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Full report to follow

Remember the Children

Mothers Balance Work and Child Care under Welfare Reform

Growing Up in Poverty Project 2000
Wave 1 Findings—California, Connecticut, Florida

www.ctkidslink.org

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EXECUTIVE SUMMARY

what time period did this study cover? did it take into account recent efforts to avoid problems cited by rep?

Remember the Children

Delivering on Promises

In 1996 President Clinton added his voice to a growing chorus of policy makers and voters, all pushing to revolutionize America's welfare system. Whether these reformers, almost four years later, have strengthened the lives of poor children remains an open question.

Hopes were high that summer of 1996. Congressional leaders vowed to end the "cycle of welfare dependence" that seemed to entrap poor parents and their children from one generation to the next.

The policy revolutionaries expressed a number of goals. They would shrink the welfare rolls and thereby build stronger families. Working mothers, moving into jobs, would offer stronger role models for their children and greater economic stability for their households. Child care programs would grow in number and quality, supporting youngsters' early development. In short, the reformers aimed to reduce single mothers' welfare dependency and boost children's futures over time.

But is welfare reform delivering on its promises? Can we discern observable effects from these reforms on young children? Does the welfare-to-work imperative alter maternal practices, homes, or child care settings in ways that advance children's well-being? These are the core questions that energize this study.

Young Children Enter a New Frontier

No one doubts that we have embarked on a grand national experiment. For the first time government is seriously requiring that single mothers with preschool-age children work to qualify for time-limited cash assistance. Women must now juggle the task of raising an infant or toddler with holding down a job.

As a result, about one million additional children now spend their days away from their mothers in child care. These youngsters are entering their own 40-hour-a-week experience, being raised by new adults in new settings. What is the quality of their child care? Do these settings advance or impede youngsters' early learning? How do neighborhoods vary in providing organized child care? These are crucial questions if children's well-being is truly our first concern.

The Growing Up in Poverty Project

During the second half of 1998 our research team, working from Berkeley and Yale, randomly selected 948 single mothers with young children. They live in or near one of five cities: San Francisco or San Jose, California; Manchester or New Haven, Connecticut; and Tampa, Florida. The samples proved to be representative of each area's caseload.

Participating women in California and Florida had been enrolled for six months in new welfare programs. In Connecticut, we compared experimental and control groups 18 months after they had entered the new or old program.

This report details major findings from the first wave of data collection. Our results stem from interviews of the mothers, visits to their child care providers, both centers and individual caregivers, and assessments of children's early language and social development. The median child was 30 months old when we first interviewed the mother.

Economic Incentives, Personal Resources, and Community Context

Welfare reform rests on the assumption that by altering the economic incentives and moral obligations attached to cash assistance, the lives of women and their children will improve. By setting time limits on cash aid, expanding family supports like child care, and raising tax benefits for the working poor, policy makers hope "to make work pay" and move single mothers from welfare to work.

In this study, we move beyond the simple economics of women's lives to sketch their varied and complex attributes, along with the character of their diverse neighborhoods. We inquire about their households, sources of social support or degree of isolation, and their parenting practices. And for the children, we assess the nature and quality of their new child care settings.

We explore how a neighborhood's infrastructure—especially the availability of organized child care and effective delivery of financial aid—can mediate the direct effect of welfare reform on children.

Presented here are the 6 major findings that emerged from this first wave of maternal interviews and child care assessments. The nine chapters that follow provide details.

How Are Children Faring Under Welfare Reform?

1)

- ***Young children are moving into low-quality child care settings as their mothers move from welfare to work.***

This results in part from welfare reform, since single mothers must quickly find a child care provider, often without the financial aid to which they are legally entitled. Our observations of child care settings revealed quite low quality, on average.

Isn't this true of pre 1996 conditions?

But low quality compared to what? Earlier national studies have revealed unevenness in the quality of centers and preschools located in middle-class communities. Comparing our results to this earlier work, we find that children in the new welfare system have entered centers of even lower quality. Educational materials often are scarce, little reading or story telling was observed, and many children typically spend their days with an adult who has only a high school diploma.

The two study sites in California represent important exceptions: center-based programs in San Francisco and Santa Clara County exhibited fairly high quality. This is a glimmer of good news. It demonstrates that well targeted subsidies to centers can improve the quality of care for children on welfare.

This migration of young children into mediocre child care also is driven by the robust economy and demand for semi-skilled workers. The new welfare rules are not solely responsible for this trend. But policy makers must decide whether to address the development of children with the same intensity that they display in moving single mothers swiftly into jobs.

this is new!

Most participating children were not placed in centers but in home-based care. By this we mean licensed family child care homes or individual kin members or friends (kith and kin), who now qualify for child care vouchers worth up to $5,000 per year. These home-based providers fell below the average quality level of center-based programs. We observed fewer educational materials, much greater use of television and videos, and unclean facilities.

You could say th of HeadS! progr

In short, we find that the welfare-to-work push on single mothers is placing a growing number of children in mediocre and disorganized child care settings. This represents a lost opportunity, for we also have learned in recent years how high-quality child care can effectively boost early learning.

(2) ■ *Child care subsidies reach unequal fractions of poor families and encourage the use of unlicensed care.*

The share of women drawing their child care subsidy ranged from just 13% in the Connecticut sample to 50% in Florida. In all three project states, women are eligible for child care aid while on welfare and for at least two years after finding a job.

This low use of subsidies represents a serious breakdown in one key component of welfare reform. It constitutes a strong disincentive to work. Much policy attention has been paid to inadequate take-up rates for Medicaid and food stamps. The situation for child care subsidies, potentially a significant income support, is even worse.

who's fault

The propensity of women to utilize child care centers, as opposed to kith and kin, is highly correlated with the supply of centers in their neighborhoods. And what's striking is the magnitude of inequality that characterizes the supply of centers among the communities in our study. Disparities in supply range from 42 center slots per 100 young children in Tampa to just 1.1 enrollment slots per capita in Santa Clara County. With limited supply of licensed child care and scarce knowledge of subsidies, many mothers have few options.

Room for poor

(3) ■ *Young children's early learning and development is limited by uneven parenting practices and high rates of maternal depression.*

We found that certain parenting practices, such as reading frequently with one's child, often are absent in homes. In addition, the incidence of severe levels of maternal depression was up to three times higher among participating mothers, compared to the national average.[1]

mom's fault & mom's problems

does this mean going back to work does not raise self esteem?

Maternal depression is troubling for two reasons: it constrains women's employability and reduces their children's odds of thriving. In Connecticut, one in every six women suffered from severe depression. Mothers with preschool-age children experienced higher levels of depression, relative to women with older youngsters.[2] Utilizing a second measure of what doctors call "depressive symptoms," about half of all participating women in California and Florida displayed emotional difficulties.

weren't these women depressed anyway?

Both factors—disengaged parenting and clinical depression—can substantially retard infants' and toddlers' early learning.[3] We detected delays in the language development of participating toddlers in California and Florida, relative to national norms. These gaps are not necessarily attributable to welfare reform *per se*. And no significant differences in child development were found between experimental and control groups in Connecticut.[4]

But it remains unclear how welfare reform's promise of advancing children's life chances will be met until these deeper dynamics are recognized. With many mothers debilitated by mental health problems and a wider range of women not engaged in positive developmental practices at home, how will the welfare-to-work push alone advance children's well-being?

How Are Mothers Faring under Welfare Reform?

(4) ■ *A sizable share of women are moving into jobs.*

Among all participating women in the three states, about half were working and had selected a child care provider for at least 10 hours of care per week within their initial months of welfare involvement. (Another share had selected child care even though they were not employed.)

From the Connecticut experimental data we see that involvement in Jobs First did encourage a higher rate of employment—a 15% margin among mothers in the new program, above the control group.

Many were pursuing postsecondary training while drawing cash assistance. And we found that maternal education is one of the most consistent predictors of both employment and positive parenting practices, similar to findings from earlier studies.

5

■ *Wages are low and household economies remain impoverished.*

The median Florida woman, when most recently employed, earned just $5.45 per hour, yielding a monthly income of $630. Average hourly wages were higher in California ($6.36) and Connecticut ($7.24) before adjusting for the cost of living. These women reported median monthly earnings of $700 and $799 in the two states, respectively.

Fragile levels of economic support directly touch the lives of young children. Asked whether they had difficulty buying enough food, 28% of the Florida mothers and 32% of California mothers said often or sometimes.

6

■ *Levels of economic and social support gained by the women are uneven.*

Just 16% of participating women in Connecticut reported that they lived with an adult who provided economic support for their child, compared to 36% among women in Florida. About one-quarter of all women appear to be socially isolated, rarely seeing other adults. Among sampled women in California, 41% reported that they "feel alone as a parent."

One fifth of the Florida mothers reported that their household includes one member with an alcohol or drug abuse problem. Such daily sources of stress undercut the family's stability.

Nor do all mothers feel efficacious about the challenge of raising a young child in poverty. In California, 39% of all women agreed with the statement, "At the end of a long day I find it hard to feel warm and loving toward my child."

Key conclusion

Taken together, these findings suggest that mere manipulation of economic incentives and penalties—the carrots and sticks strategy—may be insufficient. This approach fails to recognize the force of women's personal resources, levels of social support, and their emotional health.

The uneven availability of child care programs is another case of how the focus on engineered incentives misses a key point: Beyond economic calculations, these mothers are empowered or trapped by their community's resources. They benefit from a human hand when extended by local organizations.

A Cautionary Note

These Wave 1 results offer a first snapshot of how mothers and their young children are faring. The findings should be considered tentative, with emerging patterns to be examined over time. To that end, we are collecting Wave 2 information from the same families, 18 months after Wave 1. A third round is planned after the children enter school.

Caution is warranted in comparing findings across the three Project states. The Connecticut sample was drawn somewhat differently than the California and Florida samples. Participating women differ in their personal characteristics. The sample of women in Connecticut, for instance, is better educated than women in the other two states. We highlight below where between-state differences may be the result of sampling procedures.

Companion Research

This report is being published alongside two other studies. One is an evaluation of the economic and employment effects of Connecticut's welfare reforms, authored by Dan Bloom and others at the Manpower Demonstration Research Corporation (MDRC) in New York. The second focuses on the health of participating women, especially their mental health, and how such factors help to explain employability and wage rates. It is authored by Sarah Horwitz and Bonnie Kerker at Yale's School of Public Health.[2]

Together, these analyses begin to inform the pressing questions around how children are faring under welfare reform, by looking into women's lives and into the new child care settings where their youngsters are being raised.

Q: What is your response to the report on child care and welfare reform?

A: We agree with the authors of the report that quality child care is important for low-income families, and with their findings that well-targeted subsidies can improve the quality of child care. We've worked on these issues since taking office in 1993, and that's why the President proposed a comprehensive child care initiative last year. The President's initiative expands the Child Care and Development Block Grant to help working families by increasing funding for child care subsidies by $817 million in FY 2001, enabling the program to serve nearly 150,000 more children next year. These new funds, combined with the child care funds provided in welfare reform, will enable the program to serve over 2.2 million children in 2001, an increase of nearly one million since 1997.

And to ensure that children have access to early childhood programs that promote their cognitive development, the President's budget includes $3 billion over five years for the Early Learning Fund, to help improve child care quality and early childhood education for children under five years old. The Early Learning Fund will provide community grants for activities that foster cognitive development, improve child care quality and promote readiness for school.

As for the effect of the 1996 welfare reform law, the report says, welfare reform is not solely responsible for the trends on child care. Problems with child care quality and access have been around for a long time. We do agree that the availability of quality child care varies dramatically from state to state. In fact, late last year we released a report showing that only 10 percent of children eligible for federal child care assistance in 1998 received it. The percentage of children helped ranged from a low of 4 percent in Mississippi to a high of 24 percent in West Virginia. That state variation -- in both access and quality -- could be improved with the President's child care initiative.

Q: Has passage of the 1996 welfare reform bill made child care worse?

A: No. In fact, it has made it better. The 1996 welfare law consolidated most federal child care funding, and increased federal child care funds available to states by $3.5 billion. Those changes made it possible for states to serve 14.7 million children at the federal limit of 85 percent of the state median income level.

However, most states have set their income caps well below the ceiling. Even though states are continuing to use all the federal funds available to them for child care, large numbers of children still go unserved. In fiscal year 1998, states spent $3.5 billion in federal funds, including transfers from their welfare block grant, and spent $1.6 billion from their own funds. In 1998, the number of children served rose to 1.5 million, up from 1.25 million in 1997.

The President's budget expands the Child Care and Development Block Grant to help working families struggling to afford child care. The President's budget request will increase funding for child care subsidies by $817 million in FY 2001, enabling the program to serve nearly 150,000 more children next year. These new funds, combined with the child care funds provided in welfare reform, will enable the program to serve over 2.2 million children in 2001, an increase of nearly one million since 1997. The block grant is part of the Child Care and Development Fund, the primary federal subsidy program that helps families pay for child care, thereby enabling low-income parents to work. Today, millions of families who are eligible for assistance with their child care costs do not receive any help; in 1999, only about 12 percent of the 15 million low-income children eligible for assistance under federal law, received subsidies.

For America's working families to succeed in the workplace, they need quality choices in affordable and accessible child care. The President's initiative, with its combination of increased subsidies for low income families and tax credits for moderate and middle income families, will provide working parents the opportunity to remain self-sufficient and succeed both at home and at work.

Q: Does child care quality really matter?

A: Yes. Recent research has demonstrated that the quality of care received in a child's earliest years can have a significant impact on his or her development. The NICHD has reported that higher quality child care for very young children (ages 0 to 3) was consistently related to higher levels of cognitive and language development. For example, when child care providers talk to children, encourage them to ask questions, respond to children's questions, read to them, challenge them to attend to others' feelings, and to different ways of thinking--children's language abilities and thinking skills are better than under conditions that are less enriched.

To ensure that children have access to early childhood programs that promote their cognitive development, the President's budget includes $3 billion over five years for the Early Learning Fund to help improve child care quality and early childhood education for children under five years old. The Early Learning Fund will provide community grants for activities that foster cognitive development, improve child care quality and promote readiness for school. Resources could be used to help child care providers get training or certification, facilitate licensing or accreditation of child care centers, and reduce child-to-staff ratios -- factors associated with positive developmental outcomes for young children.

Q: How is welfare reform going?

A: In 1992, President Clinton promised to end welfare as we know it, and more than three years after the enactment of the welfare reform law, welfare reform is working. We've seen revolutionary changes to promote work and responsibility: welfare rolls are down by more than half to their lowest level in 30 years, and millions are moving from welfare to work - 1.3 million in just 1998 alone. All fifty states are meeting the law's overall work requirement in 1998, and the percentage of adults still on welfare who were working reached 27 percent -- a nearly fourfold increase over the 7 percent in 1992. Census Bureau data show that the employment rate of people receiving welfare in the previous year has increased by 82 percent since 1992. Numerous independent studies also confirm that record numbers of people are moving from welfare to work.

Andrea Kane 02/10/2000 09:17 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP@EOP

cc: Eugenia Chough/OPD/EOP@EOP, Cynthia A. Rice/OPD/EOP@EOP, Ann O'Leary/OPD/EOP@EOP, Ruby Shamir/OPD/EOP@EOP

Subject: child care/welfare reform study

You asked if we'd looked at the study reported in the NYT on 2/4 about the impacts of welfare reform on child care. We haven't seen the full study yet, but below is 1) a summary ACF provided to Shalala for internal purposes and 2) HHS Q&As

Internal Summary

This is to advise you that on either Friday, February 4th or Monday, February 7th, a research report concerning welfare reform and child care, *Remember the Children*, will be released by Sharon Lynn Kagan of Yale University and Bruce Fuller of University of California at Berkeley. We understand that the investigators are hosting a roundtable discussion of the findings at the National Press Club on Thursday, February 3rd. The actual report is embargoed until its formal release.

and ~~[illegible]~~ measures & # of [illegible]

by

* The study on which the report is based looks at whether welfare reform has led to better outcomes for low-income mothers and their children. While acknowledging that welfare caseloads have dropped and many parents are now working, the researchers question whether conditions have improved. However, the actual findings of the report document the low quality of much of the child care for low-income children, not the effects of welfare reform.

and ~~[illegible]~~ suggest that welfare reform is, in large part, responsible for the placement of children in mediocre or low qual care.

INFORMATION TEXT

The study involves 948 randomly selected single mothers with young children in or near San Francisco or San Jose, California; Manchester or New Haven, Connecticut; or Tampa, Florida. The samples are representative of each city's welfare caseload. The Connecticut sample is drawn from a study that involves families being randomly assigned to Connecticut's Job's First or the old AFDC program.

In California and Florida, Wave 1 data were collected during families' first two to six months in the new programs (although in California, many families were reapplying for welfare under the new TANF program). Connecticut families and child care settings were assessed 18 months after they had entered the experiment. Data collection for Wave 1 occurred between June 1998 and January 1999. Two additional waves of data will be collected.

~~[illegible]~~ also underlinest

~~We agree~~ with ~~the~~ The authors ~~of the report that~~ quality child care is important for low-income families, and ~~with their findings~~ that well-targeted subsidies ~~can~~ improve the quality of child care. These problems with child care quality and access have been around for a long time. The report, however, suggests that welfare reform is, in part, responsible for children moving

HHS developed ~~[illegible]~~ guidance on the report which says that)

Wa

Early this

~~Earlier this week~~

The exec summary of a

An ~~An~~ new report on the effects welfare reform has

had on child care was released this week.

by Yale University + U Cal Berkeley

The report

by Bruce Fuller &

and Sharon Lynn Kagan

makes a number findings including that

into low-quality care and gaps in toddlers' language development, albeit in a slightly toned-down manner from an earlier draft. However, these claims are not substantiated by the data. For example, in Connecticut where there is an experimental group subject to welfare reform and a control group subject to AFDC, there were no significant differences in child care quality between the two groups cited in the report. In California and Florida, where the language development delays were found, there is no comparison group at all, so there is no empirical basis for asserting that the observed delays are not the same as would have been found among low-income children before welfare reform. As you know, we have a number of studies underway, including the Connecticut evaluation, which will assess the effects of welfare reform on children in a methodologically rigorous way.

The Child Care Bureau, while not a primary funder, is listed in the acknowledgments as having an "early and sustained interest" in the project. A small portion of the work underway in the Bureau's California based research partnership is related to the multi-year "Growing Up in Poverty" project. *Remember the Children* is the first publication based on initial findings from "Growing Up in Poverty." We were given only a limited opportunity to review a draft, and many of our comments were not adequately addressed in the final report, including the concerns raised above. Additional reports are likely to be published in the future by the investigators.

HHS Q&As

Q21. What is your response to the report on child care and welfare reform?

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