FROM WELFARE-TO-WORK TO CHILD WELLBEING

Shifting Focus in the Temporary Assistance for Needy Families Program

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Abstract
This article examines child-only cases within the Temporary Assistance for Needy Families (TANF) Program, which currently comprise 47 percent of the overall TANF caseload. Child-only cases exclude adults from the benefit calculation, providing aid only to children, and exempt adults from work requirements and time limits. This article reviews the narrow literature on child-only TANF populations, distinguishing between “non-parental” cases involving relative caregivers and “parental” cases involving parents who are ineligible for benefits because of sanctions, alien status, or SSI receipt. The article then discusses the inadequate communication and collaboration between TANF agencies and the child welfare system; describes unproven, though innovative, state efforts to assist child-only populations; and concludes with the recommendation that Congress should expand the 2011 President’s Budget request to include competitive grants for programs that address the child-only population’s needs and sponsor third-party studies to test the programs’ impacts on child outcomes.

Introduction
The years of debate that preceded the 1996 welfare reforms hinged on a concern for poor children. The ironic result of those child-centered debates, however, was a welfare-to-work program focused on adult outcomes such as employment and welfare dependency.1 Fourteen years after Congress created Temporary Assistance for Needy Families (TANF), we still know little about how the program impacts child wellbeing. Considering that child-only cases—wherein only children receive a TANF cash benefit and adults are excluded from the calculation—now constitute almost half of the overall TANF caseload, it is time to find out how these children are doing and how best we can address their needs.

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This article begins with an overview of the politics and empirical research behind welfare reform. It then explains the various origins of child-only cases, summarizes what researchers know about child wellbeing in these cases, and outlines the relationship between TANF and the child welfare system. The article concludes with a discussion of low-cost, politically feasible policy options to build a knowledge base about evidence-based intervention models that could be expanded when the economy improves.

Welfare Reform: Introducing the debate

The contentious welfare reform debates of the mid-1990s led Congress to replace Aid to Families with Dependent Children (AFDC) with TANF. The old AFDC program became unsustainable for a number of political and evidence-based reasons. First, influential liberal researchers, such as David Ellwood, found that welfare reduced work incentives, that welfare dependency was rising, and that AFDC recipients were able to work or worked covertly. Second, conservatives successfully swayed public opinion so that the majority of Americans believed welfare was a source of, not a solution to, poverty. Two of the most influential conservative arguments held that welfare was an affront to human dignity and contributed to the rise in single-female headed households. Third, a series of federally funded, independently conducted studies demonstrated that an education-first approach to encouraging work among the poor was more expensive, but less effective, than programs requiring immediate job search. Finally, throughout the 1980s and 1990s, states experimented with AFDC waiver programs which imposed a number of conditions of welfare receipt, including work requirements and time limits. These waiver programs increased states’ demand for autonomy in welfare program development and administration. Waivers also demonstrated the political feasibility of reform. For example, Wisconsin governor Tommy Thompson boosted his popularity by piloting the time-limited, work-based Wisconsin Works program in 1987, which demonstrated success increasing work and reducing welfare receipt. Responding to these factors, President Clinton—and a Republican-dominated Congress—pledged to “end welfare as we know it.”

As the 1996 welfare law’s name suggests, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) ushered in a work-oriented approach to public assistance. Individuals were no longer automatically entitled to cash aid; instead, states received broad powers to create their own welfare programs. States have the authority to set eligibility requirements and benefit levels, but all TANF programs must impose work requirements and a 60-month lifetime limit on cash assistance.

Although participants in the welfare reform debates predicted mild reductions in caseloads, no one anticipated that the caseloads would drop so sharply. Between 1996 and 2000, caseloads reduced by half, shrinking from
4.6 million families in 1996 to 2.1 million families in 2002.\(^8\)

The composition of the caseload also changed radically; whereas in 1994, more than 80 percent of families on welfare included at least one parent recipient, by 2008 nearly half of all TANF cases were “child-only.”\(^9\) (See Figure 1.) In child-only cases, adults are excluded from the benefit calculation and only children receive aid, which is not subject to work requirements or time limits. While child-only cases are not growing in absolute numbers, they merit heightened attention from researchers and policymakers because they continue to grow as a proportion of all TANF cases.\(^10\) Indeed, an enduring irony of welfare reform is that the primary beneficiaries of a program focused on personal responsibility and work opportunity are no longer parents caring for children, but children themselves.

![Figure 1. Child-Only Cases Occupy an Increasing Proportion of TANF Cases](image)

Variations between states complicate task of describing child-only caseloads

Although both federal and state policy makers are aware of the relative increase in child-only cases, they lack definitive information about child-only cases at the national level because state TANF rules, services, and benefits vary widely.\(^11\) Indeed, the differences between states in terms of demographics and welfare policies necessitate state-level data collection and analysis. Variations in child-only caseloads as a proportion of total TANF caseloads illustrate this point. In 2001, child-only cases constituted at least 45 percent of the TANF caseload in 15 states.\(^12\) In four states, however, fewer than 20 percent of TANF cases were child-only.\(^13\)
Parental child-only cases involve disabled, immigrant, or sanctioned parents

There are two types of child-only TANF cases, “parental” and “non-parental.” Parental child-only cases involve children whose parents are ineligible for TANF for three primary reasons. First, the parent may receive Supplemental Security Income (SSI). SSI provides cash assistance to disabled, blind, or elderly individuals who earn little or no income, without imposing work requirements or time limits. Second, the parent may be an illegal immigrant or legal alien with a native-born child. Third, the state may sanction a parent for failure to comply with TANF program rules such as work requirements, or discontinue the benefits for parents who reach the 60-month lifetime limit on assistance. It is important to note that not all states permit children whose parents are sanctioned or reach time limits to continue receiving benefits. As of 2002, 36 states employed full-family sanctions.

In 2006, half of all child-only cases were parental. Of those, 41 percent had a parent receiving SSI, 38 percent had a parent with unknown citizenship status, and 11 percent had a sanctioned parent. Again, however, significant variation exists between states. For example, 69 percent of California’s child-only cases are parental, the majority of which involve immigrant parents. New York and Texas also have substantial immigration-related child-only cases. In contrast, over 98 percent of Mississippi’s parental child-only caseload in 2000-2001—a total of 5,117 families—involved parents who received SSI. Parental cases involving SSI parents are similarly predominant in Kentucky (91.5 percent), Massachusetts (82.3 percent), Virginia (86.5 percent), and Wisconsin (93.7 percent).

Non-parental child-only cases involve relative caregivers

Non-parental child-only cases involve children who reside with a relative or other adult with legal guardianship or custody. Approximately half of the nation’s child-only caseload falls into the non-parental category, but state variation remains considerable. These non-parent caregivers either choose not to receive TANF assistance, or their income or assets exceed eligibility requirements. Importantly, some kinship caregivers are included in the benefit calculation, but their cases do not fall into the child-only category.

The Department of Health and Human Services does not publish national data about the origins of, nor the outcomes generated by, non-parental caregiver arrangements. However, a limited amount of state-level data provides clues. Edelhoch, Liu, and Martin survey relative caretakers in South Carolina child-only cases, and Wood and Strong investigate child-only TANF cases in New Jersey.

In South Carolina, non-parental cases compose 34 percent of the child-only caseload. Edelhoch et al. find that 80 percent of these caretakers
are African American, and 62 percent are over the age of 50. When asked to disclose the primary reason for non-relative placement, caregivers cite parental substance abuse (28 percent), parental desertion (20 percent), child maltreatment (16 percent), and parental incarceration (13 percent). Less common reasons include parent death, institutionalization, military service, minor status, and schooling. South Carolina administrative records reveal that some causes of relative placement overlap. For example, the authors find that at least 35 percent of relatives care for children who were previously involved with child protective services, such as foster care.

Reasons for relative caregiver placement in New Jersey resemble those in South Carolina. Parental substance abuse accounts for the formation of approximately 60 percent of non-parental child-only cases. Other causes include parental incarceration, child abuse or neglect, and mental health problems.

Parental child-only children face fewer emotional needs, but greater material needs, than non-parental counterparts

From the limited research available on child wellbeing in child-only TANF cases, we can infer that children in parental child-only cases experience greater poverty, but have fewer behavioral and emotional needs, than children in non-parental cases.

The New Jersey study provides useful insight with respect to SSI and immigrant child-only households. SSI recipients who head child-only TANF households have poor health and/or disabilities. These households also have higher rates of food insecurity than “regular” TANF families, perhaps because parents with disabilities have difficulty shopping for and preparing food. Immigrant parents who head child-only TANF households have low educational attainment and little recent work history. Half of immigrant child-only families in New Jersey live in deep poverty, meaning that annual income for a family of four is below $10,000.

Although we know little about children’s wellbeing in TANF families who are sanctioned or reach time limits, the news about their parents’ wellbeing is not encouraging. Sanctioned TANF families experience serious barriers to employment, including substance abuse, mental illness, domestic violence, health difficulties, limited cognitive ability, and difficulty finding child care. A U.S. Government Accountability Office study also found that sanctioned parents may have more difficulty understanding program rules and sanction policies. Sanctioned families also experience greater involvement with the child welfare system, with higher rates of child placement in state custody. Families who reach TANF time limits tend to experience difficulties similar to those facing sanctioned parents; 92 percent of families who reach or are likely to reach time limits have one or more “substantial barriers,” including child
welfare system involvement, a disability or poor health, and criminal justice system involvement. 36

Unanswered questions about parental child-only families persist. First, how do children who continue to receive TANF payments after parents are sanctioned or reach time limits fare relative to children in states that employ full-family sanctions and time limits? Second, how are child-only TANF payments used to meet children’s needs? For example, do families share child-only payments among all household members, regardless of whether members are included in the benefit calculation? Particularly in parental child-only cases, where poverty appears to be deeper and material needs greater, a reasonable assumption is that heads of household, not children, decide how to use TANF cash assistance.

Non-parental child-only households generally receive more income and deal with fewer material hardships than other TANF households. 37, 38 This may be because TANF agencies often disregard caregiver income in child-only cases when calculating benefits. Unfortunately, trauma often precedes a child’s placement with relatives, which creates additional service needs for both children and caregivers. 39 Gibbs et al. find that TANF does not provide for these additional service needs, which include assessment, case management, and collaboration between TANF caseworkers and child welfare agencies. 40 Despite these unmet needs, Gibbs et al. assert that relative care is usually a more desirable option for these children than staying with parents or being placed in non-relative foster care. 41

The South Carolina study also provides useful insight about what kinds of services non-parental TANF households demand—a subject which should interest policymakers. In a series of interviews, Edelhoch et al. ask relative caregivers in South Carolina which services they would like to receive. 42 Respondents consistently request higher TANF and food stamp benefits; Medicaid coverage for adults in the household; mental health services for children in their care; child care, including after-school and respite care; and financial help with school expenses. 43

**Child welfare and TANF systems inadequately communicate and collaborate**

Given that children in non-parental child-only cases have greater service needs, we should ask what kinds of services are currently available to these children. In order to answer this question, we first must understand the variety of non-relative caregiver arrangements that exist. Relative caregiver arrangements vary along a spectrum. 44 “Private kinship care” is generally an informal or temporary arrangement; the relative caregiver may contact the TANF agency but has no contact with child welfare services. 45 When parents independently place their children with a relative, but the family receives some
child welfare services, the arrangement is called “voluntary kinship care.”\textsuperscript{46} In “kinship foster care” (also called “formal kinship care”), the state maintains custody of the child, and relatives receive TANF child-only assistance or formal foster care payments.

Ehrle, Geen, and Clark estimate that 72 percent of all children in relative care (1.3 million children) receive private kinship care; 17 percent (300,000 children) receive voluntary kinship care; and 11 percent (200,000 children) receive kinship foster care.\textsuperscript{47} Thus, the vast majority of relative caregiver arrangements avert child welfare involvement altogether. As a result, children and relative caregivers do not receive needed—and available—services. Gibbs et al. observe that for a variety of reasons, including the stigma of child welfare involvement and a lack of knowledge about available services, relative caregivers “forfeit access to a range of resources, including additional financial support, child-focused assessments and services, case management, and permanency planning.”\textsuperscript{48} Instead, caregivers seek assistance from TANF agencies, which are not oriented towards child wellbeing and instead focus on adult employment and economic self-sufficiency.\textsuperscript{49} TANF workers typically do not offer assessments for children, and their high caseloads and lack of training in children’s issues generate missed opportunities for service provision.

A lack of communication and collaboration between child welfare and TANF agencies further complicates the situation for children, families, and caseworkers. Respondents in studies of non-parental child-only case management in Washington, Oklahoma, Louisiana, and Maryland reported little collaboration between child welfare and TANF agencies.\textsuperscript{50} In interviews with Administration for Children and Families (ACF) regional administrators, Gibbs et al. found that only eight state TANF agencies formally collaborate with the child welfare system, 36 informally collaborate, and seven collaborate neither formally nor informally.\textsuperscript{51} The report does not define informal or formal collaboration.

Rob Geen finds that, compared to traditional non-relative foster parents, kinship foster parents tend to receive less information, training, and contact from child welfare workers.\textsuperscript{52} Indeed, says Geen, “kinship caregivers are often required to provide the same nurturance and support for children in their care that non-kin foster parents provide, with fewer resources, greater stressors, and limited preparation.”\textsuperscript{53}

State programs assist relative caregivers, but efforts are unproven and may neglect children in parental child-only cases

Some states are addressing the needs of non-parental child-only households through case management, increased financial support, and referrals and support programs. Gibbs et al. find that state programs generally focus on the needs of relative caregivers rather than children.\textsuperscript{54} However, several child wel-
Children in non-parental child-only TANF cases are at-risk, and offering case management and services designed to keep them from needing to be placed in the state’s custody. Innovative, though unproven, initiatives to better serve non-parental child-only households exist across the U.S. Efforts generally focus on three areas: (1) enhancing collaboration between TANF and child welfare agencies; (2) providing financial support to relative caregivers; and (3) providing information and case management to relative caregivers.

Several localities support collaboration between child welfare and TANF agencies.

- In most Wisconsin counties, the child welfare agency manages non-parental child-only TANF cases.
- Oklahoma’s child welfare and TANF programs share a common director. For child-only cases in formal kinship care, Oklahoma child welfare workers oversee child safety and services, while TANF case-workers are responsible for financial and medical assistance.
- El Paso County, Colorado, created the Family Support Team (FST), a special unit within its TANF agency to serve child-only cases. The FST includes professional social workers, TANF case managers, and a supervisor.

At least ten states or localities provide additional financial support for relative caregivers.

- California, Kentucky, Louisiana, Michigan, Missouri, Nevada, New Jersey, Oklahoma, Wisconsin, and Denver, Colorado, provide monthly financial support to relative caregivers in non-parental child-only cases. The states provide cash assistance similar to, but generally less than, the payments that traditional foster parents would receive. Most states use TANF funds for these payments, and some states (Kentucky and Nevada) make payments regardless of caregiver income.
- Alabama’s Kinship Care (KC) program targets non-parental child-only cases experiencing difficulties that put them at risk for non-relative foster care placement. KC provides tailored services, including counseling; respite care; financial assistance for court costs and emergency expenses; and a “basic needs payment” for educational supplies, children’s clothing, and furniture.
- To those deemed income-eligible, New Jersey offers a child care subsidy and up to $1,000 to purchase school supplies or baby furniture.
Several states or localities provide information, referrals, and support groups for relative caregivers.

- **New Jersey** created a Kinship Navigator Program to help caregivers obtain services including TANF, the Supplemental Nutrition Assistance Program (SNAP, also known as Food Stamps), Medicaid, and child care. The state also maintains a toll-free phone service staffed by social workers who provide as much case management as possible by telephone.

- **Ohio’s Statewide Kinship Caregiver Services Program** offers subsidized child care, respite care, legal assistance, parenting classes, and a toll-free phone service offering referrals and information to relative caregivers.

- **El Paso County, Colorado**, provides support groups and “grandparent advocates” to assist caregivers as they navigate bureaucratic agencies.

Although individual state efforts are encouraging, no states have rigorously evaluated the effects of these interventions on child outcomes. However, it is possible to comment on the implementation issues facing these programs’ administrators. Charlesworth et al. list the challenges that states and localities face when trying to develop strategies to assist their child-only caseload. First, states struggle to afford additional financial support for relative caregivers. Second, states face difficulties developing culturally appropriate policies and supportive services for parental child-only cases, especially alien and SSI cases. Third, they struggle to bridge communication and logistical gaps between relevant agencies and partner organizations.

**Policy recommendations**

Congress must reauthorize TANF by September 30, 2010. Considering that the primary beneficiaries of TANF are now children, it is time to focus federal resources on evaluating child outcomes and identifying effective strategies to serve poor children in both parental and non-parental child-only cases. The current recession and deficit-averse political environment necessitates budget-neutral or low-cost policies. As such, the following strategies are low-cost and politically feasible. Properly implemented, these strategies will establish a firm foundation of knowledge about “what works” to inform Congress when the economy improves and TANF is again reauthorized.

**Recommendation 1: Expand the 2011 President’s Budget request to include competitive grants for programs that address children’s needs in parental and non-parental child-only cases**

The President’s FY2011 budget requests that Congress eliminate the
$500 million Healthy Marriage and Responsible Fatherhood Grants and instead direct the money to state-initiated Responsible Fatherhood and Family Self-sufficiency Demonstrations. The President requests $475.74 million for the grants and $20 million to evaluate grantees. The idea behind the grant programs is to “build a stronger evidence base about what service intervention models work … that could be replicated within the TANF, Child Support Enforcement (CSE), and other state and community-based programs.”

While the idea behind the fatherhood and self-sufficiency demonstrations may be sound, the President’s budget request fails to mention child-only TANF populations, which now constitute almost half of the total TANF caseload. During budget appropriations, Congress should expand demonstrations to support and evaluate the following initiatives: (1) child welfare and TANF agency collaboration; (2) enhanced financial assistance for relative caregivers; (3) case management and referral services for children and relatives in non-parental cases; and (4) assessments, case management, and other services for children in parental cases.

Congress should fully fund the President’s $500 million demonstration request, but also add $250 million to support child-only service model demonstrations, $20 million of which should fund rigorous evaluations of programs. See Recommendation 2 for a discussion of the evaluations.

Bipartisan political support exists for investment in child-only TANF cases. During the July 2009 confirmation hearing for ACF Assistant Secretary for Family Support Carmen Nazario, Senator Charles Grassley (R-IA) voiced his concern about the rise in child-only TANF cases. Specifically, Grassley asked whether children’s interests would be better served by a formal arrangement with the child welfare system. As such, grants that support child welfare and TANF agency collaboration and case management for children could enjoy political support during budget appropriations. Leading up to the budget appropriations process, advocacy groups should target Senator Grassley and House Appropriations committee chair David Obey (D-WI) to request a $250 million expansion of the President’s request.

**Recommendation 2: Conduct a series of third-party studies to test impacts of interventions on child outcomes**

To address acute information gaps, Congress should fund third-party evaluations of interventions to serve parental and non-parental child-only populations. The studies should focus on dependent variables germane to quantitative evaluations of program impacts on child wellbeing, including “academic progress, cognitive development, behavioral and emotional adjustment, and health and safety.” The studies should not only test child-only intervention models, but also investigate the effectiveness of traditional child-only TANF cash assistance.
Parental Child-Only Study

One study should examine the wellbeing of children whose parents are ineligible for TANF because of sanctions, time limits, alien status, or SSI enrollment. The study should observe two treatment groups: one that receives child-only payments with no enhanced services such as case management, and a second that receives child-only payments with case management. The control group would receive no TANF assistance. Both studies should seek to understand how TANF cash assistance is spent and shared between household members, how that cash assistance impacts child wellbeing, and whether enhanced services improve outcomes. In order to avoid ethical questions that would arise when assigning children to different levels of service, this study could take advantage of the existing variation between states. Controlling for differences between groups and employing state fixed effects will account for any variation in outcomes due to geographic differences.

Non-Parental Child-Only Study

Another study should focus on children in relative care, using multiple treatment groups to test the impacts of the various strategies that states currently use to serve children and caregivers in non-parental cases. These treatment groups should include: (1) a group that receives basic child-only cash assistance; (2) a group that receives enhanced payments with no case management; (3) a group that receives a combination of payments and case management by a child welfare agency; and (4) a group that receives a combination of payments and case management by the TANF agency. The control group should include children in relative care who receive no TANF cash assistance or other services.

The studies should each be implemented over multiple years, beginning with baseline data collection and two follow-up assessments. Third-party researchers should be required to report on findings at baseline and at each follow-up and write a final report to ACF and Congress before TANF is reauthorized, presumably by 2015.

Social policy experts and advocates would greet these evaluations with enthusiasm. Influential advocates at the Brookings Institution, the Center for Budget and Policy Priorities, and the Center for Law and Social Policy regularly request that TANF focus more on child outcomes. Gibbs et al. also favor this type of research and assert that findings could help agencies identify and prioritize services for the most at-risk children. 71

Alternative strategy

Even if Congress does not fund a child-only demonstration project, it should still support modest investment in evaluating child-only interventions. Rigorous analysis could be valuable in the absence of a new discretionary
grant program because some infrastructure to support non-parental child-only households already exists in states. Should Congress fail to take action, philanthropic groups interested in child outcomes could fill the void by providing full or matching funding for state-level research.

**Conclusion**

Given that child-only cases now constitute nearly half of the total TANF caseload, our nation’s cash-assistance program must expand its work-oriented focus to include child wellbeing. Unless social service providers close communication gaps between child welfare and family assistance sectors, these children’s unmet material and service needs will persist. Congress should address these needs by funding demonstration projects to implement and test initiatives to serve child-only populations. Building knowledge about what works today will facilitate cost-effective, thoughtful program expansions when the economy improves.

**Endnotes**

3. Ibid.

11 Ibid.

12 Ibid.

13 Ibid.


18 Ibid.

19 Ibid.

20 Leanne Charlesworth, Jenneate Mercick, and Courtney Kakuska, “TANF Child-Only Cases Trends and Issues.”


26 Marilyn Edelhoch, Qiduan Liu, and Linda S. Martin, “Unsung Heroes: Relative Caretakers in Child-only Cases.”


28 Deborah Gibbs et al., “Between Two Systems: Children in TANF Child-only Cases With Relative Caregivers.”
30 Ibid.
31 Ibid.
32 Ibid.
36 General Accounting Office. “Welfare Reform - States are Restructuring Programs to Reduce Welfare Dependence.”
37 Deborah Gibbs et al., “Children in Temporary Assistance for Needy Families Child-only Cases with Relative Caregivers.”
40 Ibid.
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42 Marilyn Edelhoch, Qiduan Liu, and Linda S. Martin, “Unsung Heroes: Relative Caretakers in Child-only Cases.”
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45 Deborah Gibbs et al., “Children in Temporary Assistance for Needy Families Child-only Cases with Relative Caregivers.”
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51 Deborah Gibbs et al., “Children in Temporary Assistance for Needy Families Child-only Cases with Relative Caregivers.”
52 Robert Geen, “The Evolution of Kinship Care Policy and Practice.”
53 Ibid., 137.
54 Deborah Gibbs et al., “Children in Temporary Assistance for Needy Families Child-only Cases with Relative Caregivers.”
55 Ibid.
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58 Leanne Charlesworth, Jenneate Mercick, and Courtney Kakuska, “TANF Child-Only Cases Trends and Issues.”
60 Leanne Charlesworth, Jenneate Mercick, and Courtney Kakuska, “TANF Child-Only Cases Trends and Issues.”
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