

## Long-Term Welfare Dependence

### Headline

Among children in families receiving any welfare (AFDC/TANF), more than a third received it for six or more years out of 10, and 15 percent received it for 9 or more years. ([See Figure 1](#))

### Importance

Whether or not long-term welfare receipt is harmful to children is, at present, not clear. Long-term welfare receipt for children is associated with a number of negative outcomes including fewer years of schooling completed, lower academic test scores, difficulties in the labor market as an adult, and greater risk of welfare receipt as an adult.<sup>1</sup> Existing research, however, indicates that, once other background characteristics are taken into account, this negative relationship disappears for most outcomes (though not for employment as adults),<sup>2</sup> and in some cases becomes associated with positive results.<sup>3</sup>

### Trends

Among children in families who had ever received any welfare (AFDC/TANF) during the period in question, the percentage whose families received welfare for 9 or more years over the course of a decade was 11 percent for children who were ages 0-5 in 1967, and 22 percent for children ages 0-5 in 1977. For children ages 0-5 in 1987, the percentage was in between at 15 percent. ([See Figure 1](#))

### Differences by Race

Black children are much more likely than other children to live in families dependent for long periods on welfare. Nearly half of black children ages 0-5 in 1987 and living in families receiving any AFDC/TANF payment during the next decade received payments for at least six out of 10 years, compared with less than one-quarter of other children. For those receiving welfare at least nine out of the ten years, estimates are 23 percent for black children and 7 percent for other children. ([See Figure 2](#))

### State and Local Estimates

None

### International Estimates

None

### 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In August 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (Public Law 104-193) repealed the Aid for Families with Dependent Children (AFDC) program and created the Temporary Assistance for Needy Families program in its place.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.<sup>4</sup>

In our analyses, we differentiate among children in families receiving AFDC/TANF payments who, over the course of ten years of growing up, spend 1-2 years, 3-5 years, 6-8 years, and 9-10 years receiving payments.

## Data Source

U.S. Department of Health and Human Services, *Indicators of Welfare Dependence. Annual Report to Congress, 2002*. Available at: <http://aspe.hhs.gov/hsp/indicators02/ch2.htm#i10>

## Raw Data Source

Panel Study of Income Dynamics, 1968-93 final release files and 1994-1997 unreleased preliminary data as of January, 2002. <http://www.isr.umich.edu/src/psid/>

## Approximate Date of Next Update

June 2003

---

<sup>1</sup> Duncan, G.J., & Yeung, W.J (1995). "Extent and consequences of welfare dependence among America's children," *Children and Youth Services Review*, 17, No. 1/2, pp. 157-182; Gottschalk, P. (1996), "Is the correlation in welfare participation across generations spurious?" *Journal of Public Economics*, 63, pp. 1-25; Peters, H.E. & Mullis, N.C. (1997), "The role of family income and sources of income in adolescent achievement," in Duncan, G.J., & Brooks-Gunn, J. (eds.) *Consequences of growing up poor*. New York: Russell Sage Foundation.

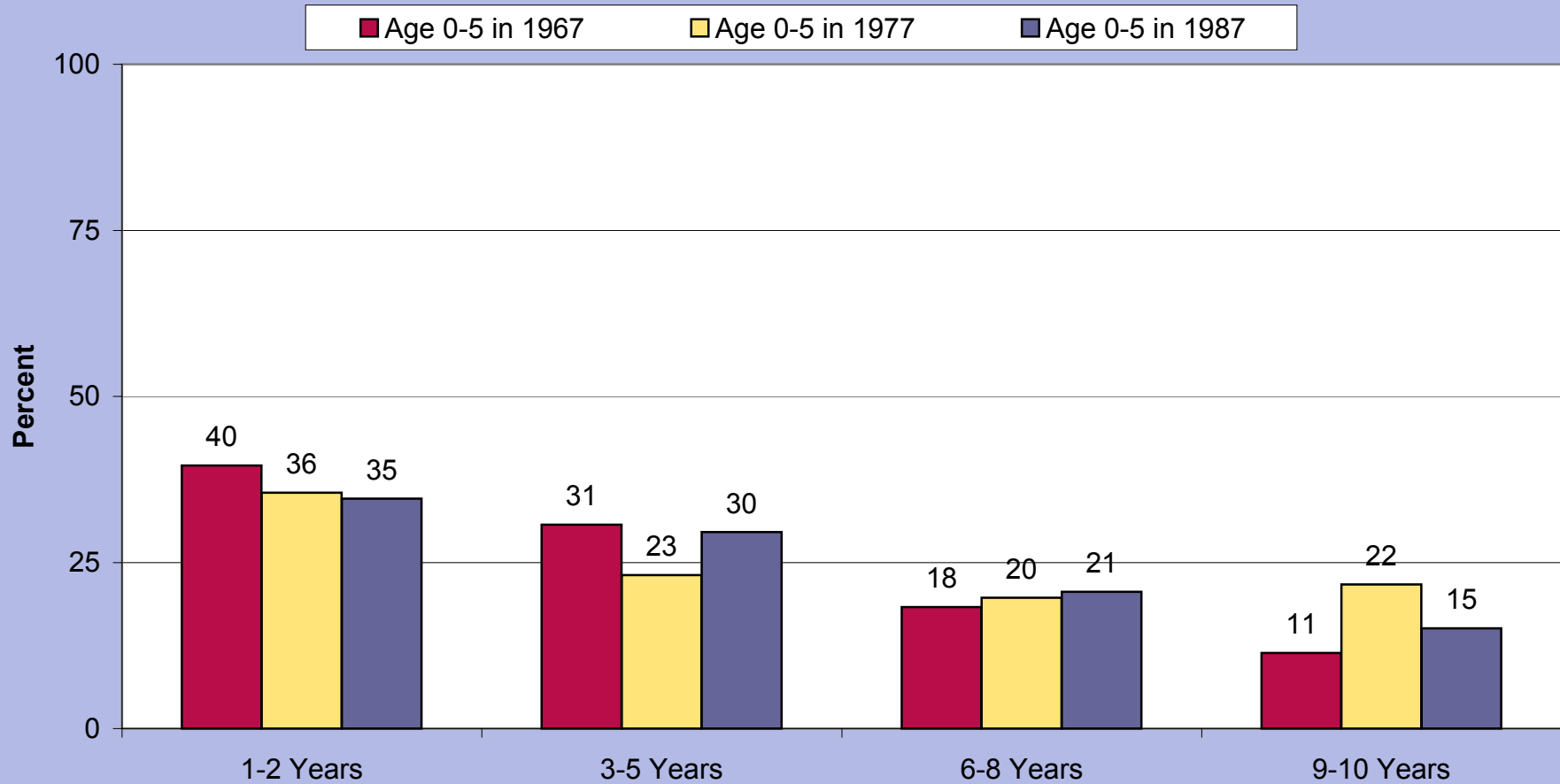
<sup>2</sup> Peters, H.E. & Mullis, N.C. (1997), "The role of family income and sources of income in adolescent achievement," in Duncan, G.J., & Brooks-Gunn, J. (eds.) *Consequences of growing up poor*. New York: Russell Sage Foundation.

<sup>3</sup> Ibid.

<sup>4</sup> Committee on Ways and Means, U.S. House of Representatives, *2000 Green Book*, pp. 352, 354. Available at <http://www.utdallas.edu/~jargo/green2000/contents.html> (see Section 7, pages 352 and 354)

Figure 1

### Among Children in Families Ever Receiving AFDC/TANF, Percentage Receiving Benefits for Selected Number of Years, 1967-1976, 1977-1986, and 1987-1996

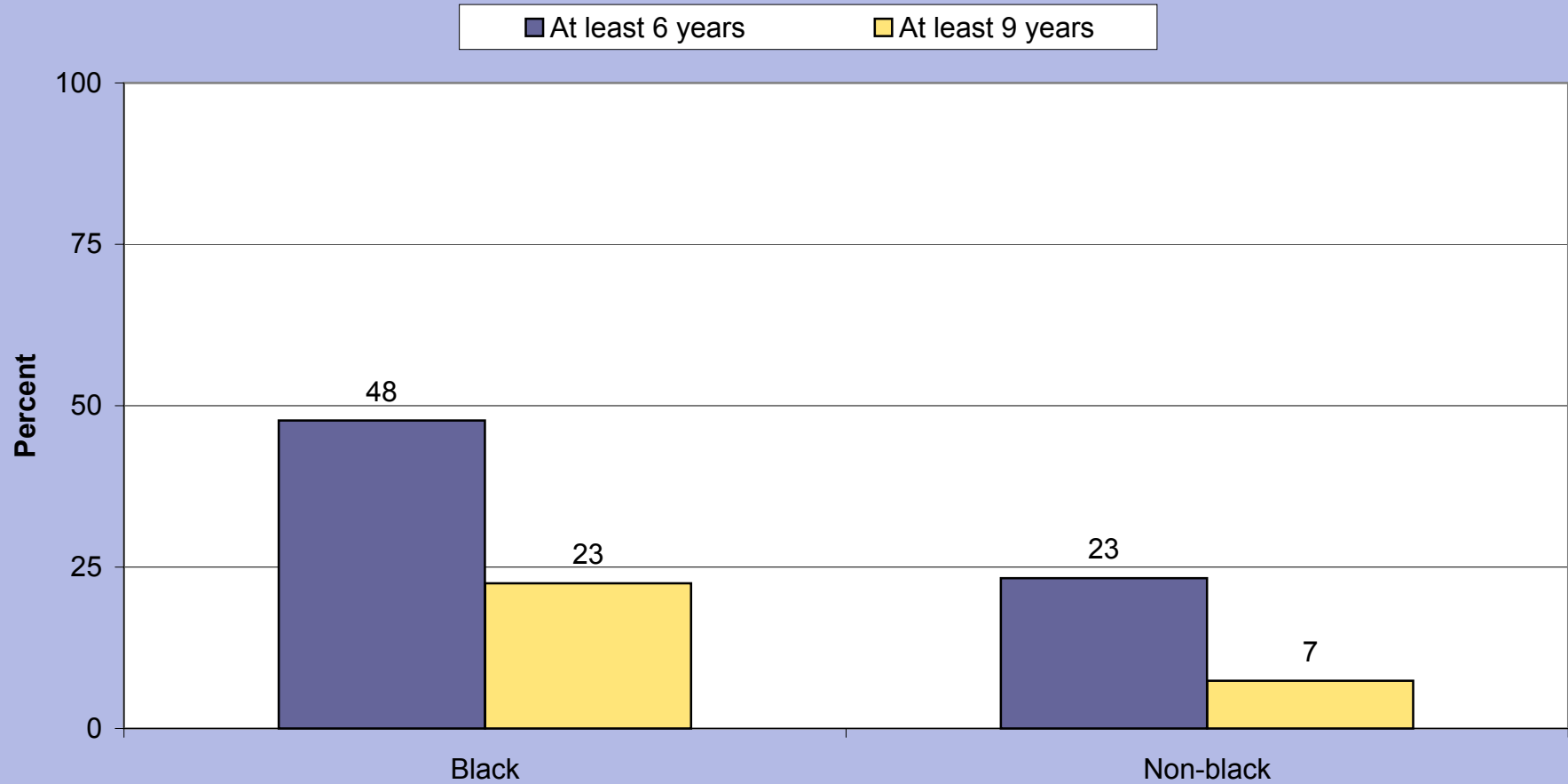


Source: *Indicators of Welfare Dependence Annual Report to the Congress 2002*. U.S. Department of Health and Human Services.  
Table IND 10. <http://aspe.hhs.gov/hsp/indicators02/>



Figure 2

### Among Children in Families Ever Receiving AFDC/TANF, Percentage Receiving Benefits for Selected Number of Years, by Race, 1987-1996



Source: *Indicators of Welfare Dependence Annual Report to the Congress 2002*. U.S. Department of Health and Human Services. Table IND 10. <http://aspe.hhs.gov/hsp/indicators02/>

