### **Prevention Funding Project**

Synthesis of Research on Economic Change, Welfare Reform, and Child Maltreatment

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#### I. <u>HIGHLIGHTS</u>

#### Welfare (TANF) and Child Maltreatment

- There is some evidence that strict lifetime welfare limits and tougher sanctions for noncompliance with program rules are linked to higher levels of maltreatment. Evidence is even stronger for the role of reduced welfare benefits. That is, lower welfare benefits are strongly associated with increases in child neglect and out-of-home placement in foster care. Conversely, more generous welfare benefits are associated with significantly lower levels of neglect and smaller numbers of children in out-of-home care, typically foster care (Paxson & Waldfogel, 2000).
- ➤ Effects of 'family caps' (i.e., a policy designed to influence behavior) on maltreatment are mixed. That is, family caps appear to lower cases of substantiated maltreatment but increase out-of-home placement (i.e., entering foster care). An explanation for this finding may be that families facing a family cap may voluntarily place children in foster care, which is often placement with a relative (Paxson & Waldfogel, 2000).
- ▶ Living in a family with an absent father has no effect on child maltreatment when the mother does not work. However, when the mother works and the father is absent, the incidence of neglect increases. If the father is present but not working and the mother goes to work, there is no increase in maltreatment (Paxson & Waldfogel, 2000).
- ▶ Evidence on the impact of welfare reforms on child maltreatment from the Urban Institute's case study of 12 states (Green, Fender, Markowitz, & Leo-Urbel, 2001) indicate that overall numbers of reports had increased with caseworkers that reported seeing more abandoned children, more children being referred for inadequate supervision due to parents' working and using inadequate childcare, and more reports of maltreatment of children in immigrant families, a group particularly affected by welfare reforms. In Green et al.'s study, caseworkers also reported seeing more contact from welfare offices with families, and especially more home visits, all of which may result in

more reports of child maltreatment. However, the study found no evidence to suggest that new reforms have negatively impacted welfare caseloads.

#### Economic Change and Child Maltreatment

- ➤ Though outdated, a number of studies offer evidence that child maltreatment occurs more frequently in families experiencing economic decline than in families with stable resources (Garbarino, 1976; Parke & Collmer, 1975).
- ➤ Child maltreatment based on the LONGSCAN study appears to be declining roughly 1% to 3% each year since 1996. LONGSCAN researchers think that the decline could be linked to the robust economy or to a reclassification in many states of what the child welfare system calls neglect (as cited in JCPR 2000).

#### II. METHODOLIGICAL OBSERVATIONS & ANALYTIC CONSIDERATIONS

#### Methodological Observations in the relationship between TANF and child maltreatment:

- Measurement error is not surprisingly a likely suspect to be carefully considered in interpreting the available data. For example, in Paxson & Waldfogel's study (2000), state-level characteristics computed from CPS data are based on relatively small samples, especially for smaller states.
- Unreliability of NCCAN Data (e.g., used in Paxson & Waldfogel's study, 2000): There is reason to believe that some of NCCAN's maltreatment numbers, especially in later years, are unreliable. This may be due to the fact that between 1996 and 1998, several states shifted to new data processing systems, and in these years the maltreatment numbers appear to vary across years more than usual.
- Lack of Standardization: There is a substantial amount of variability among states in procedures and reasons for referring cases from TANF to CPS. For example, in Romero, Chavkin, & Wise's study (2000) this was accompanied by both complete knowledge of the new TANF requirements among CPS respondents and fragmented efforts to monitor the effects of welfare reform on families. Thus, if welfare reform policies are having a negative impact on children, it appears that neither TANF nor CPS staff would be in a position to determine this empirically.
- ▶ Study Design: Methodology plays a critical role in the interpretation of the data presented in this synthesis. To use an example, in Romer et. al.'s study (2000), a cross-sectional design had been implemented in which comparison data of CPS practices from the previous AFDC period were not available. Thus, despite the fact that respondents were asked about changes in trends and practices in their states prior to and since the passage of the PWORA, this methodological approach introduces the potential for recall bias.
- ➤ Extraneous Factors: No study is perfect at controlling extraneous factors! Thus, concurrent changes in various other areas of social assistance (e.g., loss of Medicaid and food stamps) could potentially exacerbate the effects of TANF requirements on CPS

caseloads (Center on Budget and Policy Priorities, 1996; deMause, 1998; Families USA Foundation 1999; Food and Nutrition Services, 1999; Polner, 1999). And, we must not neglect the role that poverty has to play-many families leave welfare, but few rise above poverty.

Research Questions: Perhaps we are not asking the right questions? In reviewing the available literature on the relationship between TANF and child maltreatment, a number of unanswered questions emerge. Particularly, as Shook (1999) notes in her concluding remarks, the question remains of whether it is the grant decline itself, or the inability of some recipients to find or sustain employment in the face of economic strain, that determines child welfare involvement.

#### Analytic Consideration in the relationship between TANF and child maltreatment:

- Few studies are available on the impact of welfare reform on child welfare-related measures (Committee on Ways and Means 2000, p.75; as cited in Paxson & Waldfogel, 2000). Thus, it may simply be too soon to tell what the full impact of welfare reforms is likely to be in the long-term. Stated differently, there has been much speculation, but little information upon which to base predictions. Further, researchers know little about the impact of the transition from welfare to work on child development.<sup>ii</sup>
- ▶ It is important to note that the currently available research provides only a preliminary view because it has been only about 4 years since the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) became law.
- The relationship between welfare receipt, work and child abuse and neglect is complex since risk may vary by type of maltreatment; risk may vary among groups of recipients; and risk may increase when work and loss of benefits are combined
- Bottom line about TANF and risk of maltreatment: The full impact of TANF remains unknown! At this time, we can only speculate how TANF could impact child welfare funding. Offered anecdotally as an example of just how much we don't yet know- in a JCPR congressional research briefing, Mark Courtney of the University of Chicago speculated that changes in TANF funding and the flexibility of funds could greatly affect the child welfare system. However, in what direction is yet to be determined!

### Methodological Observations & Analytic Considerations in the link between Economic Change and Child Maltreatment:

- ▶ Research on the relationship between economic change and child maltreatment is difficult and time consuming.
- ▶ Research on the impact of economic decline on children focuses exclusively on the children of displaced men, despite significant numbers of married and single mothers who are displaced, unemployed, and seeking work.
- ➤ Contributing factors to the economic decline and child maltreatment relationship may include mental health problems, especially for single mothers.

More recently, a reclassification in many states of what the child welfare system calls neglect may explain why LONGSCAN researchers found a decline in child maltreatment rates.

#### III. EVIDENCE ON WELFARE (TANF) AND CHILD MALTREATMENT

Paxson, C., & Waldfogel, J. (2000). Welfare reforms, family resources, and child maltreatment. In B. Meyer & G. Duncan (Eds.), *The incentives of government programs and the well-being of families*. Joint Center for Poverty Research.

This paper examined the impact of welfare reforms on child maltreatment. Authors used state-level data from 1990 – 1998 to examine whether recent welfare reforms increased or reduced the incidence of reports and substantiated cases of maltreatment, the incidence of specific types of maltreatment – physical abuse and neglect – and the number of children living in out-of-home care. Welfare reforms considered included imposition of family caps, lifetime limits, work requirements, sanctions for non-compliance and the restriction of welfare benefits to immigrants. Examined how welfare benefit levels affect maltreatment and whether changes in state EITC programs have affected maltreatment.

#### Key Findings

- ➤ Effect of family caps on maltreatment varies across the different maltreatment measures. The addition of family caps appears to reduce the number of substantiated cases of maltreatment and increase the number of children living in out-of-home care.
- Higher fractions of children with absent fathers are not associated with higher rates of maltreatment UNLESS THEIR MOTHERS WORK. Welfare reforms that result in moving single mothers from non-work to work may increase child maltreatment. This effect is particularly strong for child neglect. The following are possible explanations for this finding. If single mothers who work become more organized and are in better mental health, then their parenting could improve. On the flip side, single moms who work could become more stressed and have poorer mental health and could see deterioration in parenting skills. Or regardless of mom's parenting ability, treatment of children might change due to increased use of non-parental childcare.
- Full family sanctions for noncompliance are associated with more substantiated cases of maltreatment and physical abuse. Tougher sanctions those that last until the family comes into compliance are associated with more substantiated cases of abuse and neglect and out-of-home care. The immediate work requirements under TANF are associated with more children being placed in out-of-home care. States that impose shorter lifetime limits (fewer than 60 months) on receipt of welfare see higher substantiation rates and cases of physical abuse.
- ▶ It is important to note that a limitation of this study, which is common in much of the research reviewed in this synthesis, is that Paxson & Waldfogel were unable to control

for all of the reforms occurring within state welfare and child welfare systems during the period of their study (i.e., 1990-1998). Despite this limitation, however, the results here raise some "red flags" as to some potential adverse effects of the recent welfare reforms in child maltreatment.

- Family structure, employment, and maltreatment: Although poverty is not related to reports of maltreatment, higher poverty rates resulted in more substantiated cases of maltreatment and more cases of physical abuse and neglect. This finding suggests that changes in the welfare system that increase the poverty rate among children may increase maltreatment. Moreover, higher average per capita income in states resulted in higher numbers of substantiated cases of maltreatment and physical abuse, but not neglect or out-of-home care (i.e., controlling for the fraction poor and unemployment rate). These findings suggest that welfare reforms that result in moving single mothers from nonwork to work may increase child maltreatment, even holding income fixed. This finding is particularly strong for neglect!
- Welfare reforms and child maltreatment: More generous benefits are associated with significantly lower levels of neglect and smaller numbers of children in out-of-home care. It is predicted that a 10% increase in benefit levels will reduce neglect by 31.5% and out-of-home placements by 7.96%. Thus, this indicates that benefit cuts will increase neglect and placement of children in out-of-home care.
- In sum, higher welfare benefits are associated with lower rates of neglect and out-of-home care, family caps are associated with lower numbers of substantiated cases but higher numbers of children in out-of-home care, full family sanctions are associated with greater numbers of substantiated cases of child maltreatment and cases of physical abuse, and immediate work requirements are associated with more children in out of home care. It is critical to note that the welfare reforms discussed here have taken place against the backdrop of a very strong economy! Thus, welfare reforms may have larger long-run effects on maltreatment than the evidence presented here.

#### Secondary Sources (as cited in Paxson & Waldfogel, 2000)

- ▶ A 1995-1996 study of Chicago families on welfare found that families whose welfare benefits were reduced were more likely than other families to become involved in the child welfare system (Shook, 1999).
- A study of families entering welfare in California in 1990 found that those whose benefits were interrupted were more likely to become involved with the child welfare system than those whose benefits were continuous (Needell, Cuccaro-Alamin, Brookhart, and Lee, 1999).
- ➤ A study of families on welfare in Cuyahoga County, OH found that children returned home from foster care more slowly to families that had reduced AFDC benefits and increased work activity, as compared to other families on welfare (Wells & Guo, 2000).

#### Speculation about the relationship between welfare reform and child maltreatment

- A young, clinically depressed mom is providing less than adequate care for her preschool age child. Prior to welfare reform with work requirements, there was some chance that the child's situation could have been reported to CPS by a concerned neighbor, friend, etc. Post welfare reform, in addition to this possibility, the mom is coming into greater contact with mandated reporters through meetings with a welfare worker or home visitor. This would increase the probability of a report being made even though the treatment of the child had not changed.
- If families' incomes are lower after welfare reform or if mothers are occupied with work activities, children may be more likely to enter foster care and/or less likely to be discharged from home care. If TANF is less readily available as a source of income support for relatives caring for children whose parents are involved with the child welfare system, use of foster care payments for these children may go up. If so, the foster care data would show an increase in the number of children in foster care even though these children were living with the same relatives that they have been living with previously.
- Family Cap: Family size is positively related to maltreatment. However, it is important to note that a speculative explanation is offered to this contradictory finding. That is, if family caps prevent family size from rising, than maltreatment rates should decrease. However, for families that face family caps, they may have strong incentives to voluntarily arrange for additional children to be placed in foster care which often means placement with a relative who would then receive a foster care maintenance payment to support the child that would not have been available if the child stayed at home.

### Romero, D., Chavkin, W., & Wise, P.H. (2000). The impact of welfare reform policies on child protective services: A national study. Journal of Social Issues, 56(4), 799-810.

- This study examined a critical policy issue: the (potential) increase in the number of children referred to CPS in the wake of welfare reform. Results of this national telephone survey of state CPS directors suggest that CPS caseloads have increased in the wake of welfare reform; specific TANF sanctions most likely to be referred to and investigated by CPS include children's school attendance, maternal positive drug test, and teen parent school and living arrangement mandates.
- TANF Effect on CPS: Approximately, half (52%) of the states reported an increase in their caseloads. Fifty percent (26 states) said that their caseload profile had changed in the preceding year, with 57% (16) of these specifying that more cases were serious or complicated, 21%(6) reporting more substance abuse, and (7%) reporting both more domestic violence (2) and foster care (2). Seventeen percent of respondents reported a decrease in caseload.

**Evidence from AFDC Studies:** iii

Fein, D.J., & Lee, W.S. (2000). The ABC evaluation: Impacts of welfare reform on child maltreatment. Cambridge, MA: Abt Associates, Inc. Available [Online]: http://www.abtassoc.com.

➤ A Delaware study found that families who participated in their welfare reform program (ABC) had a 45% higher rate of maltreatment than did control group members in the third year of follow-up. Further analysis revealed that the neglect effects appeared to be most concentrated among the more disadvantaged families suggesting that welfare policies may have more negative child maltreatment impacts on the most vulnerable families.

Shook, K. (1999). Does the loss of welfare income increase the risk of involvement with the child welfare system? <u>Children and Youth Services Review</u>, 21(9-10), 781.814.

- Shook used survey and administrative data from a study of welfare recipients in the Chicago Metropolitan area. She found that a number of indicators of economic hardship were predictive of child welfare risk, including substantial declines in welfare income, lower monthly income levels, and problems with utility assistance, food shortages, and eviction threats.
- Welfare income declines were significantly associated with child welfare risk only in the absence of employment, and this interaction was particularly problematic for recipients who received welfare sanctions related to various requirements of the state public aid system.
- ➤ One Chicago study found that families who incurred substantial grant reductions (more than \$75 per month) were more than twice as likely to become involved with the child welfare system as compared to families who received stable welfare grants.
- Families who incurred substantial grant reductions without subsequent maternal employment were at greatest risk of involvement with CPS as compared to families who received stable welfare grants while the mom was unemployed. Further, the risk level for families whose mothers worked (due to either welfare loss or during a period of steady grant receipt) were at greater risk of CPS involvement than those who received steady welfare grants and did not work. Differences between working and non-working but steady grant recipient families present more trend data, as there was no statistical difference.

4 Hutson, R.Q. (2001). Red flags: Research raises concerns about the impact of "welfare reform" on child maltreatment. Center for Law and Social Policy.

#### Link between poverty and child maltreatment

The risk of abuse or neglect is 22 times greater for children living in families with annual incomes below \$15,000 than for children living in families with incomes greater than \$30,000 (from 1996 incidence study – citation in paper).

- ▶ Poverty increases stress, which leads to abuse and neglect.
- ▶ Poverty limits parents' ability to provide for their children (i.e., inadequate supervision or having adequate financial resources to meet basic needs).

#### Speculation on how TANF could have a positive or negative impact on maltreatment

- ▶ If TANF work requirements lead to more resources through employment, then risk of maltreatment may decrease.
- ▶ If families lose benefits because of sanctions or time limits, which aren't replaced with income, the risk of maltreatment may increase.
- Work requirements may bolster self-esteem leading to decreased or increased stress caused by workload, which may increase risk of maltreatment.
- Work requirements in the absence of accessible and adequate childcare may lead to neglect, but parenting education requirements could lead to improvements in parenting skills.
- TANF could make services previously not available to families to provide support.
- ▶ If TANF is used to alleviate crisis situations (e.g., transportation needs, utilities shut-off, etc.), stress can be relieved and maltreatment risk diminished. But if work or other requirements prohibit families from addressing crisis situations, risk can be increased.
- ▶ It is difficult to know how much TANF and/or the strong economy has impacted the maltreatment rates.

Green, R., Fender, L., Markowitz, T., & Leo-Urbel, J. (2001). Welfare Reform's Effect on Child Welfare Caseloads. Assessing the New Federalism, An Urban Institute Program to Assess Changing Social Policies. Discussion Papers.

Staff at the Urban Institute conducted in-depth case studies in 12 states and multiple local sites in 1999 to document how welfare reform and related changes were impacting child welfare caseloads.

Qualitative information from CPS workers in 12 states collected by the Urban Institute found that CPS workers reported seeing more abandoned children which they attributed to low-income parent's being unable to cope with stricter welfare requirements and more children being referred for inadequate supervision due to parent's working and using inadequate childcare. Further, the study found an increase in reports in immigrant families, a group largely impacted by welfare reforms. An increase in referrals from welfare offices due in some cases to automatic referrals of sanctioned families, also may be due to increased contact with families and becoming more aware of problems. This study, however did not find any overall impact of welfare reforms on child welfare

caseloads. One explanation is that other changes were occurring over the 1990s that could have had an impact, and this can be difficult to control for.

#### Potential effects that welfare reform may have had on CAN reporting from case studies

- ▶ Increase in number of families reported for inadequate supervision (possibly due to parents working and not having access to appropriate childcare).
- Families coming to the attention of CPS due to general neglect from poverty may be due to fear of children being taken away due to not paying utility bills.
- ▶ Welfare reform's attention to domestic violence has added to awareness of the problem and added to increase in DV referrals to child welfare, particularly in states where witnessing DV is a crime.
- Workers in several states reported seeing families that had been sanctioned coming to their attention (and there is evidence to support this).
- ▶ Increase in referrals from TANF workers who now have more contact with families and may be more apt to report families for CAN due solely to their level of poverty.
- ➤ Conflicting requirements and demands made of those families in both systems. Families sometimes feeling as though they must choose between TANF and keeping their children because they can't meet all requirements of both.

#### Speculations regarding lack of increased rates of CAN

- ➤ Too early to tell when Green et al.'s study was conducted, no time limits had been reached yet.
- Families exiting welfare rolls were most job-ready and least vulnerable families and least likely to need protective services.
- Many families were helped by welfare reform (i.e., economically and increased motivation and self-esteem) and less likely to need assistance.
- **▶** Families look to friends and family before accessing more formal services.

#### Secondary Sources (as cited in Green, Fender, Markowitz, & Leos-Urbel, 2001)

- ➤ Close to half of all identified incidents of child abuse or neglect occur in families receiving welfare (Pelton, 1994).
- ▶ More than half of all foster children come from homes that are eligible for welfare (U.S. Congress, 1998).
- ▶ In focus groups conducted by the Urban Institute in 1999, child welfare workers estimated that between 70-90% of families receiving in-home support services through the child welfare system were on welfare.

- ➤ A U.S. DHHS study found that in IL, CA and NC, between 2-3% of children entering AFDC are placed in foster care within two years (2000b). While a transition rate from welfare to foster care of 3% may seem small, the TANF caseload size of 5,318,722 children in FY1999 compared with foster care caseload (547,000 in March 99) makes this percentage and changes to it significant. For example, it is estimated that if an additional 1% of children who begin receiving TANF after welfare reform entered foster care, foster care entries would increase by 25%.
- Research shows that loss or reduction of welfare benefits may lead to greater reporting of abuse and neglect (Needell et al., 1999; Paxson & Waldfogel 1999; Shook 1999).

## Morris, P.A., Huston, A.C., Duncan, G.J., Crosby, D.A., & Bos, J.M. (2001). How Welfare and Work Policies Affect Children: A Synthesis of Research. MDRC.

This monograph synthesized results of five large-scale studies that examined the effects on children of 11 different employment-based welfare and antipoverty programs aimed primarily at single-parent families. The programs were categorized according to the following three features:

- ➤ Earnings supplements-programs that offered generous earnings supplements designed to be more financially rewarding;
- Mandatory employment services-requires parents to participate in services such as education, training or conduct an immediate job search to receive cash benefits; and
- >> Time limits-limiting families' eligibility.

#### **Key Findings**

- The programs that included earnings supplements, all of which increased both parental employment and income, had positive effects on elementary school-aged children such as higher school achievement, reduced behavior problems, increased positive social behavior and/or improved children's overall health.
- Adding mandatory employment services didn't generally reduce the positive effects of earnings supplements on children.
- The programs with mandatory employment services, all of which boosted parental employment without increasing income, had few effects on children and the effects were mixed in direction.
- The program with time limits, which led to an increase in parental employment and a modest increase in income, produced few noteworthy impacts on children, and the impacts found did not suggest a consistent pattern of benefit or harm.

#### Caveats to the findings

Although effects of earnings supplements on children are encouraging, the improvements are modest in comparison to the children's high levels of disadvantage.

- ▶ Positive effects of earnings supplement programs on children were most pronounced for children of long-term welfare recipients.
- >> Study conclusions are limited to pre-school aged and elementary school-aged children.

#### Changes that could account for effects on children

- **▶** Improved family functioning.
- **▶** Less depression among mothers or improved self-esteem.
- Less stress.
- More stable routines.
- ➤ Enrollment in structured childcare or afterschool programs and/or extracurricular activities.

7 Bania, N., Coulton, C., Lalich, N., Martin, T., Newburn, M., & Pasqualone, C.J. (2001). The End of Welfare as they Knew It: What happens when welfare recipients reach their time limits? Center of Urban Poverty and Social Change.

This study looked at the first group of individuals and families in Cuyahoga County, OH who left welfare upon hitting their time limits, which first occurred in October 2000. It was found that individuals who exit welfare voluntarily have greater potential for labor market success or for obtaining other potential sources of income.

#### **Key Findings**

- Time-limited leavers are more likely than non-time limited exiters to:
  - Be African-American.
  - Be associated in assistance groups with three or more children.
  - Have a long history of receiving cash assistance.
  - Be headed by a person age 35 or older.
  - Be worse off with regard to average monthly income (\$869 compared to \$1269).
  - Have experienced a worsening relationship with their children.
  - Live in over-crowded housing.
  - Spend 50% or more of their income on housing.
- Time-limited leavers are less likely than non-time limited exiters to:
  - Skip needed medical and dental treatments than counterparts.
  - Have moved to a worse neighborhood.
  - Be employed continuously.
  - Secure continuous, full-time employment.
  - Have a high school degree or GED.
  - Find jobs that provide benefits such as sick pay and health insurance.

Participation rates for food stamps and Medicaid for time-limited leavers is 40% and approaching 100%, higher respectively than for non time-limited leavers.

Solution Services. Institute for Research on Poverty Discussion Paper.

This study presents findings from an exploratory study of TANF applicants in Milwaukee County, Wisconsin (sample size 1,179). They examined the level of involvement of TANF applicants with the child welfare system both before and after their application for TANF. Researchers found a high level of overlap between TANF and child welfare populations. This suggests that the risk characteristics for welfare appear to be very similar for CPS involvement. They found that there was not an increase in CPS reports even though families were worse off.

#### IV. EVIDENCE ON ECONOMIC CHANGE AND CHILD MALTREATMENT

<u>9</u>
JCPR Congressional Research Briefing (September, 2000).
Available [Online]: <a href="http://www.jcpr.org/conferences/childabuse\_briefing.html">http://www.jcpr.org/conferences/childabuse\_briefing.html</a>.

According to the Longitudinal Studies of Child Abuse and Neglect (LONGSCAN), now in its tenth year, although still high, recent trends in abuse and neglect are "encouraging." Between 1990-1993, the rate of child maltreatment nationally rose from 13.4 per 1,000 children to 15.3. In 1998, the rate had declined to 12.9 per 1000 children. Child maltreatment based on the LONGSCAN study appears to be declining roughly 1% to 3% each year since 1996. LONGSCAN researchers think that the decline could be linked to the robust economy or to a reclassification in many states of what the child welfare system calls neglect.

#### **10-Anecdotal Evidence**

A

Lexis-Nexis, National Public Radio, Morning Edition Transcript. Report on 11/13. The Safe Horizon charity in NY has set up five makeshift crisis centers since 9/11. They have found that the number of calls to their domestic violence and child abuse hot lines are higher than normal "as the city's generalized anxiety spills over."

### **B** Children and Youth Funding Report Online, December 5, 2001.

In Hawaii, there are reports that child abuse is increasing. That is, Child Protective Services workers face ballooning complaints of child abuse. The State Human Services Department says it investigated about 200 abuse reports a month this year, compared to 130 a month last year. About 90% of abuse cases involved drugs, especially methamphetamine, an intake counselor says. Officials blame increased abuse on the bad economy and Sept. 11-related stress.

## 11 National Campaign for Jobs and Income Support. A Recession Like No Other: New Analysis Finds Safety net in Tatters as Economic Slump Deepens. November 14, 2001.

#### **Key Findings**

- As of April 2001, at least 120,000 families in 20 states have had their welfare benefits reduced or terminated because they hit their time limits. The federal five-year lifetime limit takes effect in 11 states by the end of 2001 and in another 15 states by July 2002. Thus, families in most states will be running into time limits at precisely the time when it will be hardest for them to find work.
- ▶ Under TANF, states get a fixed amount of funding each year to run their programs, regardless of need. The federal contingency fund, designed to assist states with funding shortfalls, can do little to help states weather a recession. Many states have used TANF funds to pay for things other than cash assistance (job training, childcare, etc). Block grant structure of programs leaves states little room to maneuver as the economy sours and demand for cash assistance increases.
- ▶ In 1998, only 56% of eligible families received cash assistance compared to 84% prior to 1996. Reductions are due to policies that divert applicants away from welfare and into jobs. For families in crisis, these policies are crippling during times when unemployment rates are on the rise and there is limited financial support from community organizations.
- Welfare reform occurred at the same time as the economy was in a boon. Large numbers of jobs in sectors that typically employ welfare recipients (service and retail) became available which reduced welfare caseloads. Evidence shows that those who left welfare rolls are not faring well in spite of strong labor market. They still suffer from high rates of unemployment, underemployment, lack of access to health care, childcare and transportation, hunger and housing issues.

### <u>12</u> Dearing, E., & McCartney, K. (2001). Change in Family Income-to-Needs Matters More for Children with Less. Child Development. (information taken from a press release)

Findings indicate that for a family of four below the poverty level whose needs remained constant, an increase in family income of approximately \$13,400 over three years resulted in the children scoring as well as children in families with twice the income. Even modest increases in family economic resources led to improved performance by children as young as 3 on tasks such as identifying colors, letters and shapes. These children also were more likely to understand and produce a larger number of words and phrases. "Gains in family economic resources...are likely to improve the cognitive and social functioning of very young children living in poverty," said Dearing.

#### 13

Federal Interagency Forum on Child and Family Statistics. (2000). *America's children: Key national indicators of well-being 2000*. Federal Interagency Forum on Child and Family Statistics, Washington, DC.

This is the fourth annual report of the Federal Interagency Forum on Child and Family Statistics. The report contains data about the well being of children in the United States, describing population and family characteristics and 25 indicators of economic security, health, behavior and social environment, education, and special issues. Child poverty, housing problems, food security, access to health care, childhood immunization, low birth weight, mortality, cigarette smoking, alcohol use, illicit drug use, experience with crime, daily reading, early childhood care and education, academic achievement, beginning Kindergarteners knowledge and skills, and youth volunteer activities are reported.

Key findings indicated that although the poverty rate for children decreased slightly from 1997 to 1998, the percentage of children living in families with housing problems has increased. Death rates for children have been decreasing in recent years, with unintentional injuries the leading cause of death. Violent criminal behavior was at its lowest point in 1998 since statistics were first reported in 1973.

## 14 Wood, D.B. (2000). Why child abuse is at 10-year low. Available [Online]: http://www.csmonitor.com/durable/2000/05/01/p1s1.htm.

As cited in this article, Health and Human Services (HHS) reports that cases of neglected and abused children fell for the fifth straight year in 1998. Contributing factors to this drop include the decline in the number of people on welfare and record-low unemployment, as well as strides in combating substance abuse. In addition, there has been growth in the number of programs aimed at prevention, from teen pregnancy to those created for "at risk" kids.

This article also cites a study conducted by the Rockefeller Institute of Government, which looked at human-services spending in Georgia, Missouri, California, and Wisconsin. It found that all had significantly raised their child-welfare budgets. Some states are getting a waiver that allows them to use federal welfare money for programs that target child abuse and neglect. In fact, about 25 states are now using federal funds for innovative prevention programs.

# McLoyd, V.C. (1990). The impact of economic hardship on black families and children: Psychological distress, parenting, and socio-emotional development. Child Development, 61, 311-346.

Black children are the focus of this study because they experience disproportionate shares of the burden of poverty and economic loss and are substantially at higher risk than white children of experiencing socio-emotional problems. McLoyd found that compared to parents whose economic circumstances are more favorable, parents who are hard pressed financially are more

depressed, irritable, and explosive and more likely to experience marital conflict, effects that are more pronounced and enduring among black men than white men. Further, economic hardship weakens individuals' ability to cope with new problems and difficulties. Thus, they are more likely to become debilitated by negative life effects.

#### Economic Decline and Child Maltreatment (secondary sources as cited in McLoyd, 1990)

- ➤ Child maltreatment represents an extreme form of punitive parenting that occurs more frequently in families experiencing economic decline than in families with stable resources (Garbarino, 1976; Parke & Collmer, 1975).
- Analyzing data over a 30-month period, Steinberg, Catalano, & Dooley (1981) found that increases in child maltreatment were preceded by periods of high job loss.
- ▶ In a study conducted by Straus, Gelles, and Steinmetz (1980), the rate of child maltreatment among fathers employed part time was almost twice as high as the rate for fathers employed full time.
- ▶ Paternal unemployment and economic loss can lead to child abuse through a number of pathways. For example, when less money is available, unemployed parents are not in a good position to "bribe" their children into following orders or wishes with tangible goods, to withhold goods and activities as a means of punishment, or to offer desirable substitutes for undesirable activities (Bakke, 1940; Caplovitz, 1979; Komarovsky, 1940). Thus, these circumstances, combined with frustration and depletion of emotional resources brought on by financial strain, may set the stage for unemployed parents to become physically abusive.
- Other factors conducive to the relationship between child maltreatment and economic decline include: 1) fathers' increased responsibilities for the primary care and discipline of their children (Radin & Goldsmith, 1989), resulting in greater awareness of children's negative attributes and a less favorable perception of them (Johnson & Abramovitch, 1985); 2) a heightened need among these fathers to exercise power because of a real or perceived status loss; and 3) increase in marital disputes and displacement of anger onto the child forms a coalition with the mother (Herrenkohl, Herrenkohl & Egolf, 1983; Parke & Collmer, 1975).

## Elder, G.H., Nguyen, T.V., & Caspi, A. (1985). Linking family hardship to children's lives. Child Development, 56, 361-375.

Using codes on parenting behavior during the Great Depression, this study investigated the role of parental behavior (rejecting, non-supportive) in linking economic hardship to children's lives in the Oakland Growth Study. The results show that economic hardship adversely influenced the psycho-social well-being of girls, but not boys, by increasing the rejecting behavior of fathers. Mothers did not vary significantly by income loss. Compared to less attractive daughters,

attractive daughters were not likely to be maltreated by their fathers, no matter how severe the economic pressure. These outcomes on family mediation and conditional effects underscore the importance of economic decline in relation to both child's characteristics and parenting behavior.

Briefly, the Oakland Growth Study collected data on children born between 1920 and 1921. It assessed the effects of income loss according to a conceptual model that viewed the family and its socioeconomic and psychological adaptations to hardship as the primary link between economic change and the life experience and personality of children. Fathers' loss of earnings and resulting adaptations in family maintenance (e.g., women's entry into the labor market) increased the relative power of mother, reduced the level and effectiveness of parental control, particularly in relation to boys, and diminished the attractiveness of father as a role model for children.

Heavy income loss between 1929 and 1933 increased the emotional instability, tenseness, and explosiveness of fathers. This change enhanced the tendency for fathers to be punitive and arbitrary in their discipline of their children. In comparison, mothers did not become unstable under economic stress and income loss did not directly increase their punitive or arbitrary behavior. Elder suggests that an explanation for this finding may be that family misfortune was typically a result of men's losses. Overall, men's reactions to sudden economic loss conform to Goode's theory of force in regaining control over life circumstances (as cited in Elder et al.'s 1985). That is, loss of control over one's life prompts efforts to regain control. Thus, force is one means to this end. The Oakland Growth Study found that heavy income loss adversely influenced young children (between 3-7 years old) by increasing the rejecting and non-supportive behavior of fathers.

#### V. CONCLUSION

First, based on the data available and presented, it can be concluded with a fair amount of certainty that there is a relationship between child maltreatment and economic decline. Stated differently, there is substantial evidence that economic decline affects the treatment of children by their parents. However, it is important to note that the data presented on the link between economic decline and child maltreatment in this synthesis is outdated, and thus limited. That is, most of the studies presented as supporting evidence for the relationship between child abuse and economic decline date from the Great Depression to the 1990's. No recent evidence (i.e., within the last 10 years) was found to lend support for the relationship between child maltreatment and economic decline. At best, one can conclude that a number of economic and social changes occurring since the Depression (e.g., unemployment compensation, severance pay, employment of spouse, unemployment precipitated by job loss) probably lessen the negative impact of job and income loss in the early 90's context. And, although the magnitude of effects may differ, the direction of effects and the mechanisms by which economic loss affects children are similar for these two periods. Unfortunately, no comparable data was found to extend this conclusion to more recent years.

Second, with respect to the link between TANF and child maltreatment, it can be concluded that higher welfare benefits are associated with lower rates of neglect and out-of-home care. It is critical to note that the welfare reforms discussed in this synthesis have taken place against the

backdrop of a very strong economy! Therefore, welfare reforms may have larger long-run effects on maltreatment than the evidence presented here.

In sum, it is critical that further research is needed to fully understand the effects of economic decline in children's lives and that such research take into consideration knowledge of parent and child behavior within the family and life course, especially on national level. In addition, more research is needed to understand the long-term effects of TANF on child maltreatment.

#### **ENDNOTES**

<sup>i</sup> As cited in Romero et. al.'s (2000).

ii Zuckerman, D.M., & Kalil, A. (2000). Introduction: Welfare reform: Preliminary research and unanswered

questions. <u>Journal of Social Issues</u>, 56(4), 579-586. iii As cited in Hutson, R. Q. (2001, March). Child welfare and TANF: Where are we and where do we go from here? Presentation made at the Child Welfare League of America's annual conference. Available as a PDF file from the Center for Law and Social Policy (CLASP): <a href="http://www.clasp.org/pubs/TANF/tanffederal.htm">http://www.clasp.org/pubs/TANF/tanffederal.htm</a>