

## Reducing Child Poverty: Did Welfare Reform Work?

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### Executive Summary

Contrary to the dire predictions of the welfare advocacy community, welfare reform has worked:

- The number of poor children living in poverty declined by nearly 3 million.
- The majority of the decrease (2.25 million) was in mother-only families.

The decrease in poverty was NOT solely the result of economic expansion:

- The economic expansion of the 1980s did not produce declines in poverty in mother-only families.
- AFDC produced dramatic increases in mother-only families.
- After the 1996 Welfare Reform Act, welfare rolls were cut in half and the growth in mother-only families declined.
- Poor mother-only families declined by 32% (the only significant period of decline since the upward trend began in the late 1960s).

Two negative trends have kept the declines in single-parent families from being even more dramatic:

- The growth in non-poor mother-only families has kept the total number of mother-only families from declining.
- The increase in father-only families has accelerated, adding significantly to the number of single parent families.

During the 1996 debate leading up to the passage of the historic welfare reform legislation that ended the old entitlement system, AFDC (Aid to Families with Dependent Children), the Urban Institute, one of Washington's most prestigious and best funded liberal "think tanks," issued a report loudly trumpeting the ominous prediction that the passage of welfare reform, more formally known as the Personal Responsibility and Work Opportunity Act, or PRWORA, would result in an additional one million children being thrown into poverty.

In spite of these dire predictions, Figure 1 shows that from 1996 to 2000, the number of children living in poverty declined by nearly 3 million with 2.25 million of this decrease accounted for by mother-only families.

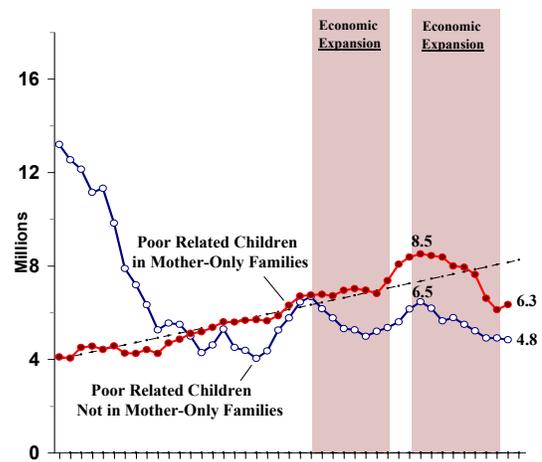
Note that the decrease in poverty among children in mother-only families after welfare reform cannot be attributed solely to economic expansion since similar reductions did not occur during the long economic expansion of the 1980s.

How did the reductions in poverty happen? And why did they happen?

In Figure 2 we see a simple but telling story. The period from 1960 to 1995 saw dramatic increases in the formation of mother-only families as the social and financial barriers to single motherhood were largely eliminated. Thanks to Hollywood and the liberal elites, both divorce and unwed childbearing lost their stigma, as did receiving a handout from

the government. With federal AFDC income assistance, food stamps, public housing, and Medicaid, an unmarried mother

Figure 1. –Poor Children in Mother-Only Families



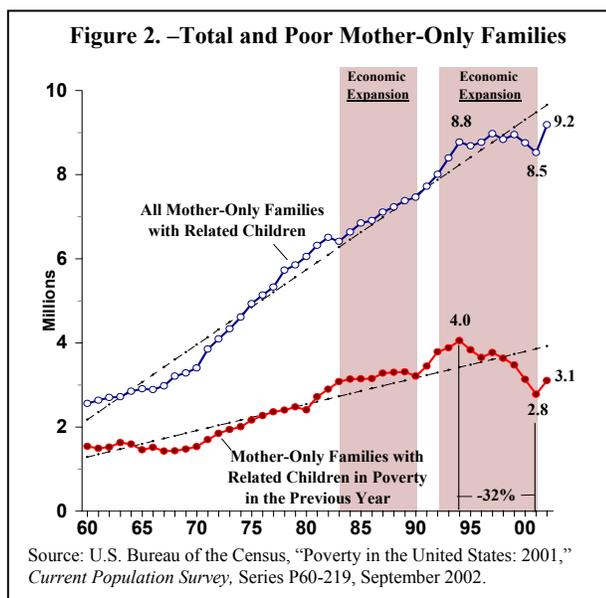
Source: U.S. Bureau of the Census, "Poverty in the United States: 2001," Current Population Survey, Series P60-219, September 2002.

could get by; it was a meager existence but it enabled her to live without dependence upon the father(s) of the child(ren).

Instead of entering and sustaining an intimate marriage commitment, women settled for an impersonal relationship with a social worker who dispensed government funds with virtually no strings attached. Women and children became casualties in the social experiment of having the “government” become the family provider, the unfeeling, uninvolved but well-funded surrogate father who had very low standards as to what constituted responsible behavior and to whom there was little to no accountability.

During the economic expansion of 1980s when there were no-strings-attached welfare benefits, there was no reduction in the number of mother-only families in poverty. By contrast, from 1983 to 1989 the number of poor children not in mother-only families declined by 22 percent (see **Figure 1**).

When various States in the 1990s began instituting time-limited income assistance with a work requirement, welfare roles were cut in half and the formation of mother-only families with children slowed to a halt after more than 30 years of nearly



unremitting growth. Even more to the point, the number of poor mother-only families with children dropped by 32 percent (from 4.0 in 1993 million to 2.8 million in 2000).

Welfare reform efforts—such as imposing time limits and family caps along with expanded “earnings disregards” to increased work incentives—had actually begun in the early 1990s in many states on an experimental basis even before being expanded nationwide by PRWORA in 1996. These state-level reforms had already begun to bear fruit as early as 1995 when the change in the poverty trend first began.

**Note:** The second half of the 1990s is the only significant period of decline in poor mother-only families with children since the eligibility requirements for welfare were expanded under judicial mandate in the late 1960s (see **Figure 2**).

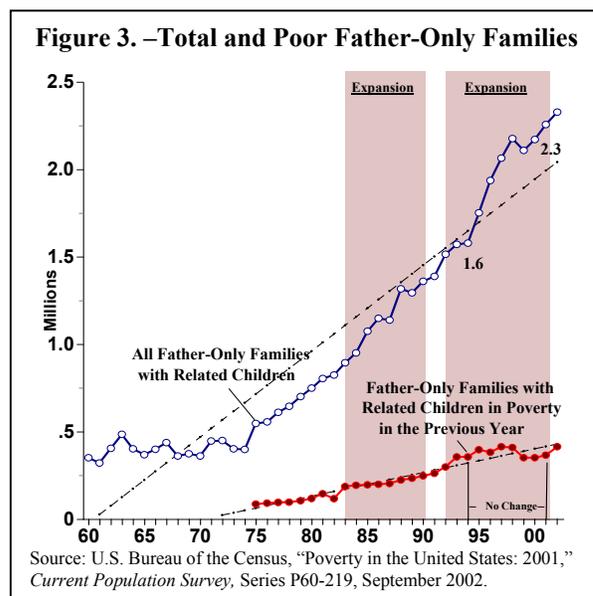
The multi-year decline in poor mother-only families with children in the late 1990s was completely contrary to the expectations of all of the welfare advocacy groups. The sincere belief of many liberals that the way to help the poor was by expanding handouts proved to be based on a false understanding of human nature.

## Conclusion

Along with the good news that welfare reform is working and the cycle of dependency on government handouts is beginning to be broken; two long-term negative effects continue. The reason that the trend in the total number of mother-only families only leveled out during the expansion of the late 1990s—despite the fact that the number of poor mother-only families declined by 1.2 million—was that the number of non-poor mother-only families continued to grow. Indeed, the number of non-poor mother-only families with children increased from 4.8 million to 5.7 million.

**WHY?** In addition to the working mothers who came out of poverty, a relatively new phenomenon became a noticeable trend — mother-only parenting continued going “up-scale” into the middle and upper classes at an unrelenting rate as cohabitation replaced marriage as the lifestyle choice of the career-minded and commitment-challenged.

In **Figure 3** we see another disturbing aspect of the changes in family structure during the 1990s. As the total number of mother-only families reached a plateau, the growth in the total number of father-only families began to accelerate. Thus part of the growth in single-parent families has simply shifted from mother-only to father-only.



Even considering the impact of the two negative trends (non-poor professional single mother families and single father families), the benefits of welfare reform — while not as dramatic as they would be otherwise — are still impressive. The data clearly indicate that welfare reform initiatives constitute effective policy that benefits women, children and families.

Janice Shaw Crouse, Ph.D – author, speaker, and commentator – was professor and associate vice president for academic affairs at Taylor University before serving as a Presidential Speechwriter for George H.W. Bush. She was appointed to the United States delegations to the 2002 United Nations Children’s Summit and the 2003 United Nations Commission on the Status of Women.