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## Paternalism and Welfare Reform

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After years of collective denial, most politicians (and welfare policy makers) have finally acknowledged the link between unwed parenthood and long-term welfare dependency, as well as a host of other social problems. But it is one thing to recognize the nature of the problem and quite another to develop a realistic response to it. For, truth be told, there has been a fair amount of wishful thinking about what it takes to help these most disadvantaged parents become self-sufficient.

Young, unwed parents are extremely difficult to help. Besides living in deeply impoverished neighborhoods with few social (or familial) supports, many suffer severe educational deficits and are beset by multiple personal problems, from high levels of clinical depression to alcohol and drug abuse. As a result, even richly funded programs have had little success with these mothers; and they rarely, if ever, try to reach the fathers.

The best remedy, of course, would be to prevent unwed parenthood in the first place. But, even if the number of out-of-wedlock births were somehow reduced by half, there would still be over 600,000 such births each year. Thus social programs must do a much better job of improving the life prospects of unwed mothers and their children (without, of course, creating more incentives for them to become unwed mothers). This will require de-emphasizing the voluntary approaches of the past that have proven unsuccessful, and, in their place, pursuing promising new policies that are more paternalistic.

### **Unwed mothers on welfare**

In the last four decades, the proportion of American children born out of wedlock has increased more than sevenfold, from 4 percent in 1950 to 31 percent in 1993. In that year, 1.2 million children were born outside of marriage. These children, and their mothers, comprise the bulk of long-term welfare dependents.

Images of Murphy Brown notwithstanding, the vast majority of out-of-wedlock births are to lower-income women: nearly half are to women with annual family incomes below \$10,000; more than 70 percent are to women in families earning less than \$20,000. In addition, most unmarried mothers are young (66 percent of all out-of-wedlock births were to 15- to 24-year-olds in 1988), poorly educated (only 57 percent have a high-school diploma), and

unlikely to have work experience (only 28 percent worked full time and an additional 8 percent part time in 1990).

Consequently, most unwed mothers go on welfare. In Illinois, for example, over 70 percent of all unwed mothers go on welfare within five years of giving birth to a child. Nationwide, an unmarried woman who has a baby in her early twenties is more than twice as likely to go on welfare within five years than is a married teen mother (63 percent versus 26 percent). And, once on welfare, unwed mothers tend to stay there. According to Harvard's David Ellwood, who served as one of President Clinton's chief welfare advisors, the average never-married mother spends almost a decade on welfare, twice as long as divorced mothers, the other major group on welfare.

Unwed parenthood among teenagers is a particularly serious problem. Between 1960 and 1993, the proportion of out-of-wedlock births among teenagers rose from 15 percent to 71 percent, with the absolute number of out-of-wedlock births rising from 89,000 to 369,000.

Teen mothers are now responsible for about 30 percent of all out-of-wedlock births, but even this understates the impact of unwed teen parenthood on the nation's illegitimacy problem. Sixty percent of all out-of-wedlock births involve mothers who had their first babies as teenagers.

Because so many unwed teen mothers have dropped out of school and have poor earnings prospects in general, they are even more likely to become long-term welfare recipients. Families begun by teenagers (married or unmarried) account for the majority of welfare expenditures in this country. According to Kristin Moore, executive director of Child Trends, Inc., 59 percent of women currently receiving Aid to Families with Dependent Children (AFDC) were 19 years old or younger when they had their first child.

These realities have changed the face of welfare. In 1940, shortly after AFDC was established as part of the Social Security Act of 1935, about one-third of the children entering the program were eligible because of a deceased parent, about one-third because of an incapacitated parent, and about one-third because of another reason for absence (including divorce, separation, or no marriage tie). By 1961, the children of widows accounted for only 7 percent of the caseload, while those of divorced or separated and never-married mothers had climbed to 39 percent and 20 percent, respectively. In 1993, the children of never-married mothers made up the largest proportion of the caseload, 55 percent, compared to children of widows (1 percent) and divorced or separated parents (29) percent).

The face of welfare dependency has changed for many and infinitely complex reasons. But there should be no denying that the inability of most unwed mothers to earn as much as their welfare package is a major reason why they go on welfare—and stay there for so long. (A common route off welfare is marriage, but that is a subject for another article.) Hence, since the 1960s most attempts to reduce welfare dependency have focused on raising the earnings capacity of young mothers through a combination of educational and job-training efforts. Given the faith Americans have in education as the great social equalizer, this emphasis has been entirely understandable. However, the evaluations of three major demonstration projects serve as an unambiguous warning that a new approach is needed.

### Three demonstrations

Beginning in the late 1980s, three large-scale demonstration projects designed to reduce welfare dependency were launched. Although the projects had somewhat different approaches, they all sought to foster self-sufficiency through a roughly similar combination of education, training, various health-related services, counseling, and, in two of the three, family planning.

- *New Chance* tried to avert long-term welfare reciprocity by enhancing the “human capital” of young, welfare-dependent mothers. Designed and evaluated by Manpower Demonstration Research Corporation (MDRC), the program targeted those at especially high risk of long-term dependency: young welfare recipients (ages 16 to 22) who had their first child as a teenager and were also high-school dropouts. Its two-stage program attempted to remedy the mothers, severe educational deficits—primarily through the provision of a Graduate Equivalency Degree (GED) and building specific job-related skills.
- *The Teen Parent Demonstration* attempted to use education and training services to increase the earnings potential of teen mothers before patterns of dependency took root. Evaluated by Mathematica Policy Research, the program required all first-time teen mothers in Camden and Newark, New Jersey, and the south side of Chicago, Illinois, to enroll when they first applied for welfare. The program enforced its mandate by punishing a mother’s truancy through a reduction in her welfare grant.
- *The Comprehensive Child Development Program (CCDP)*, which is still operating, seeks to break patterns of intergenerational poverty by providing an enriched developmental experience for children and educational services to their parents. A planned five-year intervention is designed to enhance the intellectual, social, and physical development of children from age one until they enter school. Although not a requirement for participation, the majority of families are headed by single parents. The program, evaluated by Abt Associates, also provides classes on parenting, reading, and basic skills (including GED preparation), as well as other activities to promote self-sufficiency.

These three projects represent a major effort to break the cycle of poverty and to reduce welfare dependency. *New Chance* involved 1,500 families at 16 sites and cost about \$5,100 per participant for the first stage, \$1,300 for the second, and \$2,500 for child care (for an 18-month total of about \$9,000 per participant). The *Teen Parent Demonstration*, involving 2,700 families at three sites, was the least expensive at \$1,400 per participant per year. The most expensive is the *CCDP*, which serves 2,200 families at 24 sites for \$10,000 per family per year. Since it is intended to follow families for five years, the total cost is planned to be about \$50,000 per family. These costs are in addition to the standard welfare package, which averages about \$8,300 per year for AFDC, food stamps, and so forth.

All three projects served populations predominantly comprised of teen mothers and those who had been teens when they first gave birth. The average age at first birth was 17 for *New Chance* and *Teen Parent Demonstration* clients, while half of the *CCDP* clients were in their teens when they first gave birth. As the project evaluators soon found, this is an extremely

disadvantaged—and difficult to reach—population. Over 60 percent of Teen Parent Demonstration and New Chance clients grew up in families that had received AFDC at some point in the past. If anything, early parenthood worsened their financial situations. All Teen Parent Demonstration clients, of course, were on welfare, as were 95 percent of those in New Chance. The average annual income for CCDP families was \$5,000.

The mothers also suffered from substantial educational deficiencies. Although most were in their late teens or early twenties, few had high-school diplomas or GEDs. Many of those still in school (in the Teen Parent Demonstration) were behind by a grade. In New Chance and the Teen Parent Demonstration, the average mother was reading at the eighth-grade level. Their connections to the labor market were tenuous at best. Almost two-thirds of the New Chance participants had not worked in the year prior to enrollment, and 60 percent had never held a job for more than six months. Only half of Teen Parent Demonstration mothers had ever had a job. These young mothers also had a variety of emotional or personal problems. About half of New Chance clients and about 40 percent of those in CCDP were diagnosed as suffering clinical depression. The mothers also reported problems with drinking and drug abuse. Many were physically abused by boyfriends.

### **Disappointing results**

Besides the intensity of the intervention, what set these three demonstrations apart from past efforts is that they were rigorously evaluated using random assignment to treatment and control groups. Random-assignment evaluations are especially important in this area because, at first glance, projects like these often look successful. For example, one demonstration site announced that it was successful because half of its clients had left welfare, and their earnings and rate of employment had both doubled. These results sound impressive, but the relevant policy question is: What would have happened in the absence of the project? This is called the “counterfactual,” and it is the essence of judging the worth of a particular intervention.

Unfortunately, despite the effort expended, none of these demonstrations came anywhere near achieving its goals. After the intervention, the families in the control groups (which received no special services, but often did receive services outside of the demonstrations) were doing about as well, and sometimes better, than those in the demonstrations. In other words, the evaluations were unable to document any substantial differences in the lives of the families served. Here is a sample of their disappointing findings:

*Welfare reciprocity.* All three evaluations were unanimous. Participants were as likely to remain on welfare as those in the control groups. Robert Granger, senior vice president of MDRC, summed up the interim evaluation of New Chance: “This program at this particular point has not made people better off economically.” At the end of 18 months, 82 percent of New Chance clients were on welfare compared to 81 percent of the control group. The Teen Parent Demonstration mothers did not fare any better. After two years, 71 percent were receiving AFDC, only slightly fewer than the control group (72.5 percent). CCDP participants were actually 5 percent more likely to have received welfare in the past year than were those in the control group (66 percent versus 63 percent).

*Earnings and work.* Only the Teen Parent Demonstration program saw any gains in employment. Its mothers were 12 percent more likely to be employed sometime during the two years after the program began (48 percent of the treatment group versus 43 percent of the control group) and, as a result, averaged \$23 per month more in income. In most cases, however, employment did not permanently end their welfare dependency. Nearly one in three of those who left AFDC for work returned within six months, 44 percent within a year, and 65 percent within three years.

The other programs did not show even this small gain. Fewer New Chance clients were employed during the evaluation period than controls (43 percent versus 45 percent), in part because they were in classes during some of the period. Those who did work tended to work for a short time, usually less than three months. Given the lower level of work, New Chance clients had earned 25 percent less than the control group at the time of the evaluation (\$1,366 versus \$1,708 a year). Only 29 percent of the CCDP mothers were working at the time of the two-year evaluation, the same proportion as the control group, there was no difference in the number of hours worked per week, the wages earned per week, or the number of months spent working.

*Education and training.* All three demonstrations were relatively successful in enrolling mothers in education programs. Teen Parent Demonstration mothers were over 40 percent more likely to be in school (41 percent versus 29 percent, and about one-third of the CCDP clients were working towards a degree, 78 percent more than the control group.

About three-quarters more *New Chance* participants received their GED than their control-group counterparts (37 percent versus 21 percent). But the mothers' receiving a GED did not seem to raise their employability—or functional literacy. The average reading level of the New Chance mothers remained unchanged (eighth grade) and was identical to that of the control group. This finding echoes those from evaluations of other programs with similar goals, including the Department of Education's Even Start program. Jean Layzer, senior associate at Abt Associates, concluded that, rather than honing reading, writing, and math skills, GED classes tended to focus on test-taking: "What people did was memorize what they needed to know for the GED. They think that their goal is the GED because they think it will get them a job. But it won't—it won't give them the skills to read an ad in the newspaper."

In this light, it is especially troubling that, while increasing the number of GED recipients, New Chance seems to have reduced the number of young mothers who actually finished high school (6 percent versus 9 percent). According to one evaluator, the projects may have legitimated a young mother's opting for a GED rather than returning to high school.

*Subsequent births.* Although the young mothers in New Chance and the Teen Parent Demonstration said they wanted to delay or forego future childbearing, the majority experienced a repeat pregnancy within the evaluation period, and most opted to give birth. Mothers in one project spent only 1.5 hours on family planning, while they spent 54 hours in another, with no discernible difference in impact.

All New Chance sites offered family-planning classes and life-skills courses that sought to empower women to take control of their fertility. Many also dispensed contraceptives. In the Teen Parent Demonstration, the family-planning workshop was mandatory. Despite these efforts,

over 7 percent more New Chance mothers experienced a pregnancy (57 percent versus 53 percent). One-fourth of both Teen Parent Demonstration clients and the control group experienced a pregnancy within one year; half of each group did so by the two-year follow-up. Two-thirds of all pregnancies resulted in births. Although it was hoped that the CCDP intervention would reduce subsequent births, this was not an explicit goal of the demonstration; nor was family planning a core service provided by the sites. But, again, there was no real difference between experimental and control groups: 30 percent of mothers in both had had another birth by the two-year follow-up.

*Maternal depression.* Two of the projects, New Chance and CCDP, attempted to lessen the high rates of clinical depression among the mothers. All New Chance sites provided mental-health services, most often through referrals to other agencies (although the quality of such services differed by site). Yet program participants were as likely as those in the control group to be clinically depressed (44 percent). CCDP clients likewise received mental-health services as needed. But, again, there was no discernible impact. Two years into the program, 42 percent of the mothers in both the program and control groups were determined to be at risk of clinical depression. Measures of self-esteem and the use of social supports also showed no differences.

*Child development and child rearing.* The CCDP sought to prevent later educational failure by providing five years of developmental, psychological, medical, and social services to a group of children who entered the program as infants. Developmental screenings and assessments were compulsory for all the children; those at risk of being developmentally delayed were referred to intervention programs.

A major CCDP goal was to improve the ability of the parents to nurture and educate their children. But, at the end of the first two years, the evaluation found only scattered short-term effects on measures of good parenting, such as time spent with the child, the parent's teaching skills, expectations for the child's success, attitudes about child rearing, and nurturing parent-child interactions. More disheartening, especially given the success of other early intervention programs, CCDP had small or no effect on the development of the children in the program. Participating children scored slightly higher on a test of cognitive development but about the same in terms of social withdrawal, depression, aggression, or destructiveness. They were only slightly more likely to have their immunizations up to date (88 percent versus 83 percent). CCDP's lack of success may be explained by its approach to child development (delivering about one hour per week of early childhood education through in-home visits by case managers or, sometimes, early-childhood-development specialists), which did not focus large amounts of resources squarely on children.

All in all, it's a sad story. But what is most discouraging about these results is that the projects, particularly New Chance and CCDP, enjoyed high levels of funding, yet still seemed unable to improve the lives of disadvantaged families. There are several explanations for their poor performance: Many of the project sites had no prior experience providing such a complex set of services; some were poorly managed; and almost all were plagued with the problems that typically characterize demonstration projects, such as slow start-ups, inexperienced personnel, and high staff turnover. In addition, the projects often chose the wrong objectives and tactics. For example, most focused on helping the mothers obtain GEDs, even in the face of accumulating

evidence that the GED does not increase employability. As for the two programs that attempted to reduce subsequent births, program staff tried to walk a fine line between promoting the postponement of births and not devaluing the women's role as mothers. Their sessions on family planning seemed to have emphasized that the mothers should decide whether or not to have additional children—rather than that they should avoid having another child until they are self-sufficient.

But even such major weaknesses do not explain the dearth of positive impacts across so many goals—and so many sites. One would expect some signs of improvement in the treatment group if the projects had at least been on the right track. Hence, one is impelled to another explanation: The underlying strategy may be wrong. Voluntary education and job-training programs may simply be unable to help enough unwed mothers escape long-term dependency.

### **From carrot to stick**

Young mothers volunteered for both New Chance and the CCDP; no one required that they participate. That level of motivation should have given both projects an advantage in helping them break patterns of dependency. As social workers joke, you only need one social worker to change a light bulb, but it helps to have a bulb that really wants to be changed.

In both New Chance and the CCDP, however, initial motivation was not enough to overcome decades of personal, family, and neighborhood dysfunction. In relatively short order, there was serious attrition. New Chance, for example, was designed as a five-days-a-week, six-hours-a-day program. Yet, over the first 18 months, the young mothers averaged only 298 hours of participation, a mere 13 percent of the time available to them. CCDP experienced similar attrition. Although clients were asked to make a five-year commitment to the program, 35 percent quit after the end of the second year and 45 percent after the end of the fourth.

These dropout rates make all the more significant the Teen Parent Demonstration's success at enrolling non-volunteers. Participation was mandatory for all first-time mothers and was enforced through the threat of a reduction in welfare benefits equal to the mother's portion of the grant, about \$160 per month. When teen mothers first applied for welfare, they received a notice telling them that they had to register for the program and that nonparticipation would result in a financial sanction. Registration involved a meeting with program staff and a basic-skills test. Over 30 percent came to the program after receiving this initial notice. Another 52 percent came in after receiving a letter warning of a possible reduction of their welfare grant.

The 18 percent who failed to respond to the second notice saw their welfare checks cut. Of these, about one-third (6 percent of the total sample) eventually participated. As one mother recounted, "The first time they sent me a letter, I looked at it and threw it away. The second time, I looked at it and threw it away again. And then they cut my check, and I said 'Uh, oh, I'd better go.'" Thus sanctions brought in an entire cohort of teen mothers—from the most motivated to the least motivated and most troubled. For example, no exceptions were made for alcoholic and drug-addicted mothers.

Moreover, the Teen Parent Demonstration was able to keep this population of non-volunteers

participating at levels similar to the volunteers in New Chance and the CCDP. After registration, the mothers were required to attend workshops, high-school classes, and other education and training programs. In any given month, participation averaged about 50 percent, reaching a high of about 65 percent during the period when the projects were fully operational. Sanctioning was not uncommon: Almost two-thirds of the participants received formal warnings, and 36 percent had their grants reduced for at least one month.

### **More tough love**

Voluntary educational and training programs can play an important role in helping those welfare mothers (often older and divorced) who want to improve their situations. But, by themselves, they seem unable to motivate the majority of young, unwed mothers to overcome their distressingly dysfunctional situations. Mandatory approaches are attractive to the public and to policy makers because they seem to do just that. In the “learnfare” component of Ohio’s Learning, Earning, and Parenting Program (LEAP), AFDC recipients who were under the age of 20 and did not have a high-school diploma or GED were required to attend school. Those who failed to attend school or did not attend an initial assessment interview had their welfare grant reduced by \$62 per month. This penalty continued until the mother complied with the program’s rules. Conversely, those who attended school regularly got a \$62 per month bonus. Thus the monthly benefit for a teen with one child was almost 60 percent higher for those who complied with the program (\$336 versus \$212). The program also provided limited counseling and child care. Based on a random assignment methodology, MDRC’s evaluation found that, one year after LEAP began, almost 20 percent more LEAP participants than controls remained in school continuously or graduated (61 percent versus 51 percent). Over 40 percent more returned to school after dropping out (47 percent versus 33 percent).

Despite early concerns, such behavior-related rules have not been burdensome to administer. Most have been implemented without creating new bureaucracies or new problems. According to MDRC’s Robert Granger, these “large-scale programs have not been expensive.” The cost of the LEAP program in Cleveland, for example, was about \$540 per client per year, of which about \$350 was for case management and \$190 for child care.

Nor do such rules seem unduly harsh on clients. The sanctioning in the Teen Parent Demonstration caused little discernible dislocation among the young mothers. In fact, very few of them were continuously sanctioned (and, besides, the sanction was applied against only the mother’s portion of the grant). Rebecca Maynard, the director of the Mathematica evaluation, found that the “clear message from both the young mothers and the case managers is that the financial penalties are fair and effective in changing the culture of welfare from both sides.” Clients viewed the demonstration program as supportive, although also serious and demanding. Case managers believe it motivated both clients and service providers. Similarly, the LEAP sanctions caused “no hardship whatsoever to the vast majority of participants and their children,” according to David Long of MDRC, a co-author of the evaluation report. Mothers who had been sanctioned reported that they were able to “get by” either by trimming their budgets or by receiving assistance from others.

The early success of such experiments linking reductions (and increases) in welfare to particular



behaviors led (as of May 1995) more than two-thirds of the states to adopt, and another nine to propose, one or more behavior-related welfare rules. (State reforms are authorized by a federal law that allows the Secretary of Health and Human Services to “waive” certain federal rules.) Between 1992 and 1995, 21 states adopted learnfare-type programs, which tie welfare payments to school attendance for AFDC children or teen parents (with federal waivers pending in three more); eight states adopted “family caps” that deny additional benefits to women who have more children while on welfare (with waivers pending in six more); 15 states adopted time limits for receiving benefits (with waivers pending in nine more); and 10 states adopted immunization requirements (with waivers pending in three more). In the coming years, expect more states to adopt such rules—and expect more behaviors to become the subject of such rules.

This attempt to regulate the behavior of welfare recipients is a sharp break from the hands-off policy of the past 30 years—and an implicit rejection of past voluntary education and training efforts. It was not so long ago that people such as Princeton’s Lawrence Mead were widely derided for suggesting that welfare is not simply a right but an obligation that should be contingent upon certain constructive behaviors. But, because of both political and practical experience, they are now in the mainstream of current developments.

### **The limits of reform**

No one, however, should expect such paternalistic welfare policies to eradicate dependency. Our political system is unlikely to adopt rules and sanctions tough enough to motivate the hardest-to-reach mothers—nor should it. No politician really wants tough welfare rules that result in large numbers of homeless families living on the streets. Although those who remain on welfare should feel the pinch of benefit reductions, they nevertheless need to be protected from hunger, homelessness, and other harmful deprivations. Thus there is a political limit to the amount of behavioral change that financial sanctions might potentially achieve.

Hence, in the coming years, states will have to grapple with issues such as. How many behaviors can be subject to regulation? How much can the sanctions be stiffened before becoming punitive (and counterproductive)? How should agencies handle clients who, because of emotional problems or substance abuse, seem unable to respond to financial incentives?

Even the experts can only guess about the impact of future rules. The jury is still out, for example, about the impact of New Jersey’s family cap; and time-limited programs have yet to be tested in the “real world.” Just as important, no sanctioning scheme can compensate for the inadequacy of existing programs for low-skilled and poorly motivated mothers. Programs need to hold out a palpable promise of higher earnings, otherwise participants will drop out—even in the face of financial sanctions. New Chance, the Teen Parent Demonstration, and CCDP all had high dropout rates, suggesting that they failed the consumer test. Describing the services available to the Teen Parent Demonstration, Maynard says: “We did not have much to offer. We had lousy public schools, boring and irrelevant GED programs, and very caring case managers.”

Current approaches need to be fundamentally rethought. For example, many welfare experts now believe that education in basic skills is less effective than simply pushing recipients toward work. A recently released evaluation of welfare-reform programs in three sites (Atlanta, Georgia,

Grand Rapids, Michigan, and Riverside, California) by MDRC found that intensive education and training activities were only about one-third as effective in moving recipients off welfare as what it called “rapid job entry” strategies (6 percent versus 16 percent).

“The mothers were taught how to look for work and how to sell themselves to employers,” according to Judith Gueron of MDRC. “The focus was on how to prepare a resume, pursue job leads, handle interviews, and hold a job once you got one.” The programs also maintained telephone banks from which recipients could call prospective employers. And, she stresses, “The program was very mandatory, backed up with heavy grants reductions for mothers who did not comply with job search requirements.” Institutionalizing such programs and developing others in all parts of the country will require creativity, clarity of purpose, and patience, and much trial and error. Still, success will be elusive.

Even if behavior-related rules do not sharply reduce welfare rolls, they could still serve an important and constructive purpose. The social problems associated with long-term welfare dependency cannot be addressed without first putting the brakes on the downward spirals of dysfunctional behavior common among so many recipients. Thus it would be achievement enough if such rules could stabilize home situations. Given the failure of voluntary approaches, the accomplishment of that alone would at least provide a base for other, more targeted approaches.

Aristotle is credited with the aphorism. “Virtue is habit.” To him, the moral virtues (including wisdom, justice, temperance, and courage), what people now tend to call “character,” were not inbred. Aristotle believed that they develop in much the same way people learn to play a musical instrument, through endless practice. In other words, character is built by the constant repetition of divers good acts. These new behavior-related welfare rules are an attempt, long overdue in the minds of many, to build habits of responsible behavior among long-term recipients; that is, to legislate virtue.