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and What We Need to Know about Welfare Reform**

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It has been more than a decade since major national legislation passed in August 1996, changing the structure of public assistance programs in the United States. During that time period, researchers from many fields have tried to evaluate the various effects of these changes on the behavior and well-being of low-income families. These changes have been among the most thoroughly evaluated public policies in history. Yet, it is striking how many questions about the effects of this policy change remain unanswered. This paper is designed to summarize the state of this literature, discussing what we know and what we don't know about the effects of welfare reform.

“Welfare reform” primarily refers to the changes in public assistance programs that were enacted in 1996, particularly the creation of the Temporary Assistance to Needy Families (TANF) block grant. TANF dollars were used by states (along with their own dollars) to fund re-designed cash assistance programs for low-income families that provided much stronger work incentives among recipients. Poor single-mother families were the group predominantly affected by these changes.

But the term “welfare reform” also is used loosely to refer to a broader set of policy changes. These include the demonstration projects on welfare-to-work efforts within specific states that replaced the then-existing Aid to Families with Dependent Children (AFDC) program. States received federal waivers to enact these programs, and they are known as “waiver demonstration projects.” Other policy changes include a variety of “make-work-pay” policies that were enacted very close to the time of welfare reform. Most notably, significant increases in the Earned Income Tax Credit (EITC) helped subsidize low-wage workers in low-income families; ongoing expansions in Medicaid helped cover children in low-income families; and expansions in child care

subsidies and in child support requirements also particularly assisted single mother families. I shall be careful to clarify which aspects of welfare reform are analyzed in various parts of the literature.

The first section of this paper summarizes the research literature in a variety of key areas, with particular attention to more recent studies that were not covered in already published literature reviews. While I mention a few of the methodological issues that these papers confront, I discuss these issues in more detail in the second section, which lays out some of the methodological and data issues that limit our ability to evaluate welfare reform. The third section discusses some key issues that remain open questions and where further research is likely to be fruitful.

I. What We Know: Existing Research on Welfare Reform

A couple of very good summaries of the welfare reform evaluation research exist that cite papers available through the early 2000s, including Blank (2002) and Grogger and Karoly (2005). Moffitt (2003) also provides an extended discussion of welfare reforms and the structure of the new state programs. I will not repeat the extensive literature discussion provided by these publications. Instead, I will focus on the literature that has emerged in the past few years, indicating what it adds to our understanding.

Since this is a shorter paper and not a comprehensive literature review, I am somewhat selective in the research I discuss. In particular, I've primarily given attention to articles written more recently that include data from the year 2000 or later, and to articles that were not discussed in earlier research reviews. Hence, I do not discuss recent articles that reanalyze the waiver demonstration project data of the 1990s, but I do

include articles that utilize new or more recent data sets. I also focus on studies that analyze the effects of welfare reform on a set of behaviors that the earlier literature did not investigate. A hallmark of the more recent literature is that it encompasses a broader set of effects, looking at the impact of welfare reform on outcomes, such as child achievement or consumption patterns, far beyond the questions that dominated the earlier literature, which focused on welfare participation and employment. I will briefly review the literature in five topical areas.

A. Work and Welfare Participation

Almost all early evaluation literature on welfare reform focused on its effects on welfare participation and on employment, and earlier literature reviews focused extensively on these topics. Table 1 lists some of the more recent papers in this genre, which look at the impact of the new policy configurations on work and welfare.

The earlier literature in this area relied heavily on state panel data analysis, trying to explain changes in work and welfare participation based on changing policies within states over time during the 1990s. The conclusions generally suggest that welfare reform had an impact both on declines in welfare participation and on increases in work effort, although the magnitude of this effect varies across studies. Most studies that attempt to measure the overall impact of TANF suggest that it caused about a 20-percent decline in caseloads (Grogger and Karoly, 2005, Table 5.8), and about a 4-percent increase in employment (Grogger and Karoly, 2005, Table 6.8). The earliest study that looks at both the effects of EITC and welfare reform finds the EITC has a larger effect than welfare reform (Meyer and Rosenbaum, 2001), but it only utilizes data through 1996 on state

waiver efforts. More recent literature using updated data finds significant and large effects from both the implementation of TANF and EITC expansion. Grogger (2004b) uses the Survey of Income and Program Participation (SIPP) data to look at entry into and exit from welfare. He finds both policies are highly important in reducing entry into welfare, while TANF also has a substantial effect on increasing exits from welfare. Looney (2005) also uses SIPP data but focuses on welfare participation, not entry and exits. He finds that welfare reform was slightly more important than the EITC over the 1990s in reducing caseloads.

While more recent research generally identifies effects in the same way, by considering changes in state policies over time, the variety of data sources are much greater. Some studies rely on self-collected survey data like the Women's Employment Survey, which provides multiple waves of information on a group of women receiving welfare in 1997 in a Midwestern city (Johnson and Corcoran, 2003); some utilize administrative data from specific states (Dyke et al., 2006; Wu et al., 2006); while a number utilize the SIPP panels (Fitzgerald and Ribar, 2004; Looney, 2005).

Recent studies tend to focus on more detailed questions than those of the earlier literature, which generally just asked whether the policy changes affected work or welfare usage. For instance, Johnson and Corcoran (2003) look at personal attributes that affect employment and wages among less-skilled single mothers, finding that lower skills, higher unemployment rates, and greater personal problems increase job change and reduce job quality. Meara and Frank (2006) find that mental health and drug use affect welfare and employment changes among ex-welfare recipients. Other papers have focused on more specific aspects of policy. Dyke et al. (2006) indicate that specific types

of assessment, job search assistance, and skill training programs can lead to greater earnings gains. Huang, Garfinkel, and Waldfogel (2004) find that better child-support enforcement, along with welfare reform, reduces welfare usage. Wu et al. (2006) find that sanctioning policies can affect benefit usage. Grogger (2004a) finds that time limits can reduce welfare use.

At least two of these more recent studies conclude that changes in welfare policy had only a limited effect. Fitzgerald and Ribar (2004) find that welfare reform seems to have had little effect on welfare participation, except through changes in benefit levels. This result is somewhat puzzling, since their paper uses a virtually identical dataset as Looney and similar variables describing welfare reform. Fitzgerald and Ribar approach the problem quite differently, however, estimating hazard models of welfare participation while Looney estimates a state panel data model. Reconciling these results would be interesting. Haider et al. (2004) find that most changes in welfare usage among adult immigrants were due to economic factors, not welfare reform. This is a very specific population, however, that was largely ineligible for many public assistance programs prior to welfare reform. (Kalil and Ziol-Guest, this volume, review the literature on immigrant use of public assistance.)

In contrast, one newer study claims that welfare reform policies and EITC changes can explain virtually 100 percent of the changes in welfare use and employment over the 1990s. Fang and Keane (2004) use a very complicated specification, with substantial numbers of leads and lags of policy components. The two published discussant comments that follow this paper (one of which I wrote) raise doubts about the specification and its interpretation. Other more recent studies that evaluate the overall effects of welfare

reform on employment and welfare participation (Looney, 2005; Grogger, 2004b) find results consistent with most of the earlier literature. Like that literature, their results indicate that welfare reform had a significant effect on caseloads and employment but did not explain the majority of these changes.

Most of the newer studies, however, focus on refining our knowledge about specific program details rather than evaluating overall TANF changes. They indicate that some specific policies seem to have had larger effects than others and that some particular individual attributes allow women moving into work to be more (or less) successful. In general, this literature makes it clear that state and national policy choices have influenced welfare and work participation. It is hard, however, to distill many overall policy lessons, perhaps because most articles focus on a particular policy without comparing it to other options. While we learn that job assessment and search programs can promote higher employment, or that child support enforcement can reduce welfare usage faster, at this point there is little here that would allow us to make comparative statements about the value of different policy components or the priorities that states should follow as they review their policies to determine which have the most impact.

B. Health and Health Insurance

A second strand of the recent welfare reform literature focuses on the effects of these reforms on health insurance coverage and on health outcomes. A review of this literature is recently available in Bitler and Hoynes (2006), and I will say only a little about this area since they have already provided a very good discussion. Table 2 lists some of the recent papers that look at the effect of welfare reforms on health outcomes and health

insurance. In Table 2, I distinguish between those papers that focus on welfare reform and health insurance coverage (part A) and papers that look at health outcomes more generally (part B).

Because of the variety of outcomes they examine, these papers utilize a variety of data sources. Some make use of data from the Current Population Survey (CPS) (DeLeire, Levine, and Levy, 2006), but others use information from the Behavior Risk Factor Surveillance System (Bitler, Gelbach, and Hoynes, 2005; Kaestner and Tarlov, 2006), the Fragile Families Study (Knab, McLanahan, and Garfinkel, 2007), the National Natality Files (Kaestner and Lee, forthcoming), or from state administrative data (Holl, Slack, and Stevens, 2005).

As the summaries in part A of Table 2 indicate, in most recent studies welfare reform appears to reduce health insurance coverage (Bitler, Gelbach, and Hoynes, 2005; Cawley, Schroeder, and Simon, 2005; Kaestner and Kaushal, 2003). Bitler and Hoynes's (2006) review of the literature, which includes earlier studies from welfare demonstration programs, confirms this result. Furthermore, health insurance coverage appears to be unstable, with frequent spells of non-insurance (Holl, Slack, and Stevens, 2005) among low-wage single mothers. In the one paper with a different set of results, DeLeire, Levine, and Levy (2006) claim that welfare reform was not correlated with declines in Medicaid use and was correlated with increased private health coverage.

Because of this different conclusion, these authors extensively compare their paper with other papers. They estimate the impact of welfare reform among all women and their positive effects largely come from an estimated positive effect of welfare on insurance among married women. Their estimates of the effects of welfare reform on

single women are quite small, similar to the other studies in Table 2 that focus on single women and find insignificant (or negative) effects. It is problematic to find a result that is driven by estimated welfare reform effects among married women since these effects – if they exist – should be substantially smaller than among single mothers. This suggests that there may be omitted variables affecting the married women that are correlated with the timing of welfare reform. This concern is buttressed by the results discussed below that show welfare reform has had relatively little effect on marriage behavior.

Part B of Table 2 suggests that the impact of these changes in health insurance on health outcomes is limited, however, at least over the period these studies investigate. Kaestner and Tarlov (2006) find few effects of welfare reform on a range of health-related behaviors. Their only significant result shows a small decrease in the likelihood of binge drinking. Knab, McLanahan, and Garfinkel (2007) actually find somewhat perverse effects, with greater welfare generosity correlated with declines in maternal health. Kaestner and Lee (forthcoming) find very small, negative effects on infant health. Slack, Holl et al. (2007) find no correlations between child health outcomes and the welfare or work patterns among former welfare recipients. The strongest evidence of health-related problems comes from Haider, Jacknowitz, and Schoeni (2003), who find significant declines in breastfeeding due to welfare reform.

It is possible, of course, that evidence of health effects will emerge only over time. Declines in health insurance coverage may not have an immediate health effect; health problems (or benefits) often cumulate over time. Hence, long-term research results could look different than these short-term results, which largely are based on no more than

three to five years' data after the policy change. It remains an open question, however, if longer-term effects will appear any larger or more significant than the short-term effects.

Health-related impacts from welfare reform will continue to draw researchers' interest, I suspect. In part, this is because a growing body of studies has shown that health problems create barriers to work (Blank, 2007 provides multiple citations). For instance, Cawley and Danziger (2005) indicate that morbid obesity is associated with greater difficulty leaving welfare and finding a job. The incidence of depression among low-income single mothers is often cited as a particularly acute problem (Danziger et al., 2000). Of course, health problems that affect work include not only the direct mental or physical health problems experienced by the mother, but also health problems among children or other adults for whom the mother is providing care. Hence, I expect that future research will continue to focus on the interrelationships between health insurance and health outcomes, access to services that alleviate health problems, and work and economic well-being among less-skilled single mothers.

C. Child Outcomes and Child Care Usage

Several earlier demonstration programs significantly invested in studying the effects of welfare-to-work programs on the children in the family. Grogger and Karoly (2005) provide a review of this evidence, and Smolensky and Grootman (2003) summarize the models and the literature. Morris, Gennetian, and Duncan (this volume) also discuss the results from these demonstration programs on child outcomes. These earlier programs showed few large positive or negative effects of parental welfare-to-work programs on children, although the evidence seems to indicate that young children did slightly better,

particularly if child care subsidies allowed newly working parents to place their children in formal child care settings. There was also some evidence of negative effects on adolescent behavior.

More recent research has tried to estimate the effects of the national welfare reform on child outcomes. Table 3 summarizes some of these studies in part A. This research is quite heterogeneous, both in the questions it studies and the data it utilizes.

One of the most detailed studies is Dunifon, Kalil, and Bajracharya (2005), which attempts to measure the specific attributes of low-wage work that might affect child behavioral problems. They find that only lengthy commute times seem to have negative effects; a variety of other aspects of low-wage work appear to have no impact on child behavior. Chase-Lansdale et al., (2003) find mothers' transition off welfare and into employment has no effect on younger children's cognitive achievement, and they find some positive effects among adolescents. Coley et al., (2007) find mothers' movement from welfare into employment improves their economic and psychological well-being but has little effect on parenting. In contrast, Osborne and Knab (2007) find that the children of employed mothers have better behavioral outcomes, but this is entirely explained by the selectivity of mothers who move into employment following welfare reform. Miller and Zhang (2006) find that children's math scores improve among low-income children relative to higher income children over the time period that welfare reform is implemented, but this study provides only correlations, with no attempt to link these changes back to specific welfare reforms.

In short, much of the recent research evidence indicates that children's outcomes do not appear to be significantly affected by welfare reform, similar to findings from the

earlier research. The exception to this is a paper by Bennett, Lu, and Song (2004) that looks not at children's outcomes, but at family income. While they find that most families did not experience declines in income following welfare reform, they do find income declines over the welfare reform period among families that were poorer and the least educated. This result is consistent with other research that suggests some share of the most disadvantaged single mother families may be worse off after leaving welfare, with difficulties finding and holding a stable job (Blank, 2007). So far as I am aware, there is no research to date that investigates specific child outcomes in these most disadvantaged families.

If welfare had little effect on child outcomes, it appears to have had a clear effect on child care options and choices. Roy, Lein, and Burton (this volume) describe the importance of stable and acceptable child care options for women moving into work. Part B of Table 3 lists two recent papers on child care changes related to welfare reform. Both Witte and Queralt (2003) and Tekin (2005) find that child care subsidies from welfare reform had a substantial effect on the usage of center-based care. This is consistent with similar findings from the earlier welfare-to-work demonstration projects (Gennetian et al. 2004).

One of the motivations behind welfare reform was the hope that moving mothers into work would change their children's perspective. More children would understand the value of education and the need to prepare for the world of work. So far, there is little evidence to support or refute these claims. In fact, I believe that many have been surprised by the lack of effects – positive or negative – welfare-to-work programs have had on children. The strongest evidence to emerge from the literature on welfare reform

and children is the growing body of research studies that demonstrate the value of child care subsidies for low-income working women that allow them to place their young children in formal preschool settings. Children's school readiness and their behavior appear to improve as a result of these programs.

D. Family Composition and Fertility

At least some supporters of welfare reform were less concerned about its impact on work than its impact on marriage and out-of-wedlock childbearing. Earlier demonstration project evidence suggested that mandatory welfare-to-work programs had little effect on marriage (Grogger and Karoly, 2005). In their words, the earlier studies are “inconclusive,” with some positive and some negative results.

Table 4 lists some of the more recent studies of the effects of welfare reform on marriage and living arrangements in part A. Bitler et al., (2004) find that welfare reform does little to increase the rate of marriage, but it does appear to reduce the likelihood of divorce among those who are already married. Cherlin and Fomby (2004) note that more low-income children live with two adults in 2001 versus 1999, but that this trend is largely due to increases in cohabitation. There is no increase in the share of women living with the biological fathers of their children. Bitler, Gelbach, and Hoynes (2006) are also concerned with children's living arrangements. They find welfare reform has few effects, while the earlier state waiver welfare-to-work demonstration projects had stronger effects. These projects appeared to increase the number of children living with either married parents or with adults who were not their parents.

In short, the evidence of any substantial marriage effects as a result of welfare reform is quite weak. A growing number of studies show increased cohabitation (almost surely because of the need for greater income sharing.) The effects of this increase on the children, especially when the man is not the biological father of the children, are not obviously positive.

Part B of Table 4 describes recent studies that look at the link between welfare reform and fertility outcomes. Two of these studies find no effects of reform on fertility (Hao and Cherlin, 2004; Joyce, Kaestner, and Korenman, 2003). In contrast, a third study (Kaestner, Korenman, and O'Neill, 2003) finds that welfare reform reduced teenage births (and reduced marriage rates). This last study compares births among teenagers in the early 1980s to those among teens in the late 1990s, and the possibility for omitted variables is greater with their specification. Hence, its conclusions about the impact of welfare reform are less clearly causal than studies that utilize more specific welfare reform-related variables. A fourth study finds that two specific rules aimed at teenage mothers as part of welfare reform – requiring teens to stay in school and to continue living with relatives in order to be eligible for welfare – both reduced teen fertility (Lopoo and DeLeire, 2006). This is not necessarily inconsistent with results that show no overall effect of welfare reform implementation on non-marital fertility. One would expect that these more narrowly focused requirements would have effects within their targeted population.

My reading of the literature on the impact of welfare reform on fertility is that it continues to show relatively minor effects. Unlike work behavior and welfare participation, both of which changed dramatically in the years after welfare reform, the

trends in fertility and marriage did not change much in the mid-1990s. So far, the effects of welfare reform on marriage arrangements and on fertility appear to have been small.

It is possible that the impact of these reforms on fertility and marriage will be larger over time, as women (and particularly younger women) become aware of the policy changes and learn that there are fewer supports for single mothers who do not work. None of the studies cited here use data later than 2001, which is only three to four years after welfare reform was implemented in all states. This is clearly an area where it may be fruitful to give ongoing attention to changing trends in marriage and fertility and their correlation with different state policy approaches.

E. Consumption Changes

One new strand of the welfare reform literature that has emerged in the last five years focuses on the impact of welfare reform on patterns of consumption. Current research clearly indicates that poverty fell in the 1990s, partly due to economic growth and partly due to policy changes (Gundersen and Ziliak, 2004). Similarly, others have documented income increases among single mothers (Blank, 2006). Frogner, Moffitt, and Ribar (this volume) document income changes among ex-welfare recipients, showing that income growth is particularly strong among those who are steadily employed.

A criticism of earlier studies that focused just on income is that income levels provide only very limited information about changes in well-being. Increased work means increased work expenses for child care, transportation, and clothing. Even those who experienced income increases as a result of increased work may have spent all their extra income on work-related items, leaving them no better off with regard to other forms of

consumption. Consumption data therefore provide an alternative, and potentially more useful, measure of well-being.

The most extended investigation of changes in consumption following welfare reform has been done by Meyer and Sullivan (2006). They investigate changes in consumption across a wide variety of measures before and after the implementation of welfare reform using several data sets; they compare consumption and income changes; and they look at time-use trends as well. Their general conclusion is that consumption changes are less dramatic than income changes following welfare reform. Consumption among single mothers shows neither the sharp declines at the bottom of the distribution nor the significant increases at the top that are visible within the income distribution. Meyer and Sullivan suggest that this consumption/income difference is due to measurement issues in income.

Consumption does increase for 90 percent of single-mother families over this time period. These increases in consumption are largely concentrated in transportation spending (not surprising as work increases) and in housing (perhaps the result of the rising housing and rental prices of the 1990s.) The changes in time use are consistent with the data on growing employment, showing large declines in non-market work.

While Meyer and Sullivan focus on comparative trends, Kaushal, Gao, and Waldfogel (2007) regress consumption trends on a variety of variables, with particular attention to the effects of welfare reform. They find few effects of welfare reform on overall expenditures, but they do find an effect on certain types of expenditure. They find that welfare reform appears to have increased spending on transportation, on food eaten away from home, and on adult clothing, all effects that might be expected as a result of

increases in women's employment. It is interesting to compare these results to the study by Gregg, Waldfogel, and Washbrook (2006), which looks at consumption changes among low-income British families over the same time period. Under Tony Blair's leadership in the late 1990s, Britain implemented a variety of policy changes designed to reduce child poverty, which ultimately produced very large declines in child poverty rates. This increase in income is mirrored in increased consumption among these families, and much of this is focused on expenditures on child-related goods. In contrast, the U.S. work-focused reforms seemed to have fewer overall consumption-related effects and no impact on expenditures on children. Waldfogel (2007) provides a more detailed U.S./U.K. comparison. Gao, Kaushal and Waldfogel, this volume, provide further evidence of U.S. expenditure changes, particularly focusing on the effect of EITC expansions.

Cancian and Meyer (2004) look at hardship and poverty in the state of Wisconsin immediately after welfare reform. They find increases in income, but few families reach full independence from all public assistance programs. They do find that a majority of single mothers avoid hardship. The hardship and the poverty measures overlap, but are far from perfectly correlated. They conclude that consumption and hardship measures provide valuable and different information from poverty and income measures.

A final paper documents trends in various hardship measures (Slack, Magnuson et al., 2007) among five data sets that each tracks a cohort of low-income women after welfare reform. They find no consistent trend in hardship measures over time, but the results are somewhat hard to interpret across surveys since they come from quite differently-sampled data sets.

F. Other studies

Most of the more recent work on the effects of welfare reform has focused on the topics summarized in Tables 1 through 5. There are, however, a few other issues that have been taken up by researchers.

Several papers have looked at the impact of welfare reform on programs other than AFDC/TANF participation. For instance, two recent papers indicate that the policy changes made in the Food Stamp Program in the 1990s matter. Hanratty (2006) and Danielson and Klerman (2006) both indicate that welfare reform was correlated with the drop in food stamp caseloads in the mid-1990s, and that other policy changes in the Food Stamp Program designed to increase access for working low-income families led to subsequent rises in caseloads. Schmidt and Sevak (2004) indicate that changes in welfare reform spilled over into SSI caseload changes, with significant increases in SSI caseloads that are correlated with declines in welfare caseloads.

Others have looked at the effect of welfare reform on savings. Hurst and Ziliak (2006) look at whether increases in allowable assets for welfare participants led to increases in household savings. They find no effects on savings, but small effects on vehicle ownership. Similarly, Sullivan (2006) finds no effect of increases in the allowable value of vehicles owned by welfare recipients on asset holdings among this population.

II. What Don't We Know

Almost 11 years following welfare reform, the limits on what we can and can't learn about the effects of this set of policy changes are becoming clear. In particular, there are two major issues that limit our knowledge. The first is the problem of identifying and

estimating the effects of welfare reform in a way that is clearly causal. The second is our limited data on certain aspects of welfare reform programs within states.

A. Limitations to our evaluation ability

The research summarized in Tables 1 to 5 takes a variety of approaches. The vast majority of papers estimate some sort of over-time regression, typically using annual survey data from multiple years to measure the dependent variable of interest. In some cases the data is individual-level, in other cases it is state-level data. These regressions typically include state and year fixed effects. Welfare reform is often specified as the point at which states implement either waivers or TANF programs. In some cases, welfare reform is not described by an aggregate implementation variable, but by program components in each state, so that provisions like state time limits, sanctions, or teenage age “stay-in-school” rules are specified.

As has been discussed elsewhere (Blank, 2002) these approaches provide relatively weak identification. Welfare reforms were implemented across all states within one and a half years. Since much of the data is annual, there is limited variance in implementation dates across states. One might expect that coding the components of specific state policies would provide more effective identification, but this specification rarely provides much additional power. In some cases, there is small variance in these policies across states, or only a few states implement the policy in a markedly different way (and if those happen to be small-population states, then national surveys have few observations from these states.) In other cases, our information about these policies is limited, as I discuss more below.

In addition, a variety of other important changes were occurring at exactly the same time as welfare reform. Just as TANF programs were being implemented, minimum wage increases and expansions in the Earned Income Tax Credit were also being put in place. In these same years, a very strong economic expansion also reduced unemployment rates and created jobs in almost all parts of the country. Untangling these effects from each other has been extremely difficult. Including extensive lags or leads for policy effects or for economic effects can substantively change the comparative effects of different variables (for instance, see Fang and Keane, 2004, and the two comments that follow by Blank and by Grogger.) But with low-frequency data, such lags or leads may start proxying for omitted variables and not provide a satisfying causal interpretation.

In my mind, the best papers that utilize this approach gain additional power by comparing the effects between women who are likely to be welfare-eligible and another comparison group. Often researchers use women with high levels of education as a comparison group for women with low levels of education; occasionally researchers will use married women as a comparison group for single mothers. The result is a difference-in-difference approach that estimates the differences pre and post-welfare reform and between the two groups. Even this approach, however, cannot absolutely nail down the effects of welfare reform. Omitted variables are a troubling issue for virtually all of the research cited in this paper and prevent strong causal conclusions. In many cases, when describing a paper's results in Tables 1 to 5, I note that a paper indicates correlations between the timing of welfare reform and a specific outcome; this is the strongest statement that one can typically make in this literature.

A few papers manage to be more causally convincing. These typically look at the impact of one or two very specific policy changes that are clearly targeted toward a specific population. In this case, one can compare the effects on this specific population with other low-income single mother families. For instance, Grogger's (2004a) work on time limits is of this sort. So is Lopoo and DeLeire's (2006) paper on the impact of teen living arrangement and stay-in-school rules on teen fertility.

Some of the papers cited above do not attempt causal analysis. They simply focus on trends over time during the period when welfare reform was being implemented, or on changes immediately after welfare reform was enacted. For example, Meara and Frank (2006), Holl, Slack, and Stevens (2005), or Miller and Zhang (2006) use this approach.

These identification problems are inherent in the welfare reform literature. We are not going to be able to nail down the final causal effect of these changes in state-level welfare programs in a fully convincing way, although we may be able to say something more certain about a few components of welfare reform. The fact that this literature has flourished even in the absence of a fully convincing methodological approach is a testimony to how intensely interested people are in the effects of welfare reform.

The most convincing evidence we have comes from accumulating evidence from multiple studies. Results that appear to be robust to different data sets, different specifications, and across multiple papers are more believable than results that are more dependent upon a particular data set or a particular methodological approach. For instance, the conclusion that child care subsidies have increased the use of formal day care is found in the results from waiver experiments as well as from a variety of empirical studies of the post-welfare reform era. There are no studies that find the opposite. Hence,

this is a conclusion that I find more persuasive, whereas I am more cautious about other results where the impacts are smaller and more variable across studies.

B. Limits to our data

The data problems in studying welfare reform are also significant. At the national level, we continue to have limited data with which to specify either individual program eligibility or state program parameters. For instance, with the CPS data, the most commonly used data set in this literature, it is impossible to know if an individual is subject to work requirements, has gone through any job search assistance, has experienced sanctions or time limits, or is receiving child care assistance. Without this information, estimating the causal effects of program components is quite difficult. Other national survey datasets have similar limitations. For instance, a variety of short papers in Besharov (2003) discuss the limitations in the data available to look at child and family well-being following welfare reform.

Administrative data on individuals can provide much more complete information on program history and involvement but often have limited information on post-program outcomes, family demographics, or key recipient characteristics such as education levels. Some of the most detailed analysis is based on longitudinal field surveys specifically designed to collect both program and family information (the Women's Employment Study, the Fragile Families Study, or the Three-City study come to mind), but such studies are necessarily limited in scope and representativeness.

The result of these data limits is that it is hard (if not impossible) to estimate the specific effects of program components implemented by states, that is, estimating the

impact of specific training, welfare-to-work requirements, or sanction policies. Much of the best research on the impact of specific program components is based on the results of the demonstration projects from the early 1990s, which were often more limited in scope and design than the TANF programs states enacted in the late 1990s.

It is also a problem that there is only limited state-based reporting of program information to any central national unit. Fortunately, the Department of Health and Human Services has continued to fund the Welfare Research Database (WRD) at the Urban Institute, which collects annual information on state program parameters. This data, collected in a consistent way across states and over time, is absolutely mandatory for ongoing and effective research. Yet even this data set lacks some key variables, such as the details of the job training and welfare-to-work requirements within a state.

Admittedly, this is lacking in part because there is no simple way to describe these requirements; they vary between individuals and are affected by caseworkers' discretion.

Beyond the WRD data, there is no other good central source of program information. States do report some program items to the Department of Health and Human Services, including such things as the percent of the caseload in a work-related program, or the percent of the caseload subject to sanctions. There is limited consistency across states in exactly how they define various groups, however, so cross-state numbers are not always comparable. And, with the end of quality-control data collection, there is very little monitoring of state reported data.

These data and methodological limitations make evaluation of certain aspects of welfare reform difficult, and they make almost all welfare reform research open to

question by those who are skeptical of the results. Virtually every welfare reform study has some data and methodological issues that are open to criticism.

III. What Do We Need to Know?

The history of welfare reform has made it clear that the effects of policy are affected by the particular time in which it happens to be implemented. If welfare reform had been implemented immediately before a major recession hit the U.S. economy, the story could have turned out quite differently. As I have noted elsewhere (Blank, 2006), I believe that the economic expansion gave states the ability to focus on the details of implementing a new program without worrying about whether jobs would be available for those who were put into job search assistance. Almost surely, this expansion in the late 1990s meant that more women found jobs, found them more rapidly, kept them longer, and found a next job more quickly than would have happened in a slower labor market.

In part because of this unusual economic environment when welfare reform was being implemented, the long-term evaluation of welfare reform will hinge on more than just the results from these early years (1997-2001 is the post-reform period available in most of the current research), when caseloads plummeted and work rose. I think there are at least three crucial research questions related to the impact of welfare reform which will need to be answered over a longer time period.

A. Will the Current Program Configuration Survive a Major Recession?

In the years since 2001, the labor market has been more sluggish. Employment has gone down among single mothers, although it remains above where it was in the early 1990s. Caseloads, however, have not risen. Blank (2006) discusses some of the reasons why caseloads continued to fall even through the mild recession of the early 2000s. Most notably, the industries where many less-skilled women were employed did not experience recession over the past decade. Retail sales, health care, other services, and consumer-spending-related industries have been strong even through the mild recession of the early 2000s.

The long-run evaluation of welfare reform will depend upon how the revised public assistance system works when (inevitably) we hit a downturn in the economic cycle that leads to much greater job scarcity in these industries. It is possible that single mothers will access food stamps and receive Unemployment Insurance, and that state TANF programs will provide support. (One could even imagine a special federal appropriation in a time of high unemployment to state TANF programs, something like the “Extended Benefits” appropriations in the Unemployment Insurance system.) But it is also possible that economic need could rise sharply among mothers and children if women are not able to find support or to locate another job quickly.

In the long run, the viability of the current configuration of state welfare programs and federal funding requirements depends upon this system surviving intact through a major economic slowdown that affects the jobs single mothers are most likely to hold. While the new work-centered public assistance system solves some of the previous work-disincentive problems imbedded in cash public assistance programs, it provides a much less effective safety net when jobs become scarce. Single mothers and their children

remain a vulnerable and publicly sympathetic population; demands for increased federally-funded cash assistance could increase if it appeared that children and women were experiencing serious economic deprivation in the face of ongoing but unsuccessful attempts to find employment in the midst of a recession.

Of course, this concern only underscores the fact that macroeconomic policy has become more important for low-income families than ever before. While job availability has always been important to the poor, the advent of work-focused welfare reform has made a growing number of low-income families – especially single mothers – more reliant on labor market earnings. The most important anti-poverty policies in the decades ahead may be those that focus on preventing a major economic recession and assuring strong employment demand for less-skilled workers

B. What's Happening to Disconnected Women?

There appears to be a growing segment of single mothers who report themselves as neither working nor on welfare, often referred to as “disconnected” women. It is statistically inevitable that this group would grow, given that employment levels among single mothers have fallen over the 2000s and caseloads did not rise. My own calculations of the size of this group over time indicate that it has doubled between the mid-1990s and the mid-2000s, with 20 to 25 percent of all low-income single mothers reporting themselves with no or extremely low levels of welfare assistance and earnings (Blank, 2007, Table 1). The rapid growth in this population is visible across a variety of datasets and has been a growing concern among those who follow these data (Turner, Danziger, and Seefeldt, 2006).

While some disconnected women are living with other adults, about half of these low-income single mothers report themselves as the only adult in the household. The group of disconnected single mothers is very poor; 73 percent are in households below the poverty line and median household income is under \$13,000 per year (Blank, 2007).

Quite a bit of research has tried to describe which women are unsuccessful at finding or keeping stable work after leaving welfare. The evidence suggests that many of these women face multiple barriers to work, including physical health problems, mental health problems such as depression, low skills, a history of domestic violence, substance abuse, etc. This population is also disproportionately likely to leave welfare through sanctions or time limits. They face barriers to participating in welfare-to-work programs, just as they face barriers to working steadily (Seefeldt and Orzol, 2005).

Why would the numbers of disconnected women be rising in the 2000s? One possibility is that the slower economy has meant that more single mothers struggle harder to keep and maintain employment. Furthermore, these problems may be enhanced by the growing accumulation of women who cannot readily return to welfare due to sanctions or time limits. Entry into welfare has fallen substantially, so even those who still are eligible for welfare may have received the message that welfare is no longer readily available and could be reluctant to apply.

Understanding exactly what this trend means is important. If these women experience a year of difficult times but then are able to get connected with a job, perhaps the problem is not too serious. But we know little about the dynamics of these families. We do know that children do not do well in families with sustained low income levels,

nor do children do well in families where parents are dealing with serious personal problems that may limit their parenting skills (Duncan and Brooks-Gunn, 1997).

Research is needed on how these families are surviving, what their prospects look like over time, and how children are faring. Much of this research will necessarily require small-sample in-depth interviews or surveys.

C. What is the Impact of Time Limits and Sanctions?

Closely related to the concerns about disconnected women are concerns about how states are utilizing time limits and sanctions. We have very limited information on the ways in which these policies are actually being implemented. In almost all states, there is discretion about who faces time limits or sanctions, and who receives assistance to help them avoid these problems.

The evidence on women who have faced sanctions indicates that they are a more disadvantaged population (Kalil, Seefeldt, and Wang, 2002; Pavetti, Derr, and Hesketh, 2003). Lee, Slack, and Lewis (2004) indicate that those who are sanctioned are more likely to work in informal and occasional jobs and earn less than those who leave welfare in other ways. Of course, the problems that limit women's ability to hold a stable job might also make it difficult for them to comply with the rules of public assistance programs. Indeed, one reason why many believe that the overall level of disadvantage has not increased among those on welfare is because more disadvantaged women are being sanctioned while less disadvantaged women are leaving through welfare-to-work programs.

Time limits only began to bite during the early 2000s. Studying their impact has been difficult, since the share of the population that actually hit time limits has grown slowly over time. Furthermore, many states report relatively few women who have been time-limited off welfare. It is not clear if this is because few women actually hit time limits in these states, because the states have poor caseload records that make it hard to identify persons subject to time limits, or because caseworkers are finding ways to provide ongoing assistance to these women.

Some good implementation studies of time limits and sanctions in the mid-2000s would be very useful, particularly if done in several different states with different program approaches. One example of such research is Fording, Schram, and Soss (2007) who look at variation in sanctioning outcomes across Florida counties. There are a variety of interesting questions that need to be better understood. How much discretion do caseworkers have in applying these policies? Which women face these sanctions and which women are able to avoid them? Research on disconnected women, as described above, will provide evidence from another angle, indicating how women who have been sanctioned or time-limited are managing to get by if they are not successful in finding work. A fine example of useful research of this sort is the paper by Pavetti and Kauff (2006) which describes the problems faced by families who are hitting time limits in a county in Minnesota.

An important policy question is whether there are “best practices” with regard to time limits and sanctions. Are there some states that are more effective in determining who should face time limits or sanctions? Are there some states that are more effective in helping women avoid these penalties? Are there some states that find ways to assist

women who are forced off TANF to continue using the services still available to themselves and their children? Answers to these questions are important both for state policy analysts who want to understand the impact of their policy choices, as well as for researchers who want to draw conclusions about the overall effects of welfare program changes.

The rising share of disconnected women and the link between this population and the sanction/time limit policies of states make it important to understand how these policies are functioning. These policies were designed to create strong incentives for women to seek work and leave welfare through welfare-to-work assistance. If, however, these policies are primarily targeting women who are unable to hold a steady job, then we need to reevaluate the costs and benefits that these policies provide.

IV. Conclusions

The welfare reforms of the mid-1990s were a rare example of major legislative reform. Every state fundamentally altered the ways in which it delivered public assistance by changing the parameters and policies regarding eligibility and work requirements, retraining caseworkers, and providing a very different mix of incentives and opportunities to recipients and applicants in the welfare system. Given this, it is not surprising that researchers have been so interested in measuring the effects of welfare reform.

In the years following welfare reform, the dramatic changes in welfare participation, in work behavior, and in income and poverty measures were also important in generating great interest among researchers in these issues. If these policy changes produced such dramatic results, we wanted to understand why and how this occurred.

My own reading of the research literature to date leads me to conclude that these major changes in policy had substantial effects on work and welfare reciprocity. There appears to be good evidence that these changes were one of the primary causes behind falling caseloads, rising employment, and growing earnings among single mothers. But other forces, such as the growing EITC and the strong economy, were at least as important and in many studies appear to be more important than the public assistance policy changes. All of these factors together did lead to unexpectedly large declines in welfare usage and a big increase in work and earnings.

It is perhaps surprising that these very large changes in welfare use, work, and earnings have had at best small effects on other domains of family life among single-mother families. The evidence suggests that these large changes in work and welfare behavior had relatively small effects on marriage and fertility behavior, children's behavior or school achievement, consumption patterns, or health outcomes. It is possible that these other domains will show effects only over time. There may be longer-term cumulative effects on health, child outcomes, or fertility that are simply not yet visible in the data. At this moment, however, these other areas appear much less affected by welfare reform or by the changes in behavior and work that occurred concurrently with welfare reform.

Thus, I find myself struck by the following conundrum: On the one hand, the movement off public assistance and into work was far greater than I would have guessed possible in such a short period of time. Even with multiple synergies between welfare reform, EITC expansion, economic expansion, and other changes, I would not have guessed such rapid behavioral change would have occurred among single mothers. On

the other hand, given that such dramatic changes did occur, I am surprised at how little they have affected other domains of life for these women. I would have guessed that such dramatic labor market changes would have fed through to greater changes in other behaviors. Certainly, there is continuing grist for the research mill of social scientists in all disciplines to understand both why one set of behaviors was so responsive in the past decade, while other behaviors have been relatively unchanged.

Those who supported welfare reform because it promised greater work and less welfare usage should find their expectations more than met. On average, low-skilled single mothers have become much more involved with the labor force, their new earnings have more than replaced lost benefits, and there is little evidence of negative effects in other domains. Those who expected welfare reform to truly transform the lives of low-income mothers should be more disappointed. Despite dramatic changes in work behavior and welfare reliance, there is so far little evidence that marriage or fertility patterns have changed much as a result of welfare reform, nor is there evidence that the children of low-skilled working mothers are doing better than the children of welfare recipients a decade ago.

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Table 1. Recent Research on Welfare Reform, Welfare Participation and Employment

Authors and Date	Data and Sample	Dependent Variable	Key Issue	Key Findings
Dyke, Heinrich, Mueser, Troske, and Jeon (2006)	MO and NC admin data, spanning 1997-02, single moms ages 18-64 entering welfare in 97-99	Quarterly earnings	How job assessment, training, and search programs affect earnings	Initial negative effects of program participation, but positive over time. More intensive training linked to eventual larger earnings gains.
Fang and Keane (2004)	March CPS microdata, 1980-2002, single moms	Welfare use and employment	Effects of specific policy components within states on welfare use and employment	Primary causes of decreasing welfare and increased work are work requirements, EITC changes, time limits, and economic conditions.
Fitzgerald and Ribar (2004)	SIPP panels, spanning 1990-99, women 15-55 ever observed as single moms	Transitions into and out of female headship and welfare participation	Effects of welfare and EITC policies on female headship and welfare participation	Welfare reform had little effect on transitions to female headship or welfare use; EITC changes led to less welfare use and more female headship.
Grogger (2004a)	March CPS microdata, 1978-99, single moms	Welfare use	Time limits and welfare use among female-headed families	Time limits reduce welfare use, especially among families with young children.
Grogger (2004b)	SIPP panels, spanning 1986-99, less-skilled women ages 18-54	Entry into and exits from welfare	Effect of welfare reform and EITC on entry into and exit from welfare	Economy, welfare reform, benefit levels, and EITC all affect transitions.
Haider, Schoeni, Bao, and Danielson (2004)	CPS microdata, 1993-01, all households	Public assistance program use by immigrants	Effect of welfare reform on participation among immigrants	Immigrant and native public assistance trends are similar; difference due to greater economic cyclicity among immigrants.
Huang, Garfinkel, and Waldfogel (2004)	State administrative data and CPS, 1980-99, single moms ages 18-54	Welfare caseloads	Effect of child support enforcement (CSE) on welfare caseloads	Greater CSE associated with decreased caseloads.

Johnson and Corcoran (2003)	Women's Employment Survey and MI Employment Survey, spanning 1997-02, women ages 18-54 on welfare in 1997	Job quality index and job transitions	Job and personal characteristics associated with job quality and job change	Job history and lower skills limit job quality and stability among welfare leavers.
Looney (2005)	SIPP panels spanning 1990-99, single moms age 15-55	Welfare use and employment	Effects of welfare reform, EITC, and Medicaid on welfare use and work among single mothers	Welfare policies, EITC, and economic conditions linked with welfare use and employment.
Meara and Frank (2006)	3 City Study: Boston, Chicago, San Antonio, 1999-01, low-income women	Welfare use and employment	Effects of barriers to work: mental health, drug/alcohol abuse, child under 3, and child behavior	Poor mental health, drug and alcohol use associated with lower work participation and more sanctioning.
Seefeldt and Orzol (2005)	Women's Employment Survey, spanning 1997-01, women ages 18-54 on welfare in 1997	Months of TANF receipt	Factors associated with TANF accumulation	Those with more barriers to work stay on TANF longer.
Wu, Cancian, Meyer, and Wallace (2006)	Wisconsin admin data, 1997-03, women on welfare	Frequency, length, and severity of sanctioning	Factors that explain sanctioning dynamics	Those with most barriers are most prone to sanctioning, race/ethnicity and location also factors.

Table 2. Recent Research on Welfare Reform, Health Insurance, and Health Outcomes

A. Welfare Reform and Health Insurance				
Authors and Date	Data and Sample	Dependent Variable	Key Issue	Key Findings
Bitler, Gelbach and Hoynes (2005)	Behavior Risk Factor Surveillance System, state panel data, 1990-00, women ages 20-45	Health insurance coverage, health care utilization, health status	Impact of welfare reform on health insurance, health care utilization, and health of single women	Welfare reform associated with decrease in health insurance and care utilization, little effect on outcomes.
Cawley, Schroeder, and Simon (2005)	SIPP panels spanning 1984-99, mothers ages 16-44	Health insurance coverage, Medicaid participation, private health coverage	Effect of welfare reform on health insurance coverage of single mothers	Welfare reform reduced health insurance coverage, primarily through a drop in Medicaid coverage.
DeLeire, Levine, and Levy (2006)	March CPS microdata, 1988-00, women ages 18-64	Health insurance coverage by education group	Effect of welfare reform on health insurance coverage among low-skilled women	Waivers and TANF correlated with increases in private health insurance, little effect on use of Medicaid.
Holl, Slack, and Stevens (2005)	Illinois Family Study, 1999-02, welfare recipients in 98 w/ young child	Health insurance coverage and type, length of coverage gap	Effect of welfare reform on stability of health insurance among parents transitioning from welfare to work	Leaving welfare leads to significant instability of coverage, higher probability of being uninsured.
Kaestner and Kaushal (2003)	March CPS microdata 1992-99, low-skilled single moms ages 18-44	Medicaid participation, private health coverage, number uninsured	Effect of welfare reform on health insurance coverage among low-income single mothers and their children	Welfare reform associated with decrease in health insurance coverage, but effects are relatively small.

B. Welfare Reform and Health Outcomes				
Authors and Date	Data and Sample	Dependent Variable	Key Issue	Key Findings
Cawley and Danziger (2005)	Women's Employment Survey, spanning 1997-04, women ages 18-54 on welfare in 1997	Employment status, months on welfare, earnings	Whether obesity is a barrier to employment and earnings for current and former welfare recipients	Morbid obesity is correlated with decreased work and earnings, primarily among white women.
Haider, Jackowitz, and Schoeni (2003)	Ross Laboratories Mothers Survey and state panel data, 1990-00, new mothers	Breast-feeding in the hospital and six months after birth	Effects of welfare work requirements on breast-feeding	Welfare work requirements associated with significant decrease in breast-feeding six months after birth.
Kaestner and Lee (forthcoming)	National Natality Files, 1992-00, births to less-educated women ages 19-39	Prenatal care, birth weight	Effect of welfare reform on infant health	Small negative effects on prenatal care and birth weight.
Kaestner and Tarlov (2006)	Behavior Risk Factor Surveillance System and state panel data, 1993-01, low-skilled women	Various health-related behaviors and health outcomes	Effect of welfare reforms on health and health behavior of low-educated single mothers	Welfare reform associated with less binge drinking, little effect on other indicators.
Knab, McLanahan, and Garfinkel (2007)	Fragile Families Survey, spanning 1998-03, single moms who gave birth in 1998-00	Various health-related behaviors and health outcomes	Effects of welfare policies on maternal health	Greater welfare generosity correlated with negative effects on maternal health, reductions in smoking.
Slack, Holl, Yoo, Amsden, Collins, and Bolger (2007)	Illinois Family Study, 2001-04, welfare recipients in 98 w/ young child	Indicators of children's physical health	Effects of welfare and work outcomes on children's health	No correlation between child health and whether mother is on welfare or working. Children whose mothers report no welfare or work have best health outcomes.

Table 3. Recent Research in Child Well-Being and Child Care following Welfare Reform

A. Welfare Reform and Child Well-Being				
Authors and Date	Data and Sample	Dependent Variable	Key Issue	Key Findings
Bennett, Lu, and Song (2004)	Matched March CPS state panel data, 1987-00, families w/ children	Family income-to-needs ratios	Effects of welfare reform on family income	Welfare implementation has a negative effect on incomes among those who were initially poorer and less-educated.
Chase-Lansdale et al. (2003)	3 City Study: Boston, Chicago, San Antonio, 1999-01, low-income mothers and children	Child cognitive achievement and behavioral outcomes	How welfare-to-work transitions affect children's development	No effects among preschoolers, some evidence of positive effects among adolescents.
Coley, Lohman, Votruba-Drzal, Pittman, and Chase-Lansdale (2007)	3 City Study: Boston, Chicago, San Antonio, 1999-01, low-income mothers and children	Economic well-being, maternal functioning, and parenting practices	How welfare to work transitions affect mothers' well-being and behavior toward their children	Sustained employment is correlated with higher incomes, less hardship and improved maternal psychological outcomes; little relationship between these changes and parenting quality.
Dunifon, Kalil and Bajracharya (2005)	Women's Employment Survey, spanning 1997-02, women ages 18-54 on welfare in 1997	Child behavioral outcomes	How maternal work conditions affect child well-being	Lengthy commute time correlated with behavioral problems; other job stress factors have few effects.
Miller and Zhang (2006)	NAEP state panel data, 1996, 2000, 2003, 2005, 4th and 8th graders	4th and 8th grade math scores	How children in low-income families fared academically after welfare reform	Children in low-income families improve math achievement relative to other students.
Osborne and Knab (2007)	Fragile Families Survey, spanning 1998-03, single moms who gave birth in 1998-00	Child emotional and behavioral outcomes	Effects of welfare receipt and employment on child outcomes	Children of working women have fewer behavioral problems; most of this effect due to selectivity of mothers who are employed.

B. Welfare Reform and Child Care				
Authors and Date	Data and Sample	Dependent Variable	Key Issue	Key Findings
Tekin (2005)	NSAF, 1999, families with children	Employment and child care choices	Effect of child care subsidies on joint work and care provider choices	Large effects of subsidy on employment and center-based care usage.
Witte and Queralt (2003)	RI admin data, 1996-00, single moms ages 18-60 with some cash assistance between 1996-00	Use of child care subsidy, welfare and work participation	Whether expansion of RI childcare subsidies affected welfare or work behavior	Policy change associated with more subsidy use and increased work.

Table 4. Recent Research on Welfare Reform, Family Composition and Fertility

A. Welfare Reform and Marriage and Living Arrangements				
Authors and Date	Data and Sample	Dependent Variable	Key Issue	Key Findings
Bitler, Gelbach, Hoynes, and Zavodny (2004)	Vital statistics marriage and divorce state panel data, 1989-90	Rate of new marriages and divorces	Effect of welfare reform on marriage and divorce rates	Welfare reform associated with fewer new divorces and fewer new marriages.
Bitler, Gelbach, and Hoynes (2006)	March CPS microdata, 1989-00, all children age 16 or less	Children's living arrangements	How welfare reform affected children's living arrangements	Little effect of welfare reform. Waivers associated with fewer children living with unmarried parents, more living with married parents or no parents.
Cherlin and Fomby (2004)	3 City Study: Boston, Chicago, San Antonio, 1999-01, low-income families	Marital/cohabitation status	Factors determining changes in cohabitation and marriage	Small increase in children living with 2 adults, mostly due to increased cohabitation; no increase in children living with biological dads.
B. Welfare Reform and Fertility				
Authors and Date	Data and Sample	Dependent Variable	Key Issue	Key Findings
Hao and Cherlin (2004)	NLSY97, women born in 1980 versus 1982-83	Teen pregnancy and birth rates, school dropout rates	Impact of welfare reform on teen behaviors	No effect of welfare reform on fertility; some evidence of increases in school drop-out rates.
Joyce, Kaestner, and Korenman (2003)	Vital Statistics births and state panel data 1990-99, women ages 19-39	Non-marital childbearing	Effect of welfare reform on births among less-educated unmarried women	Little effect of welfare on non-marital births; some declines in non-marital births among Hispanics.

Kaestner, Korenman, and O'Neill (2003)	NLSY79 and NLSY97, women ages 17-19 in 1979-84 vs. 1997-99	Welfare use, school dropout, marriage, and fertility rates	Effect of welfare reform on welfare use, marriage, fertility, and schooling among teen women post- welfare reform in high-risk families	Welfare reform associated with decreased welfare use, decreased fertility and marriage rates.
Lopoo and DeLeire (2006)	NCHS births, state panel data, 1992-99, females age 19 or less	Teen fertility rates	Effects of "living arrangement rule" and "stay in school rule" on teenage fertility	Implementation of these rules associated with decreased fertility.

Table 5. Recent Research in Consumption and Well-Being following Welfare Reform

Authors and Date	Data and Sample	Dependent Variable	Key Issue	Key Findings
Cancian and Meyer (2004)	WI admin data and survey, 1999 data, single moms on welfare in 97-98	Public assistance use, work, hardship, and poverty	Comparing alternative measures of economic well-being among welfare recipients following welfare reform	Families are leaving poverty and working more; few reach independence from all forms of public assistance.
Kaushal, Gao, and Waldfogel (2007)	CES, 1990-95 vs. 1998-03, families w/ children, moms ages 18-54	Total expenditures and spending patterns among less-educated single moms	Changes in spending patterns after welfare reform among single mothers	No effect on total expenditures, increased spending on transportation, food away from home, adult clothing.
Meyer and Sullivan (2006)	CES, PSID, CPS, AHS, NTUS, and ATUS, 1993-03, single moms ages 18-54	Income, consumption, and housing characteristics	Comparative changes in income and consumption among female-headed households following welfare reform	Consumption changes after welfare reform are less than income changes; increases in housing and transportation spending; declines in non-market time.
Slack, Magnuson, Berger, Yoo, Coley, Dunifon, Dworsky, Kalil, Knab, Lohman, and Osborne (2007)	Women's Employment Study, Illinois Family Study, Milwaukee TANF Applicant Study, Fragile Families, 3 City Study; 97-03 (differs by study), single moms	Various measures of hardship and economic well-being	Descriptive trends over time in well-being among women who were welfare recipients in the past	No clear pattern of change in hardship measures across these datasets; some improve a little, some decline a little.