



IS WELFARE REFORM WORKING? TRENDS IN ALLEGHENY COUNTY EMPLOYMENT AND CHILD WELL-BEING INDICATORS FOLLOWING ENACTMENT OF WELFARE REFORM LEGISLATION

Special Report

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By

Maria Zeglen Townsend

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, generically known as “welfare reform,” sought to encourage self-sufficiency among dependent families and reduce the cost of the federal anti-poverty benefits, particularly the cash assistance program, Aid to Families with Dependent Children (AFDC).

Proponents hoped the incentives of welfare reform would not only reduce rates of AFDC use, but also ease problems such as unemployment and teen pregnancy, as well as possibly curb school dropout rates. Critics of welfare reform, however, feared children would suffer and the nation might witness an increase in child abuse and out-of-home placements resulting from the stress experienced by low-income parents who might be compelled to take jobs that provide them with less income than they received in AFDC payments.

Although it may be too soon to get a complete picture of the impact welfare reform has had, it is clear that the AFDC roles have decreased and several statistical trends suggest that neither the other hopes for reform, nor the feared outcomes, have been realized so far in Allegheny County.

TANF Numbers Reduced

Welfare reform has indeed reduced child participation in Temporary Assistance to Needy Families (TANF), the cash assistance program that replaced AFDC.

Examination of the rates in Allegheny County show the highest rate of participation occurred in the fiscal year 1993-94, when the rate was 16 per 100 children. The lowest rate – 7.8 per 100 children – occurred in fiscal year 1999-00. This reduction is marked by a sharp decline beginning in fiscal year 1995-96, when welfare reform was implemented, and it is characterized by an average annual reduction of 1.6. Thus, welfare reform appears to be reducing the AFDC rolls.

Although it might be assumed that welfare reform would be reflected in a lower unemployment rate, this is not necessarily the case.

Unemployment

Participation in TANF is highly correlated with annual unemployment rates from 1989 to welfare reform and those years after reform was implemented. However, the addition of more historical data from 1980 through 1988 shows that there is no correlation between unemployment and welfare participation in these earlier years.

In fact, unemployment rates examined from 1970 to 2000 show the cyclical nature of this rate that reflects labor market influences rather than welfare reform. While welfare reform may have some influence on the unemployment rate in Allegheny County in the past several years, the unemployment rate’s decrease is more likely due to the moderate job growth experienced in the county, and a small labor force, which is due, at least in part, to the population decline the county has experienced since 1960.^{1,2,3}

Medical Assistance

Welfare reform appears to be related to a decline in the enrollment in Medicaid, the federal health insurance program for the poor.

The rate for enrollment of children in Medicaid fell between fiscal years 1995-96 and 1997-98 in Allegheny County. The average annual rate of decline was .53 during this three-year period. The enrollment rate, however, has risen in subsequent years.

The changes in enrollment may be influenced to some degree by eligibility issues. Even as families move off of TANF, they may be eligible for Medicaid – a fact that some families may not have been aware of early on. The recent rise in enrollment may reflect increased efforts to ensure that those who continue to qualify for Medicaid receive this benefit.

Other Well-Being Measures

Examination of several child well-being indicators reveals trends that suggest welfare reform has had little or no effect on school dropout rates or the number of teen mothers in Allegheny County.

- The rate of teens dropping out of high school has been relatively stable, around 3 per 100 students. The trend suggests that welfare reform has had no obvious effect on this indicator.
- From 1983-1998, the rate of births to teens has declined slightly from a high of 8.6 births per 100 teens in 1993 to 7.9 births per 100 teens in 1998, the last recorded year. Because the decline in teen birth rates began before reform legislation was enacted, it is difficult to credit welfare reform for the improvement.

Child Abuse

Child abuse rates in Allegheny County are declining slightly and reached the lowest rate in 17 years in 1999, when 1.2 substantiated abuse cases per 1,000 children were recorded. The highest rate, 2.7 cases per 1,000 children, was recorded in 1991.

The decline began before welfare reform legislation was enacted, however, and may be influenced by economic improvements.

It is also important to consider the possibility that lower rates of abuse are influenced by abuse cases not being identified and, therefore, going unreported. In the era of welfare reform, there are reasons to suspect this is a factor. For example, when families move off TANF, there are no subsequent contacts with caseworkers who may identify abuse.

Out-Of-Home Placement

The last trend is the rate of out-of-home placements of children made by the county Department of Human Services, Office of Children, Youth and Families (CYF). Placement of abused and neglected children rose sharply in Allegheny County beginning in 1994, peaked in 1996, then fell slightly in each of the following three years.

One reason for the sharp rise was the surge in crack cocaine use the county witnessed in the early 1990s. Another is the shortage of court resources during that period of peak demand. High judicial caseloads tend to dilute the court's ability to keep close track of child dependency cases. As a result, many cases languish in the system without resolution, sometimes for several years.

The recent decline in out-of-home placements is likely due to a number of factors. The crack epidemic in the county has eased. The federal Adoption and Safe Families Act of 1997 imposed tighter time limits on finding permanent living

arrangements for dependent children. And a series of recent reforms in juvenile court and within CYF has significantly increased the number of court officers available to oversee cases, has led to more adoptions, and has brought more resources to bear on mending families and more quickly finding dependent children permanent homes.

Given such factors, it is difficult to attribute the decline in placements to welfare reform. In fact, there is some evidence to suggest that welfare reform may be a factor in some cases of neglect. CYF workers have noted an increase in cases where the lack of supervision is the reason children are removed from their home. Parents tell the intake workers that, while they have found jobs in compliance with welfare-to-work reform, they cannot afford childcare, so they leave their children unattended for several hours during the day.⁴

Conclusions

Welfare reform appears to be contributing to a decline in the number of children receiving TANF benefits. But the impact of reform on employment and measures of child well-being are less clear.

Welfare reform might have contributed to lower unemployment in recent years, but the chief reason for the improved employment picture is likely the increase in the number of jobs in the county.

Fears that such measures as teen birth rates and school-drop-out rates would increase under welfare reform have not been realized in Allegheny County. The rates of teen births are in decline and have been since before reforms were in place, while school dropout rates have remained steady. The trends also suggest that welfare reform contributed little, if at all, to the improvements.

Although welfare reform may be a factor contributing to a slight reduction in recent child abuse rates, it is important to consider the possibility that more instances of abuse are going unreported due to factors such as children having less contact with caseworkers. Finally, the county has recently seen a decline in out-of-home placements of abused and neglected children, not an increase as was feared by critics of welfare reform. However, it is difficult to credit welfare reform as being a significant factor in lowering placement rates given the profound, unrelated changes made in juvenile court and CYF to improve the way the cases of dependent children are handled in Allegheny County.

The author, Maria Zeglen Townsend, Ph.D., is Director of the Child and Family Welfare Indicators Project for the University of Pittsburgh Office of Child Development.

References

This report is based on information from the databases of child and family well-being indicators that Dr. Townsend maintains for the University of Pittsburgh Office of Child Development and the Pennsylvania State of the Child guidebook. The databases include measures of health, poverty, welfare, child care, education, and other well-being indicators gathered from all Pennsylvania counties as well as from neighborhoods and municipalities within Allegheny County. Additional references follow.

¹Bruce Noel, Intake Manager, Allegheny County Department of Human Services, Office of Children, Youth, and Families. Interview. Dec. 12, 2000.

²The State of the Region: Economic, Demographic, and Social Trends in southwestern Pennsylvania (1999). R. L. Bangs (Ed.). University Center for Social and Urban Research, University of Pittsburgh, PA.

³Bangs, R. L. Personal communication. Nov. 11, 2000.

⁴Bruce Noel, Intake Manager, Allegheny County Department of Human Services, Office of Children, Youth, and Families. Interview. Dec. 12, 2000.

Allegheny County Child Well-Being Measures

YEAR	AFDC/TANF (children enrolled)	AFDC/TANF (percent of all children age 0-17 years)	CHILD ABUSE (per 100 children)	OUT OF HOME PLACE- MENTS (per 1000 children)	SCHOOL DROP- OUTS (per 1000 students)	BIRTHS TO TEENS (percent of all births)	CHIP ENROLL- MENT (per 1000 children ages 0-18 years)	MEDICAID ENROLL- MENT (per 100 children ages 0-18 years)
1980	50,473	14.6						
1981	50,886	14.9						
1982	48,636	14.4						
1983	46,088	13.8	1.5	3.7		6.8		
1984	46,777	14.2	1.9	3.9		6.6		
1985	47,094	14.5	2.5	4.3		6.9		
1986	46,723	14.5	1.8	4.3		7.3		
1987	46,042	14.5	2.3	4.6	2.9	7.2		
1988	44,714	14.2	2.4	4.9	2.8	7.5		
1989	44,482	15.1	2.5	5.2	3.3	8.1		19.3
1990	42,765	15.2	2.6	6.1	3.2	8.0		19.8
1991	44,301	15.4	2.7	6.7	3.3	8.4		20.8
1992	45,799	15.8	2.5	7.2	3.3	8.2		22.2
1993	46,464	15.8	2.2	7.2	3.1	8.6		23.2
1994	46,904	16.0	2.3	7.5	3.0	8.5	1.1	24.2
1995	45,713	15.7	2.2	9.5	3.0	8.3	2.1	24.8
1996	40,630	14.1	1.7	11.1	2.9	8.4	2.1	24.4
1997	35,675	12.5	1.8	10.8	2.8	8.1	2.0	23.9
1998	29,284	10.3	1.8	10.2	2.8	7.9	2.0	23.2
1999	24,406	9.0	1.2				2.4	23.8
2000	21,172	7.80						

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OCD Offers Courses In Program Evaluation

The University of Pittsburgh Office of Child Development Planning and Evaluation Project is offering human service agencies training courses designed to develop and enhance evaluation skills and information management techniques to improve service delivery.

The training, conducted in small group sessions, provides hands-on learning so participants can apply the concepts to their own agency.

Courses Offered

- **Needs Assessment:** This two-session course provides basic instruction in how to design and conduct a needs assessment. Topics focus on methods to collect information and strategies to draw conclusions from the data collected.
- **Choosing an Evaluation Instrument/Tool for Outcome Measurement:** This one-session course provides guidance in how to find and select appropriate evaluation tools to measure outcomes. Since this course will focus on instruments relating to outcomes for family functioning and youth development, we recommend that only staff from these types of programs attend.

Who Should Attend?

The workshops are designed for directors, program staff, and board members of human service agencies.

Schedule

The courses are held from 1 p.m. to 4 p.m. on Thursdays at the Office of Child Development in the Tom Foerster Training and Resource Center located in East Liberty at the corner of Penn and Negley. The center can be reached by bus and free parking is available.

Needs Assessment, a two-session course, will be held on April 26 and May 10, 2001. C.E. credit: 6 hours. The fee is \$90.

Choosing a Tool, a course only for agencies serving families and/or youth, will be held on May 24. C.E. credit: 3 hours. The fee is \$45.

FOR A COPY OF THE PROGRAM BROCHURE, contact Charlene Nelson at (412) 624-1188, fax (412) 624-1187, or e-mail: bobcats@pitt.edu. n

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The You & Your Child parenting guide series, written and edited by the University of Pittsburgh Office of Child Development, covers topics ranging from how to deal with children's fears, finicky eating habits, and aggressive behavior to getting a child ready to read, setting rules, and coping with grief.

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