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Minnesota's Family Cap on Welfare Draws Fire

By Jennifer Friedlin - WeNews Correspondent

(WOMENSENEWS) – When Tim Pawlenty was elected governor of Minnesota in 2002 he inherited a \$4.5 billion deficit. In order to reduce the gap, he introduced a budget that included significant reductions to Minnesota's welfare program.

Among the decisions he made was to stop making the birth of another child a criterion for increasing the payments to parents receiving cash aid under the Temporary Assistance for Needy Families.

Such "family cap" policies are not unusual; nearly half the states have them.

But what surprised critics was Minnesota's implementation of such a measure in 2003, at a time when doubts about the policy were growing and a few states were repealing it.

With little proof that the policy – implemented to reduce birth rates among the poor female heads of household who represent 90 percent of those receiving welfare – was having its intended effect, critics had begun to protest its deleterious effects.

Some, such as Dr. Deborah Frank, said the caps were causing higher rates of hospitalization for infants and toddlers.

Frank, the principal investigator of the Children's Sentinel Nutrition Assessment Program in Boston and a clinician who treats malnourished babies, found that 14 percent of her malnourished patients were children from families that had been capped.

"If there was a medicine that gave 10 percent of children failure to thrive, it sure wouldn't be approved by the FDA," said Frank, referring to the U.S. Food and Drug Administration.

Jodie Levin-Epstein also criticizes caps.

"It's hard to see a rationale for enacting a family cap today with no evidence that it works and real worry that it hurts low-income women and their children," said Levin-Epstein, deputy director of the Center for Law and Social Policy, a family policy and advocacy organization based in Washington, D.C. "To say that there is an economic benefit is at best short-sighted."

Popular During Early 1990s

The family cap became popular during the early 1990s amid the increasingly common notion that federal welfare program was spurring its recipients to have more children. Then known as Aid to Families with Dependent Children, the federal welfare program acted as a substitute for unpaid child support with monthly dollar amounts that rose, just as child support does, with the number of children in the family.

Supporters of the family cap argued that by limiting benefits, the new policy would discourage women receiving this substitute child support from having more children.

Opponents argued that the benefits for each child were too small to influence a woman's child-bearing decision. As of January 2003, the difference in monthly benefits for a family of two versus a family of three ranged from \$20 in Wyoming to \$131 in parts of California.

Despite the debate, by 1996, when the Temporary Assistance for Needy Families program replaced the old Aid to Families with Dependent Children welfare system, 15 states had implemented a child-cap policy. An additional nine followed suit.

Since then, however, no clear-cut evidence has emerged to show that family caps achieved their intended goal.

While some studies – such as a 1998 study by Rutgers University, New Brunswick, N.J. – have found a correlation between family caps and a decreasing number of births and rising number of abortions, those findings have not been widely echoed.

Survey Reaches No Conclusion

In 2001, the General Accounting Office reviewed the existing research and said “we cannot conclude that family cap policies reduce the incidence of out-of-wedlock births, affect the number of abortions or change the size of the TANF caseload.”

A more recent study, “Family Cap Provisions and Changes in Births and Abortions,” conducted by researchers from Baruch College, the University of Illinois at Chicago, the Alan Guttmacher Institute and the National Bureau of Economic Research found that family caps have not influenced women's decisions about whether to have children.

“We've been looking at this for four or five years, and we've found no effect of welfare reform in general and the family cap in particular on either birth rates or abortion,” said Robert Kaestner, a professor at the Institute of Government and Public Affairs at the University of Illinois at Chicago and one of the authors of the study slated to be published in “Population Research and Policy Review.”

Given the failure of the family cap to reduce additional births and the other criticisms of them, some states have started to reconsider their policies.

Maryland Led Repeal

In 2002, Maryland became the first state to repeal its family cap and Illinois followed a year later. Arizona also changed its laws so that child support payments now go to families with capped children rather than to the state to cover welfare costs.

“It was a policy of uncertain effectiveness but heavy costs to administer,” said Richard Larson, director of programs at the Maryland Department of Human Resources’ Family Investment Administration.

So, why did Minnesota implement the family cap?

Chuck Johnson, director of the Transitions to Economic Stability program at the Minnesota Department of Health and Human Services, said the reason was to further drive home the message that welfare is not an entitlement.

“The discussion was not around fertility. It was around equity with other low-income families,” said Johnson, noting that the state expects to save \$2 million a year with the family cap. “If you are working, you don’t get a raise if you have another kid.”

The fallout, however, could be far-reaching. According to Johnson, over 20 percent of kids on assistance were born while their mothers were receiving cash aid.

Advocates Worried

The new policy has welfare advocates worried.

Angel Buechner, a volunteer for the Minnesota Welfare Rights Coalition, an advocacy organization based in Minneapolis, said that families that were already struggling are now going to have even less to work with.

Prior to the family cap, a woman with one child received \$437 a month plus an additional \$95 for a second child. But since last year’s implementation of the cap, a mother who has a second child while receiving benefits will have to make do with just \$437. Welfare benefits have been at that level since 1986.

As a result, Buechner says she has heard stories of some women giving up their children to family members or for adoption. Other women, Buechner says, have resorted to abortion.

“The impact of the family cap is not a very positive one,” said Buechner. “It’s a really drastic change.”

Jennifer Friedlin is a writer based in New York.

For more information:

National Bureau of Economic Research – Family Cap Provisions and Changes in Births and Abortions: <http://www.nber.org/papers/W10214>

People Escaping Poverty Project – Time To Reform Welfare Reform/Minnesota Welfare Rights Fight Back: <http://www.pepp.org/stop/>

Children’s Sentinel Nutrition Assessment Program:
<http://dcc2.bumc.bu.edu/csnappublic/home.html>

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