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Welfare Series: Child Care Promises Fall Through

By Jennifer Friedlin, WeNews Correspondent

[NEW YORK] – Elizabeth Mayes is barely getting by, working 20 hours a week for \$5.20 an hour at a local Burger King.

Mayes, 29 and a welfare recipient, says she would like to pick up more hours, but she is competing with a number of workers for the evening shifts, the only shifts she can work due to a shortage of child care for welfare recipients in her hometown of Corinth, Miss.

“I don’t have child care right now because have to wait to get my children’s birth certificates and then they said they would put me on a waiting list,” said Mayes, a mother of two sons, ages 5 and 4. “I can only work nights right now, when I can leave my kids with my brother, my mom or whoever.”

Mayes is not alone. The Children’s Defense Fund reports that at least 550,000 children who qualified for federally subsidized child care were on waiting lists for child care and only 1 out of 7 children are receiving the subsidized child care they are eligible for under federal guidelines.

The Temporary Assistance to Needy Families program overhauled the federal welfare system in 1996. The former program had extended cash assistance to single parents with children, in effect providing federally subsidized child support for those parents raising children alone. The old program had a work requirement, but the new law, called TANF, had rules that were considerably harsher and included a host of penalties and fines if a parent receiving assistance did not seek and gain paid employment. At the same time, the new law offered single mothers pushed into the low-wage labor market child care services and other supports to make it more feasible for the mothers to work for wages.

Child Care Promises Broken

But as the Mayes case illustrates, a vast unmet need for child care remains. Advocates argue that federal funding has proved insufficient and tight state budgets are further constraining child care spending. As a result, many analysts fear that low-income single mothers are stuck between a rock and a hard place; either they work to meet their families’ financial needs or stay at home to care for their children.

“The working poor have to make choices different from wealthy people,” says Ken Rankin, an attorney representing a woman whose untended children died in an arson fire while she was at work. “They have to make a choice to feed their family and go to work or stay at home because the baby sitter didn’t show up. The wealthy don’t have to make such choices.”

“The whole mantra of the welfare reform movement is work first, work first, work first,” said Avis Jones-DeWeever, study director in the area of poverty and welfare at the Institute for Women’s Policy Research, a public policy research institute in Washington, D.C. “But the lessons we’ve learned is work is not enough. These families need supports to move out of poverty.”

The 1996 welfare law froze the amount each state would receive to provide assistance to single-parent households and gave each state options on how to spend the money supporting its low-income families.

At the time, caseloads were at an all-time high. Between 1996 and 2001, federal and state child care expenditures more than tripled to \$8.4 billion as falling caseloads freed up money that otherwise would have been spent on cash support. The states overall chose to spend these funds for child care and other supports. Since 2001, however, funding for government subsidized child care has held steady. And, now, with TANF caseloads again inching up, states will have to draw from the same pot to cover both increasing cash payments and rising child care costs.

Many States Cut Back

Over the past few years, as the states faced their own budgetary shortfalls, many tightened the screws on child care. A 2003 report from the Government Accounting Office showed that since January 2001, 23 states reduced child care funding for low-income families.

During the 2003 budget crises, for instance, Minnesota reduced the number of families eligible for child care assistance by deciding only families with incomes at 175 percent of poverty level (down from 290 percent) would qualify.

Nebraska cut 1,600 kids off subsidies when it reduced the income cutoff from 185 percent of poverty to 120 percent of poverty.

As Tennessee was struggling to cope with its budgetary constraints, the state decided to allow welfare mothers a one-year exemption from work requirements to stay home and care for their newborns, an offer expected to save the state \$4.3 million a year.

“Some studies have come out that show that newborn to one year is a critical bonding period, but really bottom line this was a budget issue,” said Michelle Mowery Johnson, the spokesperson for Tennessee’s Department of Human Services. “We had a shortfall in our budget and child care was the reason.”

She said the number of families requiring cash assistance due to their poverty levels shot up 30 percent over the past three years, while the federal TANF grant remained unchanged, making it impossible for Tennessee to cover both the cost of child care and TANF cash grants.

“The reality is most states are making cuts because they can’t service all the kids anymore,” said Bethany Little, director of government relations at the Children’s Defense Fund in Washington, D.C. She estimated that over the next five years some 300,000 to 450,000 child care slots would be eliminated.

Watching the Reauthorization Bill

What happens to some of those children will, in large part, be decided by congressional action on the reauthorization of TANF. The Senate has put forth a much more generous plan for funding child care than the House of Representatives.

The TANF reauthorization bill that recently passed in the House of Representatives would offer an additional \$1 billion for child care for the next five years, over and above the presidential budget for such services. The Senate, meanwhile, passed an amendment several months ago to increase federal child care funding by a total of \$7 billion over five years.

Those who supported the Senate’s proposal argued it was needed to cover current child care costs as well as future costs stemming from an expected increase in the work requirement. The Senate Finance Committee has voted to require TANF recipients to work 34 hours, up from 30, while the House passed a bill that would increase work hours from 30 to 40 a week.

The question now is what will happen when the House and Senate go to conference to discuss the TANF reauthorization bill. If the House and Senate split their differences down the middle, as some experts say is likely, then TANF reauthorization could require recipients to work 36 hours a week while only increasing child care funds by an additional \$4 billion.

Some experts fear that such a compromise will not provide enough money to maintain the current level of services and cover additional costs stemming from increased work requirements. If that’s the case, many more mothers will face some difficult decisions, said Jennifer Mezey, a senior staff attorney at the Center for Law and Social Policy, a Washington, D.C.-based organization that advocates on issues affecting low-income families.

“You find families are put in the position of having to make hard choices. Do they leave work to go back on welfare or do they put their kids in a situation they are not totally comfortable with?” said Mezey. “It’s a terrible situation to put parents in.”

Jennifer Friedlin is a writer based in New York.

– Carla Thompson helped in the reporting of this story.

For more information:

National Welfare Engine: <http://www.welfareengine.org/>

Center on Budget and Policy Priorities – Welfare Reform and TANF:
<http://www.cbpp.org/pubs/welfare.htm>

Welfare Made A Difference Campaign: <http://www.wmadcampaign.org/>

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