The other group believes mothers should be in the labor force and desires inexpensive child care.

According to Haskins, small-scale demonstrations—such as the Abecedarian project and the Perry Preschool project—show that programs like Head Start can have immediate and some long-term effects on scholastic achievement, crime, and pregnancy. He cautions, however, that even the positive effects of small-scale studies are uncertain and are not generalizable to the nation as a whole.

Haskins notes that most studies of Head Start show positive effects that fade out over time. More important, the evaluations do not have the rigor of a randomized experiment, and most are not based on nationally representative samples.

Haskins also critiques a series of studies of child care quality by the National Institute of Child Health and Development (NICHD), which found some correlations between measures of quality and child well-being. He argues that the effects are small and that the “studies are fraught with problems.”

“The scientific basis for spending additional money by setting regulations is not there because the studies are not of high enough quality,” Haskins concludes. The biggest problem facing the child care field is equity: Some people receive much more federally funded child care than others in similar circumstances. For that reason, Haskins advocates additional funding to “achieve greater equity.”

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Clarice Walker, a professor at the Howard University School of Social Work, argues for a substantial expansion of child care centers and for federal standards for child care. Walker laments the fact that many children whose parents are eligible for subsidies are not in child care. Disagreeing with Haskins, Walker believes that quality should be a central issue in the debate over child care and points to new research suggesting that quality of care affects achievement and has long-term effects.

Plans of the Department of Health and Human Services

The final chapter in this volume (chapter 13) is by Patricia Ruggles, staff director of the U.S. Senate Joint Economic Committee, and Matthew Stagner, a research associate in the Population Studies Center at the Urban Institute. At the time of their conference, both were HHS officials. They describe HHS's efforts to improve existing data systems and create new ones to advance our understanding of "the condition of the low-income population before and after welfare reform." Their main sources of data are SPD; SIPP; and state-based administrative data on programs such as TANF, food stamps, and Medicaid (see boxes 1, 2, and 3).

Ruggles and Stagner confirm the seriousness of the problems that the other authors raise about various national, state, and local data sets, such as attrition and the inability to capture "the new variation in programs across the country." They describe some of HHS's efforts to deal with those problems. For example, HHS is working with the Census Bureau to match social security records to SPD records to examine how attrition from SPD is affecting the representativeness of the survey. HHS also is examining the possibility of supplementing SIPP and other national surveys to "create reliable state samples," thereby allowing researchers to link state-level outcomes to state-level policy choices.

Ruggles and Stagner describe how MDRC's Project on Devolution and Urban Change is "examining neighborhood clustering of program receipt and how that changes over time." To do so, the project is using administrative data in four cities to track welfare program participation, employment, and earnings of several cohorts of welfare recipients from 1992 through 2002.

Ruggles and Stagner also discuss the advantages and disadvantages of administrative data. On one hand, for example, administrative data contain information on all program participants, a great advantage for studying subgroups and small geographic areas. In many states, administrative data are available for periods both before and after welfare reform, allowing researchers to examine how welfare reform may have led to various outcomes. On the other hand, administrative data may be inaccurate or incomplete; in addition, it may lack information on what happens after people leave the program.

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Ruggles and Stagner explain that one promising approach for dealing with some of the problems is to link data across programs. For example, welfare records could be linked to unemployment insurance records, ensuring that mothers leaving welfare for work continue to be tracked. The records also could be linked to foster care records, to see whether mothers formerly on welfare are losing custody of their children, and to Medicaid records, to see whether low-income children continue to have medical coverage. As an example, the authors cite the work of researchers at the Chapin Hall Center for Children, who are examining the movement among families on welfare, Medicaid, and foster care prior to welfare reform. They suggest that this will create a baseline for understanding the patterns of such movements after welfare reform and help explain why such movements may occur.

Howard Rolston, director of Planning, Research and Evaluation at the Administration for Children and Families of HHS, agrees with Ruggles and Stagner that administrative data can sometimes provide the best available information about how families are faring after welfare reform.²¹ He cautions, however, that they also can be “overused and result in misleading or unwarranted conclusions.”

As an example of the problems of using administrative data, Rolston points to studies that attempt to assess the income trends of families leaving welfare. He argues that analyses of welfare leavers based on administrative data, such as unemployment insurance and welfare records, “suffer from major shortcomings.” He uses pre-welfare reform data from the National Evaluation of Welfare-to-Work Strategies, conducted by the Manpower Demonstration Research Corporation (MDRC), to show that a substantial drop-off occurs in the administrative measure of income after families leave welfare. By examining two subgroups—those who left welfare because of earnings and those who left without earnings—Rolston was able to show that the bulk of the decline in income occurs among those who left for nonwork reasons, such as marriage or an increase in the income of another household member. He explains that because many of those who leave welfare do so for nonwork reasons, such studies do not count all the income available to those families. He concludes that “the problem with using the administrative measure of income is that it fails to include any of these sources of nonemployment income, or employment income of other household members, that have become available to a family and whose availability induced the family to opt not to receive cash assistance, or in some cases, rendered them ineligible for it.”

Although Rolston does not believe that administrative data are useful for assessing the income status of welfare leavers, he does envision many important roles for such data. For example, he suggests that administrative data can be used to examine the earnings trajectories of current and former recipients to determine whether they are advancing in the labor market. He also suggests that TANF data can be used to understand welfare recidivism. He notes that

²¹Rolston did not present his paper at the conference.

administrative measures of income are less problematic “in the context of welfare reform experiments” than in leaver studies because they affect both the experimental and the control group.

Conclusion

As all the chapters in this collection show, even after four years, no one really knows whether welfare reform has improved or harmed the well-being of low-income children and their families. About the most that can be said with any assurance is that it does not appear to have caused substantial additional material hardship and that it may have led more families into the world of work. Welfare reform’s long-term impact is even more problematic because of its dependence on the wisdom of future policies and program implementation and on the health of the economy.

Moreover, whatever welfare reform’s impact, it will not be likely to affect all low-income families equally. Some families will benefit, perhaps greatly, and some will be harmed, again, perhaps greatly. Thus, any analysis will have to be detailed enough to identify welfare reform’s winners and losers and to quantify their gains and losses (what Gueron and other evaluators call “subgroup analysis”).

Many efforts are being made to measure the “impact” of welfare reform. But, as Rossi and others conclude, these efforts are unlikely to come to reliable conclusions about causation because of the absence of a satisfactory comparison group of low-income families not subject to welfare reform. The declines in welfare caseloads, for example, have undoubtedly been spurred by the contemporaneously strong economy and dramatically increased aid to the working poor.

Monitoring the well-being of low-income children and families is still possible—and putting in place mechanisms to do so should be the immediate public policy goal. All the focused, welfare reform-related research efforts described in this volume should be helpful in important ways, but each has particular weaknesses that limit its contribution to monitoring of child well-being. Both the SPD and NSAF have low response rates that undermine their utility. But the limitations go deeper. For example, as suggested by Danziger, Manning, and Garfinkel, existing measures of income seem truncated in their inability to parse the household economy of cohabiting and co-resident relationships.

All contributors to this volume are eager to see *existing data sources* used to help complete our understanding of the effects of welfare reform. Almost without exception, however, the data sources have weaknesses that must be addressed if they are to be as helpful as needed. And given the variation in state welfare regimes, a primary need is to improve and refine data at the state, local, and even neighborhood level.

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For example, the additional information provided by the SPD and NSAF—compared with what is already available through the CPS and SIPP—does not seem worth the more than \$100 million that will be spent on them. Instead, as Rossi suggests, it would be worthwhile to consider whether additional funding for both CPS and SIPP would result in more reliable and more complete data. In addition, the longitudinal aspects of SIPP also could be enhanced.

The many other data sets described in this volume also require scrutiny and evaluation. Some appear to be duplicative, at least in major elements; some seem subject to low response rates and other difficulties because of inadequate funding; some use unreliable or unvalidated measures; some appear to be missing key data elements and have sample sizes that are too small to capture sufficient information about important subgroups; some surveys are not conducted frequently enough; almost all seem to suffer from delayed publication of reports and public-use data sets; and not enough attention seems to be paid to making the data sets more user friendly—or linkable between or among data sets.

Improving the quality of data will not be an easy or short-term effort, as Ruggles and Stagner suggest. It is, however, the only approach that promises reliable and continuing data with which to monitor the well-being of low-income children.

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