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TEEN CHILDBEARING AND PUBLIC ASSISTANCE IN GEORGIA*

While the rate of teen births has declined in the past decade, the number of children born to teen mothers each year still remains significant. In 2002, nationwide, over 430,000 children were born of teen mothers. Public policy issues related to teen pregnancies range from concerns over child poverty and health, to the costs of public assistance, to remedial strategies for training and workforce development. Some policies have been developed to curb teen pregnancy, while others, like welfare reform, may have an indirect effect on teen pregnancy.

In this policy brief, we analyze the patterns in births for all women, focusing on teens and welfare reform from Aid to Families with Dependent Children (AFDC) to Temporary Assistance to Needy Families (TANF) for the state of Georgia. In this brief, we do not analyze causality—rather we simply look at the data on births and welfare program usage as a first step to a more in-depth analysis. To conduct this research, we use birth records from the Georgia Department of Human Resources, Division of Public Health, Office of Health Information and Policy and match these with Georgia's welfare and TANF records. Our data cover 1994-2002, which enables us to follow the welfare/teen birth relationship over 9 years.

AFDC and TANF:

Short Description of the Programs

The Aid to Families with Dependent Children (AFDC) program, which was created by the Social Security Act of 1935, had provided cash assistance to families with dependent children for about 60 years. It was a means-tested program, i.e., the eligibility required that families had income and assets below specified levels. On the financial side, the AFDC program worked as a matching grant, with the federal government responsible for providing open-ended grants to the states. On the managing side, the federal government had a considerable oversight with many regulations on the definition of eligibility, allowable resources, and the benefit formula (Moffitt 2003).

In 1996, Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), commonly known as welfare reform. The goals of welfare reform were to increase employment and reduce welfare dependence among the economically disadvantaged population, to reduce births outside of marriage, and to encourage formation of two parent families.

One of the many transformations that was introduced by the PRWORA is the replacement of the 60-year old AFDC program by the Temporary Assistance to Needy Families (TANF) program. Unlike the AFDC, the TANF works as a block grant with much of the authority over the design and administration given to the individual states rather than the federal government. The block grant nature of the TANF is an important departure from the AFDC in the sense that it marks the end of federal entitlement to assistance. States were given substantial flexibility in designing their own programs, such as setting their own benefit levels, income limits, asset requirements, and even the form of assistance (cash or in-kind services) (Moffitt 2003). Another important provision of the TANF program is the introduction of the time-limit on welfare and much stricter work requirements. These were introduced as part of the efforts to increase employment and to reduce welfare dependence.

In Georgia, the TANF program is administered by the Department of Human Resource's Family and Children Services. The life-time time limit on TANF receipt in Georgia is 48 months. The state requires all adult recipients to participate in a work or work related activity or training for at least 30 hours per week. Eligibility requirements condition that a family of three (mother and two children) have a gross income below \$784 a month and countable assets of less than \$1,000. The receipt of increased cash assistance for the birth of additional children is denied to families receiving TANF for ten months. Georgia's budget for TANF cash assistance was \$156.8 in 2003, \$60.8 million of which came from the state funds (Georgia DHR). The average monthly cash benefit through June 2003 was \$225 with the maximum benefit (for a family of three) of \$280 (Georgia DHR).

The monthly average of families receiving welfare in Georgia has decreased by about 62 percent between 1994 and 2002, slightly exceeding the U.S. average of 59 percent.

Interaction of Welfare Reform and Teen Births— What is the Evidence?

While teens make up only a small percentage of the welfare caseload at any particular point in time, teen mothers are more likely to receive welfare at some point in their adult lives than are women who delay childbearing. The welfare reform legislation of 1996 put as much emphasis on reducing teen and out-of-wedlock pregnancy as it did on reducing welfare dependence and increasing employment. Therefore, many of

the provisions of the reform are designed to create disincentives for teens to become parents and to make it difficult for them to receive benefits if they already are parents. For example, the new law required teen mothers under the age of 18 to live with their parents or in a supervised setting and to remain in school (Sawhill 2000). Therefore, welfare receipt no longer provides a way to live independently of one's parents. Also the new law required the young mothers to be subject to the same time limits and work requirements as others in TANF. States were banned from spending TANF funds for teen parents who are not participating in high school or other equivalent training programs (Kaplan 1997). The welfare law also introduced an "illegitimacy bonus" to five states with the largest statewide decrease (without any increase in abortion) in out-of-wedlock childbearing among all women (Sawhill 2000).

Welfare reform also created the Abstinence Education Program, which provides federal funds to states for abstinence education activities such as mentoring and counseling designed to promote abstinence from sexual activity until marriage. The law included stipulations to emphasize establishing paternity and enforcing the child-support obligations of absent parents. States were given considerable flexibility in deciding how to spend their TANF funds as long as they meet the basic goals of the reform. This includes flexibility in using funds for preventing teen pregnancy, fatherhood programs, and introducing family caps, i.e., the denial of benefits for children born while their parent is on welfare (Sawhill 2000).

Relatively little is known about the effectiveness of these provisions on reducing teen pregnancy. For example, Kearney (2002) uses Vital statistics birth data for the years 1989 to 1998 and finds no evidence that family cap policies lead to a reduction in births. Several states conducted experiments to evaluate the effectiveness of some of these provisions. In these experiments, women receiving welfare were randomly assigned to a treatment group that was subject to a family cap provision and a control group that did not receive the treatment. Turturro et al. (1997) evaluated an Arkansas program of such nature for years 1994 to 1997 and found no statistical difference in the number of births born to women in the treatment and control group. On the other hand, Camasso et al. (1999) found that the family cap in New Jersey did exert some influence over the family formation decisions of women on welfare. Horvath-Rose and Peters (2000) looked at aggregate vital statistics birth data from 1984 to 1996 to examine the effect family cap policies have had on

state-level non-marital birth ratios. They found that the family cap had a negative effect on non-marital fertility for all race and age groups.

A similar lack of consensus appears to be the case regarding the effectiveness of abstinence education programs. According to a study by the Alan Guttmacher Institute, data from the National Survey of Family Growth indicated that one-quarter of the decline in the teenage pregnancy rate between 1988 and 1995 is due to increased abstinence (Darroch and Singh 1999). Rector (2002) found that the abstinence education programs for youth to be effective tools of reducing early sexual activity. On the other hand, in 2001, a report published by the National Campaign to Prevent Teen Pregnancy reviewed abstinence-only programs. The report's findings suggested no conclusive evidence about the impact of these programs.

Welfare Support and Teen Births in Georgia

The remainder of this brief focuses on the patterns of teen births in Georgia, pre- and post-welfare reform. We merge individual level data from the Department of Human Resources (DHR), Vital Statistics Division (birth records) and the DHR AFDC/TANF issuance data to analyze the patterns of teen births and welfare support. The welfare data contain information regarding case heads and clients (dependents and guardians) who have received benefits from 1990 to present. The birth records data include all births to women and girls in Georgia from 1994-2002.

The data in Figure 1 display all the mothers who have had any kind of participation in the welfare program between January 1990 and December 2004 and who gave birth between 1994 and 2002. We refer to these individuals as "On AFDC/TANF." For example, 59 percent (33,836 out of 57,255) of mothers of age 17 and under, who gave birth some time between 1994 and 2002, have been part of welfare program at some point during 1990 and 2004. However, not all of these mothers are necessarily direct recipients of the benefits and it will require a closer look at case client history to determine how "attached" these women and girls have been to the system.

Also in Figure 1, there is a group labeled "On AFDC/TANF Before." This refers to mothers who had some association with ADFC/TANF prior to births but did not receive any direct or indirect benefit after giving birth, whereas "On AFDC/TANF After" identifies mothers who were not in the

welfare pool prior to birth but started receiving benefits after. One can notice that 43 percent of 57,255 mothers of age 17 and under or 37 percent of 148,000 mothers of age 19 and under started receiving AFDC/TANF only after the birth of their children.

To further identify mothers giving birth while on welfare, we found mothers who were part of welfare system before and after births, referred as "On AFDC/TANF Before and Continued," and those who received at least three continuous quarters of benefit, a quarter before birth quarter, birth quarter and a quarter after birth, referred as "Received AFDC/TANF During". Once again, these two categories need to be studied in detail to understand some of the regulations of AFDC/TANF mentioned earlier, like "did mothers receive added benefit for new born children while on AFDC?"

There have been changes in the interaction of births and welfare in Georgia. Figures 2a-2e document the trends in the percent of births occurring to mothers in the situations documented above: on AFDC/TANF, on AFDC/TANF before, on AFDC/TANF after, on AFDC/TANF before and continued, and received AFDC/TANF after. As noted above, the empirical evidence on the interaction of welfare reform and births (including teen births) is mixed. We might expect that due to the restrictions of the welfare reform, fewer children would give birth as teen mothers, and the restrictions would in general reduce the number of children born to mothers already on welfare. Figures 2a-2e present a simple look at these possible interactions, without controlling for other important factors (a subject of future research). The third quarter of 1997 is the effective "TANF" beginning in Georgia. Figure 3 presents the overall picture of teen births in Georgia. As a percent of total births, teen births have fallen over the period, with the largest declines coming for the younger mothers (our group of 17 and under).

Many of the trends presented in the figures are mixed, but the trend in Figure 2b and 2c are more consistent since the time of the reform. In the case of Figure 2b, the number of mothers who received welfare prior to birth but not after birth increased substantially from the beginning of the series, but the increase was greater after the 1997 reform. Those mothers who were not part of the system prior to giving birth but received assistance post-birth also declines post 1997, but that decline is also found from the very beginning of our series. This is consistent with national data as well. The number of women and girls with assistance pre- and post-birth actually

leveled off post-welfare reform. In the last figure, we see that those receiving long-term benefits fell right after the institution of the reform, but leveled off in the period from 1998 to 2001, and have since begun to increase (an impact of the economic recession).

In general, the patterns of welfare assistance and birth for the teen mothers follow those of all mothers connected to the AFDC/TANF system in Georgia. Figure 2a demonstrates that teen mothers have been more likely to be on welfare assistance than non-teen mothers throughout the period studied— between 58 and 68 percent of teen births occur to mothers who are part of the welfare system. In Figure 2b, the percent of teen births occurring to mothers on welfare support pre-birth but not post-birth is increasing dramatically. However, the number of teen births occurring to mothers on continued and longer term welfare support is also increasing, though not as dramatically.

Conclusions and Further Research

This policy brief has provided an overview of the interaction between births in Georgia and the major shift in welfare policy that took place in 1997. We find that percent of births to mothers on assistance pre- and post-reform has in general remained stable pre- and post-reform. However, the percent of teen births to mothers with short-term association with the welfare system has declined, while the percent of births with long-term association with the welfare system has increased post-reform.

There are a number of other factors that could influence the trends presented in this policy brief. In particular, we need to control for the overall number of births in the various age categories to determine more definitively the interaction between births and welfare assistance. Also, as noted above, teen mothers may be listed as clients, but are not necessarily case heads prior to the birth of their children. We would like to fine tune this distinction and categorize births to teen mothers as case heads versus clients. In future research, we will also control for the education of the mothers as well as the employment of the teen mothers to analyze the interaction of these factors with teen births and welfare reform.

NOTE:

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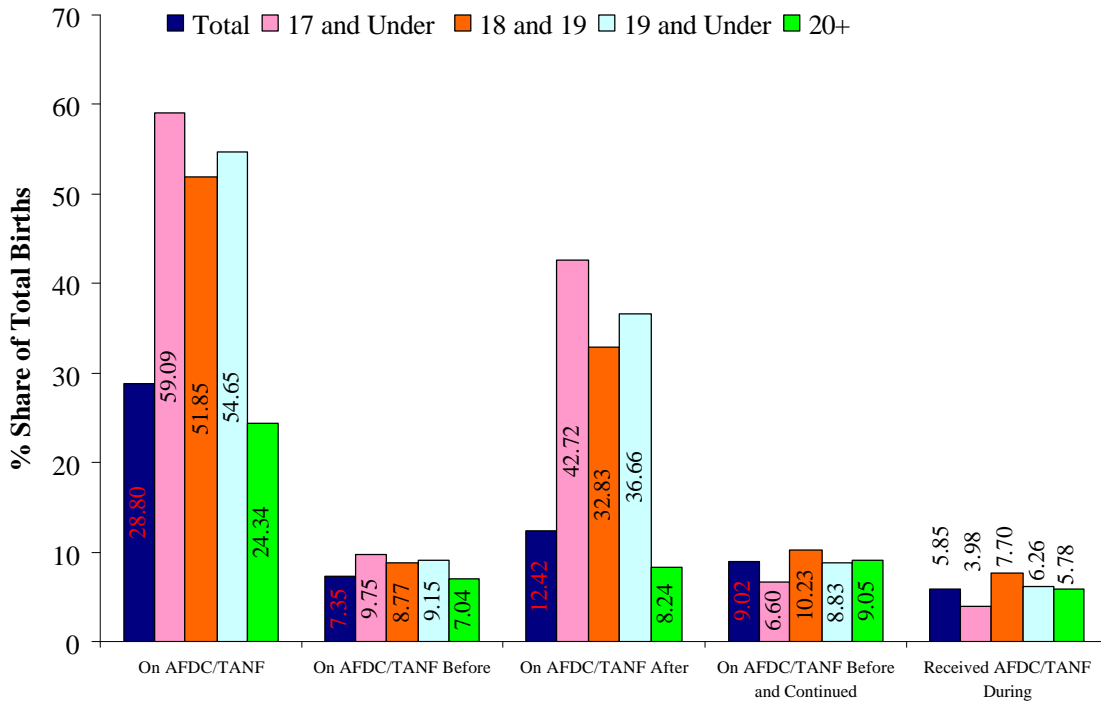
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FIGURE 1: MOTHERS WHO HAVE BEEN PART OF AFDC/TANF PROGRAM



On AFDC/TANF: Mothers who have been on AFDC/TANF either before and/or after and also either as a case head or as a client in a case.

On AFDC/TANF Before: Of those mothers on AFDC/TANF before giving birth but did not receive any benefits after giving birth.

On AFDC/TANF after: Mothers who were not on AFDC/TANF but started receiving benefits after giving birth.

On AFDC/TANF Before and Continued: Mothers who were on AFDC/TANF before giving birth and continued receiving benefits after giving birth.

Received AFDC/TANF During: Mothers who have received at least three quarters of benefits, a quarter before, birth quarter and a quarter after.

FIGURE 2A: MOTHERS WHO HAVE BEEN ON AFDC/TANF BEFORE, AFTER AND ALSO EITHER AS A CASE HEAD OR A CLIENT IN A CASE

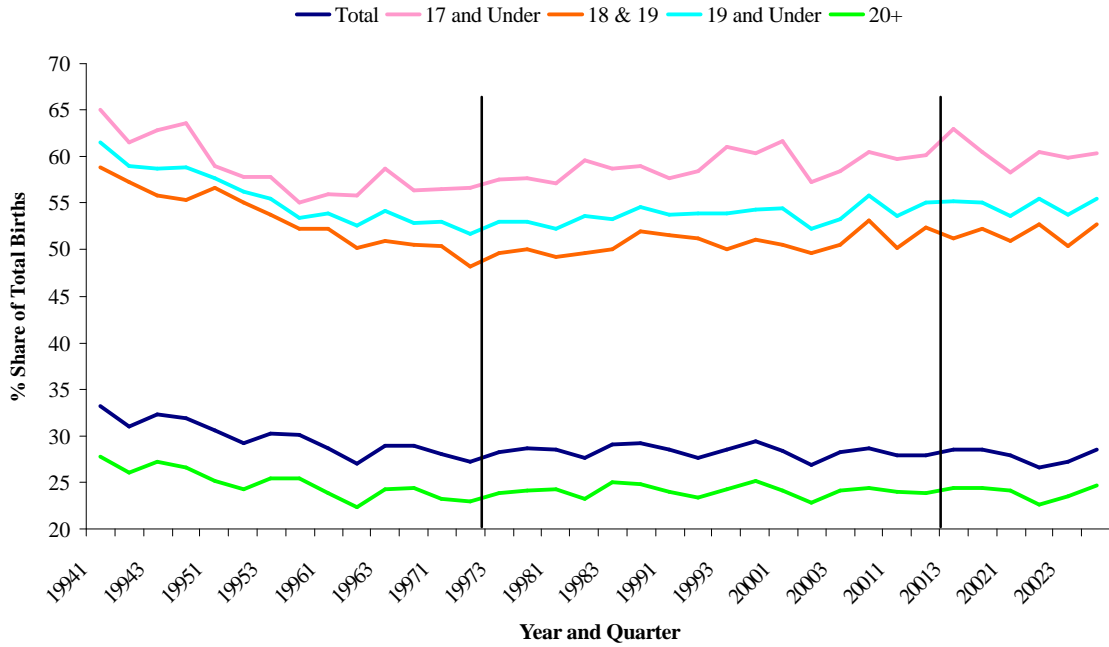


FIGURE 2B: MOTHERS ON AFDC/TANF BEFORE GIVING BIRTHS BUT DID NOT RECEIVE ANY BENEFITS AFTER GIVING BIRTHS

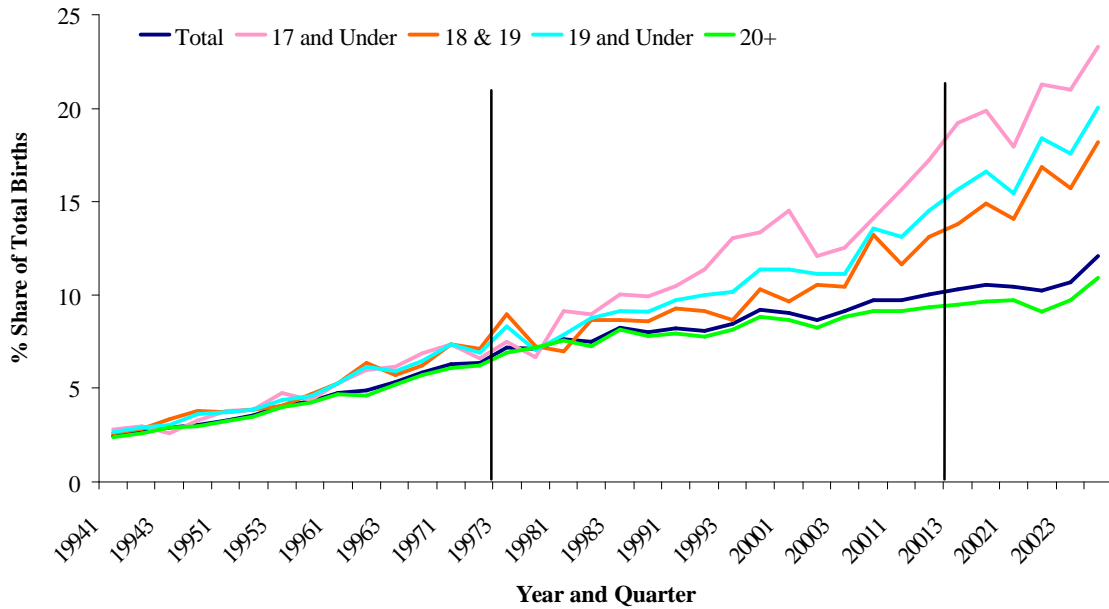


FIGURE 2C: MOTHERS WHO WERE NOT PART OF AFDC/TANF BUT STARTED RECEIVING BENEFITS AFTER GIVING BIRTHS

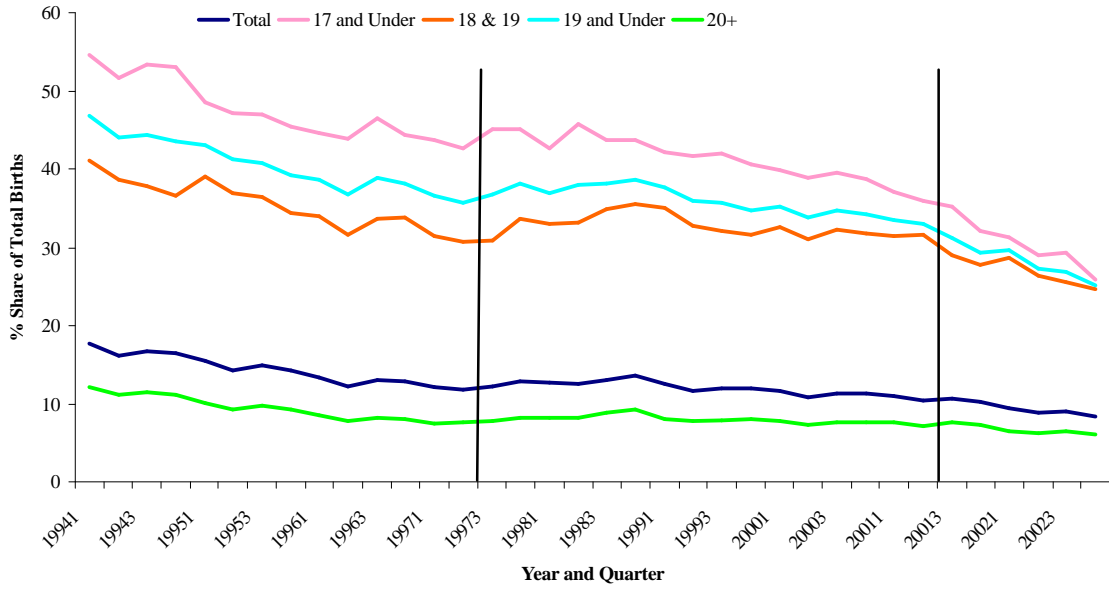


FIGURE 2D: MOTHERS WHO WERE ON AFDC/TANF BEFORE GIVING BIRTH AND CONTINUED BEING PART OF WELFARE PROGRAM AFTER GIVING BIRTHS

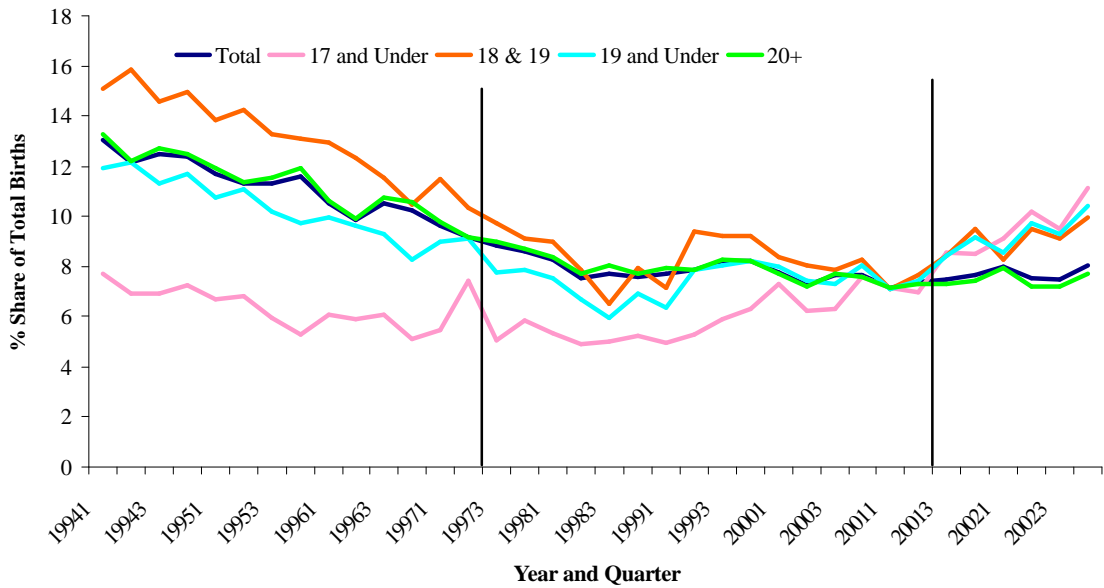


FIGURE 2E: MOTHERS WHO RECEIVED AT LEAST THREE CONTINUOUS QUARTERS OF BENEFITS, A QUARTER BEFORE BIRTH QUARTER, BIRTH QUARTER AND A QUARTER AFTER

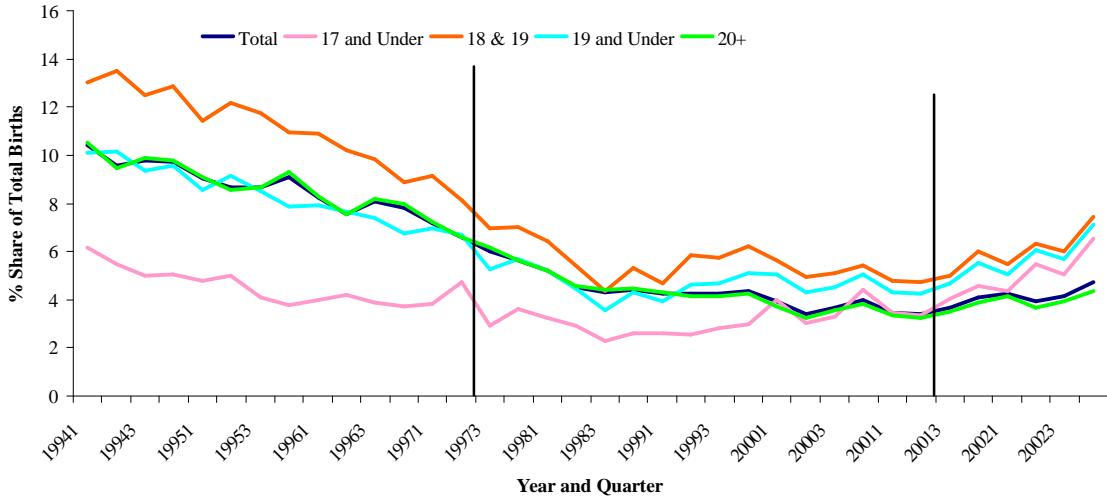
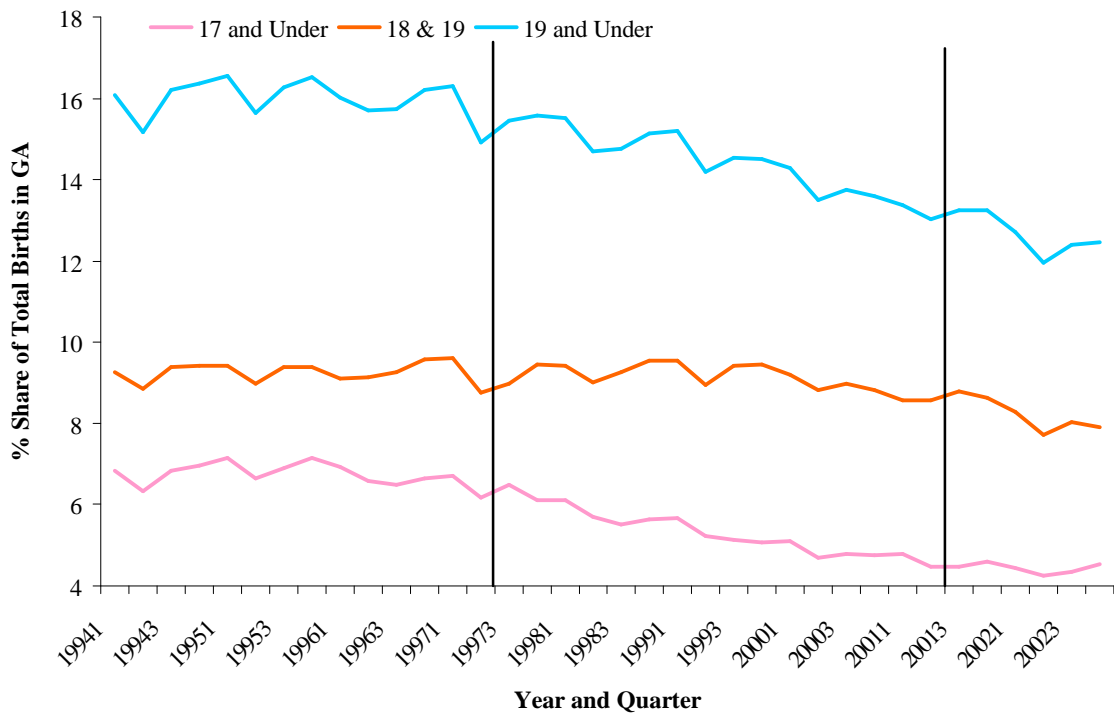


FIGURE 3: PERCENT SHARE OF TOTAL BIRTHS IN GEORGIA



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