

Welfare Receipt (AFDC/TANF)

Headline

Between 1996, the year in which federal welfare reform was implemented, and 2005, the number of children receiving benefits from welfare declined by more than half. ([See Figure 1](#)) This continued a downward trend that started after 1995.

Importance

Many children living in families with incomes below the poverty threshold depend, at least in part, on the Temporary Assistance for Needy Families (TANF), which succeeded the Aid to Families with Dependent Children Program (AFDC) in 1997 as part of federal welfare reform. States set AFDC/TANF benefit levels, and benefits vary widely from state to state. In 2003, the maximum benefit for a family of three (a parent with two children) was \$170 per month in Mississippi and \$923 in Alaska.¹

In most states, TANF benefit levels have not kept up with the cost of living. This was also the case for AFDC. Real monthly maximum AFDC/TANF benefits for a family of three (a parent with two children) declined by more than 18 percent for the median state between 1994 and 2003.² These real benefit declines, combined with substantial reductions in the welfare caseload, have led to a substantial decrease in the contribution of AFDC/TANF as an income source for families with incomes below the poverty threshold. However, the Earned Income Tax Credit has provided income for employed parents.

Reviews of experimental studies of welfare-to-work programs have found few overall impacts on children, yet some significant impacts have been noted, with findings differing by program approach. When programs improve a family's economic status, for example through earned income disregards, positive impacts have been found for younger children in school achievement and cognitive development.^{3,4} Impacts for adolescents, on the other hand, have been mostly negative across these studies.^{5,6} Regarding long-term impacts, an experimental evaluation of multiple welfare-to-work programs from the early 1990s found little evidence of long-term impacts on children.⁷ While there were few significant impacts overall, the evaluation did find impacts on young children's social skills and behavior in a five-year follow up, with the direction of impacts (some favorable and some unfavorable) differing mostly by program site. Despite welfare reform, children in families receiving welfare are still disadvantaged and face substantial risks to healthy development.⁸

Trends

After rising from 6.1 million children in 1970 to 9.5 million children in 1994⁹, the number of children living in families receiving AFDC/TANF payments fell to 3.7 million children in 2005. (See Figure 1) Similarly, the percentage of all children living in families receiving AFDC/TANF has steadily decreased from 13.0 percent in 1995 to 5.1 percent in 2005. (See Figure 2) Among children in families with incomes below the poverty threshold, the percentage of children in families receiving AFDC/TANF also decreased from 61.5 percent in 1995 to 28.9 percent in 2005. (See Figure 2)

State and Local Estimates

State estimates are available from the Department of Health and Human Services. *Indicators of Welfare Dependence Annual Report to Congress 2007*. Appendix A, Table TANF13. Available at: <http://aspe.hhs.gov/hsp/indicators07/apa.pdf>

International Estimates

None available

National Goals

None

Definition

In August 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (Public Law 104-193) repealed the Aid for Families with Dependent Children (AFDC) program and created the Temporary Assistance for Needy Families program in its place. The purposes of TANF are to: (1) provide assistance to needy families so that children may be cared for either in their own homes or in the homes of relatives; (2) end welfare dependence by promoting preparation for jobs, work, and marriage; (3) prevent and reduce nonmarital pregnancies; and (4) encourage the formation and preservation of two-parent families.¹⁰

Data Source

U.S. Department of Health and Human Services. *Indicators of Welfare Dependence. Annual Report to Congress, 2007*. Appendix A. Table TANF2. Available at: <http://aspe.hhs.gov/hsp/indicators07/apa.pdf>

Raw Data Source

Caseload data are administrative data compiled by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance. Poverty data are from the Current Population Survey: <http://www.bls.gov/cps/home.htm>

Approximate Date of Next Update

Summer 2008

¹ Temporary Assistance for Needy Families Annual Report to Congress, December 2006. Available at: <http://www.acf.hhs.gov/programs/ofa/annualreport7/ar7index.htm>

² Committee on Ways and Means, U.S. House of Representatives, *2004 Green Book*. Available at <http://www.gpoaccess.gov/wmprints/green/2004.html> (see Section 7, Table 7-10)

³ Zaslow, Martha J., Moore, Kristin A., Brooks, Jennifer, Jennifer L., Morris, Pamela A., Tout, Kathryn, Zakhia A. Redd, and Emig, Carol A. "Experimental Studies of Welfare Reform and Children." *Future of Children, Winter/Spring 2002, 12*(1).

http://www.futureofchildren.org/information2826/information_show.htm?doc_id=102617

⁴ Morris, Pamela, Duncan, Greg J., and Clark-Kauffman, Elizabeth. (2005). "Child well-being in an era of welfare reform: The sensitivity of transitions in development to policy change." Manpower Research Demonstration Corporation and Northwestern University. Available at:

<http://www.northwestern.edu/ipr/publications/papers/2004/duncan/3WelfarePolicyChild.pdf>.

⁵ Morris, Pamela, Duncan, Greg J., and Clark-Kauffman, Elizabeth. (2005). "Child well-being in an era of welfare reform: The sensitivity of transitions in development to policy change." Manpower Research Demonstration Corporation and Northwestern University. Available at:

<http://www.northwestern.edu/ipr/publications/papers/2004/duncan/3WelfarePolicyChild.pdf>.

⁶ U.S. Department of Health and Human Services, Administration for Children and Families, Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Education. (2001). "Impacts on the Well-Being of All Children," in *National Evaluation of Welfare-to-Work Strategies: How Effective Are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs* (Washington, DC): Chapter 11.

⁷ McGroder, S.M., Zaslow, M., Moore, K.A. & Brooks, J.L. (2006). Mandatory welfare-to-work programs and preschool-age children: Do impacts persist into middle childhood? In A. C. Huston & M. N. Ripke (Eds.), *Middle childhood: Contexts of development*. Cambridge: Cambridge University Press.

⁸ Zaslow, Martha, Moore, Kristin, Tout, Kathryn, Scarpa, Juliet, and Sharon Vandivere. 2002. "How are Children Faring under Welfare Reform?" in Alan Weil and Kenneth Finegold (eds.), *Welfare Reform, the Next Act* (Washington, DC: The Urban Institute Press): 79-101.

⁹ U.S. Department of Health and Human Services. *Indicators of Welfare Dependence. Annual Report to Congress, 2006*. Appendix A. Table TANF2. Available at: <http://aspe.hhs.gov/hsp/indicators06/apa.pdf>

¹⁰ Committee on Ways and Means, U.S. House of Representatives, *2004 Green Book*. Available at <http://www.gpoaccess.gov/wmprints/green/2004.html> (see Section 7, under "Outline of Program")

Table 1

Child Recipients of AFDC/TANF, Selected Years 1970-2005

	1970	1975	1980	1985	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Child Recipients in the States and DC (in thousands)	6,104	7,928	7,295	7,073	7,781	9,013	8,355	7,077 ³	5,781	4,836	4,415	4,140	4,083	4,025	3,935	3,732
Child Recipients as a Percentage of Total Child Population¹	8.8	11.8	11.4	11.3	12.1	13.0	11.9	10.0	8.1	6.7	6.1	5.7	5.6	5.5	5.4	5.1
Child Recipients as a Percentage of Children in Poverty²	58.5	71.4	63.2	54.4	57.9	61.5	57.8	50.1	42.9	39.4	38.1	35.3	33.6	31.3	30.2	28.9

¹ Population numbers used as denominators are resident population. See Current Population Reports, Series P25-1106.

² For poverty population data see Current Population Reports, Series P60-231 (available online at <http://www.census.gov/hhes/www/poverty.html>).

³ Average for January through June of 1997.

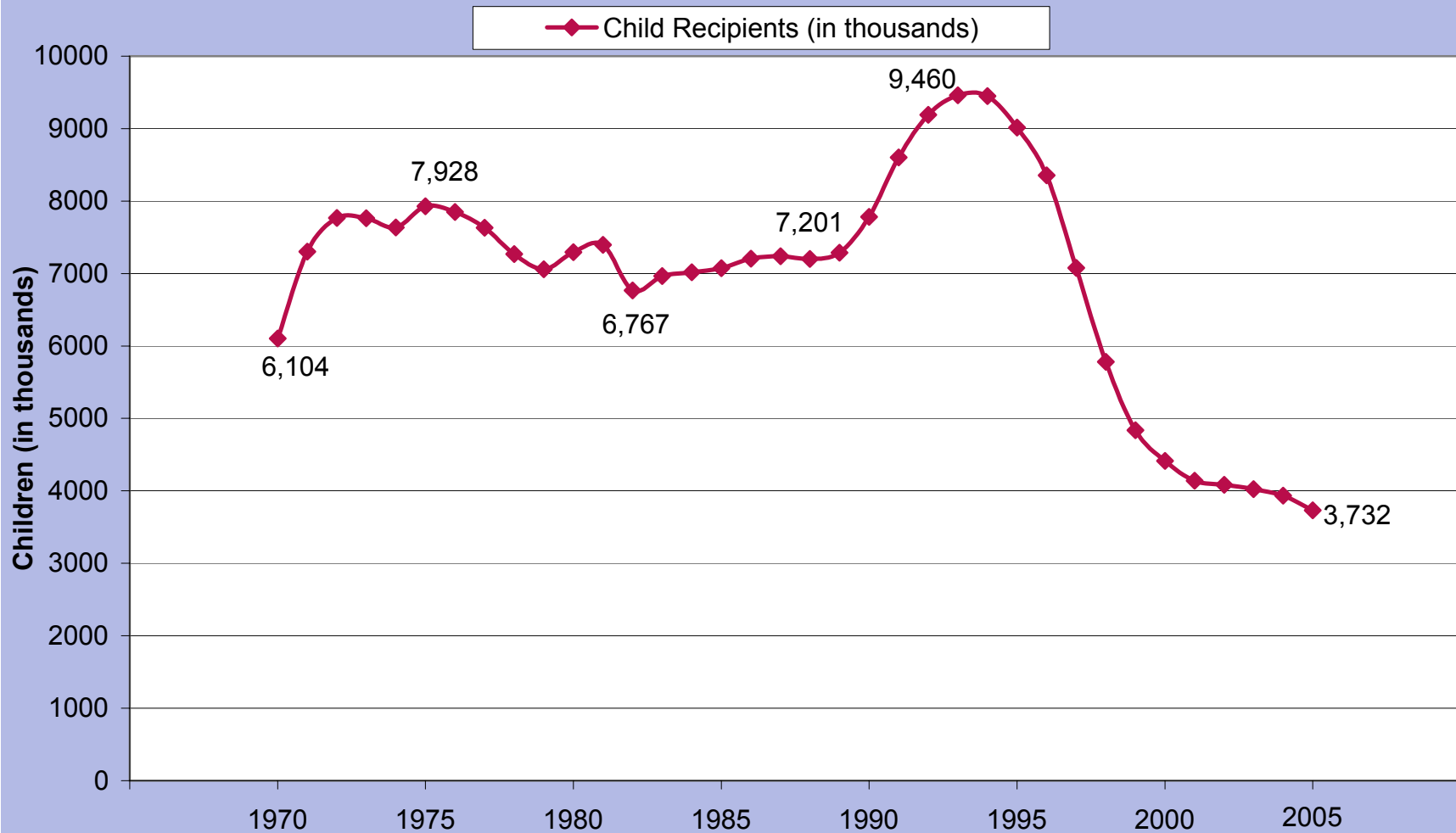
Source: *Indicators of Welfare Dependence Annual Report to the Congress 2007*. U.S. Department of Health and Human Services. Table TANF2.

<http://aspe.hhs.gov/hsp/indicators07/index.htm>



Figure 1

Child Recipients of AFDC/TANF (in thousands), 1970-2005

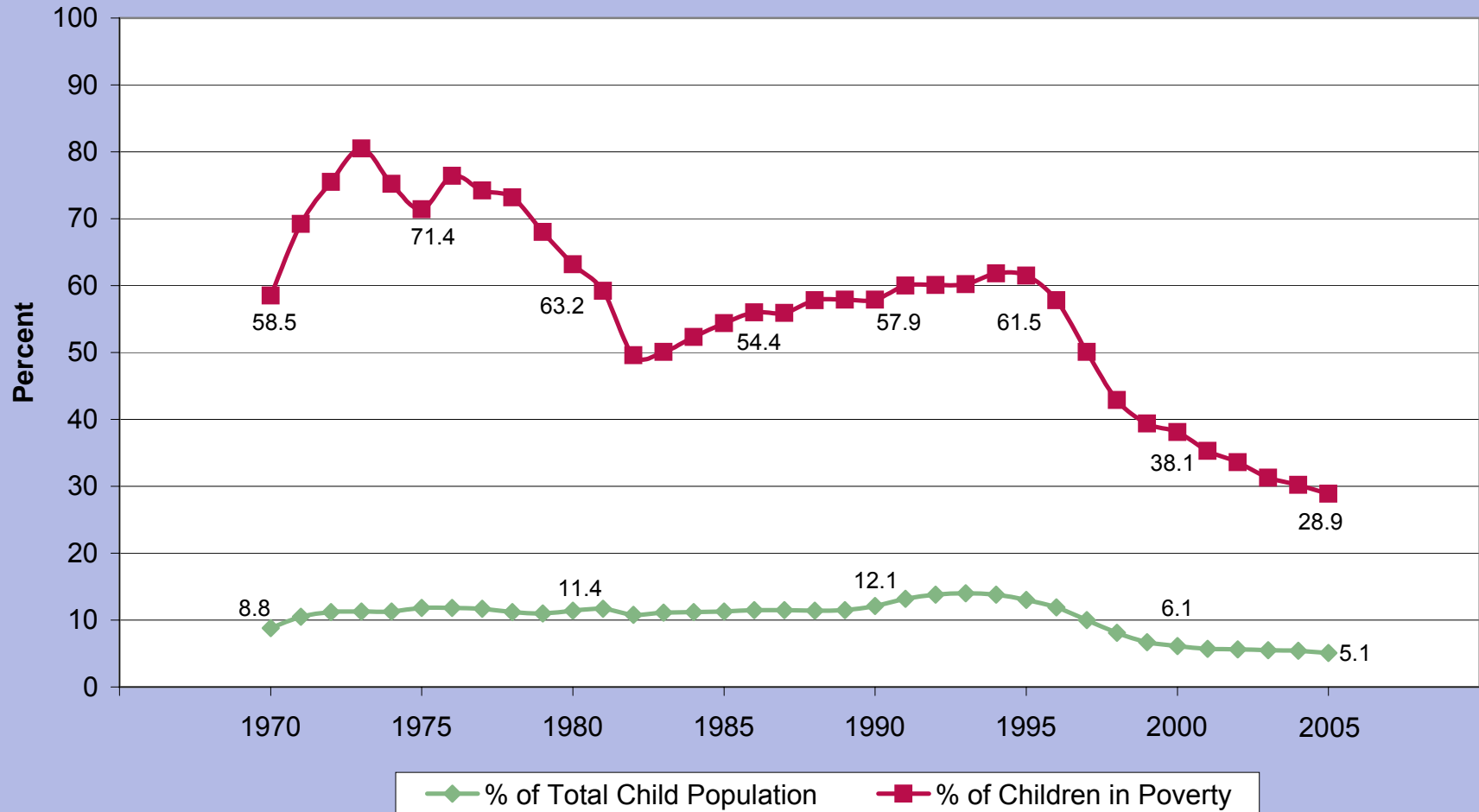


Source: *Indicators of Welfare Dependence Annual Report to the Congress 2007*. U.S. Department of Health and Human Services. Table TANF2. <http://aspe.hhs.gov/hsp/indicators07/index.htm>



Figure 2

Child Recipients of AFDC/TANF as a Percentage of Total Child Population and of Children in Poverty, 1970-2005



Source: *Indicators of Welfare Dependence Annual Report to the Congress 2007*. U.S. Department of Health and Human Services. Table TANF2. <http://aspe.hhs.gov/hsp/indicators07/index.htm>

