

Jump in Births Out of Wedlock

By JASON DEPARLE

Special to The New York Times

WASHINGTON, July 13 — Highlighting the changes sweeping the American family, the Census Bureau today reported sharp increases in the number of women who become mothers without marrying, an increase that was particularly steep among educated and professional women.

Nearly a quarter of the nation's unmarried women now become mothers, the bureau reported, an increase of almost 50 percent in the past decade.

The Census study contradicted stereotypes that have tied out-of-wedlock births predominantly to women who are poor, uneducated or members of minority groups, although women in those categories still remain much more likely to become single mothers.

Some Numbers Triple

The numbers painted a picture of surprisingly sharp change in the past decade. Among white women and women who attended college, the percentage who became mothers without marrying more than doubled. For women with professional or managerial jobs, it nearly tripled.

The numbers also grew for black women, Hispanic women and women with less education, but much more slowly.

The findings come at a time of vituperative debates over the causes and consequences of changing family structure, recalling the political food fight that erupted last year when Dan Quayle, the former vice president, attacked Murphy Brown, the sitcom character, for having an out-of-wedlock birth.

Mr. Quayle said children tend to suffer in single-parent families and accused Hollywood of using the fictional Ms. Brown, an affluent television anchor, to glorify them. A number of liberals and feminists attacked Mr. Quayle, saying he exaggerated the

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problems of fatherless families and backed an agenda hostile to women and minorities.

Issue of Images

The bulk of social-science research has indicated that children in single-parent families do tend to have more educational, financial, and emotional problems than those raised by two parents. But social scientists are at odds over the extent of the differences and the reasons for them.

Many studies have illustrated the erosion of the traditional American family, brought about by increases in both divorce and out-of-wedlock birth. The census study did not deal with divorced or separated mothers. But it went farther than others in examining the race, education, age and occupations of mothers who were never married.

"It says, in one respect at least, the Murphy Brown image was right — out-of-wedlock childbearing is not limited to poor women or racial minorities," said Sara McLanahan, a professor of sociology and public affairs at Princeton University.

The study, by Amara Bachis, a census analyst, is called "Fertility of American Women: June 1992." It examined women between the ages of 18 and 44 who had never married. By 1992, 24 percent of them had become mothers, up from 15 percent a decade earlier.

For women who had attended at least a year of college, the rate rose to

Challenging stereotypes about out-of-wedlock births.

11.3 percent, from 5.5 percent in 1982. For white women, the rate rose to 15 percent, from 7 percent. For women with professional or managerial jobs, it rose to 8.3 percent, from 3.1 percent.

Public Policy Impact

Black and Hispanic women remain more likely than white women to have children without marrying. For black women, the rate rose to 36 percent, from 48 percent a decade earlier. For Hispanic women, it rose to 33 percent, from 23 percent.

Public policy has in many ways failed to keep pace with the transformation of the American family. The Government's system of collecting child support from absent fathers remains antiquated. Child care for working women is often scarce or expensive.

And record numbers of single women now rely on welfare, although the value of cash benefits has fallen sharply in the past ten decades. In promising to reshape the welfare system, the Clinton Administration is searching for ways to bolster the financial status of single parents, without encouraging dependency.

Mr. Clinton has promised, for instance, to increase child support collec-

tions and to increase the tax credits available to low earners, many of whom are single mothers. David T. Ellwood, one of Mr. Clinton's top welfare aides, has often criticized the current system for "expecting one parent to do the work of two."

Searching for Explanations

The Census Bureau's findings were contained on a single chart that was part of a larger study on unrelated topics. The report did not discuss the data's causes or implications, which have been a matter of heated debate among social scientists.

The rapid increase in single-parent families is occurring throughout the industrialized democracies, with the exception of Japan.

Some analysts have put forward economic explanations, stressing that women have fewer financial reasons for marrying than they did decades ago. That is because the gap between the earnings of men and women has narrowed, with women earning relatively more than they used to and men earning relatively less.

Other analysts have stressed social and cultural explanations, arguing that a feminist revolution has left many women with a new sense of independence. Witnessing the high divorce rates around them, they say, many women no longer trust the institution of marriage. And the taboos that discourage out-of-wedlock birth have waned.

Some Partners Present

Ms. McLanahan noted that many women, while unmarried, are living with a partner when they give birth. "For them, they may say that it just like marriage," she said.

Children who grow up in single-parent families are much more likely than others to live in poverty. Last year the Census Bureau reported that 47 percent of the families headed by single mothers lived in poverty, as against 23 percent of the families headed by two parents.

Researchers have also found that children in single-parent families are more likely to have low grades, to drop out of high school, or to have their own children out of wedlock.

But social scientists disagree over cause and effect. Some stress that living in single-parent families can bring emotional and financial problems; others stress that emotional problems and financial problems can cause people to live in single-parent families.

Those who are less alarmed by the rise of single-parent families argue that, in some cases, marriage can make things worse. That might be the case, for instance, if a woman is living with an abusive man.

The subject of family structure has remained a sharply divisive one since at least 1982, when Daniel Patrick Moynihan, then a Labor Department official, issued a study on the black family.

It noted with alarm that a quarter of black children were being born out-of-wedlock, a figure which has now risen to approximately two-thirds. Approximately a quarter of all American children are now born out of wedlock.

Mr. Moynihan, now Democratic Senator from New York, was accused of "blaming the victim" — chastising families for their own poverty and oppression.

Similar accusations, fair and otherwise, have been hurled at countless academics and politicians who have

since criticized the rise of unmarried motherhood.

"It's seen as stepping on the toes of those who are trying to support wom-

en's independence," said Ms. McLanahan, a former divorcee who noted that she had been a single parent for 10 years.

Never Married, With Children

Percentage of never-married women age 18 to 44 who have children.

All 1982 23.7%
1992 15.1%

White 14.8%
6.7%

Black 33.3%

Hispanic 33.0%
22.0%

Did not finish high school 48.4%

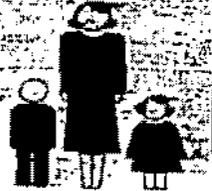
High school graduate 37.2%

One year or more of college 11.3%
5.5%

Graduate's degree 6.4%
3.6%

Managerial or professional occupations 8.3%
3.1%

Source: Census Bureau



WR-Pranfer

AGENDA

Prevention: Keeping Future Generations Off Welfare

7/16/93

1. Introduction of participants
 2. Briefing by Bruce Reed, Deputy Assistant to the President for Domestic Policy
 3. Briefing by Isabel Sawhill, Associate Director of Human Resources, OMB
 4. Introductory comments by Amitai Etzioni
 5. Discussion of the agenda as outlined below and changes in it
 6. Point by point discussion
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I. The YMCA Approach

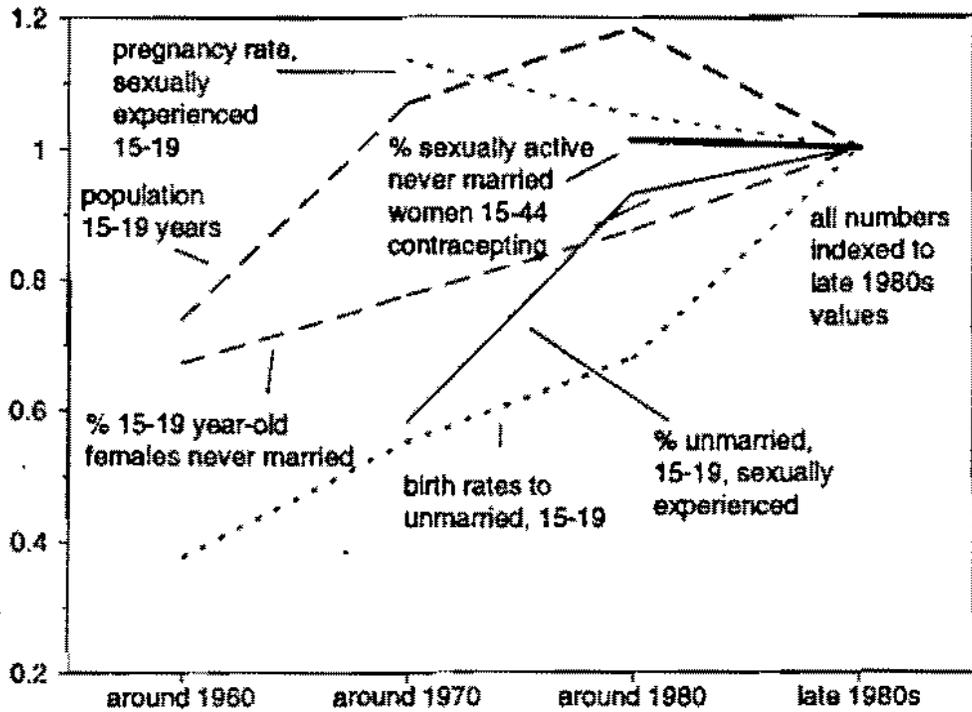
- A. Teen pregnancies are at the core
- B. Peer counselors, senior counselors, and human resource centers in schools
 1. Broad focus
 2. Context: religious organizations, regular school, armed forces, US Public Health Service or state public health departments
 3. Costs, evaluations and measurements
- C. Carrots and sticks
 1. Child support enforcement
 2. Separate inter-state program
 3. Child support collected to the custodial parent
 4. Rules which exempt fathers
 5. Require minors to live with a parent
- D. School and corporation collaboration in appreciative programs

II. Danger: High training in an economy poor in jobs

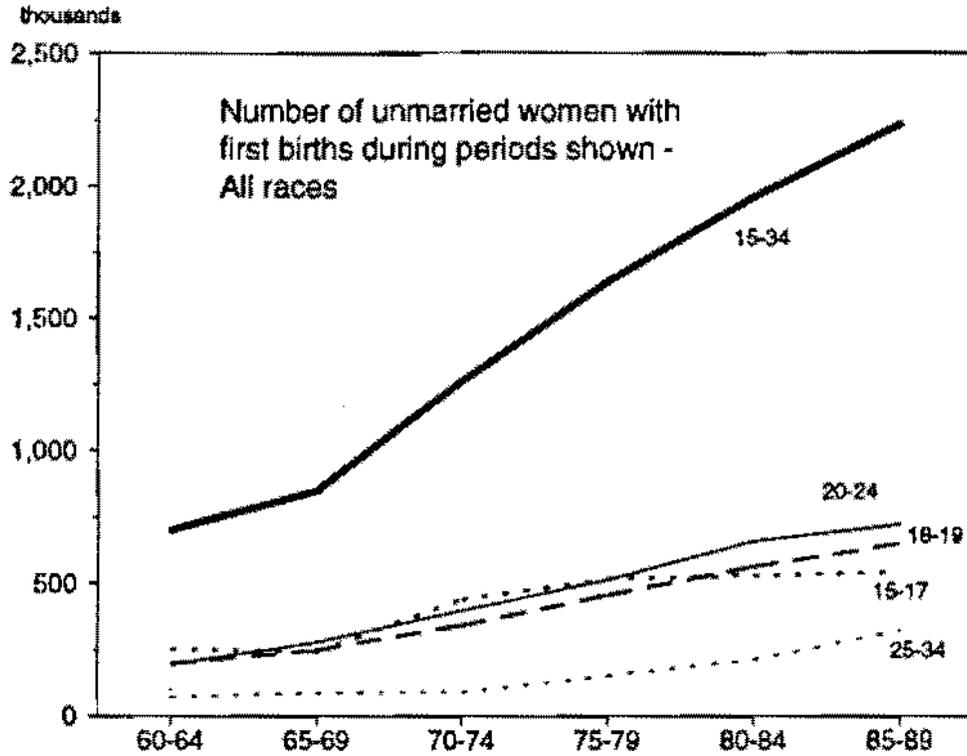
III. Other measures

- A. Training IRAs
- B. Pro-family
- C. Ecological dispersement
- D. Low-income housing
- E. Integration of services
- F. Micro-enterprise loans
- G. Illegal immigration – tamper-proof social security card

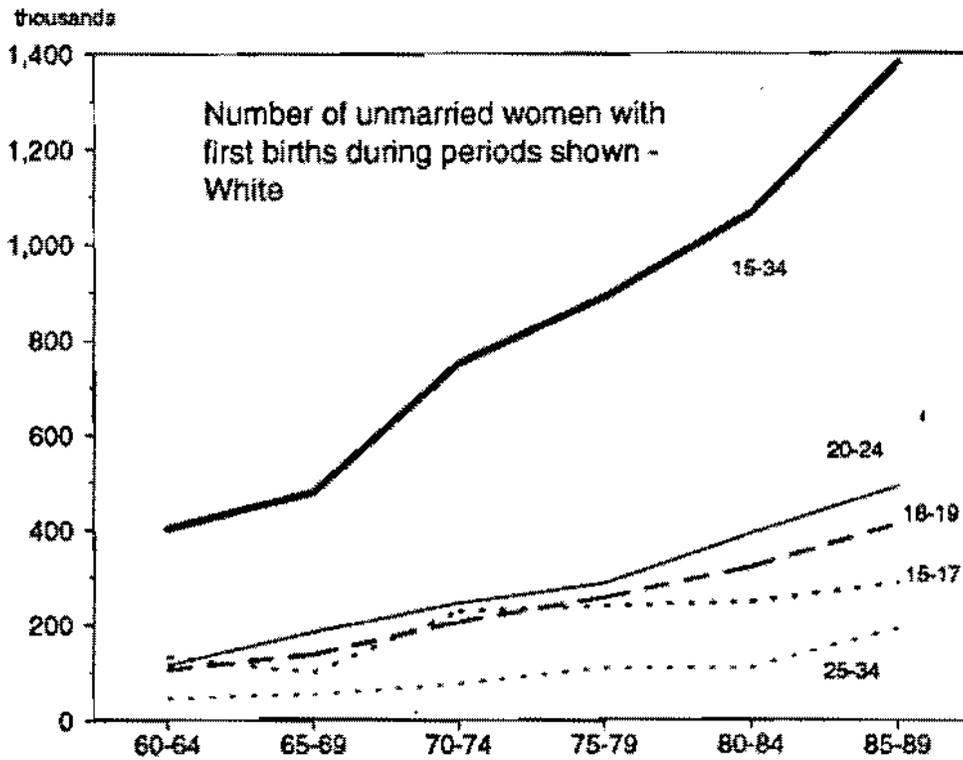
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limited to prevention
We want EWAUK!
w/o you.



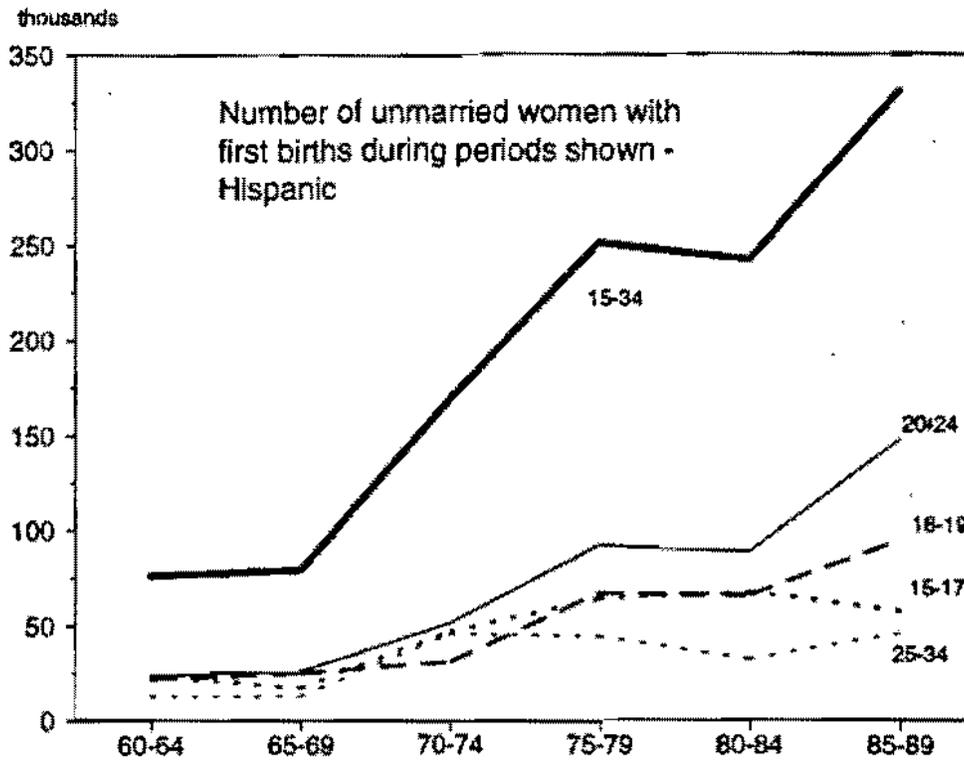
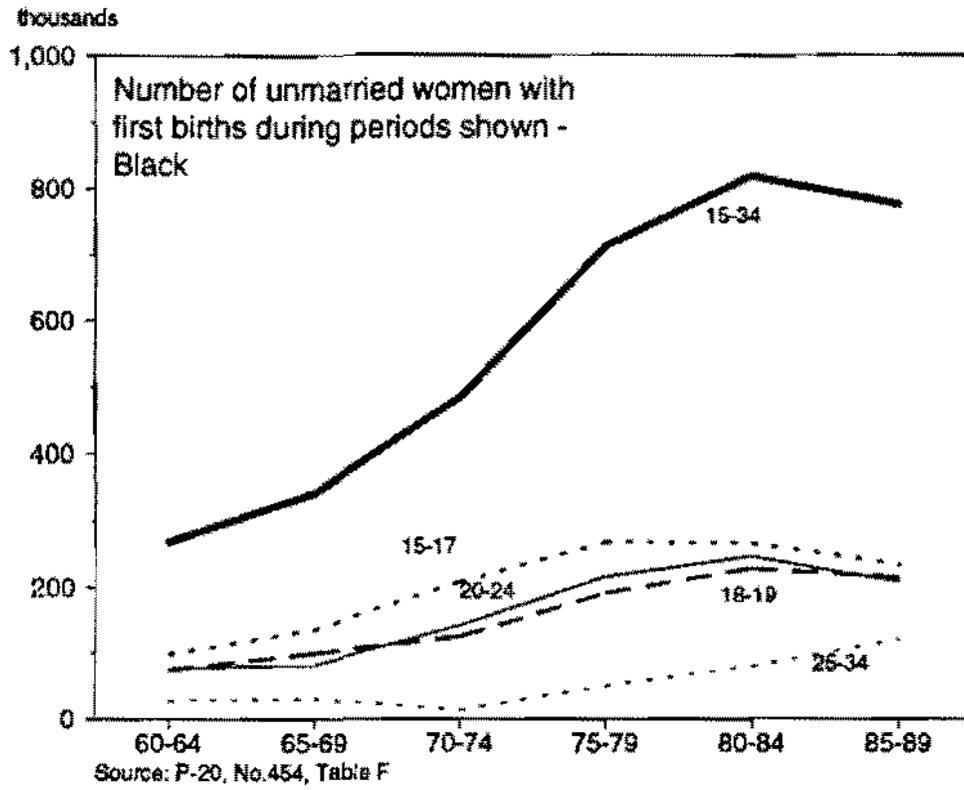
Sources: Cheryl D. Hayes (ed), "Risking the Future," Vol II, Table 3.1; Wm Mosher, et.al., "Contraceptive Use in the United States, 1973-1988," Advance Data No.182

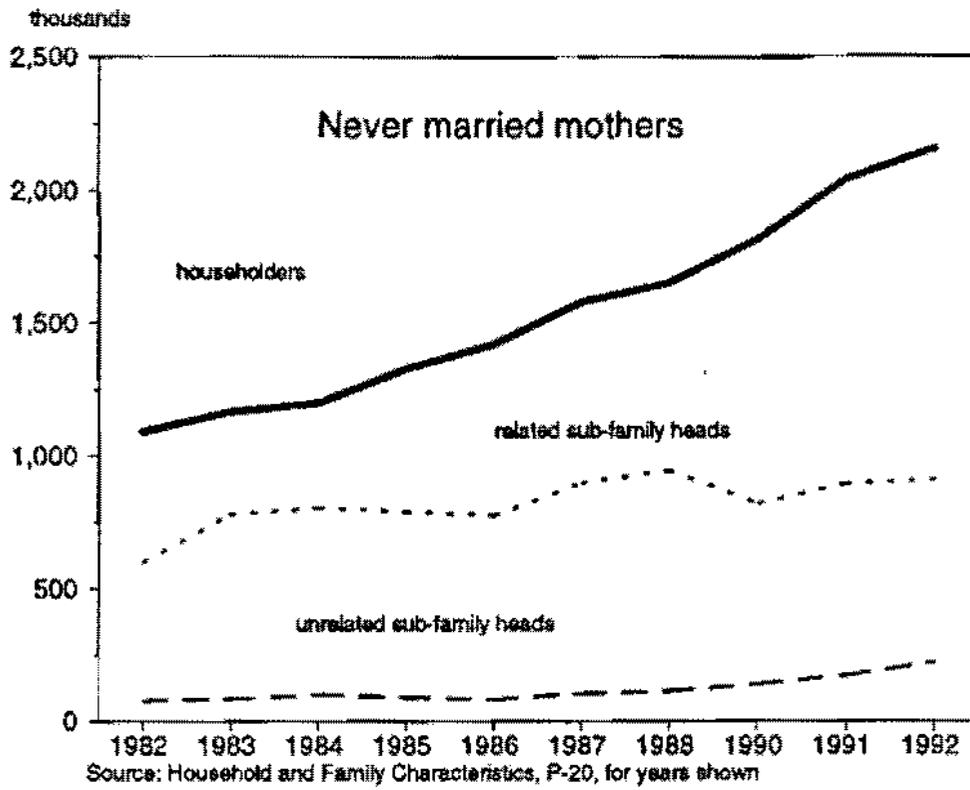


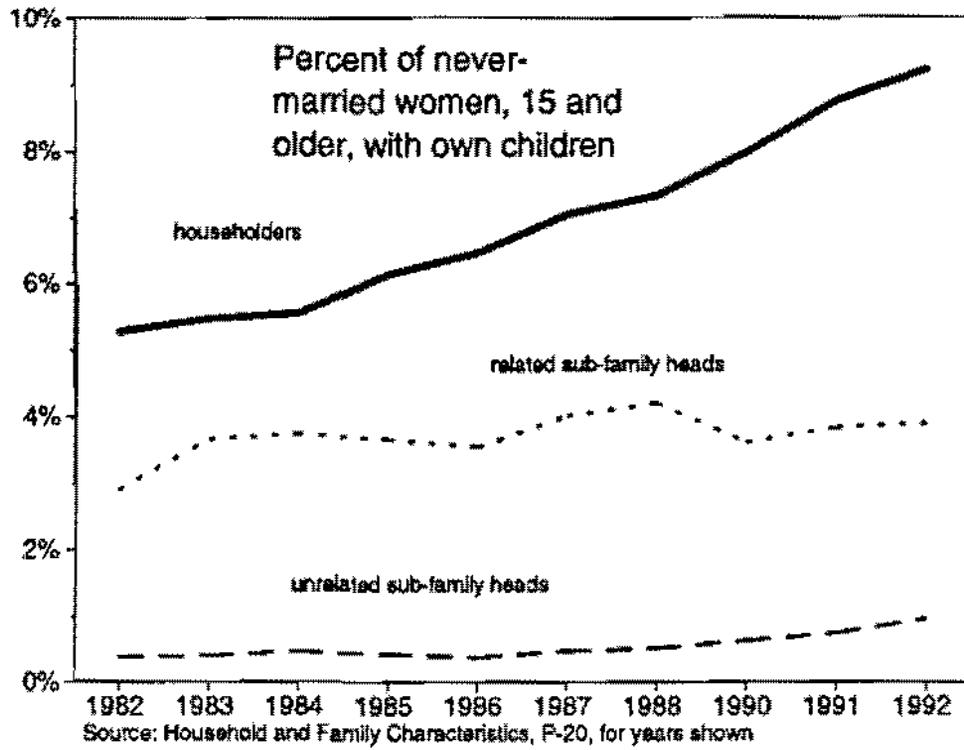
Source: P-20, No.454, Table F

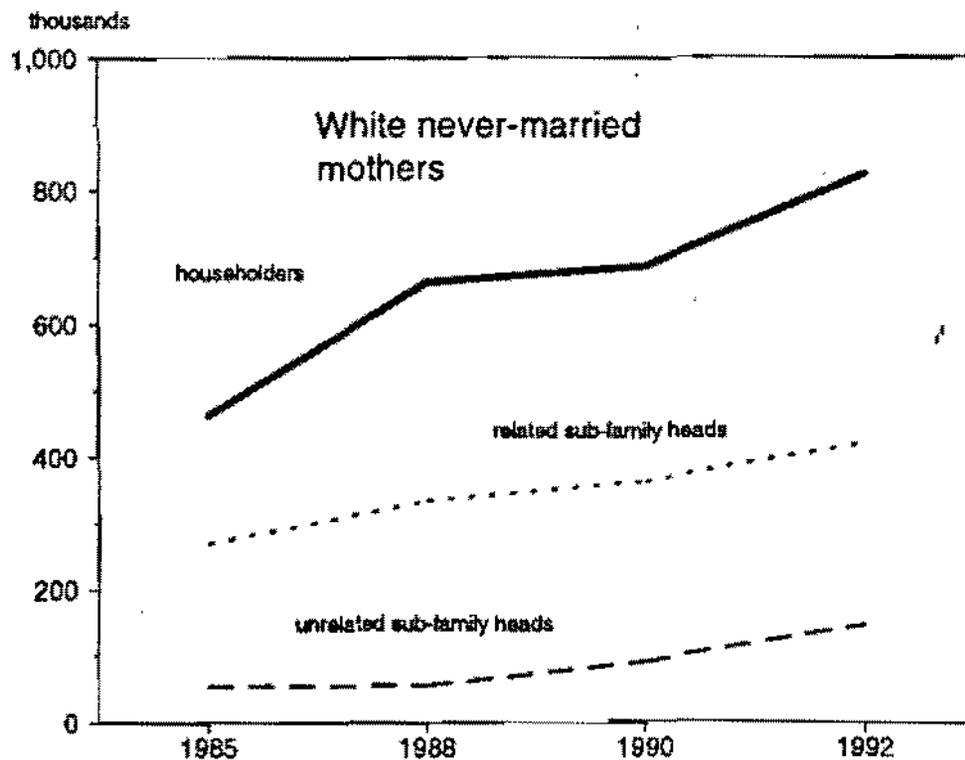
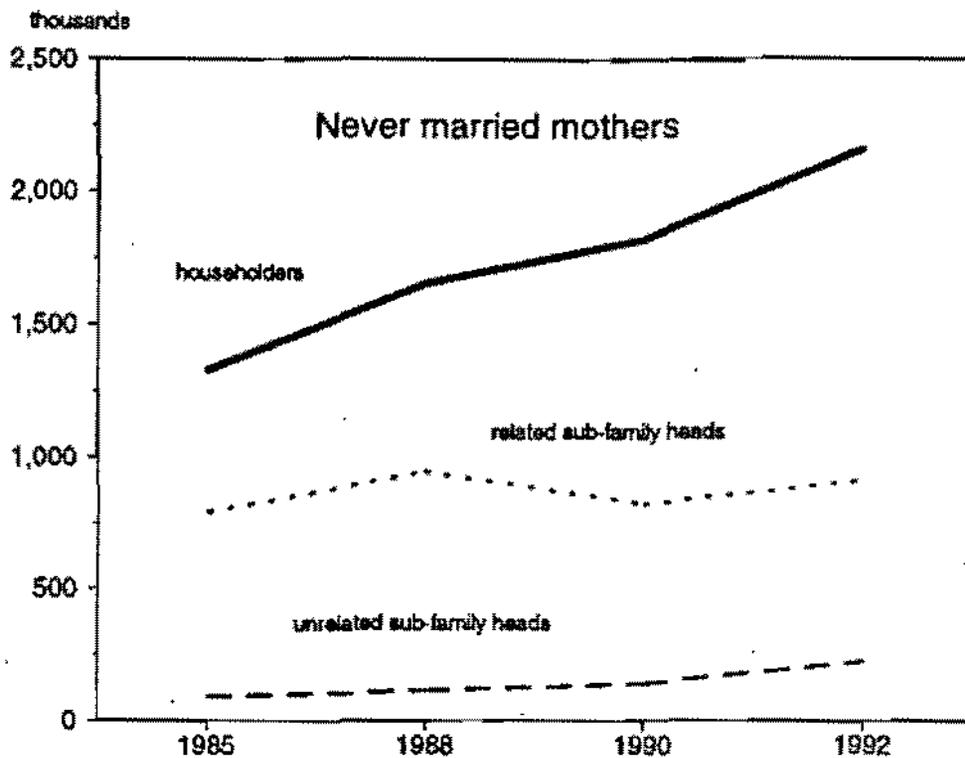


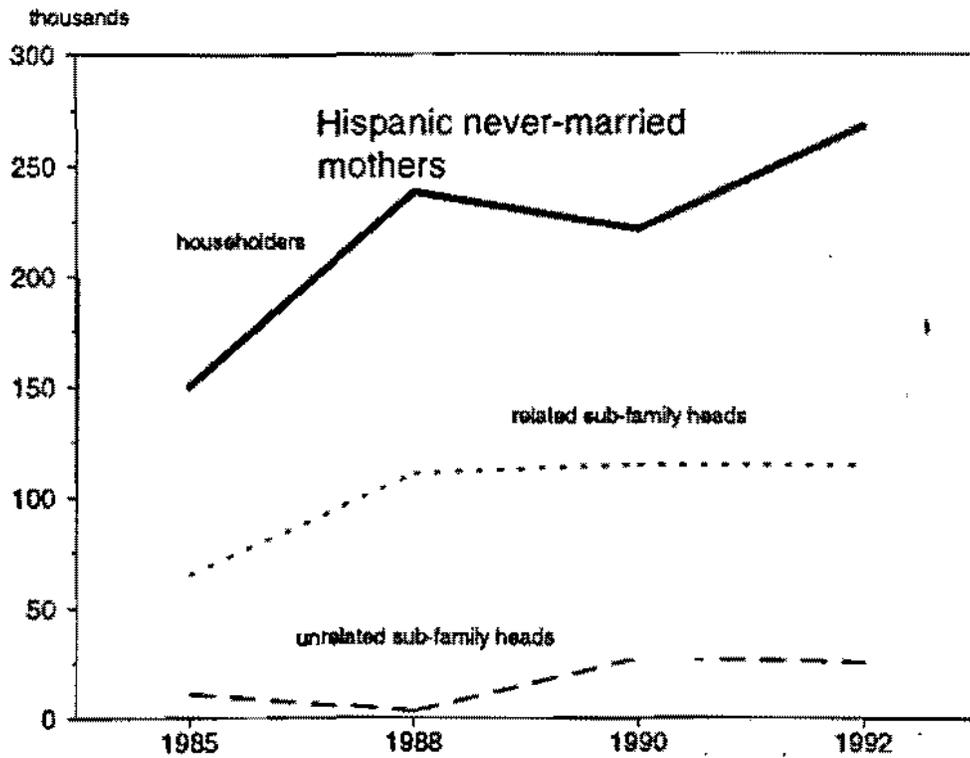
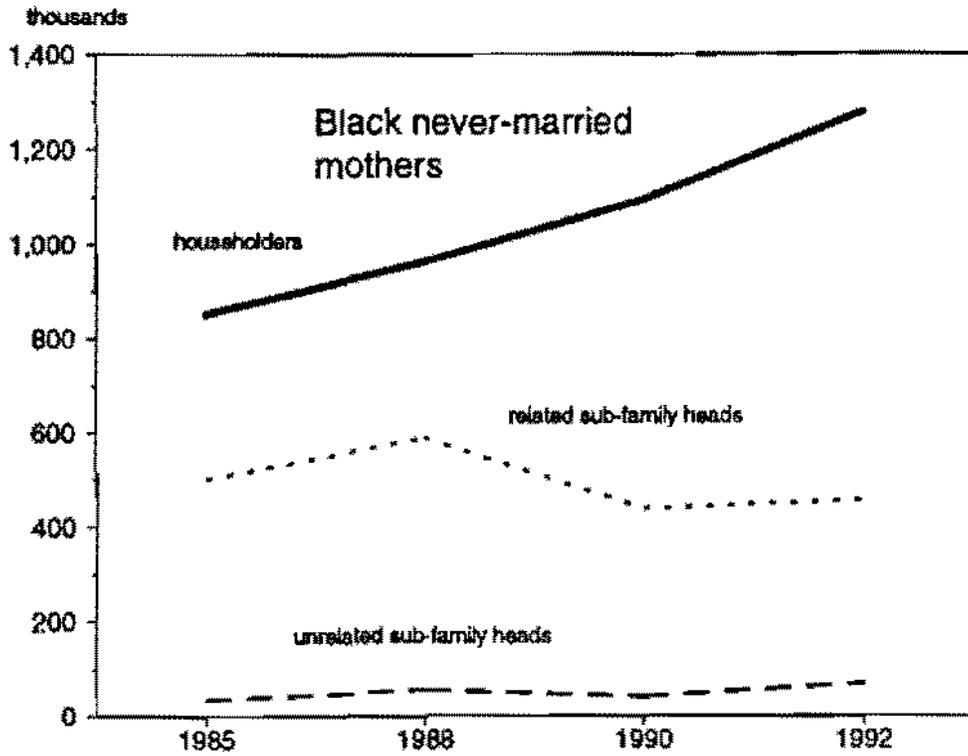
Source: P-20, No.454, Table F











DRAFT

Prevention: Keeping Future Generations Off Welfare

"To end welfare as we know it." -- President Clinton

Part I: THE YMCA APPROACH

Abstract of Part I

The core of the issue is teenage mothers. Above all, one needs to work on the value-side to encourage socially and personally responsible behavior, in addition to using incentives and maybe penalties. This can be tried by hiring at-risk teenagers to do peer counseling. School-based human resource centers (to encompass health care clinics and job orientation and placement programs) could provide the guidance and skills that the peer counselors will require. View these centers as the basis of a welfare prevention corps.

1. Teen pregnancies are at the core

The welfare population contains a high turnover contingent, comprised largely of displaced home makers (recently divorced or separated) who are relatively quick to remarry and/or find jobs, and a more permanent population containing some "unemployables," but mainly families headed by women who had their first child as a teenager. (An HHS study reports that of the 8.5 million children who qualified for AFDC in FY1991, 53% came from homes in which only one parent is present and the parents were never married.) A teen who had her first child say at age 14 and another at 16, is so far behind in her studies and skills and so burdened with child care that she is very difficult to "train" (her high school deficiency

alone is significantly greater than two years) and to place. Reducing the pregnancy rate and deferring the age at which first children are born is hence a high priority for a welfare prevention strategy; such efforts should focus on this source of potential clients that are most likely to become long-term welfare recipients (as distinct from "transitionals").

Note: though analytically it may well be appealing to discuss welfare prevention strategies separately from those that focus on treating welfare clients, in practice this separation runs into many problems. For example, the higher the benefits given to welfare clients, the more difficult prevention becomes, etc. Hence, inevitably in the following discussion the line between prevention and treatment is often crossed.

2. The YMCA Approach. Work on the values side: hire some welfare clients as peer counselors; all senior counselors, and form human resource centers in schools.

The merits of a "YMCA" (value-change agents) approach: historically dislocated populations, whose behavior needed to be changed, were reached via change agents who in effect worked on people's values or culture to motivate them to take responsibility for the consequences of their behavior. The main value-oriented change agents were voluntary associations including ethnic associations and religious ones. In this way, the rowdy farm laborer who migrated into the cities, shorn of their community contacts, were won over to civil conduct, which led to a relatively orderly society (See the writings of James Q. Wilson). For example, in those days a young man knew that if he would get a young woman "into trouble" he would be made to marry her ("shotgun weddings"). It served as a powerful prophylactic. It also set a clear norm for young women to follow; while quite a few did not abide by the norm, there was a clear norm and it led many to defer sexual activity and reduced the incidence of premarital pregnancies.

How could we fashion a contemporary equivalent? Let one grant that there is no ready answer,

certainly not a proven one. Therefore some experimentation is called for. The basic elements of what is needed are:

- * Peer counselors: hire as part time (work while at school) select members of the group, of teen agers at risk, to serve as peer counselors. Experience shows that they have a much better chance than do outsiders of reaching potential clients as well as those now on welfare. Also, counselling may be their public work or a way to pay off their welfare obligations.
- * The peer counselors themselves will need training and continuous hand-holding from senior guidance counselors. These senior counselors could be drawn from exemplary peer counselors and from the ranks of professionals.
- * Both levels of counselors would need some resources, e.g., meeting rooms. Hence the need for school-based human resource centers.
- * Broad focus: sex education or drug education should not be the only focus; these should be folded into more encompassing programs for both substantive and other considerations. The more encompassing programs would include helping with vocational choices, nutritional information, etc. (A study by Frank Furstenberg found that such a program in Baltimore was successful in changing behavior; that is, keeping young women in school, and delaying pregnancy.)
- * Context: into what broader context should these centers be placed? All options that come to mind have some advantages and some major difficulties. Religious organizations (say in black churches) raise the specter of violating the separation of state and church. Drawing on the regular school staff -- the high measure of alienation. The armed forces, in the form of a new ROTC, may evoke militaristic fears (although this idea has promise especially given the miliary's need to ensure that potential recruits will be in shape, its abundance of resources, lack of mission, and personnel of minority background). The US Public Health Service or state public health departments might also serve. Finding the proper context for the culture change-agents is the

single most important factor that will determine the success of this approach.

- * Responses to criticism: Some argue that such approaches stress culture and "blame the victim" rather than the socio-economic conditions that cause poverty. It is my position that both socio-economic conditions and culture are at work. The main socio-economic change that is needed is to bring the economy to a higher growth pathway and make it more job rich. Here I focus on the other half of the equation: the needed changes in culture. We need to encourage people to take more responsibility for their lives and find meaning in socially constructive projects, especially work and abiding by laws.

For those who say that the values of welfare clients (actual and potential) are already not different from those of the middle class, one should respond that indeed many of those in the middle classes need to have their personal and social responsibilities shored up. This hence is hardly an argument against this approach but rather an argument for expanding its reach.

- * Costs, evaluations, and measurements: Our basic contention is that this approach must more than pay for itself in the short run (within a year!) or it should be recast if not abandoned. The basic point is that while this program will not allow the peer counselors to earn a living or even part of it in the private sector, if they work properly, they must be able to get at least some of their peers (as well as themselves) off irresponsible behavior. Note that for every teenager who does not become pregnant while in high school and who completes her training, society saves at least two years of welfare payments. There should be additional measurable reductions in crime rates and drug and alcohol abuse. These savings should significantly exceed the costs of the centers or the program is not properly designed or carried out. If possible, one may try to charge the additional costs for the suggested centers (which to some extent merely consolidate existing programs) against the same programs in which we expect savings so that no new net appropriations would be necessary.

To put it differently; we expect a multiplier effect in that not only will those who are hired be expected to act responsibly (and thus reduce social costs) but be able to sway some others.

Note also :

- * This approach does not entail a two years waiting period to get people off welfare.
- * Other programs try to train welfare clients, then seek private sector work for them, and if these fail -- as they often will for reasons discussed below, in the current and foreseeable economic environment -- they are paid to do community service (or do community service to pay off their welfare obligation). Consider the suggested peer counseling -- their community service!
- * A merit of the approach suggested here is that it focuses most of its expenditures on potential and actual welfare clients and not on outside trainers.
- * The success of the program will be enhanced by making schools into gun-free and drug-free zones, the use of screening gates, locker searches, and increasing the penalties of those who take guns or drugs within three hundred yards of a school and triple again for those who take them into schools. (The ACLU objections to several of these measures can be readily counted on moral and legal grounds.)

3. Carrots and sticks

The discussion so far focused on the need to work on the culture side to shore up personal and social responsibility; it is well complemented by working on the incentive side. (The case why such an approach is justified in principle was made by Isabel Sawhill in an essay which appeared in the Spring, 1992 issue of The Responsive Community: Rights and Responsibilities.)

Various demonstration projects being tried in several states seem to help to some extent to reduce

teen pregnancy and foster other forms of responsible parental behavior. These measures are listed next and some modifications are suggested.

- * A strong child support enforcement program is needed even if the amounts that can be collected are relatively small (estimates range from \$5 to \$30 billion). Such programs will reduce the public costs of welfare (there are not many other such sources!). Also, it will send a message to the men involved that irresponsible sex has dire consequences for them and not just for the women. (See Christopher Jencks article, "Can We Put a Time Limit on Welfare." in the Fall, 1992, issue of The American Prospect.) Finally, it will demonstrate to the public that the Administration is taking seriously the notion of responsibility for the consequences of one's acts. (For a more thorough description of child support enforcement see David T. Ellwood's paper "Reducing Poverty By Replacing Welfare: Income Support Strategies for the Nineties.")
- * The program should be administered as a separate inter-state program, rather than as a federal program for reasons elaborated by Alice Rivlin in Reviewing the American Dream and for other reasons not discussed here.
- * Listing both parents on the birth certificate is a useful device. It is the best time to identify the father and will make later child support enforcement much easier. (For additional discussion see "A Progressive Family Policy for the 1990s" by Elaine Kamarck and William Galston, in the Progressive Policy Institute's Mandate for Change).
- * To the extent that only \$50 a month of the child support collected go to the custodial, and the rest to the state to reduce welfare costs, there is little incentive for mothers to collaborate in finding the fathers. This rule should be modified so that women receive a higher percentage of the money collected. (See Douglas Besharov, "Concept Paper on Welfare Reform," April 23, 1993.)
- * Rules which exempt fathers whose income is below \$10,000 a year or so should be modified to

include this population. Even if one makes say only \$3,000, some of it should go to the children. Otherwise one "favors" deadbeat and runaway fathers over those who do their duty and stay. (A married father in the home shares with the children whatever merger offering there are).

- * Requiring minors to live with a parent to get AFDC benefits seems a useful measure (allowing for exemptions in the case of abusive parents).
- * Cutting welfare payments if children are added while the mother is on welfare seems unduly harsh and may not be effective.

All said and done, the evaluation of all these measures taken together should be that those teens who are studying and not pregnant will have no reason to envy those who do otherwise. Granting only the latter training, food stamps, job offers and supplemental income will undermine incentives for responsible behavior. In effect, several measures suggested elsewhere may seem inadvertently designed to suck people into welfare. The net effect of these programs seems to be to significantly increase the rewards of those who are on welfare versus those who are not (See Christopher Jencks, who suggests that therefore we should extend several benefits to those whose income is higher than \$15,000 a year.)

4. School and corporation collaboration in appreciative programs.

Measures to encourage welfare mothers to keep their children in school may be justified. However, note that at present the schools by all reports are particularly alienating and that their teaching is often ill suited for those who are not college bound. Hence, a major school-based appreciative program for teens who do not seek to go to college should be fashioned. This should start at age sixteen or earlier rather than after a person has graduated. It should be crafted in collaboration with corporations. Note that the best training programs are those in which people are largely trained on the job and participants know that if they successfully complete the program, a job will be available. (Most training programs that are

not employer-based do not have such a promise and many place only a few of their graduates).

School-based programs must be negotiated with the labor unions. A preliminary discussion suggests that this may not be impossible to accomplish.

At present, many teenagers do not see a meaningful future. If these teenagers become engaged in preparation for a promising vocation they are likely to be less inclined to have children. (Just Say No is not enough; they need a positive, realistic goal).

The following model has been suggested by Ted Kolderie, Robert Lerman, and Charles Moskos in their paper "Educating America: A New Compact for Opportunity and Citizenship."

1. 7-10th grade – expose all students to information on various occupations.
2. 10th grade – give students a choice between a purely academic or job apprenticeship track. Those choosing the later will sign a contract with a specific employer.
3. 11th grade -- initiate a range of three-year apprenticeship programs. At this point students begin splitting time between school and on-the-job training.
4. 12th grade – give a comprehensive educational and job-proficiency test to ensure capability.
5. "13th grade" – much time would be spent on-the-job; material would be advanced enough to permit the apprentices to earn one year of credit toward an Associate's degree.

The advantages of such a program are several: expand the skilled workforce; improve opportunities for women and minorities; low-cost (as employers cover much of the expense of training); wages will rise as more employees gain skills; increase the relevance of school for non-college-bound students; provide a positive option for the future, which would serve as an incentive to stay off drugs and avoid getting pregnant; by spending time in a constructive work and school environment, students will learn lessons of responsibility, civility, etc., and more will feel invested in larger society and economy; because the program is open to all young people, and not targeted toward any particular group, the program will appeal to the general public.

5. Some secondary points. (The following is taken from Douglas Besharov's paper "Concept Paper on Welfare Reform.")

- * Special services and treatment for teens should not be made available only after teens get pregnant since this sends the wrong message.
- * Responsible sexual behavior is often linked to better skills/prospects for the future.
- * School-based, top-down, programs to prevent pregnancy have often demonstrated limited effectiveness.
- * The Best Friends Program has had a marked effect on reducing teen pregnancies by providing teens with a peer group setting where they provide mutual support to abstain from sex, learn to deal with boys, and build up self-respect.
- * The best way to approach educational programs is to focus on vocational skills (data entry, electronic repair, etc.) and to have guidance counselors focus not just on college placement but also job placement.

Part II. DANGER: HIGH TRAINING IN AN ECONOMY POOR IN JOBS

Programs that focus on extensive training and education (up to two years) before job placement, and provide income supplements (with public works as a back up) are well suited for a high employment situation (especially one in which there is a shortage of employees, and in several categories and levels of jobs). They are much less likely to work in situations in which there is already a considerable job shortage and a strong flow of immigrants, and as NAFTA at least temporarily further cuts lower rung jobs.

True, there are some studies that report that some welfare clients were placed even during high unemployment; it is argued that this occurred because in some specific sectors there is a job shortage even when this is not generally the case, and that employers can be motivated to retain trained welfare clients. Note though that (a) these studies did not examine displacement (whether or not the hiring of welfare

clients displaced other workers and whether or not those displaced ended on welfare, a question of particular importance for welfare prevention); (b) in some situations job training is complimented with economic development, which allows for the creation of new jobs. However, economic development of this kind is very expensive and is unlikely to be possible in the current context on a massive scale. (c) Some studies (e.g., an unreleased study by the State of Washington and other reports, see Gordon Berlin) show that the main effect of training was the "redistribution" of jobs. The public reaction to spending large amounts on welfare clients to displace other workers may well be quite unfavorable. T h e political backlash to result from a fine program implemented in the wrong context is likely to be high. I suggest a full reexamination of this approach.

To put it more precisely, one should use job availability as a continuous rather than a dichotomous variable. That is, the high training/education pathway seems to recommend itself more -- the great the labor shortage, and less the great the job shortage. Further elaboration of this thesis would have to take into account, various categories of jobs (e.g., low skills versus higher skills, etc).

Part III. OTHER MEASURES.

- * Training IRAs would help those who worked before falling into welfare. To keep costs down, provide no tax deductions for deposits, but only for earnings in the account.
- * Pro-family. There are numerous reasons why encouraging welfare clients (actual and potentials) to marry is desirable and so is sustaining most marriages if they are in place. Among the elementary reasons is that two who share a household have lower costs per persons compared to two separate households; they can share child care duties etc. Numerous other suggestions have been made to encourage the preservation of family. Some entail changes in culture, others in incentives. Changes of the first kind bring to mind that the middle classes often provide role

models for others. Changes of the second kind -- that removing completely various marriage penalties now in place, may make welfare payments so high that they may suck people into welfare who currently are not, or at least will make them feel unfairly treated.

Reducing the marriage penalty on step-parents should be considered. (Calculations in The Rush to Reform, published by the Center for Law and Social Policy, indicate that a mother with two children receiving AFDC benefits would, at present, lose over \$6,000 in benefits in Illinois and nearly \$11,000 in benefits in New York if she were to marry a man earning \$15,000 a year.) Numerous other measures have been proposed that seek to enhance the preservation and creation of families. In testimony before Congress (on April 9, 1992), Mark Greenberg proposed that the income of a person who marries an AFDC recipient should not be counted against the grant until the new spouses income reaches the poverty level. At the same hearings, Isabel Sawhill proposed that all first-time mothers who apply for temporary assistance should be required to attend parenting classes.

Other rules which penalize married couples on AFDC-UP (the AFDC program for two-parent families in which at least one is unemployed) which ought to be reconsidered. They include: Work history rules which disqualify a family unless the principal wage earner has worked 6 of the 13 past quarters or has been eligible for unemployment compensation under state law; the "100 hour" rule which disqualifies a family from receiving AFDC-UP if the principal wage earner is employed for 100 hours a month, regardless of how low the persons's wages. These rules apply to AFDC-UP recipients only, but not to unmarried AFDC clients.

- * It should be noted that practically all experts agree that the passage of a national health insurance program would significantly help alleviate the problem before us.
- * Ecological dispersement. In the Gatreaux experiment, performed outside Chicago, some five-thousand families were given vouchers which allowed them to move from the inner-city to the

suburbs, and it is reported that they were readily absorbed into the middle-class economy and culture. Some draw from this the conclusion that if all inner-city populations would be dispersed in the same manner, the whole issue would be licked. The original study needs to be revisited to determine if either the moving or receiving population was atypical, as well as the costs of relocation. However, this approach does deserve more attention.

* Some observers downplay the role of lack of assets as distinct from income. The shortage of low income housing is a major problem, even if community service and private sector job income is supplemented to bring people to a line above poverty. Requirements to set aside some low-income housing for every x units built in exchange for some de-zoning or other privileges (say larger buildings, but not tax benefits) is desirable but should be negotiated with builders rather than imposed.

* Integration of services. The situation in welfare is akin to health care in that too high a proportion of the funds go to administer the services and too little to the service itself. Whatever the ratio is (some say the administration absorbs as much as two-thirds), the proportion that goes to others than the clients are higher here than in health care. One way to improve this ratio is to simplify the service flows. (There are some 75 different means-tested services.) This does not mean that they should all be integrated into one service, but some consolidation is in order.

* Micro-enterprise loans. (The following is taken from "Replacing Welfare With Work," by Will Marshall and Elaine Kamarck):

An innovative welfare-to-work strategy should include expanded public support for small "microenterprise" loans that can enable enterprising poor people to become self-employed. In inner cities and impoverished rural areas, microenterprise programs can foster self-employment by providing small, uncollateralized loans and business advice to groups of poor people trying to start their own business. Many such projects are patterned on the Grameen Bank in Bangladesh, which has helped thousands of poor rural women start small enterprises and which uses peer support and pressure to achieve a 98 percent repayment record. Using similar methods, the Women's Self-Employment Project in Chicago makes loans of \$10,000 or less to poor women, who have used them to open dress shops and catering businesses. The Southern Development Bancorporation likewise fosters economic activity among low-income residents of

rural arkansas.

The new administration should increase federal support for microenterprise experiments and reduce legal and regulatory barriers - such as limits on assets and prohibitions on work in the home - that prevent poor people from choosing self-employment rather than welfare. It should also use federal funds to leverage the spread of community development banks, which make larger loans to build housing and stimulate small business development in poor communities.

- * Illegal immigration seems often to hurt efforts to curb welfare costs. Issuing a highly tamper-proof social security card and mandating higher penalties for those who employ illegal immigrants would go a long way to address this issue if one is willing to go down this road. It is my personal view that one may well wish to increase legal immigration, but that no society can tolerate unlimited illegal immigration. Special measures need to be taken to ensure that these measures will not be used to discriminate against Americans of diverse backgrounds.
- * An extreme measure: Several have suggested a regional sales tax which in effect would make more affluent parts of a metropolitan area (including suburbs) pick up some of the costs of the inner city. Some recommend this in exchange for some favors to the suburbs. This seems to raise more resistance than one can handle and tends to be regressive.

Amitai Etzioni

with the assistance of Steven Helland



Policy

The following are comments on your proposal for hiring teens on welfare as peer counselors in order to prevent welfare dependency. This proposal offers potential benefits, but also raises several concerns. While the description of the proposal provided to us is brief, there are some issues that come to mind.

Benefits:

- Experts report that for positive development, youth need a high level of self-esteem; a sense of mastery and belonging; and an opportunity to contribute to their community. Often teenage welfare recipients don't possess these experiences; participation in a service program would foster them.
- Studies suggest that service learning is empowering and character-building, thus, youth gain experiences helpful in assuming family responsibilities, being productive job seekers and employees and participating as informed citizens and consumers.
- Experience shows that teens are most influenced by their peers or others close in age. For example, a group of teenage parents is very credible when addressing younger teens on the issues of engaging in sexual activity and parenthood. Employing teen welfare recipients to collectively share their experiences could be very effective in this regard.

Concerns:

- The use of peer counselors in a one-on-one situation raises some specific concerns:

While this model could tap potential and raise self-esteem among participants, if they do not receive adequate training and support, the likelihood of failure is high. This could be detrimental not only to

the teen, but also to those being counselled by the teen.

Participants for this program must be carefully selected. If the program were limited to peer counseling, teens would provide counseling on issues with which they themselves may be struggling. Some teens would be more able to serve successfully in this role than others.

- If youth were not paid for participating in this program, care must be taken that participation in this program would enhance rather than diminish the likelihood that the teen would obtain steady employment. Would youth gain skills and receive assistance in obtaining employment? If not, would participation in this program lessen the teen's time to participate in employment-seeking related activities.

Implementation:

As this proposal mentions, several Public Health Service Programs such as the Community and Migrant Health Centers, and School Health Services may be appropriate. In addition, there are several programs in the Administration for Children and Families that serve high-risk children and youth. Programs funded by other Departments such as HUD and USDA, and privately funded programs should be considered.

Also, other populations with which these teens could work should be considered. In particular, it may be useful to have welfare clients work with younger children as they would be learning parenting skills and skills that could assist them in obtaining a job in the early childhood field.

Finally, teens receiving welfare should be integrated with other teens serving in the National Service Program and other service ventures. These would prevent the welfare population being isolated from other teens.

July 13, 1993

Prevention Issue Group

The group will concentrate on: 1) understanding how families enter the AFDC program for the first time; 2) considering policies that may prevent entries.

The challenge for the group will be to identify and select a limited number of promising policy options for further analysis and eventual presentation to the Working Group. We hope to identify two types of policy options: those that encourage more responsibility (e.g., in the area of childbearing), and those that provide greater opportunity (e.g., to go to college or get a job).

Background

It is commonly estimated that about half of the mothers on the AFDC rolls at any point had their first child as a teenager. In the past, many were teenaged wives at the birth of their first child. More recently, most births are to unmarried teenagers. In 1960, about 85 percent of births to teenagers were to wives; in 1990, about 68 percent were to unmarried teenagers. Similarly, whereas divorced or separated mothers used to constitute the majority of AFDC case-heads, now never-married mothers are in the majority. Never-married mothers account for virtually all the increase in the AFDC caseload during the 1980s. Accordingly, to some extent that the issue group will explore, prevention of welfare entry will have to grapple with reducing child-bearing among unmarried teenagers. In this context, it will be important to look at family planning practices and policies.

Welfare and non-welfare strategies

As often noted, prevention of unwanted pregnancies among teenagers may entail changing their perceptions of their own possible futures - the way they look at both unmarried parenthood and life on welfare, on the one hand, and alternatives to welfare, on the other. The transition and post-transition issue groups are expected to recommend policies that will change a young, at-risk female's perception that welfare can be a way of life. The child support enforcement issue group may recommend policies that will change a young, at-risk male's chances of avoiding the child support system, should he father a child outside marriage.

Perceptions of alternatives to life on welfare or unmarried fatherhood also appear to be correlated with the likelihood of teenage pregnancy. Accordingly, the prevention group will consider non-welfare policies that promote better futures for at-risk teenagers. Current programs and the Administration's initiatives in training, education, and employment will be reviewed in an effort to identify policies that maximize opportunities for at-risk youth who avoid becoming parents before they are prepared to raise and support a family.

Target population

At first glance, it would seem that prevention departs from other issue groups' concerns by virtue of its focus on those who have not yet entered the welfare system. However, the division is not sharp here either. Some new AFDC case-heads are familiar with welfare from earlier spells as dependent children, and some are simply switching status from dependent child to caretaker.

What distinguishes the target population of the prevention group from that of groups dealing with custodial and noncustodial parents is that the prevention group will focus on those who are not yet welfare mothers or absent fathers, but who are at high risk.

Paths onto AFDC

Most typically, families end up on AFDC for the first time by one of three paths: 1) first children are born to unmarried mothers who cannot support them; 2) two-parent families break apart, leaving custodial parents unable to support their children; 3) family bread-winners lose or leave their jobs, leaving them unable to support their children.

When all entries are considered, it would seem that the issue group's focus should be on the second route. Bane and Ellwood's classic study of early PSID families found that nearly half of all first AFDC spells occurred when a wife became a family head. By comparison, about 30 percent of AFDC entries occurred when an unmarried woman had her first child, and about 12 percent when a female family head's earnings fell.

A simple count of entries suggests that policies to prevent divorce and separation should be the first priority. However, we know that the amount of time, both in first spells and total time, that a family spends on welfare is correlated with the path the family first takes onto welfare. In data from the mid-1970s to mid-1980s, those who entered the system due to a loss of earnings averaged less than four years in their initial spell. Those who came onto AFDC from marital break-up averaged four and one-half years. By contrast, those who first came onto AFDC as an unmarried first-time mother stayed 7.7 years in their first spell.

Analysis of more recent data confirm earlier findings that never-married mothers will return more frequently and have longer total time on AFDC as well as longer first spells. So if we are concerned about the degree of welfare dependency, rather than just contact with the welfare system, it appears that delaying or preventing entries that occur when an unmarried woman bears a first-child she cannot support should be a priority of the prevention group. However, although entries due to births to unmarried women will be a focus, the prevention group should give due consideration to determinants of marital break-up and earnings decline among single-parents.

Entry determinants and prevention options

The immediate preconditions of unplanned first-births to unmarried teenagers are early extra-marital sexual activity, the absence of effective family planning practices, and decisions by at least one of the parties not to marry. Among the underlying factors are concomitants of poverty, joblessness, low educational achievement, and changing social norms. The policy options developed by the prevention group will be based on a review of current knowledge about the connection between each of these factors and entry onto the AFDC rolls.

The determinants of marital break-up are, if anything, even more complex. However, the current state of knowledge will be reviewed, and an attempt made to identify policies and programs that have proven or promised power to prevent marital dissolution.

Development of policy options

Policy options from the prevention group will emphasize both responsibility and opportunity. On the responsibility side of the equation, the group will consider welfare and non-welfare policies that may encourage responsible family formation decisions. In this, the prevention group may overlap and inform the work of the other issue groups by presenting analysis of the likely impact of the policies they are considering on the determinants of AFDC entry. For example, there may be reason to think that some variations of AFDC time-limits, or paternity establishment and child support enforcement may encourage or deter AFDC entries more than others.

Second, the prevention group will present options outside the purview of the other issue groups to promote opportunity among at-risk females and males. Options designed to change the opportunities available to categories of at-risk individuals and to change opportunity structure in certain communities -- at least on a demonstration basis -- will both be considered.

WR - Prevention

EXECUTIVE OFFICE OF THE PRESIDENT

Washington, D. C.

FAX TRANSMITTAL COVER SHEET

DATE: 14-Jul-93

TO: BRUCE REED

SUBJECT: BACKGROUND PAPER FOR ?

FROM: RICHARD B. BAVIER (202) 395-3844
OFFICE OF MGMT AND BUDGET, HRVL

If there are any problems receiving this transmission,
please call the sender, or (202) 395-7370.

Isabel Sawhill asked me to share with those who will be attending Friday's meeting a copy of the draft paper setting out the scope of the welfare reform issue group dealing with prevention issues.

Prevention Issue Group

The group will concentrate on: 1) understanding how families enter the AFDC program for the first time; 2) considering policies that may prevent entries.

The challenge for the group will be to identify and select a limited number of promising policy options for further analysis and eventual presentation to the Working Group. We hope to identify two types of policy options: those that encourage more responsibility (e.g., in the area of childbearing), and those that provide greater opportunity (e.g., to go to college or get a job).

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the

C O M M U N I T A R I A N
N E T W O R K

URGENT ATTENTION REQUESTED

7/1/93

Mr. Bruce Reed
Deputy Assistant to the President
Domestic Policy Council
The White House
1600 Pennsylvania Ave NW
Washington, DC 20506
FAX: 456-2878

YES

Dear Mr. Reed:

This is to invite you to participate in a meeting of unusual importance. The meeting will be dedicated to formulating new ideas regarding welfare reform. This issue involves some of the toughest questions facing our nation and is currently being considered by the Administration. The particular focus of this seminar will be on preventing welfare dependency rather than on moving people off welfare after it has begun.

The meeting will open with introductory remarks by Bruce Reed, Deputy Assistant to the President for Domestic Policy, and Isabel Sawhill, Associate Director of Human Resources, Office of Management and Budget, about the work of the Administration's task force and the questions they hope will be discussed. The meeting will be chaired by the President-elect of the American Sociological Association (myself).

The meeting will take place in room ³²⁴248 of the Old Executive Office Building, on July 16, from 11:00 a.m. until 4:30 p.m. While the meeting is strictly informal and off-the-record, the appropriate White House representatives will be present and the group's conclusions will be shared with the Presidential task force on the subject. The meeting will take place on July 16, from 11:00 a.m. until 4:30 p.m. If you accept the invitation it is assumed that you will attend the full meeting to allow for a successful discussion. Some additional materials may be shared with participants at a later date.

I regret to inform you that your service will be as a volunteer and hence there will be no reimbursement for any expenses involved. The same also holds, of course, for the organizers of this meeting. Also, this invitation is for you specifically and is not transferable. If you have additional questions, please do not hesitate to call me at (202) 994-8190. Fax: (202) 994-1639. Or contact Steven Helland, who is working with me on this project, at (202) 994-1605. FAX: (202) 994-1639. Address: 714H Gelman Library, 2130 H St. NW, Washington, DC 20052.

I look forward to working with you.

Sincerely,

Amitai Etzioni
Amitai Etzioni

Founder: Amitai Etzioni • Associate Director: Paul Downs • Assistant Director: David S. Brown

2130 H Street, N.W., Suite 714-F, Washington, D.C. 20052
(202) 994-7907 or 994-7997 fax: (202) 994-1639

Response FormNAME Mr. Bruce Reed **Yes.** I will participate in the seminar on welfare, to be held on July 16 from 11:00 a.m. to 4:30 p.m., in room 248 of the Old Executive Office Building. **No.** I will not attend this meeting.

Return to: Steven Helland, FAX: (202) 994-1639. Address: 714H Gelman Library, 2130 H St. NW, Washington, DC 20052. Tele: (202) 994-1605.

INVITED TO PARTICIPATE

ADMINISTRATION

Mary Jo Bane
Richard Bavier
David T. Ellwood
William A. Galston
Elaine Komarck
Bruce Reed
Alice M. Rivlin
Douglas Ross
Isabel Sawhill
Kathi Way

NON-ADMINISTRATION

Henry Aaron
Brookings Institution

Jodie Allen
Washington Post

Elijah Anderson
University of Pennsylvania

Gordon Berlin
Manpower Demonstration Research Corporation

Douglas Besharov
American Enterprise Institute

Wayne Bryant
Assemblyman, New Jersey

Ernesto Cortes Jr.
Texas Industrial Areas Foundation

Marian Wright Edelman
Children's Defense Fund

Irwin Garfinkel
Columbia University School of Social Work

Ron Haskin
Ways & Means
US House of Representatives

Patricia King
Georgetown University Law Center

Joyce Ladner
Howard University

Michael Laracy
Department of Human Services
New Jersey

Frank Levy
University of Maryland

Will Marshall
Progressive Policy Institute

Paul Offner
Senator Moynihan's Office

Franklin Raines
Federal National Mortgage Association

William Raspberry
Washington Post

Audrey Rowe
Department of Income Maintenance
Connecticut

Eddie N. Williams
Joint Center for Political Studies

William J. Wilson
University of Chicago

the

C O M M U N I T A R I A N
N E T W O R K

7/14/93

Page 1 of 14

TO:

Bruce Reed
Deputy Assistant to the President
Domestic Policy Council
The White House
1600 Pennsylvania Ave NW
Washington, DC 20506
FAX: 456-2878

FROM:

Amitai Etzioni

RE:

Attached discussion points for July 16 meeting.

DRAFT

Prevention: Keeping Future Generations Off Welfare

"To end welfare as we know it." -- President Clinton

Part I: THE YMCA APPROACHAbstract of Part I

The core of the issue is teenage mothers. Above all, one needs to work on the value-side to encourage socially and personally responsible behavior, in addition to using incentives and maybe penalties. This can be tried by hiring at-risk teenagers to do peer counseling. School-based human resource centers (to encompass health care clinics and job orientation and placement programs) could provide the guidance and skills that the peer counselors will require. View these centers as the basis of a welfare prevention corps.

1. Teen pregnancies are at the core

The welfare population contains a high turnover contingent, comprised largely of displaced home makers (recently divorced or separated) who are relatively quick to remarry and/or find jobs, and a more permanent population containing some "unemployables," but mainly families headed by women who had their first child as a teenager. (An HHS study reports that of the 8.5 million children who qualified for AFDC in FY1991, 53% came from homes in which only one parent is present and the parents were never married.) A teen who had her first child say at age 14 and another at 16, is so far behind in her studies and skills and so burdened with child care that she is very difficult to "train" (her high school deficiency

alone is significantly greater than two years) and to place. Reducing the pregnancy rate and deferring the age at which first children are born is hence a high priority for a welfare prevention strategy; such efforts should focus on this source of potential clients that are most likely to become long-term welfare recipients (as distinct from "transitionals").

Note: though analytically it may well be appealing to discuss welfare prevention strategies separately from those that focus on treating welfare clients, in practice this separation runs into many problems. For example, the higher the benefits given to welfare clients, the more difficult prevention becomes, etc. Hence, inevitably in the following discussion the line between prevention and treatment is often crossed.

2. The YMCA Approach. Work on the values side: hire some welfare clients as peer counselors; all senior counselors, and form human resource centers in schools.

The merits of a "YMCA" (value-change agents) approach: historically dislocated populations, whose behavior needed to be changed, were reached via change agents who in effect worked on people's values or culture to motivate them to take responsibility for the consequences of their behavior. The main value-oriented change agents were voluntary associations including ethnic associations and religious ones. In this way, the rowdy farm laborer who migrated into the cities, shorn of their community contacts, were won over to civil conduct, which led to a relatively orderly society (See the writings of James Q. Wilson). For example, in those days a young man knew that if he would get a young woman "into trouble" he would be made to marry her ("shotgun weddings"). It served as a powerful prophylactic. It also set a clear norm for young women to follow; while quite a few did not abide by the norm, there was a clear norm and it led many to defer sexual activity and reduced the incidence of premarital pregnancies.

How could we fashion a contemporary equivalent? Let one grant that there is no ready answer,

certainly not a proven one. Therefore some experimentation is called for. The basic elements of what is needed are:

- * Peer counselors: hire as part time (work while at school) select members of the group, of teen agers at risk, to serve as peer counselors. Experience shows that they have a much better chance than do outsiders of reaching potential clients as well as those now on welfare. Also, counselling may be their public work or a way to pay off their welfare obligations.
- * The peer counselors themselves will need training and continuous hand-holding from senior guidance counselors. These senior counselors could be drawn from exemplary peer counselors and from the ranks of professionals.
- * Both levels of counselors would need some resources. e.g., meeting rooms. Hence the need for school-based human resource centers.
- * Broad focus: sex education or drug education should not be the only focus; these should be folded into more encompassing programs for both substantive and other considerations. The more encompassing programs would include helping with vocational choices, nutritional information, etc. (A study by Frank Furstenberg found that such a program in Baltimore was successful in changing behavior; that is, keeping young women in school, and delaying pregnancy.)
- * Context: into what broader context should these centers be placed? All options that come to mind have some advantages and some major difficulties. Religious organizations (say in black churches) raise the specter of violating the separation of state and church. Drawing on the regular school staff -- the high measure of alienation. The armed forces, in the form of a new ROTC, may evoke militaristic fears (although this idea has promise especially given the military's need to ensure that potential recruits will be in shape, its abundance of resources, lack of mission, and personnel of minority background). The US Public Health Service or state public health departments might also serve. Finding the proper context for the culture change-agents is the

single most important factor that will determine the success of this approach.

- * Responses to criticism: Some argue that such approaches stress culture and "blame the victim" rather than the socio-economic conditions that cause poverty. It is my position that both socio-economic conditions and culture are at work. The main socio-economic change that is needed is to bring the economy to a higher growth pathway and make it more job rich. Here I focus on the other half of the equation: the needed changes in culture. We need to encourage people to take more responsibility for their lives and find meaning in socially constructive projects, especially work and abiding by laws.

For those who say that the values of welfare clients (actual and potential) are already not different from those of the middle class, one should respond that indeed many of those in the middle classes need to have their personal and social responsibilities shored up. This hence is hardly an argument against this approach but rather an argument for expanding its reach.

- * Costs, evaluations, and measurements: Our basic contention is that this approach must more than pay for itself in the short run (within a year!) or it should be recast if not abandoned. The basic point is that while this program will not allow the peer counselors to earn a living or even part of it in the private sector, if they work properly, they must be able to get at least some of their peers (as well as themselves) off irresponsible behavior. Note that for every teenager who does not become pregnant while in high school and who completes her training, society saves at least two years of welfare payments. There should be additional measurable reductions in crime rates and drug and alcohol abuse. These savings should significantly exceed the costs of the centers or the program is not properly designed or carried out. If possible, one may try to charge the additional costs for the suggested centers (which to some extent merely consolidate existing programs) against the same programs in which we expect savings so that no new net appropriations would be necessary.

To put it differently, we expect a multiplier effect in that not only will those who are hired be expected to act responsibly (and thus reduce social costs) but be able to sway some others.

Note also :

- * This approach does not entail a two years waiting period to get people off welfare.
- * Other programs try to train welfare clients, then seek private sector work for them, and if these fail -- as they often will for reasons discussed below, in the current and foreseeable economic environment -- they are paid to do community service (or do community service to pay off their welfare obligation). Consider the suggested peer counseling -- their community service!
- * A merit of the approach suggested here is that it focuses most of its expenditures on potential and actual welfare clients and not on outside trainers.
- * The success of the program will be enhanced by making schools into gun-free and drug-free zones, the use of screening gates, locker searches, and increasing the penalties of those who take guns or drugs within three hundred yards of a school and triple again for those who take them into schools. (The ACLU objections to several of these measures can be readily counted on moral and legal grounds.)

3. Carrots and sticks

The discussion so far focused on the need to work on the culture side to shore up personal and social responsibility; it is well complemented by working on the incentive side. (The case why such an approach is justified in principle was made by Isabel Sawhill in an essay which appeared in the Spring, 1992 issue of The Responsive Community: Rights and Responsibilities.)

Various demonstration projects being tried in several states seem to help to some extent to reduce

teen pregnancy and foster other forms of responsible parental behavior. These measures are listed next and some modifications are suggested.

- * A strong child support enforcement program is needed even if the amounts that can be collected are relatively small (estimates range from \$5 to \$30 billion). Such programs will reduce the public costs of welfare (there are not many other such sources). Also, it will send a message to the men involved that irresponsible sex has dire consequences for them and not just for the women. (See Christopher Jencks article, "Can We Put a Time Limit on Welfare," in the Fall, 1992, issue of The American Prospect.) Finally, it will demonstrate to the public that the Administration is taking seriously the notion of responsibility for the consequences of one's acts. (For a more thorough description of child support enforcement see David T. Ellwood's paper "Reducing Poverty By Replacing Welfare: Income Support Strategies for the Nineties.")
- * The program should be administered as a separate inter-state program, rather than as a federal program for reasons elaborated by Alice Rivlin in Reviewing the American Dream and for other reasons not discussed here.
- * Listing both parents on the birth certificate is a useful device. It is the best time to identify the father and will make later child support enforcement much easier. (For additional discussion see "A Progressive Family Policy for the 1990s" by Elaine Kamarck and William Galston, in the Progressive Policy Institute's Mandate for Change).
- * To the extent that only \$50 a month of the child support collected go to the custodial, and the rest to the state to reduce welfare costs, there is little incentive for mothers to collaborate in finding the fathers. This rule should be modified so that women receive a higher percentage of the money collected. (See Douglas Besharov, "Concept Paper on Welfare Reform," April 23, 1993.)
- * Rules which exempt fathers whose income is below \$10,000 a year or so should be modified to

include this population. Even if one makes say only \$3,000, some of it should go to the children. Otherwise one "favors" deadbeat and runaway fathers over those who do their duty and stay. (A married father in the home shares with the children whatever meager offering there are).

- * Requiring minors to live with a parent to get AFDC benefits seems a useful measure (allowing for exemptions in the case of abusive parents).
- * Cutting welfare payments if children are added while the mother is on welfare seems unduly harsh and may not be effective.

All said and done, the evaluation of all these measures taken together should be that those teens who are studying and not pregnant will have no reason to envy those who do otherwise. Granting only the latter training, food stamps, job offers and supplemental income will undermine incentives for responsible behavior. In effect, several measures suggested elsewhere may seem inadvertently designed to suck people into welfare. The net effect of these programs seems to be to significantly increase the rewards of those who are on welfare versus those who are not (See Christopher Jencks, who suggests that therefore we should extend several benefits to those whose income is higher than \$15,000 a year.)

4. School and corporation collaboration in appreciative programs.

Measures to encourage welfare mothers to keep their children in school may be justified. However, note that at present the schools by all reports are particularly alienating and that their teaching is often ill suited for those who are not college bound. Hence, a major school-based appreciative program for teens who do not seek to go to college should be fashioned. This should start at age sixteen or earlier rather than after a person has graduated. It should be crafted in collaboration with corporations. Note that the best training programs are those in which people are largely trained on the job and participants know that if they successfully complete the program, a job will be available. (Most training programs that are

not employer-based do not have such a promise and many place only a few of their graduates).

School-based programs must be negotiated with the labor unions. A preliminary discussion suggests that this may not be impossible to accomplish.

At present, many teenagers do not see a meaningful future. If these teenagers become engaged in preparation for a promising vocation they are likely to be less inclined to have children. (Just Say No is not enough; they need a positive, realistic goal).

The following model has been suggested by Ted Kolderic, Robert Lerman, and Charles Moskos in their paper "Educating America: A New Compact for Opportunity and Citizenship."

1. 7-10th grade -- expose all students to information on various occupations.
2. 10th grade -- give students a choice between a purely academic or job apprenticeship track. Those choosing the later will sign a contract with a specific employer.
3. 11th grade -- initiate a range of three-year apprenticeship programs. At this point students begin splitting time between school and on-the-job training.
4. 12th grade -- give a comprehensive educational and job-proficiency test to ensure capability.
5. "13th grade" -- much time would be spent on-the-job; material would be advanced enough to permit the apprentices to earn one year of credit toward an Associate's degree.

The advantages of such a program are several: expand the skilled workforce; improve opportunities for women and minorities; low-cost (as employers cover much of the expense of training); wages will rise as more employees gain skills; increase the relevance of school for non-college-bound students; provide a positive option for the future, which would serve as an incentive to stay off drugs and avoid getting pregnant; by spending time in a constructive work and school environment, students will learn lessons of responsibility, civility, etc., and more will feel invested in larger society and economy; because the program is open to all young people, and not targeted toward any particular group, the program will appeal to the general public.

5. Some secondary points. (The following is taken from Douglas Besharov's paper "Concept Paper on Welfare Reform.")

- * Special services and treatment for teens should not be made available only after teens get pregnant since this sends the wrong message.
- * Responsible sexual behavior is often linked to better skills/prospects for the future.
- * School-based, top-down, programs to prevent pregnancy have often demonstrated limited effectiveness.
- * The Best Friends Program has had a marked effect on reducing teen pregnancies by providing teens with a peer group setting where they provide mutual support to abstain from sex, learn to deal with boys, and build up self-respect.
- * The best way to approach educational programs is to focus on vocational skills (data entry, electronic repair, etc.) and to have guidance counselors focus not just on college placement but also job placement.

Part II. DANGER: HIGH TRAINING IN AN ECONOMY POOR IN JOBS

Programs that focus on extensive training and education (up to two years) before job placement, and provide income supplements (with public works as a back up) are well suited for a high employment situation (especially one in which there is a shortage of employees, and in several categories and levels of jobs). They are much less likely to work in situations in which there is already a considerable job shortage and a strong flow of immigrants, and as NAFTA at least temporarily further cuts lower rung jobs.

True, there are some studies that report that some welfare clients were placed even during high unemployment; it is argued that this occurred because in some specific sectors there is a job shortage even when this is not generally the case, and that employers can be motivated to retain trained welfare clients. Note though that (a) these studies did not examine displacement (whether or not the hiring of welfare

clients displaced other workers and whether or not those displaced ended on welfare, a question of particular importance for welfare prevention); (b) In some situations job training is complimented with economic development, which allows for the creation of new jobs. However, economic development of this kind is very expensive and is unlikely to be possible in the current context on a massive scale. (c) Some studies (e.g., an unreleased study by the State of Washington and other reports, see Gordon Berlin) show that the main effect of training was the "redistribution" of jobs. The public reaction to spending large amounts on welfare clients to displace other workers may well be quite unfavorable. T h e political backlash to result from a fine program implemented in the wrong context is likely to be high. I suggest a full reexamination of this approach.

To put it more precisely, one should use job availability as a continuous rather than a dichotomous variable. That is, the high training/education pathway seems to recommend itself more -- the great the labor shortage, and less the great the job shortage. Further elaboration of this thesis would have to take into account, various categories of jobs (e.g., low skills versus higher skills, etc).

Part III. OTHER MEASURES.

- * Training IRAs would help those who worked before falling into welfare. To keep costs down, provide no tax deductions for deposits, but only for earnings in the account.
- * Pro-family. There are numerous reasons why encouraging welfare clients (actual and potentials) to marry is desirable and so is sustaining most marriages if they are in place. Among the elementary reasons is that two who share a household have lower costs per persons compared to two separate households; they can share child care duties etc. Numerous other suggestions have been made to encourage the preservation of family. Some entail changes in culture, others in incentives. Changes of the first kind bring to mind that the middle classes often provide role

models for others. Changes of the second kind -- that removing completely various marriage penalties now in place, may make welfare payments so high that they may suck people into welfare who currently are not, or at least will make them feel unfairly treated.

Reducing the marriage penalty on step-parents should be considered. (Calculations in The Rush to Reform, published by the Center for Law and Social Policy, indicate that a mother with two children receiving AFDC benefits would, at present, lose over \$6,000 in benefits in Illinois and nearly \$11,000 in benefits in New York if she were to marry a man earning \$15,000 a year.) Numerous other measures have been proposed that seek to enhance the preservation and creation of families. In testimony before Congress (on April 9, 1992), Mark Greenberg proposed that the income of a person who marries an AFDC recipient should not be counted against the grant until the new spouses income reaches the poverty level. At the same hearings, Isabel Sawhill proposed that all first-time mothers who apply for temporary assistance should be required to attend parenting classes.

Other rules which penalize married couples on AFDC-UP (the AFDC program for two-parent families in which at least one is unemployed) which ought to be reconsidered. They include: Work history rules which disqualify a family unless the principal wage earner has worked 6 of the 13 past quarters or has been eligible for unemployment compensation under state law; the "100 hour" rule which disqualifies a family from receiving AFDC-UP if the principal wage earner is employed for 100 hours a month, regardless of how low the persons's wages. These rules apply to AFDC-UP recipients only, but not to unmarried AFDC clients.

- * It should be noted that practically all experts agree that the passage of a national health insurance program would significantly help alleviate the problem before us.
- * Ecological dispersment. In the Garreaux experiment, performed outside Chicago, some five-thousand families were given vouchers which allowed them to move from the inner-city to the

suburbs, and it is reported that they were readily absorbed into the middle-class economy and culture. Some draw from this the conclusion that if all inner-city populations would be dispersed in the same manner, the whole issue would be licked. The original study needs to be revisited to determine if either the moving or receiving population was atypical, as well as the costs of relocation. However, this approach does deserve more attention.

- * Some observers downplay the role of lack of assets as distinct from income. The shortage of low income housing is a major problem, even if community service and private sector job income is supplemented to bring people to a line above poverty. Requirements to set aside some low-income housing for every x units built in exchange for some de-zoning or other privileges (say larger buildings, but not tax benefits) is desirable but should be negotiated with builders rather than imposed.
- * Integration of services. The situation in welfare is akin to health care in that too high a proportion of the funds go to administer the services and too little to the service itself. Whatever the ratio is (some say the administration absorbs as much as two-thirds), the proportion that goes to others than the clients are higher here than in health care. One way to improve this ratio is to simplify the service flows. (There are some 75 different means-tested services.) This does not mean that they should all be integrated into one service, but some consolidation is in order.
- * Micro-enterprise loans. (The following is taken from "Replacing Welfare With Work," by Will Marshall and Elaine Kamarck):

An innovative welfare-to-work strategy should include expanded public support for small "microenterprise" loans that can enable enterprising poor people to become self-employed. In inner cities and impoverished rural areas, microenterprise programs can foster self-employment by providing small, uncollateralized loans and business advice to groups of poor people trying to start their own business. Many such projects are patterned on the Grameen Bank in Bangladesh, which has helped thousands of poor rural women start small enterprises and which uses peer support and pressure to achieve a 98 percent repayment record. Using similar methods, the Women's Self-Employment Project in Chicago makes loans of \$10,000 or less to poor women, who have used them to open dress shops and catering businesses. The Southern Development Bancorporation likewise fosters economic activity among low-income residents of

rural arkansas.

The new administration should increase federal support for microenterprise experiments and reduce legal and regulatory barriers - such as limits on assets and prohibitions on work in the home - that prevent poor people from choosing self-employment rather than welfare. It should also use federal funds to leverage the spread of community development banks, which make larger loans to build housing and stimulate small business development in poor communities.

- * Illegal immigration seems often to hurt efforts to curb welfare costs. Issuing a highly tamper-proof social security card and mandating higher penalties for those who employ illegal immigrants would go a long way to address this issue if one is willing to go down this road. It is my personal view that one may well wish to increase legal immigration, but that no society can tolerate unlimited illegal immigration. Special measures need to be taken to ensure that these measures will not be used to discriminate against Americans of diverse backgrounds.
- * An extreme measure: Several have suggested a regional sales tax which in effect would make more affluent parts of a metropolitan area (including suburbs) pick up some of the costs of the inner city. Some recommend this in exchange for some favors to the suburbs. This seems to raise more resistance than one can handle and tends to be regressive.

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with the assistance of Steven Helland



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WR-Prevention

July 13, 1993

MEMORANDUM FOR PREVENTION ISSUE GROUP

FROM: Richard Bavier ^B

SUBJECT: Draft background papers

Attached are the papers provided in response to the tasks assigned at our July 2 meeting. I think you will find them an excellent foundation on which to build our discussion of policy options.

I have to confess failure in the first task from the July 2 list. At present, distributions from Bane and Ellwood's 1983 study, "The Dynamics of Dependence: The Routes to Self-sufficiency," appear to be the latest picture we have of the frequency of the entry events of most interest to us. However, I will explore the possibility of getting more recent data in special tabulations.

Also attached are two efforts to move forward with thinking about policy options. One from ACF, considers a neighborhood development approach. The other, that considers how human capital development programs, child support, and welfare policies might change choices related to early childbearing, was drafted without the benefit of the background papers, and no doubt will need revision for that.

Our next meeting is scheduled for July 19, from 3:30 to 5:00 p.m., in OEOP room 180. Please let me or Judy Mann (395-3844) know if you plan to bring or send anyone new, so that we can get their names and birth dates and clear them into the complex.

Attachments

OPERATIONAL DEFINITION OF TEENAGERS MOST AT-RISK OF TEENAGE PARENTING

GOAL: The goal is to have a procedure for identifying young people who are at greatest risk of becoming dependent on welfare or of having offspring whom they cannot support. Identification should be at the earliest point when effective prevention strategies can be implemented. Ideally, the procedure would identify efficiently a high percentage of those who will fall into dependency in the absence of intervention, would screen out those who would make it on their own, and would be implemented in a non-stigmatizing manner. Such a procedure should not increase the chances that the identified group would fall into dependency.

NOTE: This goal is broader than that outlined in the issue group memo of July 1, 1993. We have not restricted the goal to identifying those who will become teenage parents.

THE LITERATURE ON THE AT-RISK

Although there are two separate bodies of literature dealing with teenage motherhood and fatherhood, the research points to a common set of causes and consequences. Two interacting conditions precede welfare dependency for oneself and/or one's children: (1) having children; and (2) having limited or no source of financial support. Teenage parenting creates the former and greatly increases the odds of the latter by interfering with schooling and work, and jeopardizing supportive family relationships. The latter condition is precipitated by a variety of factors, among them the parent's limited education and earnings power.

Resnick and Burt (Resnick, et al., 1992) propose that "risk" for early adolescents is a function of a) negative antecedent conditions which create vulnerabilities and b) specific negative behaviors. This definition fits with the major findings regarding girls and boys at risk of becoming pregnant or fathering children early and out of wedlock. It suggests that these youth could be identified as high risk during early adolescence before conceiving any children. One

caveat to the predictors for teenage childbearing and fatherhood is that our ability to distinguish at risk adolescents with specific risk factors appears to be less precise for Blacks than for Whites or other minorities.

Poverty is a critical antecedent factor connected with being "at risk." Boys who become young absent fathers tend to come from low income families (Lerman, 1986). Disadvantaged teens are 3 to 4 times more likely to have children out of wedlock than teens who are not disadvantaged (Robinson, 1988). The family income for young white males who became absent fathers was 48% below the average for all white families; the equivalent percentages for Hispanics and Blacks are 35% and 20%, respectively. These young men were more likely to come from families that had been on welfare. The National Longitudinal Survey of Labor Force Participation data from 1979-1983 showed 27% of absent fathers had lived in families that receive welfare, compared to 8.9% of all other young men. Prior welfare involvement was much more of a predictor of absent fatherhood for whites and Hispanics than for Blacks (Lerman, 1986). Young black mothers who were on welfare at the time they became mothers are significantly more likely to be poor and dependent on welfare well into adulthood than those who had not been receiving welfare (Duncan and Hoffman, 1990).

Family environment is a similarly important antecedent factor. Robinson states that young fathers are more likely to be products of teenage parents, to have a sibling born out of wedlock, or to have a sibling who was an unwed parent. Marsiglio studied NLSY data and determined that males who had not lived with two parents at age 14 were overrepresented in the subsample of teenage fathers several years later. These fathers were more likely to have parents who had not completed high school. Likewise, teenage girls' sexual activity and fertility are strongly related to their family experiences. Girls who have grown up in mother-only families or who have sisters who have given birth out of wedlock, or who have lived in

families on welfare are more likely to become teen mothers (Hogan et al., 1985; Antel, 1988).

Resnick and Burt assert that poor school performance combined with poverty or a difficult family environment create high risk status for youth. School failure is both a factor related to increased incidence of teenage parenting and a major independent contributor to welfare dependence. Moreover, teenage parenting sometimes precipitates school failure among those who are "on the edge." Children who are failing in school frequently seek other avenues for gratification and success--including participation in social groups and behaviors that are related to teenage parenting. Sometimes the same factors that precipitate teenage parenting also lead to school failure. School failure also directly limits the potential of teenagers to support themselves and their children, as well as their access to employment and training services designed to enhance their employment skills. Adolescent girls who place little value on educational attainment and who do not do well in school are more likely to have intercourse at a young age and to use contraceptives either poorly or not at all. In one nationally representative survey of sophomore girls, teens with disciplinary problems in school, class-cutting and absenteeism were more likely to claim that they were or might be willing to bear a child outside of marriage (Abrahamse et al 1988). The younger and more disadvantaged women are when they have their first child, the less likely they are to graduate from high school (Upchurch, 1989).

Surveys of teen fathers have shown a high degree of correlation between poor school performance and early fatherhood. In Lerman's analysis of young absent fathers, he found that 40% were high school drop-outs (49% for Whites). More had been placed in remedial English classes, and they had lower math and verbal abilities than childless young men. In a study of fathers of children born to teenage mothers in Baltimore, 53% of white fathers had less than a 9th grade education -- only 12% had finished high school. For Blacks the levels

were much less dramatic though still low: 11% had less than a 9th grade education and only 49% had finished high school (Hardy, et al, 1989).

Initiation of sexual activity is a key risk behavior. Sixty-five percent (65%) of boys who become "absent fathers" started having sex before age 16 compared with 25% of childless teens. That was in 1983; all indications point to teens starting sex even earlier today. Of note is the fact that the median lag from first sex to fatherhood was 4.5 years, with a longer delay for Blacks. It appears that unlike girls, highest risk of conception for young males does not tend to be during the first months of sexual activity. This information can help to target early adolescent boys who are sexually active and intervene with pregnancy prevention programs before age 15 or 16. And it points out to us that programs promoting abstinence among boys must begin quite early in adolescence to have any effect among the population most at risk for becoming absent fathers. On the other hand, females who first have intercourse at age 15 or below have been found to be nearly twice as likely to get pregnant in the first 1 to 6 months of sexual activity as adolescents who wait until they are 18 or 19 to have intercourse. This points out the large risks of pregnancies among the age groups most likely to fall into welfare dependence. Knowledge and understanding of abstinence and contraceptives are key for young girls before they become sexually active.

APPROACH

Our preliminary approach is to consider targeting prevention services on all children who meet one of two criteria: (1) they exhibit significant problems in school; or (2) they are children in welfare households. This targeting strategy will capture the vast majority of those at risk of dependency--those who will become parents with limited sources of financial support. It also will capture others who may not become teenage parents, but who may consume large public expenditures for a variety of other reasons related to poor school performance or outcomes--essentially, those who are likely to have low levels of labor market attachment and/or low

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earnings power and thus consume significant employment and training resources, adult education services, and non-AFDC forms of public assistance, such as food stamps, EITC, child care subsidies, health care, and so forth.

This type of identification strategy presumes availability of a wide range of intervention services on an as-needed basis. Many of these could (and arguably should) be provided by the education system--services such as before and after school care, tutorial services, and social work services. Others may be services that are more appropriately part of the welfare system, such as family counseling, and health care. Other services might be provided through a variety of channels with welfare case managers or school staff who make appropriate referrals--for example, support and community groups, or substance abuse treatment. As children approach teenage years, they also should have family planning counseling and education, as well as access to services.

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July 12, 1993

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3. Summary of teenaged pregnancy and child bearing trends of the 1980s and early 1990s, including assigning relative importance to demographic trends, age at initiation and frequency of intercourse, contraceptive practices, abortion practices and marriage decisions.

Between 1980 and 1986, birth rates for adolescents continued the decline that began in the 1970s. In 1986, these rates began to rise--as did birth rates for all age groups--and, by 1990, had reached a level not seen since the early 1970s. Most of this change occurred among younger adolescents; the birth rate for 15-17 year olds increased by 23 percent between 1986 and 1990 as compared to an 11 percent increase for 18-19 year olds.

Data on adolescent pregnancy lags behind that for births with 1988 being the most recent year for which adolescent pregnancy rates are available. The number of pregnancies is constructed by summing births, abortions and an estimate of fetal deaths. Births, collected through the national vital registration system, are available on a more timely basis than abortions which are not subject to the same mandatory reporting system.

Pregnancy rates for adolescents remained fairly stable during the 1980s--declining slightly through 1986 and then increasing to the 1980 level by 1988. This pattern varied by age with most change attributable to fluctuations in birth rates for those aged 15-17 years and in increasing abortion rates for those aged 18-19 years.

Levels and changes in adolescent pregnancy and birth rates depend on a number of factors, as well as the interrelationships between them. The rapid increase in adolescent sexual activity during the past two decades is probably the most important. The proportion of adolescent women who are sexually experienced has increased steadily since 1970--from 29 to 52 percent. The same holds for young men (aged 17-19 years); the proportion sexually active increased from 66 to 76 percent between 1979 and 1988. In addition, sexual initiation is occurring at younger ages; young women aged 15 years show the largest increase in the proportion sexually active--slightly less than 5 percent in 1970 to nearly 26 percent in 1988.

Although adolescents may not be particularly good contraceptors, their increased use of contraceptives has kept their pregnancy rates relatively level despite large increases in the proportion sexually active. During the 1980s, the proportion using a contraceptive method at first intercourse increased from 53 percent to 65 percent. If pregnancy rates are calculated for sexually active adolescent women only, there is a 20 percent decrease between 1980 and 1988--sexually experienced adolescents were less likely to become pregnant in 1988 than they were in 1980.

The decline in adolescent birth rates, beginning in the early 1970s, corresponded with the legalization of abortion. The abortion rate for adolescents increased sharply during the latter half of the 1970s, but has increased only slightly since. Similarly, after the increases observed during the 1970s, the proportion of adolescent pregnancies terminated by abortion has remained at about 40 percent since 1980.

Although data by age and race are limited, they do indicate some important differences. While the pregnancy rate decreased somewhat between 1980 and 1988 for white adolescents, it rose for all other adolescents; the pregnancy rate is nearly twice as high for all other adolescents as for whites. The same difference applies to childbearing; the birth rate for black adolescents has always been substantially higher than for white adolescents. In 1990 it was 98.8 births per 1,000 young black women aged 15-19 years compared to 49.3 for whites.

Young black women are more likely to be sexually active than their white counterparts. The difference between the two races is narrowing, however, as the increases in adolescent sexual activity observed during the past decade are much greater for whites. Nevertheless, improved contraceptive use by adolescents is also largely for white adolescents--the proportion of all other adolescents using a contraceptive method at first intercourse changed little during the 1980s. Thus, while the pregnancy rate per 1,000 sexually experienced white adolescents fell 20 percent between 1980 and 1988, the corresponding rate for all others did not change.

Marriage as a determinant of adolescent fertility has become largely irrelevant. During the 1980s, marriage rates for adolescents steadily decreased as adolescent fertility began to increase by mid-decade. Moreover, adolescent nonmarital childbearing has been increasing steadily since the 1970s. Black adolescents are far more likely to have an out-of-wedlock birth than are white adolescents. In 1990, 92 percent of births to black adolescents were out-of-wedlock as compared to 56 percent of births to white adolescents. The gap between black and white adolescents is narrowing, however, as the increase in nonmarital childbearing has been far greater for white adolescents.

Although not well quantified, social factors must also be considered as having an effect on adolescent fertility. It is speculated that many adolescent pregnancies and births are intended, or at least that the adolescent is indifferent when an unplanned pregnancy occurs. When life opportunities are limited, an early pregnancy may not be viewed as an obstacle nor a child as much of an additional burden. Some researchers are suggesting that, among low-income families, early parenthood may not have the deleterious effects on education and income levels once thought. Instead, a family background of low educational attainment, low-income or welfare dependency may be more of a

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predictor; policy measures designed only to delay childbearing may not do much to improve the status of poor women and their children.

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TRENDS IN ADOLESCENT PREGNANCY AND CHILDBEARING**Sexual Activity and Pregnancy**

- o The proportion of sexually active adolescent women aged 15-19 years increased substantially during the 1970s--from 29 percent in 1970 to 42 percent in 1980. Although data for the first half of the 1980s suggested a levelling off (44 percent), data for 1988 (52 percent) indicate a resumption of the increase observed earlier (Table 1).
- o Although black adolescent women are still more likely to be sexually active than white adolescent women, the difference has diminished over time. The proportion of black adolescent women, aged 15-19 years, who were sexually active increased from 46 percent in 1970 to 58 percent in 1980, but remains at 59 percent in 1988. In contrast, the proportion of white adolescent women, aged 15-19 years, who were sexually active has increased steadily between 1970 and 1988--from 27 to 51 percent (Table 1).
- o Available data for adolescent men (aged 17-19 years) also show a substantial increase in the proportion sexually active--from 66 percent in 1979 to 76 percent in 1988 (Table 2).
- o The pregnancy rate for adolescents aged 15-19 years increased during the 1970s--from 101 pregnancies per 1,000 adolescent women aged 15-19 years in 1974 to 110 in 1980. The rate remained relatively stable through the 1980s--falling slightly and then rising to 111 per 1,000 in 1988--despite the large increases observed in sexual activity rates for adolescents (Table 3).
- o When the adolescent pregnancy rate is calculated for just the population at risk (adolescent women who are sexually active) the rate fell substantially between 1980 and 1988--from 262 pregnancies per 1000 sexually active women aged 15-19 years to 215 (1).
- o While a higher proportion of adolescent women were sexually active in 1988 than in 1980, they were also less likely to become pregnant. This can largely be attributed to increases observed in contraceptive use by adolescents during the same time period. The proportion using a contraceptive method at first intercourse increased from 53 percent in 1980-82 to 65 percent in 1983-88 (2).

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- o These trends do not hold by race, however. While the pregnancy rate has fallen and contraceptive use has increased among white adolescents, it has changed little among adolescents of other races. The pregnancy rate for white sexually active adolescents fell from 231 per 1000 in 1980 to 185 in 1988 and the rate for adolescents of other races remained the same--312 to 313 (1).
- o Similarly, the proportion of whites using a contraceptive method at first intercourse increased from 55 percent in 1980-82 to 70 percent in 1983-88 while the proportion of blacks using a method changed only slightly--from 54 to 58 percent (2).

Pregnancy Outcomes

- o After the legalization of abortion and the establishment of an abortion service statistics system, the adolescent abortion rate rose to 42.7 per 1000 by 1980 but has remained relatively stable since. In 1988, the abortion rate for adolescents aged 15-19 years was 44.0 per 1000, differing markedly by race--36.6 per 1000 for whites and 75.5 for other races (1).
- o Since 1980, the distribution of adolescent pregnancies by outcome has been stable. In 1988, 48 percent of pregnancies to adolescents aged 15-19 years resulted in a live birth, 40 percent were terminated by abortion and 12 percent resulted in fetal loss (Table 4).
- o This distribution varies by age, with adolescents aged 15 years and younger exhibiting a larger proportion of abortions and a smaller proportion of live births--51 and 39 percent, respectively (1).

Childbearing

- o Between 1970 and 1986, the birth rate for adolescents aged 15-19 years declined from 68.3 to 50.6 births per 1000. The birth rate for the youngest adolescents (under 15 years of age) remained essentially unchanged (Table 5).
- o Between 1986 and 1989, the prolonged trend of declining birth rates for adolescents aged 15-19 years reversed--with the rate increasing by 15 percent from 50.6 to 58.1 births per 1000 and corresponding with the sizeable increase in sexual activity and subsequent rise in the adolescent pregnancy rate observed during the same time period (Table 5).

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- o The birth rate for black adolescents has historically been higher than that for white adolescents. In 1989, the birth rate for black adolescents under 15 years of age was 5.0 as compared to 0.7 per 1,000 for whites. Similarly, the birth rate for black adolescents 15-19 years of age was 110.4 as compared to 48.5 per 1,000 for white adolescents of the same age (Table 5).
- * o Out-of-wedlock childbearing has increased markedly among adolescents. The birth rate for unmarried adolescents aged 15-19 years has increased from 22.4 births per 1,000 in 1970 to 40.6 in 1988. Moreover, in 1970, 29.5 percent of births to adolescents aged 15-19 years were out of wedlock as compared to 66.6 percent in 1988 (Table 6).
- o Black adolescents are almost twice as likely to have an out of wedlock birth than are white adolescents--in 1989, 92.1 percent of births to black teens aged 15-19 years were out of wedlock as compared to 55.3 percent for white teens (Table 6).
- o Nevertheless, the increase between 1970 and 1988 in the proportion of births that are out of wedlock has been much larger for white teens aged 15-19 years--223 percent--than for black teens--47 percent.

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Revised 1/93

ADOLESCENT PREGNANCY AND CHILDBEARING**Table 1. Percent of adolescent women (15-19 years) sexually active**

	1970	1975	1980	1985	1988
total	28.6	36.4	42.0	44.1	51.5
white	26.7	35.4	41.4	43.1	50.6
black	46.0	50.8	58.1	55.4	58.8

Source: "Premarital Sexual Experience Among Adolescent Women-United States, 1970-1988", Morbidity and Mortality Weekly Report, January 4, 1991, Vol. 39, Nos. 51 and 52, Centers for Disease Control, U.S. Department of Health and Human Services.

Table 2. Percent of adolescent men* (17-19 years) sexually active

	1979	1988
total	65.7	75.5
white**	64.5	73.0
black	71.1	87.7

* urban residence

** includes white, nonblack Hispanic, and other

Source: Sonenstein, Pleck and Ku, "Sexual Activity, Condom Use and AIDS Awareness Among Adolescent Males", Family Planning Perspectives, Vol. 21, No. 4, July/August 1989

Table 3. Pregnancies per 1000 adolescents aged 15-19

1976	1980	1982	1984	1986	1988
101.4	110.0	108.8	106.5	105.6	110.8

Source: Ventura, S.J., Taffel, S.M., Mosher, W.D., and Henshaw, S., "Trends in Pregnancies and Pregnancy Rates, United States, 1980-89", Monthly Vital Statistics Report, Vol. 41, No. 6, Supplement, Centers for Disease Control, U.S. Department of Health and Human Services.

DRAFT**Table 4. Percent distribution of adolescent pregnancies by outcome**

	1976	1980	1982	1984	1986	1988
Live Birth	52%	48%	49%	48%	48%	48%
Induced Abortion	34%	39%	40%	41%	40%	40%
Fetal Loss	14%	13%	12%	12%	12%	12%

Source: Ventura, S.J., Taffel, S.M., Mosher, W.D., and Henshaw, S., "Trends in Pregnancies and Pregnancy Rates, United States, 1980-88, Monthly Vital Statistics Report, Vol. 41, No. 6, Supplement, Centers for Disease Control, U.S. Department of Health and Human Services.

Table 5. Live births per 1000 adolescents

	1970	1975	1980	1985	1986	1988	1989
Total							
under 15	1.2	1.3	1.1	1.2	1.3	1.3	1.4
15-19	68.3	55.6	53.0	51.3	50.6	53.6	58.1
White							
under 15	0.5	0.6	0.6	0.6	0.6	0.6	0.7
15-19	57.4	46.4	44.7	42.8	41.8	43.7	48.5
Black							
under 15	5.2	5.1	4.3	4.5	4.6	4.8	5.0
15-19	140.7	111.8	100.0	97.4	98.1	105.9	110.4

Source: National Center for Health Statistics: Advance report of final natality statistics, 1989. Monthly Vital Statistics Report. Vol. 40, No. 8, Supplement, Public Health Service. Hyattsville, Md.

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	1970	1975	1980	1985	1986	1988	1989
Total							
under 15	80.8	87.0	88.7	91.8	92.5	93.6	92.4
15-19	29.3	38.2	47.6	58.0	60.8	65.3	66.6
White							
under 15	57.9	71.0	75.4	82.4	83.5	86.3	84.7
15-19	17.1	22.9	33.0	44.6	48.1	53.5	55.3
Black							
under 15	93.5	98.4	98.5	98.7	99.0	98.9	98.5
15-19	62.8	76.8	85.2	89.7	90.0	91.2	92.1

Source: National Center for Health Statistics: Advance report of final natality statistics, 1989. Monthly Vital Statistics Report, Vol 40, No. 8, Supplement, Public Health Service, Hyattsville, Md.

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Adolescent Pregnancy and Childbearing: International Comparisons

Although international comparisons are always problematic because of data limitations, data for the U.S. and some highly developed countries are extensive and reliable enough to discern obvious patterns. When adolescent birth rates in the U.S. are compared with those for Western European countries similar in culture and level of economic development, it is clear that U.S. rates are substantially higher. Induced abortion rates for adolescents and, by extension, pregnancy rates follow the same pattern.

These differences cannot be attributed to the extremely high birth and pregnancy rates for U.S. black adolescents, nor can they be explained by differential rates of induced abortion. Even though rates for U.S. black adolescents are twice as high as for whites, the rates for U.S. white adolescents are still substantially higher than those for adolescents in Western European countries. As already stated above, abortion rates are much higher in the U.S. than other industrialized countries.

Levels of sexual activity are similar in the U.S. and other countries used for comparison. However, available data indicate that rates for younger adolescents in the U.S. tend to be slightly higher. Age at initiation of sexual activity is important because contraceptive use is positively associated with age and commitment of relationship. Where first intercourse is early, contraceptive use is likely to be lower and pregnancy risk higher.

In Western Europe, the governments are the principal funders and providers of health services. In addition, governments have recognized the need for adolescent contraceptive services and have acted accordingly. Contraceptive services tend to be more accessible to adolescents in Western European countries, as well as confidential and low cost. In some cases, there are clinics set up specifically for adolescents and young adults. Subsidized services are available to U.S. adolescents but they are targeted to low-income women of all ages. Contraceptive services from private physicians are more expensive and many will not provide such services without notifying parents.

Not surprisingly then, contraceptive use among Western European adolescents is higher than among adolescents in the U.S. In addition, the use of more effective methods, in particular oral contraceptives, is higher in Western European countries than in the U.S.

Social factors also seem to have a role. Western European populations by country are more homogeneous, both socially and economically. There appears to be less ambivalence about sexuality and, in contrast to the U.S., there is an absence of religious fundamentalism and highly restrictive moralistic attitudes about sexuality. There is also less of a class

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differential and more social support. While educational and economic opportunities are not appreciably greater for European youth, poverty is not as widespread as it is in the U.S. Given that poverty has long been associated with higher and unwanted childbearing, it is possible to speculate that the more equal distribution of income in Western Europe is yet another factor in the lower rates of adolescent pregnancy and childbearing when compared to the U.S.

While comprehensive sexuality education in Western European schools is not universal (except in Sweden), the mass media, either controlled by or in cooperation with government, has widely disseminated information about contraception and responsible sexual practices. This is in marked contrast to the U.S. where mass media, which has a strong influence on adolescents, has been reluctant to carry such messages and yet continues to portray sex as glamorous and without consequence.

Finally, there are important differences between Western Europe and the U.S. in the way public policy is developed. The structure of political institutions in Western European countries reduces the likelihood of open confrontation on controversial issues. Moreover, Western European governments are more centralized, making it easier to formulate and implement national policies.

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EDUCATION-ORIENTED DROPOUT AND PREGNANCY PREVENTION PROGRAMS

The evidence on education-oriented dropout and pregnancy prevention programs indicates that:

- Disadvantaged youth do not have adequate information on educational or occupational opportunities available to them.
- Where opportunities are available, disadvantaged youth require social support systems to enable them to take advantage of those opportunities.
- Immediate and longer term incentives are necessary to provide motivation to improve their school performance and complete high school.

The following summarizes the research on dropout prevention, outlines components of effective dropout prevention programs, and describes incentive programs for improving school performance and completing high school. These components and incentives are best implemented in comprehensive programs and school-wide reform efforts that provide early intervention and include high expectations for all students.

LACK OF INFORMATION LOWERS EDUCATIONAL EXPECTATIONS

The evidence indicates that youth from welfare and other low-income families fail to attain high school graduation because they see no connection between remaining in school and improving their future prospects. At-risk youth often have little information about jobs and careers and few role models in good jobs. They are convinced that they will never attend college, because funds to go to college will not be available.

- Young women who attach less importance to school or work and who feel that they have few educational and occupational opportunities are more likely to become teen mothers. Those with lower scores on tests of academic performance and, particularly for blacks, lack of future educational plans are more likely to become pregnant and drop out of school or vice versa to drop out of school and become pregnant.
- While early childbearers are more likely not to finish school, many complete high school, obtain stable employment, and control their future fertility--contrary to stereotyped images of adolescent mothers. Higher levels of success are related to: higher educational aspirations, especially if the young mother was at grade level at the time of the pregnancy; the willingness to avoid additional pregnancies; and temporary residence with parents, who often provide support for a teen parent to finish high school.

From a policy perspective, this suggests that teenagers's awareness and perception of what she would stand to lose by becoming a single mother can act as a powerful deterrent to doing so. Youth need to be better informed of the opportunities available to them and provided with incentives to take advantage of those opportunities.

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CREATING OPPORTUNITIES FOR LONG TERM SUCCESS

Disadvantaged students frequently begin school without the skills needed to succeed and, by the sixth grade, many students are already two years behind grade level. The following components of effective dropout prevention projects could be implemented as special programs for at-risk youth in regular schools, a "school within a school," alternative schools that serve only at-risk youth, or other similar arrangements or could be incorporated into school-wide reform efforts.

- **Accelerated learning strategies** for improving academic performance,
- **Systematic monitoring of attendance** and follow-up with parents,
- **Counseling services** which include individual, group, or family counseling.
 - Full-time counselors may work with teachers, parents, other community service agencies, and employers.
 - Advisor/mentors also assist students with school-related problems and in their interactions with community agencies and employers. These individuals--both school-based and volunteer--are proactive in their approach, seeking out students rather than waiting to be contacted by students.
- **Career awareness and preparation services** (such as career guidance, vocational training, enhancement of employability skills, job internship, and job placement services), and
 - Paid-work experience is a key incentive and means of linking the value of schooling tangibly to future work.
- **Social support services** can be based in the school to provide services such as day care for children of students, health care, and transportation. Alternatively, a case manager located in the school can refer students to services available in the community such as legal aid and financial support.

INCENTIVES TO DO WELL IN SCHOOL

"Tuition Guarantee" Plans. Although the availability of student financial aid is broadly advertised, many have concluded that the message is reaching only the academic achievers among the poorest students. This has led to several "tuition guarantee" plans through which elementary or junior high school students from the poorest families, in return for various academic and moral commitments, are promised full-cost funding for two or four years of college.

- **Sponsors of these programs** have found that in addition to tuition guarantees, other support services, such as mentoring, tutoring, and establishing links with colleges, are also necessary to encourage youth to remain in school.

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- Omaha Housing Authority Program. Four colleges have earmarked scholarships for high school graduates who live in Omaha's public housing. Every child with a perfect school attendance record receives a \$100 saving bond at an end-of-year ceremony. These bonds, as well as recreational and parent/student activities, are partly funded by a \$1 surcharge on public housing residents' cable TV fees which are discounted.

"Job Guarantee" Programs. Paid work experience of less than 20 hours a week can provide work-based learning that enriches school-based learning and links academic learning to future employment. Adult supervisors and co-workers act as role models in the work place. Job placement assistance is particularly important to disadvantaged youth with little information and few connections enabling them to find initial employment.

- Compact Partnerships. The purpose of the Job Collaborative program of the Boston Compact is to improve the quality of public education and increase employment opportunities for youth by securing employment opportunities after school, in the summer, and upon graduation.

- **Placement of high school graduates is based on their high school achievement and attendance.**
- **Career Specialists provide a variety of services to students such as career awareness, job training, counselling, resume and interview preparation, college and financial aid applications, as well as job placement services.**
- **The number of youth served has increased since the program began in 1980 as the number of companies participating has increased. Boston public high school graduates earn \$3.00 more per hour than the national average and have much lower unemployment rates.**

Welfare Sanctions and Benefits. Welfare reform programs such as Wisconsin's Learnfare and Ohio's LEAP program show that financial sanctions and incentives alone are not effective in increasing school enrollment and attendance.

- Ohio's Learning, Earning, and Parenting (LEAP) Program uses financial incentives and penalties to promote school attendance among pregnant and parenting teenagers on welfare. Teens who provide evidence that they are enrolled in a school or program receive a bonus payment of \$62 and \$62 in their welfare check for each month in which they meet the program's attendance requirements. Teens who do fail to provide proof of school enrollment have \$62 deducted from their grant in every month until they comply. Similarly, enrolled teens are sanctioned \$62 for each month in which they exceed the allowed number of unexcused absences.
- **Each LEAP teen is assigned to a case manager, who is responsible for explaining the rules, monitoring compliance, and helping the teen overcome barriers to school attendance. Teens are also eligible to receive assistance with child care and transportation as needed to attend school.**

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- The evaluation of LEAP shows that school retention increased school retention among in-school teens and many dropouts returned to a school or adult education program.
- Rates of repeat pregnancy are high among LEAP teens, and LEAP appears to have smaller effects on teens who have subsequent pregnancies. Originally LEAP did not automatically exempt pregnant teens; however, after the first year, a pregnancy exemption was added. This exemption may send an inappropriate message about additional pregnancies.
- Wisconsin's Learnfare requires all AFDC recipients between the ages of 13 and 19 to regularly attend school or an alternative program leading to a high school diploma or a GED credential in order for their families to continue to qualify for their full AFDC grant. Learnfare's use of financial incentives is limited to sanctions; it does not grant increase for good school attendance.
- An evaluation of the Learnfare program found that attendance has not improved among students whose families are on welfare, however, sanctions have not been consistently applied. It is our understanding that results of the Learnfare program have been more positive in areas other than Milwaukee, where a range of alternative services are available to students returning to school.

WR-Prevention

**DRAFT ANSWERS TO TEENAGE PREVENTION
QUESTIONS AND POSSIBLE PREVENTION OPTIONS**

**U.S. Department of Labor
July 1993**

#5a. RESEARCH FINDINGS ON THE EFFECTIVENESS OF JOB TRAINING IN REDUCING UNWANTED PREGNANCIES AND WELFARE RECEIPT

The Job Corps

The Job Corps is an intensive residential program aimed at high-risk youth. The program provides a combination of basic skills and vocational training. Enrollees stay in the program an average of seven months.

The Job Corps evaluation completed in 1982, which did not use random assignment, found that the program reduced the probability of males having a child in the two-year period subsequent to leaving the Job Corps by 12 percent, and of males having an extra-marital child by 10 percent. For females, the evaluation found that the program reduced the probability of having a child during the initial two-year follow-up period by 24 percent, and of having an extra-marital child by 11 percent. Only the 24 percent figure for women was statistically significant.

The evaluation also found that during the fourth follow-up year, the program reduced the probability of males being on AFDC or General Assistance by almost 50 percent, reduced the probability of females who entered the Job Corps without children of being on AFDC or GA by 83 percent, and increased the probability of women who entered the program with children of being on cash assistance by 15 percent. Only the figure for women who entered the Job Corps without children was statistically significant. Again, this study did not use a control group design, so the results need to be interpreted with caution.

Summer Training and Education Program (STEP)

The Summer Training and Education Program (STEP) research demonstration was first initiated in 1984 to test the effects of a two-summer remediation, work and life skills intervention on the lives of 14 and 15-year olds who were educationally and economically disadvantaged. The program provided youth with half-days of remedial reading and math, and life skills training combined with half-days of summer jobs provided under the Job Training Partnership Act (JTPA) Summer Youth Employment and Training Program (SYETP). The research utilized a random assignment methodology using nearly 5,000 youth (2,500 youth in both the control group and treatment group) in five cities.

In the first follow-up on STEP enrollees, youth participating in the program had gains in math and reading test scores approximately a half-grade higher than controls and showed substantial improvement in their knowledge of pregnancy prevention--all generated in a six-to-eight week period during each of the two summers.

These impressive summer gains led to the replication of STEP, beginning in 1987, in more than 100 locations around the country, and serving approximately 20,000 youth until 1992. The replication sites produced test scores equivalent to, and sometimes better than, those of the original five demonstration sites. The youth also demonstrated significant knowledge

gains in areas related to pregnancy prevention, good health practices, and other life skills. A school year support component served as a connector between the two STEP summers as a way to keep track of STEP students academic progress during the school year and to keep the participants interested in coming back the next summer.

The long-term research that became available in 1991 showed that several years after leaving the STEP program, treatments were no better off than controls. STEP was unable to keep youth in school; to raise their grades and test scores; to delay or reduce sexual activity or pregnancies; to increase post-high school employment rates; or to reduce the need for welfare assistance.

STEP's strength was its highly organized, intensive and controlled involvement in each youth's life during the summer. But once that involvement ended, there was no vehicle to reinforce and continue STEP's positive impacts.

HHS Teen Parent Demonstration in Chicago and Camden

Mathematica Policy Research is currently conducting an evaluation for HHS of fairly comprehensive programs in Chicago and Camden targeted on teen parents who are first entering AFDC. The program sets up high expectations for the young women--that they have to do something to improve their lives, that they have responsibilities to support their child, and that there will be sanctions in terms of lost AFDC eligibility if they do not return to school or participate in job training programs. The evaluation is using a random assignment design. The two-year follow-up results have not been released yet by HHS, but indications are that the program will positive impacts in several areas.

Project Redirection

Project Redirection was a project started in 1980 aimed at providing comprehensive services to pregnant and parenting adolescents. The evaluation used a comparison group rather than a random assignment design. At the one-year follow-up point, the evaluation found gains in educational attainment and employment, and decreased pregnancy. At the two-year point, most of these gains had disappeared, leading researchers to conclude that the program's impacts were transitory. However, at the five-year follow-up point, Project Redirection participants had better outcomes than the comparison group in terms of employment and reduced welfare dependency. Most important, the five-year results showed gains in the developmental stages of the children of participants--suggesting inter-generational benefits of such programs. Again, the study used a comparison group rather than a control group design.

Project New Chance

New Chance is a program specifically designed for a group at particularly high risk of becoming long-term welfare recipients--young women (ages 16-22 years old) who had children as teenagers and dropped out of school. The program is operating at 16 locations in ten States and includes some 2,300 young mothers (and their children). New Chance combines a wide range of services under one roof, including classes in parenting, child development, family planning, health, GED preparation, resume writing, and good work habits. Participants also get free child care--often on-site--and are assigned to a case manager who acts as counselor, advocate, and service coordinator. A comprehensive evaluation will provide information on the program's impacts and costs. Financial support for the program comes from a partnership consisting of Federal/State governments and private foundations. The random assignment results from the study will not be available until next year.

JTPA Services to Women

JTPA provides a variety of classroom training, on-the-job training, and job search assistance interventions aimed economically disadvantaged persons. The National JTPA Study randomly assigned 20,000 applicants to JTPA to treatment and control groups. Roughly one-third of the adult women and one-fourth of the female youth in the study entered the program as AFDC recipients. Preliminary results from the study indicate that the both classroom training and OJT are effective in raising the earnings of adult women, and that classroom training may be effective in increasing the earnings of female youth. The study has found no impact on welfare receipt. Childbearing was not looked at in the study.

JOBSTART

JOBSTART is a demonstration that provides a combination of basic skills and vocational training to dropout youth. In a sense, it is a non-residential Job Corps. The evaluation of the program used a random assignment design. For young women who entered the program without children, the program had a positive, but statistically insignificant, impact on earnings during the third and fourth follow-up years; and resulted in slightly decreased childbearing, and decreased AFDC receipt. Over the four year follow-up period, 64 percent of experimentals and 65 percent of controls reported becoming pregnant, while 53 percent of experimentals and 57 percent of controls gave birth during that period. This difference in birth rates is not statistically significant. During the fourth year of follow-up, 39 percent of the controls had received AFDC as compared to 31 percent of experimentals. The difference is statistically significant.

For women who entered JOBSTART with children, there was a positive but statistically

insignificant, impact on earnings during the third and fourth years; an increase in childbearing among experimentals; and no impact on welfare receipt. During the four years of follow-up, 68 percent of the women who entered JOBSTART with children gave birth to another child, as compared to 58 percent in the control group. This difference is statistically significant. However, this increase in childbearing is almost entirely attributable to the subsample of women who were married at baseline. The AFDC reciprocity rates were virtually the same for the experimental and control groups among women who entered with children. For males, the program was effective in increasing the earnings of males with prior arrest records, but not for other males. There was no impact on welfare receipt among males, and the study did not examine impacts on the probability of becoming a father.

Project LEAP

Project LEAP is an attempt by the State of Ohio to improve school attendance among teenage parents. The evaluation of the program is using a control group design. First follow-up results suggest that the program is effective in terms of both increasing school retention and inducing dropouts to return to school. The first follow-up report did not examine impacts on childbearing.

#5b. DESCRIPTION OF TRAINING PROGRAMS FOR YOUTH AT-RISK OF BECOMING TEEN PARENTS

JTPA Title II-C

Approximately 240,000 youth each year are served under JTPA's year-round program for disadvantaged youth. About half of these youth will be female, and roughly one-quarter of them will come from AFDC households. Programs for both in-school and out-of-school youth can be operated under this title, but by law at least 50 percent of participants served must be out of school. For both the in-school and out-of-school programs, at least 65 percent of enrollees must have an additional risk factor besides being economically disadvantaged--such as being pregnant or parenting, being one or more grade levels below their age, or being a school dropout.

Summer Youth Program

Roughly 800,000 youth are served each year in DOL's summer employment programs. There is room for enhancing the summer program with various educational components and for merging it with year-round components. The disappointing results for STEP suggest that even with various enhancements, summer programs alone cannot have a long-term impact on educational attainment and subsequent childbearing.

Job Corps

Currently, the Job Corps serves approximately 60,000 new enrollees each year. Thirty-eight percent of enrollees are females. Female youth with children can enroll in the Job Corps, and a small number of centers have child care programs on-site. Other sites have developed off-site child care programs, and non-residential slots are also available for young women with children. Roughly 20 percent of the women who enter the Job Corps have dependents, and 4 percent of the males who enroll have dependents. Forty-eight percent of the women who enroll in non-residential slots have dependents, as compared to 13 percent of the women who enroll in residential centers. A 50 percent expansion of the Job Corps is planned by the year 2000.

School-to-Work Initiative

The Administration will introduce legislation later this summer for a major school-to-work initiative. The legislation will provide for joint DOL and Department of Education funding for grants to restructure high schools to better link schools to the workplace. The program is aimed at increasing the aspirations and long-term career opportunities for non-college youth.

Youth Fair Chance

Youth Fair Chance is a new DOL initiative aimed at high-poverty inner-city neighborhoods and rural areas. The program concentrates resources into neighborhoods restricted to a population of 25,000 or less and with a poverty rate of over 30 percent. All urban neighborhoods reached by this program will be predominantly black or Hispanic. The program combines school-to-work initiatives with a variety of interventions involving sports and recreation, local colleges, community development, and job training. Currently, there are 11 pilot sites, and \$50 million has been appropriated for the program in the recent supplemental legislation to the FY 1993 budget. The idea of the program is to saturate an area with all types of positive interventions, and to turn negative peer pressure into positive peer pressure. Reducing teen parenting is one of the goals of the program.

#7. OPTIONS FOR PREVENTING TEEN PARENTHOOD

The disappointing results of the STEP demonstration suggest that no one intervention, in isolation, is going to dramatically reduce teen pregnancy. However, because the costs of welfare are so high for families started by unwed teenagers, it is worth a lot of time and money to attempt to change cultural patterns of adolescent childbearing. Research on both young males and females suggest that youth who are doing well in school and have aspirations for college are markedly less likely to become teen parents. Research also suggests much higher rates of teen parenthood in high-poverty urban neighborhoods.

What may be needed is a series of concentrated interventions--started when children are small--to boost their educational achievement and aspirations for college. To increase the cost-effectiveness of such programs, funding could be restricted to areas of 30 percent or higher poverty. This would exclusively target the funds to minority inner-city areas and rural areas which would also be minority except in the case of Appalachia. People who work with youth indicate that there is no more powerful force operating on youth than peer pressure, and the goal would be to introduce enough positive interventions into communities so as to turn peer pressure from negative to positive. New federal programs in such a prevention initiative could be based on the following models:

- o **New Beginnings** is a program aimed at increasing the involvement of parents in the education of children in elementary school. It is based in part on James Comer's ideas for increasing parent and community involvement in elementary schools.
- o **LA's Best** is a comprehensive after-school program operated in inner-city elementary schools. Students receive a variety of positive experiences, including tutoring, sports and recreation, art instruction, and field trips to various cultural events.
- o **I Know I Can--Start Early** is a program that starts in the sixth grade to get children interested in the idea of going to college. Parents are also involved. During summers, children work and study on college campuses.
- o **Middle School Restructuring** has been identified by the Carnegie Council on Adolescent Development as fundamental to efforts to reform urban schools. Typically, students move from small elementary schools where they receive much attention to large, impersonal middle schools. In their **Turning Points** report, the Carnegie Council lists a number of recommendations for improving middle schools, including breaking up large schools into "houses" or "schools within schools".
- o **Sports Programs** have been very effective in some of DOL's Youth Fair Chance pilot sites in expanding the involvement of youth in positive activities. There is much room in most inner-city neighborhoods for expanded sports leagues in baseball, softball, soccer, football, and basketball. Such leagues are needed for both children and youth, and for both boys and girls.
- o **CollegeBound** is a public/private collaboration started in Baltimore in which minority youth attending high school are assisted in applying for and enrolling in college. Counselors make sure that students take the PSAT and SAT tests on time, apply for financial aid, and fill out applications for colleges. Counselors also take students on trips to colleges, and parents are also involved. Counselors also work with local colleges to help youth get accepted

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and receive financial aid. Also, "last dollar" financial aid is promised to make up the difference between financial aid available and what the student needs to attend college. Combined, the **I Know I Can** and **CollegeBound** programs can be the equivalent of the more expensive **I Have a Dream** program. The promise of college financial aid is important to the **I Have A Dream** model, but perhaps just as important is the follow-through to make sure youth are making good progress in school and then apply to college. Combined **I Know I Can** and **CollegeBound** programs can provide both the "last dollar" guarantee and the follow-through.

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6. (a) Summary of effectiveness (especially impacts on unwanted pregnancies and welfare receipt) of family planning and other social and medical services aimed at teenage pregnancy prevention.

Programs to prevent adolescent pregnancy have generally fallen into two categories--those that provide information/services on sexuality and contraception and those that promote abstinence. Convincing evidence of their effectiveness is quite limited.

A number of studies have been done to determine the effectiveness of sexuality education programs in schools. The consensus seems to be that, while there is a gain in knowledge, there is no consistent and measurable impact on attitudes or behavior with respect to initiation of sexual activity, contraceptive use or pregnancy.

Evaluations of programs that provide contraceptive services have shown that adolescents who use clinic services are more likely to use contraceptives than those who do not use the services. In addition, these programs appear have some effect in reducing births, although it is not clear whether this is through preventing conceptions or through terminating unwanted pregnancies.

During the past decade, the primary Federal focus on adolescent pregnancy prevention has been abstinence education. Despite the requirement that such programs be evaluated, there is, again, little evidence of their success or failure--with the exception of apparent increases in knowledge among those who participate in the programs.

A major impediment in the evaluation of all these programs has been that measuring the outcome variable of most interest--incidence of unplanned pregnancy--remains elusive. A count of pregnancies includes births, abortions and an estimate of fetal deaths. Births are relatively easy to verify because they are tabulated by the vital registration system. Abortions, however, are not uniformly reported and direct inquiry through survey mechanisms is subject to underreporting. In addition, adolescents--especially the low-income minorities most at risk--can be difficult to locate for follow-up purposes.

In general, the methodologies for evaluating pregnancy prevention programs have not been adequately developed. The absence of matched comparison groups in most studies is striking. Frequently, the data necessary for appropriate controls, such as the level of sexual activity in the populations being studied or adequate data on the content, length and quality of programs, are not available. Random assignment of treatment and comparison groups is rare, often because programs do not want to deny services. Also, the questions asked of program clients for evaluation purposes are often sensitive--such as their attitudes

about sex, whether or not they are sexually active, if they have ever been pregnant, etc. In addition to the error introduced by self-report, schools and parents often object to the personal nature of these questions and will not permit them to be asked.

Evaluations of a few programs, however, have yielded some promising results. The Postponing Sexual Involvement curriculum, developed at Emory University and the Reducing the Risk curriculum, developed by ETR Associates, combine sexuality education, including delaying sexual involvement, social skills training and practice in applying skills with comprehensive information about contraceptives. These programs have shown positive effects on delaying first intercourse, increasing the use of effective contraception at first intercourse and decreasing the frequency of unprotected intercourse. Another program, a "school linked" clinic affiliated with the Johns Hopkins University, provided reproductive health and pregnancy prevention services to students in two nearby schools. Evaluation results indicate that in addition to increasing contraceptive use and decreasing pregnancy, initiation of sexual activity was delayed an average of seven months.

(b) Description of current programs and planned initiatives in family planning and social and medical services to prevent teenaged pregnancies.

Several Federal programs provide family planning services. They are primarily targeted to low-income women; adolescents are included in this population but counts are not available. Medicaid, a Federal/State program that reimburses health care providers for medical services to the poor, provides more than \$200 million annually to support family planning services. Community Health Centers, Migrant Health Centers, the Maternal and Child Health Block Grant and the Social Services Block Grant also provide family planning services to the populations they serve. However, only two Federal programs focus directly on adolescent pregnancy prevention--the Title X Family Planning Program and the Title XX Adolescent Family Life Program.

The Title X program was enacted in 1970 to provide support for public and private nonprofit agencies in the provision of voluntary family planning services for low-income individuals. With a \$172.6 million budget in FY 1993, more than 4 million clients will receive services through a network of over 4,000 clinics. The majority of Title X clients are low-income women and approximately one-third are adolescents.

Title X clinics provide contraception, infertility services, basic gynecologic care and counseling and referral on a broad range of reproductive health matters, as well as screening for ancillary health problems such as hypertension and diabetes. Projects are required to give priority to clients who are members

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of low income families. They provide free care to low-income clients and charge fees according to a sliding scale for those with higher incomes. In addition to the services program, Title X also supports a program of training for medical, professional, administrative and clerical clinic personnel, an information and education program and a research program which focuses on family planning service delivery improvements.

For many clients the family planning clinic has been the primary, or sole, point of contact with the health care system. Rising sexual activity rates among adolescents, recent increases in the number who need subsidized services and concerns about prevention of sexually transmitted diseases (including HIV) have increased the need to expand family planning services, particularly for low income women and adolescents. Planned initiatives for the Title X program include:

- o outreach to low-income women, adolescents and persons at high risk of unintended pregnancy or infection with STD not now receiving family planning services;
- o increased focus on quality and completeness of services including treatment of STDs, screening for cervical cancer and breast cancer, substance abuse counseling and counseling on avoidance of high risk behavior which may place clients at risk of STD and HIV;
- o more emphasis on prevention of adolescent pregnancy, including enhanced counseling as well as new service arrangements for providing services to adolescents;
- o expansion of current clinic sites and development of clinics in high need areas to provide services to an additional 500,000 clients per year;
- o more emphasis on training and retention of Family Planning nurse practitioners and those working in clinics that serve high need populations.

The Title XX Adolescent Family Life program was enacted in 1981. With a FY 1993 budget of \$7.8 million, it is the only Federal effort focused exclusively on the issues of adolescent sexuality, pregnancy and parenting. The program provides funding in three areas: (1) care demonstration projects that serve pregnant and parenting adolescents, their infants and their families; (2) prevention demonstration projects that provide educational services to preadolescents, adolescents and their families; and (3) research projects on the issues of adolescent sexuality, pregnancy and childbearing.

Title XX care projects provide comprehensive health, education and social services, as well as test new approaches for their delivery. Most projects are either hospital or agency based and many provide home visiting services. A major focus is a case

management approach where each adolescent works one-on-one with a case manager throughout the pregnancy and early parenting period. An independent evaluation is required of each project which incorporates a process evaluation of program implementation and operation, as well as an outcome evaluation of the impact of the program on the health and life outcomes of adolescent parents and their children.

The major focus of Title XX prevention projects has been to develop and test programs to delay the onset of sexual activity and thus reduce the incidence of pregnancy and STD transmission. Projects are either school or community based and generally provide basic sexuality education, as well as training in life skills, social skills and resistance skills in various combinations. Discussion of contraception has not been included. Some projects provide information on contraceptive methods to parents. An independent evaluation is also required of each project which incorporates a process evaluation of program implementation and operation and an outcome evaluation that attempts to measure changes in knowledge, attitudes and behavior.

Thus far, the Title XX program remains as originally legislated and the prevention component is focused on abstinence. However, with the new Administration's much broader perspective on the issue, any program dealing with adolescent pregnancy prevention will take a more comprehensive approach than that of the past decade. New initiatives are likely to include:

- o sexuality education, beginning in the early grades, as part of a comprehensive health education program;
- o contraceptive information, education and services, as well as abstinence education, especially for younger adolescents;
- o information and education on avoiding other risky behaviors such as consumption of alcohol, tobacco and drugs;
- o availability of health services based in schools or other sites easily accessible to adolescents.

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An At-Risk Youth Strategy to Prevent Welfare Dependency

Principles

- 1) We should be ambitious. Our goal should be a prevention effort which produces results which are large enough to be apparent to society. We suggest that this opportunity be used to address, not only early child bearing but other behaviors such as substance abuse and school drop out as well. These problems, their causes and therefore, their solutions are largely inter-related.
- 2) Early child-bearing, like other at-risk behaviors, is strongly influenced by the general life-experience associated with poverty. Any prevention effort which fails to deal with those factors is likely to have an impact that is minor when compared to the extent of the problem. In particular, the day to day stresses, distractions and sense of hopelessness engendered by poor environments need to be alleviated. In the end, the decision to avoid non-constructive behaviors is an internal one which stems from personal life-experience. Therefore, changing these life-experiences and consequently the circumstances in which people live and how they view themselves is needed to change the decisions young people make in regard to their lives. It also helps make them more responsive to more specific interventions.

Consequently, a comprehensive community development effort is an essential part of any effort which hopes to have results that are large enough to be meaningful to the community. This effort should address the broad spectrum of areas associated with a healthy community: economic opportunity, safety, health, education, etc.

- 3) The factors which influence youths' behavior are powerful, often long-term, and pervasive. To be most effective, interventions should have similar characteristics. This suggests that efforts to change the environment should be concentrated and focused so that they achieve a sufficient size or "critical mass" needed to change day to day experiences, decisions and behaviors. Therefore, resources should not be dissipated by being applied over too large an area but concentrated as necessary in an appropriate geographical area, whether a whole community or just a neighborhood. In regard to support and intervention services it means that they should be non-categorical, integrated and delivered with a personal dimension, such as through mentoring, in-home visits, and personal case-management. There is evidence that the interest and concern of the intervention provider can add much to the effectiveness of the intervention. In addition, services should not be watered down by an inappropriate caseloads.

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Finally, it is important that the community itself, and youth, play a role in the development of the intervention.

- 4) Existing programs and expenditures may be sufficient if properly coordinated. One objective of this task group should be to at least initiate an ongoing effort to more effectively coordinate and utilize the resources that are already being devoted to helping communities and youth. A part of this would be to develop an administration-wide effort to forge a coordinated youth policy.

Proposed Strategy

The goal of our proposal would be to demonstrate and rigorously evaluate a series of interventions committed to changing the circumstances of youth to a degree that would be large, meaningful and readily discernable to the members of that community. An additional intent would be to create a "success story" proving it is possible to reverse the adverse trends for youth and, as a consequence, initiate a growing chain of successes. At the same time, the demonstrations could provide information for administrators and policy-makers for improved efforts.

These efforts would encompass the principles presented above. They would use existing federal, state and local programs where possible, and available private resources, coordinating and focusing their use in a deliberate, manner. The demonstration would follow an intervention strategy put together from the best expertise available, and it would follow a period of consensus building with involved parties.

Suggested Steps

- 1) Develop a public/private partnership with leading foundations with an interest in the problems of at-risk youth and community development.
- 2) Commission papers that: pull together what is known or hypothesized about the root causes of the behavior of at-risk youth; based on that understanding presents one or more comprehensive intervention strategies that could be implemented in a community or neighborhood; identify existing resources that could be used to meet the specified intervention needs; and identify additional resources or interventions that would be needed, if any.
- 3) Distribute papers to a panel of appropriate policy makers, administrators, community leaders and academic experts.

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- 4) Convene a conference with the goal of approaching or reaching agreement on a demonstration intervention and agreement to coordinate resources as dictated by the intervention design.
- 5) Establish a cooperative decision making and coordinating entity of panel members or representatives to select demonstration sites, and to implement and administer (or monitor) the demonstration.
- 6) Maintain interest and momentum by involving the original panel as advisors on a continuing basis.

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July 13, 1993

Altering adolescents' childbearing choices

A choice among bad options or a bad choice?

One of the most frequently expressed views about teenaged childbearing is that lack of economic opportunity is a major contributing factor.¹ Adolescents are more likely to undertake risky behavior when they perceive that they have little to lose.

An underlying assumption of the those who see this connection with opportunity is that teenaged childbearing is, in some sense, a matter of choice. This does not entail the view that young women deliberately set out to become unwed mothers (much less that they do so to qualify for welfare), or that models of rational economic decision-making are adequate to explain the choices at-risk youth actually make. Rather, the observed correlation between low opportunity costs and early nonmarital childbearing only assumes that this behavior is not entirely involuntary - not, for example, biologically determined, physically or psychologically coerced, or unconscious.

Something approaching a corollary is that, if the opportunity costs of early childbearing could be raised for at-risk youth, they would respond by behaving differently. They would perceive that unprotected sexual activity placed their hopes for the future at risk, and would consciously modify their behavior, perhaps by delaying initiation of sexual activity, practicing contraception more effectively, or terminating pregnancies even more frequently.

This paper begins to consider whether the observed connection between opportunity and early childbearing could be the basis of a practical government strategy to reduce teenaged pregnancy and thereby prevent some welfare dependency. Evidence of the effectiveness of a range of programs designed to increase the human capital and earnings potential of at-risk youth will be reviewed. Subsequently, the paper briefly considers child support and welfare policies that also might influence the behavioral antecedents of teenaged childbearing by raising other costs associated with that behavior.

¹ Several examples are cited in Cheryl D. Hayes, Risking the Future, Adolescent Sexuality, Pregnancy, and Childbearing, National Research Council, (Washington, DC 1987), Vol I, pp.118-9. Other examples may be found in, Kenneth B. Clark, Dark Ghetto, Dilemmas of Social Power, Wesleyan University Press, (Middletown, CT, 1989), p.72; Irwin Garfinkel and Sara McLanahan, Single Mothers and Their Children, The Urban Institute, (Washington, DC, 1986), p.85; Elijah Anderson, "Neighborhood Effects on Teenage Pregnancy," in Christopher Jencks and Paul E. Peterson (eds), The Urban Underclass, The Brookings Institution, (Washington, DC, 1991), p.397; Greg J. Duncan and Saul D. Hoffman, "Teenage Behavior and Subsequent Poverty," in The Urban Underclass, p.172; Chong-Bum An, Robert Haveman, and Barbara Wolfe, "Teen Out-of-wedlock Births and Welfare Receipt: The Role of Childhood Events and Economic Circumstances," unpublished paper.

Responsiveness to opportunity: Unfortunately, policies that aim to change childbearing behavior by increasing opportunity costs must face the possibility that achieving this goal may involve more than simply increasing objective opportunities for at-risk youth. A apparent unresponsiveness to opportunity among the most disadvantaged has sometimes been noted.² If we want childbearing behavior to change, opportunity may have to be offered in such a way that any unresponsiveness to it is overcome.

Whether we understand the nature of this unresponsiveness and know how to overcome it is doubtful. Some argue that the opportunities themselves will have to be considerably greater than those available now - perhaps more like the opportunities middle- and upper-income youths enjoy, and which we believe tend to deter them from premature childbearing.³ If, as is apparent, teenagers most at risk of fathering or bearing a child out of wedlock tend to have lower personal endowments (at least as measured by intelligence testing and school grades⁴) and, so, lower earnings potential, providing opportunities comparable to those enjoyed by youth with higher endowments will be very difficult.

² Kenneth Clark, Dark Ghetto, Dilemmas of Social Power, pp. 13, 49. Elijah Anderson, "The Story of John Turner," in Adele V. Harrell and George E. Peterson, Drugs, Crime, and Social Isolation, Barriers to Urban Opportunity, The Urban Institute, (Washington, DC, 1992), pp.169, 177.

The term "unresponsiveness" is not meant to beg the question of causation. For example, there is room to argue over whether an apparent disregard of the risks of childbearing is due to a realistic perception that paybacks to delaying childbearing would be small, an inability to perceive long-term self interest correctly, an inability to act on long-term self-interest when it appears to conflict with more immediate wants, exceptionally high discount of future income, or other factors.

A fatalism that may undermine apparent desire to grasp opportunity has been observed, including by operators of programs designed to increase the opportunities of at-risk youth and adolescent mothers. For example, see Elijah Anderson, "Neighborhood Effects on Teenage Pregnancy," p.382; Denise Polit, "Barriers to Self-sufficiency and Avenues to Success Among Teenage Mothers," Mathematica Policy Research, (Princeton, NJ, 1992), p.120;

Recently, David Ellwood and Thomas J. Kane have applied the concepts of reactance and learned helplessness from expectancy theory to interpret the apparent reluctance or inability of at-risk youth to make economically rational decisions about childbearing. David Ellwood, Poor Support, Poverty in the American Family, Basic Books, (New York, 1988), p.214. Thomas J. Kane, "Giving Back Control: Long-Term Poverty and Motivation," Social Service Review, September 1987, pp.405-419. In "Understanding Dependency, Choices, Confidence, or Culture?" US Dept of Health and Human Services, (Washington, DC, 1987), Ellwood had found that a choice model did not fit the teenaged childbearing data very well. (pp.93-4)

³ Elijah Anderson, "The Story of John Turner," p.177.

⁴ Risking the Future, pp.100-1, 106. See also, Dan Bloom, et.al., "Interim Findings on a Welfare Initiative to Improve School Attendance Among Teenage Parents," Manpower Demonstration Research Corporation, (New York, 1993), pp.45, 56.

On the other hand, the fact that many at-risk youth do not father and bear children gives us hope that more modest and attainable increases in the opportunity costs of early childbearing could be effective in altering choices at the margin. However, these same facts bring us back to the question of why some individuals in such need of opportunity seem unable or unwilling to take effective advantage when opportunity is offered.

Raising the opportunity costs of early childbearing

Programs for at-risk youth: There are considerable State and federal resources already available to enhance the human capital of at-risk youth. For at-risk secondary students, Chapter 1 is credited with contributing to a decline in drop-out rates and some improvement in basic skills among minority students.⁶ Specially designed drop-out prevention programs that proliferated during the 1980s generally have not yielded good evidence of effectiveness.⁶ In fact, disappointment with interventions that pull at-risk students out of regular classes for occasional special programs is said to be leading to a consensus that, "...a primary aim of dropout prevention programs should be to implement school-wide practices that will reduce students' alienation from the educational process and facilitate their interest in the learning process."⁷

Vocational education programs appear to reduce drop-out rates. And when graduates obtain employment in the occupational areas for which they received vocational education, there are apparent positive earnings impacts. However, vocational education sometimes is a "dumping ground" for troubled students, offering little programmatic organization or expectation, so that, overall, vocational education has not been shown to improve academic performance or have long-term employment impacts.⁸

Current hope is focussed on programs that shorten and combine academic and occupational curricula. The tech prep model of vocational education sequences two years of high school with two years of community college leading to an associate degree or some other credential. Applied academics relevant to the occupational goal are stressed.⁹ The cooperative education model lets employees earn academic credits, while also providing employers with a trial period to assess employees'

⁶ Joel F. Handler, et.al., Losing Generations, Adolescents in High Risk Settings, National Research Council, (Washington,D.C., 1993), p.114.

⁶ Ibid, p.116.

⁷ Ibid, p.117.

⁸ Ibid., p.132-4.

⁹ Ibid., p.134-5.

suitability. At present, we know little about large-scale implementation or effectiveness of either model.

For youths already out of school, some federal funds are spent to increase employers' demand, such as OJT funded by JTPA, and the targeted jobs tax credit. However, by and large, federal support is on the supply side of the labor transaction.

An early evaluation found that Job Corps appeared to reduce the incidence of nonmarital childbearing, while the Youth Incentive Entitlement Pilot Projects (YIEPP) did not.¹⁰ Otherwise, employment and training programs generally have not been evaluated against that outcome variable.

Out-of-school youth (a sample in which males predominated about six-to-one) did not appear to gain any long-term employment or earnings advantage from the Supported Work Demonstration.¹¹ YIEPP increased employment of participants during the program, and attracted some drop-outs back to school, but did not increase graduation rates. Longer-term effects are not known.

Residential Job Corps is thought to have positive impacts on earnings and social behaviors, as well as having the only documented impacts on childbearing. However, the evaluation on which these encouraging findings are based involved comparison groups, rather than control groups assigned at random. And the same evaluation could find not positive impacts of the nonresidential program for in-school youth.¹²

The JOBSTART demonstration, for youth aged 17 to 21 with a history of school failure, sought better results from a non-residential program modelled on Job Corps. At present, it appears that earnings impacts will turn positive for female participants in longer-term follow-up. In general, impacts for males have been discouraging, although some subgroups appear to have positive results.¹³

In contrast to the generally positive findings of the 18-month impacts of JTPA title II, the program appeared to have no positive employment and earnings impacts for out-

¹⁰ Risking the Future, pp.180-1.

¹¹ Board of Directors of the Manpower Demonstration Research Corporation, "Findings and Recommendations from the National Supported Work Demonstration," Manpower Demonstration Research Corporation, (New York, 1980), pp. 15-6.

¹² *Ibid.*, p.140.

¹³ *Ibid.*, pp.144-5.

of-school females, and actual negative impacts for out-of-school males.¹⁴ However, there were significant improvements in GED attainment among the youth group.¹⁵

To summarize, there have been extensive attempts to develop interventions that could increase the opportunity costs of early childbearing for at-risk youth by increasing their educational attainment and providing employment skills and experience. While a number of programs have achieved modest positive impacts on intermediate outcomes, such as drop-out prevention and educational attainment, improvements in employment and earnings for youth have been harder to achieve, and effectiveness in reducing childbearing has rarely been measured carefully or demonstrated.

In light of this knowledge base, the prevention issue group has to come to terms with the following questions:

Do we know how to take the kind of young female most at-risk of becoming a teenaged mother and welfare recipient (a minority junior or senior high-school student, from a single-parent home, often with a history of welfare receipt, who has demonstrated limited educational potential, done poorly in a poor school and so would rather not attend any more) and offer a program attractive enough that she will avoid behaviors that put her at risk of childbearing?

Do we know how to offer male youth with similar personal and family characteristics opportunities that would lead them to avoid fathering children outside marriage and before they are ready to support them?

At this point, we cannot answer that we do know how to change this future-robbing behavior. Much less are we sure how to offer programs in a way that overcomes any underlying unresponsiveness to opportunity when it is offered.

Policy experimentation to raise opportunity costs of childbearing: Notwithstanding this sobering picture from the research literature, experience provides some indications of what we might try next:

- * We might try to make more of a difference in human capital. Impacts on employment and earnings of youth have been modest at best. More impressive increases in employment and earnings ought to have a larger effect on choices related to childbearing. A research and demonstration effort to find ways to make more of an impact on the human capital of disadvantaged males and especially disadvantaged females seems indicated.

¹⁴ Howard S. Bloom, et.al., "The National JTPA Study, Title IIA Impacts on Earnings and Employment at 18 Months," Abt Associates, (Bethesda, MD, 1993) p.227.

¹⁵ Ibid., pp.196, 209.

- * We might try to make the rewards of avoiding childbearing more certain. The demoralizing effects of education and training programs that result in no jobs are well known. When a sample of drop-outs in the National Education Longitudinal Survey were questioned about conditions under which they might return, by far the most frequent response was, "If I felt sure I could get a good job after graduation."¹⁶ The guaranteed status of an opportunity to attend college has evoked a particularly strong interest and response in Eugene Lang's "I have a dream" program.

To someone with relatively low earnings potential, characteristic of many who drop out of school and bear children as teenagers, risk will tend to be associated with failure. It may be that a guarantee of an alternative future, rather than just an opportunity for one, will be needed to influence behavior effectively.

- * We might try to make the rewards of avoiding childbearing more immediate. What at-risk females may regard as the benefits of early motherhood tend to be immediate. Status among peers changes.¹⁷ The new baby provides affection. Pressure for school attendance is likely to be removed. The mother may become the head of her own welfare case, with a regular cash income and perhaps food stamps. On the other hand, the benefits of avoiding childbearing, such as they are for a teenager with little educational attainment and low earnings potential, are all in the distant future. The immediate future may be perceived as mainly more frustration and alienation in school.

Teenagers for whom this choice is most pressing are liable to already have experienced trouble with discipline and deferral of gratification.¹⁸ More immediate rewards for avoiding early pregnancy could be indicated, if they could be distinguished sufficiently from the appearance of rewards for terminating pregnancy.

Straightforward payments might be made. While perhaps the easiest to administer, their moral basis and level of public support are not clear. Credits or vouchers for education or other approved activities or purchases might be less controversial.

¹⁶ Marilyn M. McMullen, et.al. "Dropout Rates in the United States: 1991," National Center for Education Statistics, September 1992, Table 20.

¹⁷ Elijah Anderson, "Neighborhood Effects of Teenage Pregnancy," pp.382-397.

¹⁸ Risking the Future, p.102.

Targeting of payments would raise many issues of equity (making no payments available to poor youth who otherwise do not fit the at-risk profile) and efficiency (profiles of those at-risk probably will include many who would need no payment to deter them from fathering or bearing children).

Eligibility for some desirable activity, such as an alternative education program or recreational activities, also could provide an immediate and ongoing reward for delaying childbearing. At this point, however, the interest of the research community seems to be behind special educational and service programs for those who do not delay fathering or bearing children rather than for those who do.¹⁹

Raising other costs of teenaged childbearing

If raising the opportunity costs of early childbearing, by offering a better alternative future, could influence this behavior, it seems to follow that raising other costs of childbearing could as well. In addition to making other alternatives more attractive, fathering or bearing children outside marriage can be made less attractive, at least in so far as child support and welfare policies are concerned.

Child support policies: Currently, an unmarried adolescent father can be confident that he will not be forced to provide regular child support. It is estimated that paternity is established in about one-third of all cases where children are born to unmarried mothers.²⁰ Only about 24 percent of unmarried mothers have court orders for child support, and only about 73 percent of these receive any of the support they are due.²¹ If the partners of at-risk teenaged women were more certain that they would be required to support any children they fathered, they might modify their risk-taking behavior to avoid that possibility.

The child support issue group is considering ways to improve support by absent fathers. Some policies appear more or less effective from the perspective of prevention.

For example, States could be provided with federal incentives to devote resources to establishing paternity in every case where a mother was a minor at the conception or

¹⁹ For examples, see Risking the Future, pp.215-228.

²⁰ Testimony of David Ellwood before the Human Resources Subcommittee, June 10, 1993, Table VI.

²¹ Gordon H. Lester, Child Support and Alimony:1989, Bureau of the Census, 1991, P-60, No.173, Table C.

birth of her first child. At present, these cases frequently lead to relatively low collection levels, and correspondingly low rewards for States.

Private agents could be paid for each paternity established. Private agencies sometimes are employed in collection of child support arrearages. Private agents might be even more effective than current voluntary acknowledgement programs while mothers and infants are still hospitalized after delivery. At delivery, application for welfare may be months or years away, at which time relations between unmarried mothers and fathers are likely to have deteriorated and location of unmarried fathers will be more difficult.

To improve the cooperation of mothers in establishing paternity and obtaining a child support order, a variety of sticks and carrots could be tested. A separate cash assistance program for minor mothers without paternity established for their children might provide benefits only in the form of protective payments to their parents or other supervising adults, and require the minor mothers to reside with these supervising adults until reaching majority.

A one-time bonus could be available for paternity establishment. Public acceptance of these bonuses might be encouraged if they were in some way earmarked for the newborn. Such a policy might also promote the willingness of both unmarried parents to cooperate, especially if the bonus were offered soon after delivery, when the identity and location of the father were easiest to determine.

As far as I know, we have no basis on which to predict the effectiveness of any of these policies in improving paternity establishment and child support collection. Much less do we have an empirical basis for predicting any preventive effect that could follow from a greater certainty that unmarried fatherhood would lead to regular payment of child support. Here too, we are in the position of testing policies rather than being ready to implement proven preventatives.

Welfare time-limits and work: It remains the case that the size of welfare benefits has not been shown to have a large impact on family formation.²² Much of the analysis of this issue has been based on cross-state variation in AFDC benefits, which is not an obviously appropriate basis on which to predict the effects of a time-limit on eligibility for AFDC, followed by work relief or some other work requirement. The imposition of a strong work requirement may be viewed as an additional cost of AFDC to mothers, a large cost in leisure time or time with children.

Policies to raise the costs of welfare in the eyes of potential unmarried mothers must be careful not to do so by further jeopardizing the well-being of dependent children.

²² Robert Moffitt, "Incentive Effects of the U.S. Welfare System: A Review," Journal of Economic Literature, March 1992, pp.27-31.

However, raising the cost of welfare by imposing a work requirement on mothers seems to meet this test.

Although other issue groups are formulating options for the time-limited transitional period of welfare eligibility and post-transitional work programs, the perspective of prevention suggests two principles;

- * The time-limit should be predictable and unavoidable. Any potential deterrent effect of a time-limit would tend to be diminished to the extent that its application was uncertain.
- * Unfortunately, opportunities for education, training, and employment offered to welfare recipients during and after eligibility for cash assistance (or such programs targeted specifically at the noncustodial fathers of their children) cannot help but reduce the opportunity costs of bearing (or fathering) children. If young women and men who do not delay parenthood have access to education, training, and employment programs comparable to those who do, such opportunities cannot play a positive role in encouraging more responsible childbearing behavior.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

WR - Prevention

June 28, 1993

MEMORANDUM FOR CAROL RASCO
BRUCE REED

FROM: Isabel Sawhill *IS*

SUBJECT: "Good conduct" waivers

At our meeting with the President on June 18, he seemed quite interested in having a list of "good conduct" proposals and a strategy for dealing with them. The attached list was put together by Richard Bavier, our most knowledgeable career person on this set of issues. Waivers intended to promote training or employment are not included, but note that "good conduct" policies generally are just one element in larger demonstrations wherein policies to promote employment dominate.

Also attached, for your information, is an article I wrote last year on this topic. It suggests some criteria against which we might judge such proposals, such as effectiveness and fairness. It also argues that (within limits) the tax-paying public has a right to insist on "good conduct" as a condition of providing assistance, even when there is no guarantee that this will change people's behavior. I think that the President is right that we need a lot more attention to this set of issues, and would be happy to work with you to structure some additional staff work, and discussions among ourselves and with him, if that would be appropriate.

Attachment

cc: Alice Rivlin
Elaine Kamarck
Mary Jo Bane
David Ellwood
Richard Bavier

June 28, 1993

Good-conduct Policies in Welfare Demonstrations

To be included on this list of State-designed good-conduct welfare policies, a policy must aim to promote desirable behavior among welfare recipients beyond the usual areas of employment and child support. All of the policies included are part of State demonstrations with waivers under section 1115 of the Social Security Act. Typically, the State demonstrations include other elements besides these good-conduct policies, but those other elements are not described here.

<u>State</u>	<u>Policy</u>	<u>Consequence</u>
Arkansas (received by HHS 1/14/93)	<u>Family cap</u> - limit AFDC benefit to the number of children in the family at the time of initial certification. (Some exceptions permitted.)	Bearing additional children while on AFDC reduces per-capita income of family.
California (waivers approved but good-conduct elements of demo defeated as ballot initiative)	<u>Family cap</u> - limit AFDC benefit to the number of children in the family at the time of initial certification.	Bearing additional children while on AFDC reduces per-capita income of family.
	Require minor mothers to <u>live with their parents</u> . ¹	Family is otherwise ineligible for AFDC.

¹ This policy is an option under the Family Support Act of 1988, and does not require a waiver. However, several States, including California, Vermont, and Wisconsin, will implement the policy as part of a broader welfare reform demonstration. Delaware, Maine, Michigan, Nevada, the Virgin Islands, and Puerto Rico will implement the policy statewide without waivers.

State	Policy	Consequence
Georgia (approved 11/17/92)	Require AFDC parents to <u>immunize</u> their pre-school children.	Failure to comply leads to a sanction process that may result in removal of the parent's needs from the AFDC grant (e.g., a three-person family would receive a two-person family grant).
Illinois (pending in HHS, State is rethinking proposal)	<u>Family cap</u> - No AFDC increase when a child is born to a family on the rolls for 24 months or longer. Incentive payment to <u>honor roll students</u> in AFDC families.	Bearing additional children while on AFDC reduces per-capita income of family. Increased family income.
Iowa (received by HHS 4/29/93)	Do not count as income deposits to <u>savings accounts</u> when purpose is for education, home ownership, and business start-up.	Increased family resources and financial progress towards one of permitted objectives.
Maryland (approved 6/30/92)	Preschool children of AFDC recipients must receive EPSDT <u>health screening and services</u> .	Sanction of \$25/month for each child not receiving screening.
	School-age children must receive annual <u>preventive health check-up</u> .	Sanction of \$20/year for each parent or child not meeting attendance standard.
	<u>Learnfare</u> - School-age children must meet school <u>attendance</u> requirements.	Sanction of \$25/month for each child not meeting attendance standard.
	Pregnant women must receive regular <u>prenatal care</u> .	Sanction of \$14/month.

State	Policy	Consequence
Missouri (approved 10/26/92)	<u>Learnfare</u> - School-aged AFDC parents and dependent children must meet high-school attendance requirements.	Failure to comply leads to a sanction process that may result in removal of the student's needs from the AFDC grant (e.g., a three-person family would receive a two-person family grant).
Ohio (approved 1988)	<u>Learnfare</u> - Families of school-aged AFDC children receive bonus for good attendance, reduced payment for failing to meet standard.	Higher or lower grant based on attendance.
Oklahoma (received by HHS 12/28/92)	<u>Learnfare</u> - AFDC children aged 13-18 required to remain in school until graduation or a GED.	Failure to comply leads to a sanction process that may result in removal of the student's needs from the AFDC grant (e.g., a three-person family would receive a two-person family grant).
Oregon (approved 7/15/92)	Require participation in <u>mental health or substance abuse treatment</u> programs if needed to progress toward self-sufficiency.	Failure to comply leads to a sanction process that may result in removal of the parent's needs from the AFDC grant (e.g., a three-person family would receive a two-person family grant).
Vermont (approved 4/12/93)	Require <u>minor parents to live with their parents</u> or with other approved adult supervision.	Family is otherwise ineligible for AFDC.

State

Policy

Consequence

Wisconsin
(several approved in
1987 and 1992)

Require minor parents to live with their parents.

Family is otherwise ineligible for AFDC.

Family cap - reduce increase for additional children born while parents are on AFDC.

Bearing additional children while on AFDC reduces per-capita income of family.

Do not count up to \$10,000 savings as available resources if it is to be used for approved purposes.

Increased family resources and financial progress towards one of permitted objectives

Learnfare - Children in AFDC families must meet attendance requirements.

Failure to comply leads to a sanction process that may result in removal of the student's needs from the AFDC grant (e.g., a three-person family would receive a two-person family grant).

Articles in Upcoming Issues of
The Responsive Community

Beyond Tele-Democracy
James Fishku

Outlaw Cultures in Black Neighborhoods
Mark Neuman

*Social Responsibility and Social Accounting:
Time for a New Ledger*
Neil Gilbert

Communitarian Search and Seizure
David Schuman

The Legitimacy of Moral Education
Commentators

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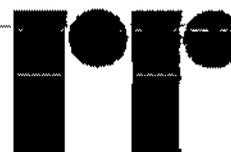


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FORWARDING AND RETURN POSTAGE GUARANTEED



ing response to the self-destructive behaviors that give rise to much poverty and welfare dependency in the first place. Who is right, and how should we evaluate these proposals?

SOME HISTORY

The debate is not a new one. When the architects of the Social Security system in the 1930s decided that most of its benefits would be based on a history of individual work-related contributions, they made an exception for payments to widows and their children. What began as a small program of aid to dependent children—one that was supposed to fade away when their widowed mothers again became some 'breadwinners' dependents—mushroomed into a major part of the social safety net as divorce and out-of-wedlock childbearing swelled the ranks of eligible single parents. While few questioned the appropriateness of such assistance during the 1960s and 1970s, by the 1980s these changes in family composition, and a concomitant increase in the welfare rolls, had etched themselves on the national consciousness, setting the stage for a conservative backlash. And a backlash there was. The Reagan administration, with the help of its conservative allies in the intellectual community, began to articulate a new view of the welfare system, arguing that it was the cause of poverty and not the solution. Mainstream scholars countered that there was little or no empirical evidence to support this charge.

By the end of the decade, the debate seemed to have reached a new equilibrium with the passage of the Family Support Act of 1988. This legislation emphasized the responsibility of fathers to pay child support and of mothers to participate in education and training that would move them toward self-sufficiency. At the same time, the government committed itself to funding the training and other services that would make self-sufficiency possible. Welfare in return for work, or the willingness to prepare for work, was the new rule. With so many middle-class mothers in the work force, taxpayers were less willing to pay low-income mothers to stay home with their children. A welfare system out of step with middle-class norms and behaviors could not survive. The new paternalism of the 1990s is also an attempt to bridge this gap.

COMMUNITARIAN WELFARE

The New Paternalism: Earned Welfare

ISABEL V. SAWHILL

In the early 1990s, a new debate has broken out about what welfare recipients should and should not be expected to do. In part, it is prompted by a fiscal crunch at the state level that has given new impetus to a whole new set of proposals to link welfare benefits to 'good' behavior—the so-called new paternalism. In Wisconsin and Ohio, for example, welfare benefits may be withheld if recipients or their children fail to attend school on a regular basis. The Republican governor of Wisconsin has proposed both to cap benefits after the first child and to provide a marriage bonus. In California, another Republican governor, Pete Wilson, has announced a ballot initiative that would not only cut welfare benefits by up to 25 percent, but would among other things, deny extra benefits to those who have additional children while on welfare and require teenagers on welfare to live with a parent or guardian. New Jersey recently passed a statute, endorsed by both Democrats and Republicans, that disallows extra benefits for mothers who have children while on welfare but couples this with job training and more generous benefits for those who marry or go to work. And the Democratic governor of Maryland has joined the movement by proposing a cut in welfare benefits for those who fail to get preventive health care, pay their rent regularly, or keep their children in school.

The reaction to these proposals is at least as interesting as the measures themselves. Critics, including many experts, have noted the sometimes punitive nature of these "reforms," have worried about their possibly racist overtones, and have scoffed at the social engineering involved. Defenders, including most ordinary middle-class citizens, see such proposals as eminently fair and as a construct-

MOST BEHAVIOR IS DIFFICULT TO MODIFY

One reason supporters of the Family Support Act had prevailed was because there was evidence that training programs for welfare mothers worked. This is much less clear in the case of the new proposals. Several studies suggest that decisions to marry and to have children are, at best, only modestly affected by the kinds of incentives one can build into the welfare system. Decisions to work or to stay in school may be somewhat more open to such influence.

The effects on behavior also depend on the magnitude of the incentive provided and the way in which it is delivered. A big enough incentive delivered in a user-friendly and supportive fashion can have an impact. There are numerous examples of programs that have changed people's lives, among them the "I Have a Dream" program that promised college tuition to those who finished high school, the welfare experiments of the early 1980s, and even (some claim) a Planned Parenthood program in Colorado that paid teenagers not to become pregnant. Each of these programs uses carrots rather than sticks and combines rewards with heavy doses of counseling and other services.

On the other hand, a legislatively mandated evaluation of the Wisconsin Learnfare program, designed to improve school attendance of family members on AFDC, "did not find improvements in attendance" in high school or middle school students studied. In a congressional hearing presided over by Senator Daniel Patrick Moynihan, a diverse panel of welfare experts all agreed that government attempts to change personal behavior, such as childbearing or marriage, with a system of rewards and punishments probably would not do much. As one panelist argued, "[T]he most likely effect is no effect at all. We have every reason to believe that recipients will resist changes in their personal behavior."

All said and done, while we don't know everything we should about the potential of these and other interventions to move people toward self-sufficiency, it is clear that many of the simpler economic incentives that the public believes will change people's behavior may not.

PUBLIC ATTITUDES MATTER

If the public were convinced of this, how much difference would it make? Would more exposure to information about the relationship between welfare benefits and marriage cause the citizens of California to reject their governor's ballot initiative? I doubt it: "Effectiveness" is not the only issue here. Morality, or conformity with social norms, also matters. The public wants to distinguish between the deserving and the undeserving poor, and to set conditions on the use of its "hard-earned" money. (Paul Taylor of the *Washington Post* reports that when President Bush condemned welfare dependency in his 1992 State of the Union Address, he received his second-highest marks of the evening from a focus group armed with devices that provide instant feedback.) Whether one likes it or not, this is a fact of political life. Community expectations and values are registered through the political process and cannot be ignored. Advocates for the poor have long had to live with the reality that single mothers are considered more deserving than equally poor men, and that assistance for the elderly poor is more popular than for their younger counterparts.

Such distinctions apply not just to who deserves assistance but also to the form in which such assistance is provided. The public is willing to provide noncash benefits to the poor, such as food stamps, even though there is no evidence that such earmarked benefits increase spending on food. Indeed, providing cash instead of food stamps would be administratively cheaper, provide more freedom of choice, and be less demeaning to the poor. But liberals have long since learned that to cash out the food stamp program would almost certainly diminish the total amount of assistance available. In the same way, they may come to accept that conditioning assistance on behavior may be the political price they have to pay for continued support of the welfare system, even when they disagree with the moral premises of the policy itself.

What I am asserting here is the community's right (subject to constitutional limitations) to express its values through the political system. If its sentiments and beliefs are wrongheaded, then it is up to those who disagree to change rather than to override public opinion.

In recent decades, those liberals who have aggressively asserted individual rights over community concerns have ended up alienating much of the public. In his book, *Liberal Purposes*, William Calston has articulated the problem well:

In the past generation... important forces within both American academia and public life have embraced understandings of liberalism perceived, with some justification, as hostile to traditional moral understandings. The result has been a disaster for progressive politics. If well-styled liberals cannot accommodate, and recognize their dependence on, the moral restraints espoused by ordinary citizens, liberalism cannot regain in practice the general acceptance needed to guide public life in a constitutional democracy.

Liberals are aware of the erosion of public support for progressive policies, but their most common reaction has been an attempt to rebuild support by emphasizing more universal policies, rather than by accommodating the moral sensibilities of the middle class. Social Security is the historical paradigm of a universal program that has done more to help the poor than all of the means-tested programs put together, but which has bedrock public support because of its inclusiveness. Proposals for universally subsidized day care, national health insurance, and tax credits for families with children are the modern analogues. The problem is that such programs are enormously expensive. Moreover, the popularity of Social Security may have as much to do with its contributory character as with its broad coverage. Even if we could afford a guaranteed income for every American along the lines proposed by George McGovern, it would almost certainly not pass muster. Public support cannot be bought by delivering assistance to everyone. It can be bought by making such assistance conditional on work or other widely approved behaviors.

Political support for the new paternalism is not the only issue. There can be such a thing as too much government by public opinion. The popular will should be filtered through the legislative process. The fact that Governor Wilson's proposals are being put on the ballot rather than debated in the legislature is significant, because it eliminates the kind of considered judgments and education of the citizenry by its elected representatives that we should expect in a democracy. The voters are currently not as well informed as the

people they elect. For example, the possibility that the public expects far more behavioral change from the new paternalism than it can possibly deliver has already been noted. Moreover, the tensions between individual rights and community concerns are real and cannot be resolved except by considering each case on its merits and evolving reasonable compromises.

INDIVIDUAL LIBERTIES MUST BE PROTECTED

Another reaction from right-oriented liberals has been to conjure up worst-case scenarios and anecdotes as arguments against the new paternalism. It is not hard to paint a portrait of America circa 1994 that would give George Orwell a run for his money: welfare mothers being forced to have abortions or sterilizations because otherwise they would be denied extra money for additional children; parents being blackmailed by their potentially truant children into inappropriately submissive behavior ("I will buy you a gun if you go to school tomorrow"); teenage mothers being forced to live with abusive parents as a condition of receiving assistance, and so forth. In the end, we must decide which is the greater threat to democracy and the individual freedoms that democracy promises: occasional specific abuses of the coercive power of the state by those who support reasonable versions of the new paternalism or a broader backlash against the entire system fomented by the David Duker of the world and fueled by resentment of the lifestyles of the poor. Specific abuses can be curtailed by administrative safeguards (such as exceptions, in cases of conflict or abuse, to the rule that teen mothers must live with a parent). But the only defense against a populist backlash is to align policy with mainstream values.

PATERNALISM SHOULD BE EVENHANDED

One issue is fairness. If paternalism is good for the poor, it should be good for the rich and the middle class as well. Indeed, if it is not applied in an evenhanded way, then charges of racism, classism, and sexism carry more weight. If tax policies are moving in the direction of making allowances for family size among the working poor and the middle class, as they seem to be these days, then denying the welfare

population equal treatment seems unfair. Or, to take another example, imagine denying college aid from public sources to middle-class kids who cut their classes or Medicare to elderly citizens who don't get annual checkups. The precise analogies to the new paternalism may seem a bit far-fetched, but the general point is not. Proposals to be public health insurance to personal lifestyle (e.g., smoking) or college loans from public sources to academic performance in high school have as much merit as the new paternalism for welfare recipients. Imposing similar conditions only on the poor smacks of just the kind of tyranny of the majority that a rights-based liberalism correctly warns us against.

INCENTIVES NEED TO BE ACCOMPANIED BY SPECIFIC FORMS OF HELP

One way to guard against discriminatory policies is to apply the Rawlsian test—that is, to imagine oneself on welfare and to ask what conditions one would consider fair. As far as it goes, this is a reasonable criterion. The problem I see is that most of us who have achieved a middle-class lifestyle or better have a tendency to imagine that all our normal cognitive and psychological resources would be preserved intact if we were poor, and that all we would lack is money. But poverty often is corrosive, not only because of material deprivation, but more important, because it affects a person's self-image and sense of control. Policies should not assume a capacity to adapt immediately to middle-class norms on the basis of purely economic incentives. People need to be helped to take control of their lives, and not simply rewarded for doing so. If work is the goal, then training and assistance with finding a job may be the means to make this possible. If reducing teenage childbearing, and the welfare dependency that so often follows, is the goal, then making family-planning services more accessible, and poor women's life prospects more promising, may be essential. Moreover, people should be given opportunities to prove their competence in small increments that, because they are rewarded, are systematically reinforced. As Douglas Resbarow of the American Enterprise Institute has emphasized, the behavior that we are trying to achieve needs to be within realistic reach of the recipient, and the incentives that are offered should encourage new modes of

behavior that can be internalized in the long run. He also notes the importance of being able to track the behavior in question. If truancy, for example, can't be accurately monitored by school authorities and reported to welfare offices, then bonuses for school attendance cannot be effectively administered.

INNOCENT VICTIMS NEED TO BE PROTECTED

The current welfare system is not neutral; it rewards childbearing. We would not give a welfare family a bigger grant if they went out and bought a car, but we do when they decide to have a baby.

Cars and babies, it will be argued, are different. To begin with, babies are not always planned. However, this is true of much impulsive consumption as well. Beyond this, children are the innocent victims of any curtailment of welfare benefits for larger families. In theory, one can argue that the costs imposed on children penalized under such a regime may be more than compensated for by the reduction in the number of children growing up in poor families. After all, we endanger the lives of hostages in order to deter further hostage taking. But if smaller welfare benefits for larger families do little to deter additional childbearing, this argument carries little weight. The costs imposed on children seem too high a price to pay for encouraging more responsible fertility decisions among their parents. We are left, then, with a dilemma. We do not want to reward childbearing among those unable to support their children, but we must reward it in order to protect their offspring. One way out of this dilemma is to link welfare benefits not to the number of children born but to a willingness to use effective family planning.

Seen in this context, the proposal of a Kansas legislator to give extra money to welfare mothers who agree to use Norplant is more reasonable than it might seem at first blush. (Norplant is a new long-term, virtually fail-safe, contraceptive implant that is as safe as the pill and completely reversible.) Opponents of the plan argue that poor women would need the money so badly that they would, in effect, be coerced into forfeiting their right to have children. But where is the right established to have children at someone else's expense? Many middle- and working-class families are financially

constrained from having additional children, and their psyches are not adjusted upwards should an unexpected baby arrive on the scene. Should Joe Sixpack be expected to pay for a welfare mother to have two children when, partly because of the taxes he pays, he can only afford one?

If we are serious about protecting innocent victims, we should reward contraception, not penalize children: at a minimum, people should have the means to effectively and safely plan their families.

PATERNALISM SHOULD BE USED SPARINGLY

Finally, we would be wise to use behavioral incentives sparingly. The criteria for their use have been thoughtfully laid out by Robert Goodin in his article, "Permissible Paternalism: In Defense of the Nanny State" (*The Responsive Community*, Vol. 1, No. 3, Summer 1991). Paternalistic policies are justified, he argues, in cases in which the stakes are high and individual preferences are unstable or inconsistent. Take once more the case of early childbearing. The stakes are certainly high both for society and for individual mothers and their children. The public costs of supporting a family begun by a teenager (in present value terms) averaged \$17,000 in 1989. Moreover, the life prospects of both the mother and her children are likely to be constrained. As a result, many women later regret having a baby as a teenager and find it inconsistent with their desire to obtain an education, hold a job, or marry someone other than the child's father. Similarly, surveys show that most welfare recipients want to work and that most drug addicts want to kick their habits. People's behaviors and their deep-seated preferences are not always consistent. Policies that accord with the latter are only paternalistic in the best sense of the word (assuming that people's deep-seated preferences can be reliably known). We understand this in dealing with our own children, especially adolescents, who are the group most at risk of prematurely damaging their lives. Public policies should be based on similar principles. Using the welfare system to get people to pay their rent on time, however, does not seem to meet either the "high stakes" or the "deep-seated preferences" criteria.

IN CONCLUSION

In the end, my view is that the new paternalism must be seriously considered because welfare programs that are not consistent with mainstream values will never be politically viable and will certainly not be adequately funded. At the same time, each approach is also only justified under certain conditions. Most important, there must be some evidence that the policies will actually work to change behavior, or that there is a willingness to combine them with services, counseling, or other measures that can help welfare recipients achieve the goals of the program. Otherwise, they are nothing more than a way of pandering to public opinion. In addition, paternalistic policies are likely to be more acceptable and be more appropriate when: (a) they are introduced as a means to reward rather than punish and are not used as a means to balance budgets on the backs of the poor; (b) they are applied in an evenhanded way that does not discriminate against the poor; (c) they are designed in ways that do not produce an infringement of individual liberties or create a new set of innocent victims; and (d) the stakes are high.

In the past, many experts and advocates, because they have largely ignored community values, have failed to develop welfare policies that are effective, respectful of individual rights, and acceptable to the public at large. This is no mean task. But if we fall now, a new paternalism that does not work, or is patently unfair, is not only what we will get but also what we will deserve.

Next—Mortgage?

The U.S. Post Office is providing Americans with 5 million post cards to determine which of two phrases of Elvis Presley is to be used in honoring him on its stamps. In view of his conspicuous consumption of drugs, we suggest you vote "none of the above."



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Bruce Reed
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WR-Prevention

July 1, 1993

MEMORANDUM FOR WELFARE PREVENTION ISSUE GROUP

FROM: Isabel Sawhill
Richard Bavier

SUBJECT: Materials for Prevention Issue Group Meeting

The attached material is for the meeting on July 2, at 3:00 p.m. in room 476 of the Old Executive Office Building.

We look forward to seeing you.

July 1, 1993

Draft - Scope of Prevention Issue Group

The group will concentrate on: 1) understanding how families enter the AFDC program for the first time; 2) considering policies that may prevent entries.

The challenge for the group will be to identify and select a limited number of promising policy options for further analysis and eventual presentation to the Working Group. We hope to identify two types of policy options: those that encourage more responsibility (e.g., in the area of childbearing), and those that provide greater opportunity (e.g., to go to college or get a job).

Background

It is commonly estimated that about half of the mothers on the AFDC rolls at any point had their first child as a teenager.¹ In the past, many were teenaged wives at the birth of their first child. More recently, most births are to unmarried teenagers. In 1960, about 85 percent of births to teenagers were to wives; in 1990, about 68 percent were to unmarried teenagers.² Similarly, whereas divorced or separated mothers used to constitute the majority of AFDC case-heads, now never-married mothers are in the majority. Never-married mothers account for virtually all the increase in the AFDC caseload during the 1980s.³ Accordingly, to some extent that the issue group will explore, prevention of welfare entry will have to grapple with reducing child-bearing among unmarried teenagers. In this context, it will be important to look at family planning practices and policies.

Welfare and non-welfare strategies

As often noted, prevention of unwanted pregnancies among teenagers may entail changing their perceptions of their own possible futures - the way they look at both unmarried parenthood and life on welfare, on the one hand, and alternatives to welfare, on the other.⁴ The transition and post-transition issue groups are expected to recommend policies that will change a young, at-risk female's perception that welfare can be a way of life. The child support enforcement issue group may recommend

¹ For example, see: Cheryl Hayes (ed.), Risking the Future, Adolescent Sexuality, Pregnancy, and Child Bearing, National Academy of Sciences, 1987, Vol I, pp. 132-3; Kristin A. Moore, et.al., Facts at a Glance, Child Trends, Inc., March 1993; Overview of Entitlement Programs, 1992 Green Book, pp.1100-1.

² Vital Statistics of the United States, 1989, and Moore, March 1993.

³ See, for example, Thomas Gabe, "Demographic Trends Affecting Aid to Families With Dependent Children (AFDC) Caseload Growth," CRS Report to Congress, 93-7 EPW, December 1992.

⁴ Risking the Future, p.267.

policies that will change a young, at-risk male's perception that he probably would never be required to pay support for children he fathers outside marriage.

Perceptions of alternatives to life on welfare or unmarried fatherhood also appear to be correlated with the likelihood of teenage pregnancy.⁵ Accordingly, the prevention group will consider non-welfare policies that promote better futures for at-risk teenagers. Current programs and the Administration's initiatives in training, education, and employment will be reviewed in an effort to identify policies that maximize opportunities for at-risk youth who avoid becoming parents before they are prepared to raise and support a family.

Target population

At first glance, it would seem that prevention departs from other issue groups' concerns by virtue of its focus on those who have not yet entered the welfare system. However, the division is not sharp here either. Some new AFDC case-heads are familiar with welfare from earlier spells as dependent children, and some are simply switching status from dependent child to caretaker.

What distinguishes the target population of the prevention group from that of groups dealing with custodial and noncustodial parents is that the prevention group will focus on those who are not yet welfare mothers or absent fathers, but who are at high risk. We will need a paper that lays out different ways of identifying and estimating the size of the at-risk population.

Paths onto AFDC

Most typically, families end up on AFDC for the first time by one of three paths: 1) first children are born to unmarried mothers who cannot support them; 2) two-parent families break apart, leaving custodial parents unable to support their children; 3) family bread-winners lose or leave their jobs, leaving them unable to support their children.⁶

When all entries are considered, it would seem that the issue group's focus should be on the second route. Bane and Eliwood's classic study of early PSID families found that nearly half of all first AFDC spells occurred when a wife became a family head. By comparison, about 30 percent of AFDC entries occurred when an unmarried

⁵ Risking the Future, pp. 120-1, 126.

⁶ For the most part, the issue group will be focussing on single-parent families, which are still overwhelmingly mother-headed families. Two-parent families also end up on AFDC because of the incapacity of a parent or the unemployment of the principal earner. However, at present, the size and dynamics of this caseload does not present a policy concern comparable to the growth of single-parent cases on AFDC.

woman had her first child, and about 12 percent when a female family head's earnings fell.⁷

A simple count of entries suggests that policies to prevent divorce and separation should be the first priority. However, we know that the amount of time, both in first spells and total time, that a family spends on welfare is correlated with the path the family first takes onto welfare. In the early PSID data, those who enter the system due to a loss of earnings averaged less than four years in their initial spell. Those who came onto AFDC from marital break-up averaged four and one-half years. By contrast, those who first came onto AFDC as an unmarried first-time mother stayed 7.7 years in their first spell.⁸

Recent analysis of NLSY data confirm earlier PSID findings that never-married mothers will return more frequently and have longer total time on AFDC as well as longer first spells.⁹ So if we are concerned about the degree of welfare dependency, rather than just contact with the welfare system, it appears that delaying or preventing entries that occur when an unmarried woman bears a first-child she cannot support should be a priority of the prevention group. However, although entries due to births to unmarried women will be a focus, the prevention group should give due consideration to determinants of marital break-up and earnings decline among single-parents.

Entry determinants and prevention options

The immediate preconditions of unplanned first-births to unmarried teenagers are early extra-marital sexual activity, the absence of effective family planning practices, and decisions by at least one of the parties not to marry. Among the underlying factors are concomitants of poverty, joblessness, low educational achievement, and changing social norms. The policy options developed by the prevention group will be based on a review of current knowledge about the connection between each of these factors and entry onto the AFDC rolls.

The determinants of marital break-up are, if anything, even more complex. However, the current state of knowledge will be reviewed, and an attempt made to identify policies and programs that have proven or promised power to prevent marital dissolution.

⁷ Mary Jo Bane and David Ellwood, "The Dynamics of Dependence: The Routes to Self-sufficiency," 1983, Table 4.

⁸ Ibid., Table 10.

⁹ Donna Pavetti, unpublished dissertation.

Development of policy options

Policy options from the prevention group will emphasize both responsibility and opportunity. On the responsibility side of the equation, the group will consider welfare and non-welfare policies that may encourage responsible family formation decisions. In this, the prevention group may overlap and inform the work of the other issue groups by presenting analysis of the likely impact of the policies they are considering on the determinants of AFDC entry. For example, there may be reason to think that some variations of AFDC time-limits, or paternity establishment and child support enforcement, or child support assurance, may encourage or deter AFDC entries more than others.

Welfare policies focussed specifically on dependency-inducing behavior among teenagers will also be considered. Conditioning AFDC benefits on paternity establishment or the willingness of a minor child to live with a parent are examples.¹⁰ These and other options are likely to be controversial, and the group will have to decide whether further analysis of them is warranted.

Second, the prevention group will present options outside the purview of the other issue groups to promote opportunity among at-risk females and males. As an example, on the basis of analysis that life on welfare may not compare unfavorably with other perceived futures for female and male youths most at risk, the group may consider ways to increase the educational and employment opportunities of this population. In light of budget and policy constraints, such options could involve marginal targeting and packaging modifications to the Administration's current non-welfare initiatives in the areas of education and training. Options designed to change the opportunity structure in certain communities -- at least on a demonstration basis -- are another possibility. The Empowerment Zone initiative may be an appropriate context. Alternatively, on a demonstration basis, some States might be given flexibility to use whatever resources are available as part of welfare reform to focus on prevention, rather than post-transitional work assignments - that is, on the front end rather than the back end.

¹⁰ The latter currently is a State option.

July 1, 1993

Possible prevention issue group tasks to be completed by July 12

1. Latest data on relative frequency of paths onto welfare and average total time on welfare associated with each path. (OMB, HHS/ASPE)
2. Assessment of alternatives for operationalizing identification of teenagers most at-risk of fathering or bearing children outside marriage. (OMB, HHS/ASPE, DoEd)
3. Summary of teenaged pregnancy and child bearing trends of the 1980s and early 1990s, including assigning relative importance to demographic trends, age at initiation and frequency of intercourse, contraceptive practices, abortion practices, and marriage decisions. (HHS/PHS)
4.
 - a) Summary of effectiveness (especially impacts on unwanted pregnancies and welfare receipt) of education-oriented drop-out and pregnancy prevention programs and alternative schooling programs for low-achievement and disadvantaged secondary students. (DoEd)
 - b) Description of those secondary and post-secondary education programs and planned initiatives for which at-risk youth are or would be eligible. Analysis of the potential for: a) being targeted more closely to at-risk youth; b) being conditioned on avoiding parenthood; c) being guaranteed in advance to high-school underclassmen if they perform adequately in school and avoid parenthood. (The "I have a dream" model.) (DoEd)
5.
 - a) Summary of effectiveness (especially impacts on unwanted pregnancies and welfare receipt) of basic and specialized employment skills training and jobs programs for at-risk young males and females.
 - b) Description of those training and jobs programs and planned initiatives for which at-risk youth will be eligible. Analysis of the potential for: a) being targeted more closely to at-risk youth; b) being conditioned on avoiding parenthood; c) being guaranteed in advance to high-school underclassmen if they perform adequately in school and avoid parenthood. (DoL)
6.
 - a) Summary of effectiveness (especially impacts on unwanted pregnancies and welfare receipt) of family planning and other social and medical services aimed at teenage pregnancy prevention .
 - b) Description of current programs and planned initiatives in family planning and social and medical services to prevent teenaged pregnancies, including targeting to at-risk youth. (HHS)



EXECUTIVE OFFICE OF THE PRESIDENT
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WASHINGTON, D. C. 20503

April 26, 1993

MEMORANDUM FOR HOWARD ROLSTON

FROM: Richard Bavier *RB*

SUBJECT: Factors in caseload increases and implications for reducing dependency

Our discussions have helped me try to think more systematically about how growth in the number of never-married mothers has affected caseloads and about interventions to promote self-sufficiency among these families. Here are some thoughts.

Never-married mothers and recent caseload increases

The recent CRS report by Tom Gabe attributes virtually all of the increase in AFDC caseload from 1987 to 1991 to increases in the number of unmarried mothers and changes in their living arrangements.¹ The analysis has been criticized for its dependence on Census survey data. It appears that AFDC is often confused with other forms of cash assistance by respondents, and is significantly underreported. In addition, the choice of comparison years straddles the change in direction in the track of the caseload that occurred in 1989. The CRS paper does not discuss the bend, nor whether the trend toward unmarried motherhood in the AFDC caseload can explain it.

Based on the CPS for March 1988 and March 1992, the CRS paper finds an increase of 836 thousand "mother-only" families, of which 595 thousand are headed by never-married mothers. The number of these mother-only families reporting AFDC income in CPS increased about 402 thousand, of which 286 thousand (71 percent) were headed by never-married mothers. Gabe concludes, "The effect of relative changes in the number and composition of mother-only families, by mothers' marital status, accounts for 93 percent of the growth in the number of AFDC families captured in CPS between 1987 and 1991. Changes in the AFDC reciprocity rate ... accounts for only 7 percent"

Administrative data show that the average monthly number of AFDC cases increased 591 thousand from FY87 to FY91. CPS's 402 thousand from CY87 to CY91 represent only about two-thirds of the actual increase. In fact, the underreporting is considerably greater. CPS asks families whether they received AFDC at any time during the year,

¹ Thomas Gabe, "Demographic Trends Affecting Aid to Families with Dependent Children (AFDC) Caseload Growth," CRS 93-7 EPW, December 1992.

while the administrative data are a monthly average. The total rate of underreporting in CPS probably exceeds half of all AFDC families.

By using CPS for AFDC reciprocity data, the CRS paper runs into another data problem as well. March CPS data reflect family composition at the time of the survey, but income from the preceding calendar year. So, for example, the March 1992 CPS from which Gabe takes the data he labels '1991' in fact reflects the 1991 income (including AFDC reciprocity) of families as they were constituted in March 1992. Family composition changes between the income reference year and the survey date further distort the CPS picture of AFDC families.

One way to overcome the underreporting and mismatch between family composition and AFDC reference periods is to compare March CPS data on the number and composition of families with fiscal year administrative data on characteristics of AFDC families. For example, the mean monthly number of AFDC families with never-married mothers in FY91 can be compared to the total number of families and subfamilies headed by never-married mothers as of March 1991, about the middle of FY91.

Figure 1 tracks: a) the number of never-married mothers and formerly-married mothers who headed families or subfamilies in 1983 through 1991; b) the average monthly number of AFDC cases with a never-married mother (according to the recipient characteristics table showing the reason of eligibility for the youngest child) and the number of all other cases. Both the total number of never-married mothers and the number on AFDC increased steadily through the period. The number of formerly-married mothers heading families increased slightly, while the number of AFDC cases headed by someone other than a never-married mother declined slowly until 1989, then increased sharply through 1991.

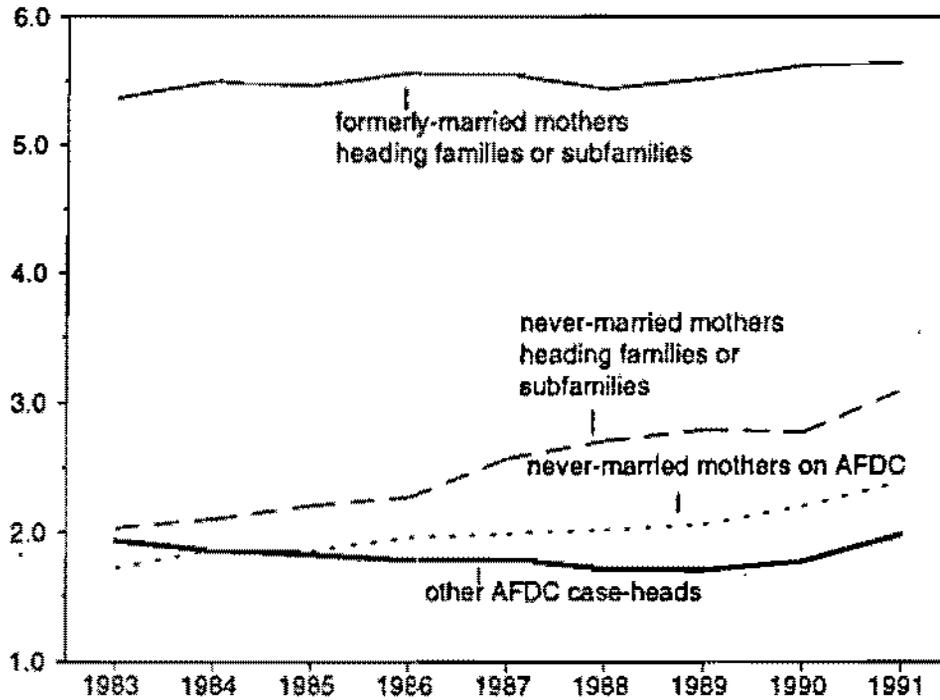
The reciprocity rate² of never-married mothers is very high, 77 percent in 1991. The rate declined from 1983 through 1989. A cyclical element seems to be involved. Rates for formerly married mothers also declined then rose over the same period. However, even allowing for higher participation during economic downturns, it appears that the AFDC reciprocity rate of never-married mothers may be declining over time.

Figure 1 is consistent with Gabe's statement, "Children of never-married mothers accounted for virtually all of the growth in the number of children of AFDC over this period." In Figure 2, never-married mothers account for nearly all the increase in the number of poor mother-headed families over the 1980s as well.

² This term is crafted for a crude comparison of mean monthly caseload of never-married mothers to point-in-time survey data of all never-married mothers. Reciprocity rate is to be distinguished from participation rate, the proportion of AFDC-eligible mothers who actually participate.

Millions of families

FIGURE 1

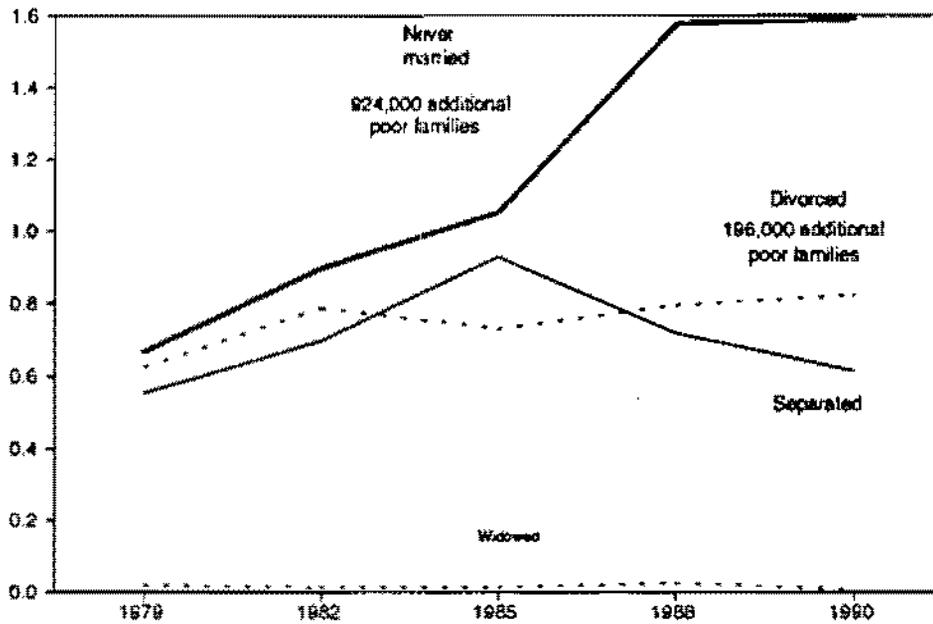


Count of all mother-headed families as of March for years shown. Formerly-married includes separated. AFDC recipient families are average monthly number for fiscal years shown.

Poor Women Heading Families
With Children Whose Fathers are Absent

FIGURE 2

Millions



Source: P-60, No. 173, Table A

The picture that administrative data provide of the factors in caseload increases from 1987 through 1991 also is generally consistent with Gabe's thesis. I used a different method to decompose the increase of 591 thousand AFDC cases between 1987 and 1991. If the population of mother-headed families had grown as it did from 1987 to 1991, but the proportion never-married and the share that show up as AFDC recipients remained at 1987 levels, there would have been 287 thousand more AFDC cases in 1991. If the number of mother-headed families grew as it did, and the share that were never-married grew as it did, but the AFDC reciprocity rate of never-married and formerly-married mothers remained as they were in 1987, AFDC would have grown by another 148 thousand cases. In other words, growth in the number of mothers heading families and changes in their marital status combined to account for 74 percent of the total increase of 591 thousand additional cases. Increased reciprocity rates account for the other 26 percent.

However, when the 604 thousand increase in the average monthly number of AFDC cases from 1989 to 1991 is decomposed this way, the picture changes. The relentless increase in the number of never-married mothers in the general population still accounted for almost half the 1989 to 1991 growth in the AFDC caseload. But the rest, 57 percent, was due to higher reciprocity rates among both never-married and formerly-married mothers.

Presumably, the higher reciprocity rates were due to the recession. However, the track of Medicaid adults in families with children in a number of States looks consistent with the thesis that Medicaid expansions and outreach in the mid-1980s pulled AFDC and food stamp caseloads up too. (For example, see attached graphs showing program caseloads, unemployment, and poverty in Florida, Georgia, North Carolina, Tennessee, and Texas.)

The increasing domination of the AFDC rolls by never-married mothers that is evident in the national profile is even more dramatic at State level. About 30 percent of the increase from 1989 to 1991 in the number of cases headed by someone other than a never-married mother occurred in California. (The State had about 20 percent of the 1989 caseload.) In many other States, the number of formerly-married mothers on AFDC increased very little, even during the recession. Attached graphs show that in some big urban States like Massachusetts, Michigan, New Jersey, and Pennsylvania, there was a real transformation of the caseload. The number of formerly-married mothers dropped sharply through the 1980s in these States.

Marital status and welfare dependency

Increasingly, efforts to reduce welfare dependency by increasing employment have to address the growing number of never-married mothers on the AFDC rolls. In eight States, they made up more than two-thirds of the caseload in 1991. We know that

they will constitute an even larger share of those who stay on the rolls more than two years.

We also know that never-married mothers will tend to have lower levels of education and work experience than formerly-married mothers, making it more difficult to increase their employment. However, marital status consistently shows up as a strong predictor of AFDC reciprocity and spell length, even controlling for education, work experience, number and age of children.³ We think we understand why low education and work experience, and more, younger children make it difficult for a mother to support her family through employment, and so why she might be more likely to participate in AFDC and have longer spells. I don't think we have such a clear idea of why marital status should show up as such a strong independent factor.⁴

When the question comes up at all in the welfare dynamics literature, the discussion tends to be speculative. Unobserved characteristics that may account both for being a never-married mother and having longer welfare spells have been the object of such speculation.

When Patricia Ruggles found a strong effect of marital status on welfare participation, she speculated:

For some individuals, welfare reciprocity may be perceived as a source of social stigma. ... Others may be less affected the presence of other behaviors that deviate from social norms -- for example, a birth while unmarried -- may indicate a higher tolerance for stigma effects.

Unmarried mothers may be more likely to belong to a subculture where welfare use is considered relatively normal -- or alternatively, women who become mothers while unmarried may simply have a higher tolerance for deviations from social norms.⁵

As stated, the hypothesis does not judge whether higher tolerance for deviations from social norms is a good thing, either in general or in this context. We remain within the

³ Robert Moffitt, "Incentive Effects of the U.S. Welfare System: A Review," Journal of Economic Literature, March 1992, p.24.

⁴ It is also possible that the apparent independent effect of marital status is a product of misspecification of other independent variables. For example, if the grade levels that never-married mothers attain represent significantly lower educational achievement than apparently comparable grade level attainment of formerly-married mothers, regression analysis might attribute a difference in educational preparation to a difference in marital status. However, because marital status appears as an independent factor in so many analyses of determinants of welfare receipt, it does not appear likely that this factor would disappear entirely with better specification of other variables.

⁵ Patricia Ruggles, "Welfare Dependency and Its Causes: Determinants of the Duration of Welfare Spells," SIPP Working Paper 8908, May 1989, pp.4,12.

framework of economics, in which stigma and tolerance for it are treated as tastes, "givens" which it is not the job of the economist to evaluate.⁶

Another candidate to explain the independent effect of marital status on welfare dependency may be social psychology's concepts of reactance and learned helplessness. David Ellwood suggests that these ideas may help us understand self-destructive behaviors among the ghetto poor, including bearing children outside marriage.⁷ The same learned helplessness might contribute to becoming a never-married mother and to a passive acceptance of a life on welfare.

Ellwood stresses that the ghetto poor represent a tiny slice of all poor. If learned helplessness is going to make sense of the independent effect of marital status on welfare dependency, it seems that the effect of ghetto poor AFDC mothers on welfare duration estimates must be very strong, or else learned helplessness must be prevalent outside ghetto neighborhoods. There are between three and four million never-married mothers in the United States. About three-quarters of them appear to participate in AFDC, representing more than half of all AFDC cases, more than two-thirds in eight large States.

Another incapacitating characteristic that has been shown to be widespread among mothers heading AFDC cases is low self-esteem.⁸ While the concept has clear research and clinical definitions, it appears to have acquired a broader meaning among social program staff to connote lack of self-confidence, especially in the context of school and employment.⁹

* Ruggies' hypothesis could be expressed easily within Robert Moffitt's general economic model of welfare stigma. The hypothesis does not need to go outside the utility-maximizing framework to explain why never-married mothers are more likely to receive welfare. Unfortunately, Moffitt did not include marital status in his model of stigma. Robert Moffitt, "An Economic Model of Welfare Stigma," The American Economic Review, December 1983, p.1032.

Another hypothesis that stays within the framework of rational maximization of utility is that insufficient knowledge of conception and contraception and access to contraception and abortion explain unmarried motherhood. Teenage mothers often evince mistaken views about conception and contraception. However, it is not evident how lack of contraception information would result in prolonged welfare spells, except to the extent that these resulted from additional unwanted pregnancies.

⁷ David Ellwood, Poor Support, Poverty in the American Family, (Basic Books, 1985), p.214.

⁸ Nicholas Zill, et.al., "Welfare Mothers as Potential Employees: A Statistical Profile Based on National Survey Data," Child Trends, Inc., February 1989, pp.38-9.

⁹ Janet Quint, et.al., "New Chance, Implementing a Comprehensive Program for Disadvantaged Young Mothers and Their Children," MDRG, December 1991, pp.104-5. Denise Polit, "Barriers to Self-sufficiency and Avenues to Success Among Teenage Mothers," Mathematica Policy Research, July 1992, pp.78-80.

Although low self-esteem is often mentioned as a barrier to the success of education and training programs for young mothers on AFDC, I am not aware of any analysis that associates it with marital status. A hypothetical link might be that low self-esteem, like learned helplessness, is an induced incapacity to make rational utility-maximizing choices. The phrase "selling oneself short" seems particularly apt. The problem is not a lack of information, at least not in the usual sense as when a labor market participant may not have information about an available job. Rather, the incapacity stems from unnecessarily pessimistic expectations about the behavior of self and others, arising from past personal experiences.

The concepts of learned helplessness and low self-esteem point to an induced incapacity and a numbed passivity. By contrast, proponents of theories of a "culture of poverty" and, more recently, "behavioral poverty," identify less passive personal characteristics they associate with unmarried childbearing and welfare dependency. However, many share an element of fatalism.¹⁰

Fatalism is a recurrent theme in descriptions of young, never-married welfare mothers who participate in education and training programs. The evaluator of a demonstration of mandatory education activities for teenaged AFDC mothers writes:

¹⁰ This is the way Edward Banfield described the product of the culture of poverty: "If he has any awareness of a future, it is of something fixed, fated, beyond his control; things happen to him, he does not make them happen. Impulse governs his behavior, either because he cannot discipline himself to sacrifice a present for a future satisfaction or because he has no sense of the future. He is therefore radically improvident: whatever he cannot consume immediately he considers valueless." (Cited in Ken Auletta, The Underclass, Vintage Books, (New York, 1983) p.34f.)

An echo is heard in Elijah Anderson's abstract of the sexual behavior of some inner-city boys: "A sense of limited future and ignorance mixed with indifference about reproduction and sexual activity bring on pregnancies and babies. Concerned with immediate gratification, some boys want babies to demonstrate their ability to control a girl's mind and body." Elijah Anderson, "Neighborhood Effects on Teenage Pregnancy," in The Urban Underclass, Christopher Jenks and Paul Peterson (eds.), The Brookings Institution, (Washington, 1991), p.352. The parallel fatalism of young women in Anderson's abstract of the social context of teenage pregnancy in the inner city is, "If something happens, it happens; if something was meant to be, then let it be and 'God will find a way.'"

For young women, immediate gratification of sexual impulse is not often cited as prime motivation in sexual activity or childbearing. Rather, the pleasures and status of being a mother, and desire to please the father are frequently mentioned. As to the former, see Polit, p.124; Anderson, pp.390-395; Auletta, pp.71-73.

For the role that continued relationship with the father can play, see: Sydelle Levy and William Grinker, "Choices and Life Circumstances - An Ethnographic Study of Project Redirection Teens," MDRC, June 1993, pp. 15, 37-40; Ellwood, p.212; Leon Dash, "Motherhood the Hard Way," The Washington Post, January 27, 1986. Perhaps more in the past than the present, becoming pregnant may have been a way to move a relationship towards marriage. Current anecdotal evidence shows that, far from being "trapped" into marriage by a sense of obligation in the face of an unwanted pregnancy, boyfriends themselves may encourage unmarried women to have a child. In such situations, childbearing still may be at least partially motivated by desire to continue a relationship with the father. However, the method is to please him by appealing to and demonstrating his sexual power by bearing a child, rather than to insist that he "do the right thing" by the mother and child. See, for example, the Anderson quote above; Polit, p.67; Dan Bloom, et al., "Interim Findings on a Welfare Initiative to Improve School Attendance Among Teenage Parents," MDRC, May 1993, p.57.

One psychological barrier is the fatalistic outlook of many of these young mothers. Many of them indicated that things can "just happen" to interfere with their plans and lives. Those teenagers who had become pregnant unintentionally, for example, frequently said that their first pregnancies had "just happened," and some acknowledged that it could "just happen" again, even though they hoped it would not. The resignation to life's perils is consistent with the fact that these young women's lives have been characterized by numerous stressful events and experiences that have been beyond their control. ... Such fatalistic outlooks help explain why many of these young mothers fail to engage in preventive or anticipatory behaviors (such as use of contraception) and tend to undermine progress toward their goals.¹¹

From Project Redirection to the Teenage Parent Demonstration, teenage participants generally express a strong desire not to have additional children right away, but nevertheless do with discouraging frequency. Fatalistic attitudes are common, as are exculpatory misunderstandings of fertility and contraception despite reproduction education.¹²

Immaturity is another candidate to account for habitual failure to be guided by appreciation of the long-term consequences of actions. As an explanatory factor, immaturity has the potential advantage of being a universal state of personality and character development, in fact a natural and appropriate state in childhood. Its continuation beyond adolescence constitutes a developmental deficiency. However, the notion does not carry with it a sense of the clinically pathological, like 'learned helplessness,' or moral deficit, like 'behavioral poverty.'¹³

Discussions of trends in unmarried teenage motherhood and programs to serve never-married mothers sometime mention immaturity as a factor.¹⁴ A scientific definition of immaturity appropriate to this context would be needed before useful empirical tests of its prevalence and connection with marital status and welfare dependency could be fashioned.

None of these potential explanations of the independent effect of marital status on welfare dependency is encouraging in itself. And we can't rule out that more than one explanation may turn out to have some truth to it. However, I think there is reason to

¹¹ Polit, p.120f.

¹² Levy and Grinker, pp.29-33; Bloom, p.57.

¹³ This is not to say that the term is free of emotive meaning. Particularly in the context of race, the term would be offensive to some people.

¹⁴ For example, see Polit, p.50; Quint, pp.103-4.

hope that a better understanding might lead to a more effective use of resources devoted to improving the self-sufficiency of families.

Education, training, and work programs for AFDC family heads are frequently plagued by attrition, absenteeism, and problems created by apparently low levels of basic coping skills, as well as the frustratingly ineffective contraceptive practices mentioned above. Methods to deal effectively with these patterns could act as a multiplier of human capital enhancement resources.

To some extent, the different explanations may point us in different policy and resource allocation directions. If we treat marital status as a taste and welfare participation as a rational utility-maximizing choice, we should concentrate our resources on increasing the relative utility of the choices we want people to make - by investing in human capital growth and non-welfare income supports or raising the price of welfare participation.

If never-married mothers suffer from learned helplessness, it may not be enough to offer educational opportunities and income supports. To the extent that the condition of never-married mothers in general is like the clinical condition, therapies appropriate for this condition may be necessary before never-married mothers on AFDC can successfully overcome passivity enough to make rational utility-maximizing choices.

If being a never-married mother and remaining on welfare longer are associated with a difficulty in seeing and acting on the connection between immediate gratification and long-range consequences, interventions that promote such basic skills seem indicated. For this, and to foster basic competencies that challenge low self-esteem, we might look to developmental and learning theory, rather than clinical psychology, for guidance. The key might not be specific therapies, on the model of treating a pathology, so much as designing the delivery of services in a way that induces active participation and reinforces the connection between actions and their effects.

Or none of these explanations may account for the independent effect of marital status on welfare dependency. But until we know, it seems to me that we can't really hope to maximize the effectiveness of the limited resources that will be available to promote self-sufficiency among the relentlessly increasing numbers of never-married mothers on AFDC.

Attachments

cc: Isabel Sawhill
Barbara Selfridge
Keith Fontenot
Canta Pian

October 29, 1992

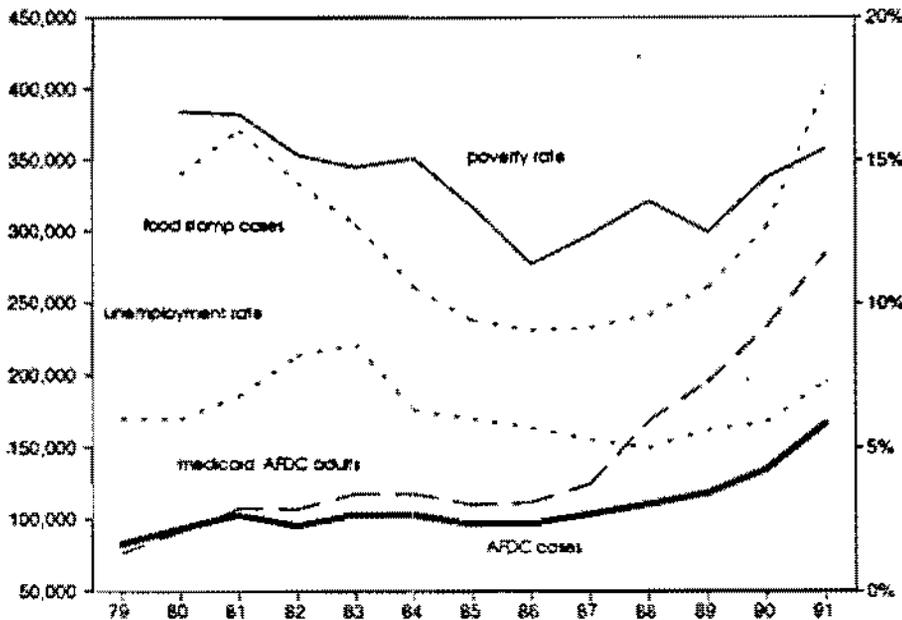
The graphs and tables attached provide State-level data related to caseloads of several federally-funded entitlement programs.

- TYPMAX3 are the typical maximum AFDC benefits available to a family of three. Values represent fiscal years. These administrative data were supplied by HHS/Administration for Children and Families.
- AFDC fams and AFDC recipis are the average monthly number of families and persons receiving AFDC benefits in each fiscal year. These administrative data were supplied by HHS/ACF.
- FSP.hholds and FSP.persons are the average monthly number of households and persons receiving food stamps in each fiscal year. These administrative data were supplied by USDA/Food and Nutrition Service.
- Mcaid adults in AFDC-like are the unduplicated annual numbers of adult medicaid recipients in families with children. These fiscal year data include adults in families receiving AFDC as well as other families with children. These data from the form 2082 system were supplied by the Health Care Financing Administration.
- Pov are calendar year poverty rates and Poor (000s) are counts of poor persons from an experimental series published by the Bureau of the Census, most recently as Appendix D of P-60, No.181.
- Civ unemp and Female unemp are, respectively, civilian unemployment and female unemployment monthly averages for calendar years from the Current Population Survey, as published in Bureau of Labor Statistics Bulletins 2340, 2361, 2381, and 2410.
- Population (000s) are calendar year average populations. Earlier years are from P-25, No.1058; years after 1988 are derived by dividing the number poor by the poverty rate.
- Births to unmarried are from calendar year Vital Statistics, published by HHS.

Florida

AFCO, food stamps,
and Medicaid cases

poverty and
unemployment rates

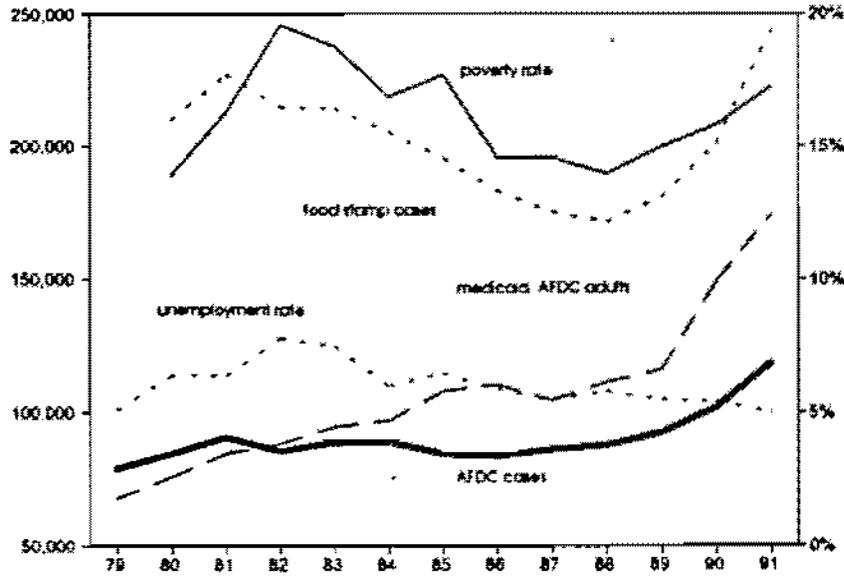


Florida	79	80	81	82	83	84	85	86	87	88	89	90	91
AFCO TYPMAUX		227	219	230	244	250	257	267	276	294	295	297	294
AFCO fams	82,806	83,522	102,949	96,718	103,344	103,247	99,649	97,383	103,698	110,627	118,582	134,815	166,687
AFCO nonfam	231,212	258,178	277,360	259,793	261,308	281,253	271,437	276,366	290,957	307,063	326,764	369,807	462,046
FSP totals		348,307	371,221	334,106	308,420	261,365	258,715	231,483	233,668	241,615	261,083	303,488	401,529
FSP persons		811,952	857,066	865,861	817,567	856,247	829,548	801,777	807,064	822,195	867,930	781,496	1,020,767
Medicaid AFDC-elig	76,529	90,663	107,574	107,548	118,218	117,945	110,232	111,949	124,833	168,365	195,036	233,647	284,236
Poverty		14.7%	15.8%	15.2%	14.8%	15.1%	13.4%	11.4%	12.4%	13.6%	12.5%	14.4%	15.4%
Unemp	6.0%	6.0%	6.8%	6.7%	6.6%	6.3%	6.0%	6.7%	6.9%	6.9%	6.2%	6.4%	7.3%
Female unemp					6.0%	7.2%	6.8%	6.0%	6.8%	6.8%	6.2%	6.4%	7.8%
Poor (200s)		1,882	1,704	1,801	1,611	1,883	1,561	1,347	1,523	1,754	1,680	1,846	2,066
Population (200s)		9,864	10,106	10,366	10,661	10,869	11,271	11,584	11,818	12,241	12,582	13,167	13,426
Bk/ta to unemp	27,190	30,307	32,647	36,422	37,282	36,866	42,222	44,817	48,200	52,867	58,306		

Georgia

AFDC, food stamps,
and Medicaid cases

poverty and
unemployment rates

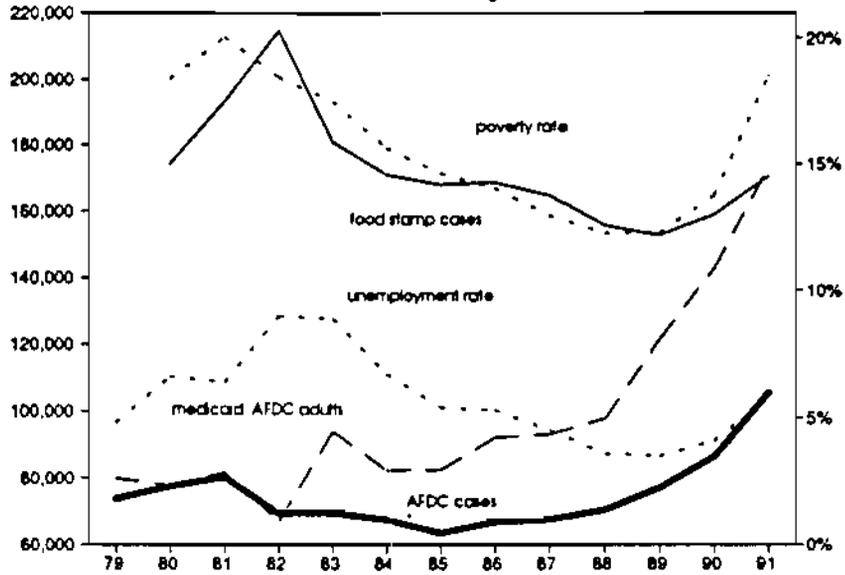


	79	80	81	82	83	84	85	86	87	88	89	90	91
Georgia AFDC TYPMAKS		187	206	215	221	225	236	271	275	276	279	276	280
AFDC fams	79 153	84 616	91 021	85 764	85 182	89 261	84 907	83 902	86 226	87 832	92 864	101 840	116 466
AFDC medca	296 683	221 419	236 251	230 566	240 036	243 367	238 541	237 932	246 276	261 065	266 379	293 365	347 430
FSP medca		210 034	227 056	214 864	214 447	208 582	195 736	183 527	175 647	171 086	180 395	200 233	243 218
FSP persons		627 134	653 544	626 681	627 087	602 006	567 406	510 926	485 673	487 748	484 631	536 601	647 627
Medca adults in AFDC #	67 768	75 771	84 703	86 562	84 664	97 131	102 133	110 622	104 666	111 280	118 222	142 096	174 140
Poverty	13.9%	16.2%	16.1%	18.8%	18.8%	16.9%	17.7%	14.6%	14.3%	14.0%	15.0%	15.3%	13.2%
Unemp	5.1%	6.4%	6.4%	7.8%	7.5%	6.0%	6.5%	6.6%	6.5%	6.6%	6.5%	6.4%	5.0%
Famless unemp				8.2%	6.8%	6.8%	7.6%	7.6%	6.6%	6.5%	6.5%	6.9%	5.2%
Poor (DOH)		727	881	1 074	1 047	981	1 037	879	943	675	926	1 001	1 077
Population (DOH)		5 285	5 506	5 565	5 665	5 774	5 906	6 029	6 154	6 272	6 387	6 506	6 622
Bills to unemp med	0	21 266	21 102	23 263	21 733	23 076	24 764	26 701	28 647	31 248	34 826		

North Carolina

AFDC, food stamps,
and Medicaid cases

poverty and
unemployment rates

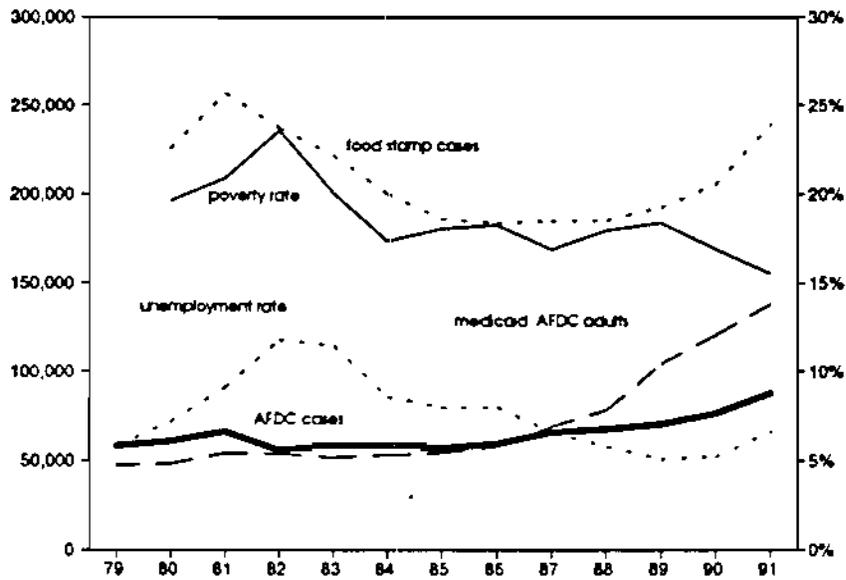


	79	80	81	82	83	84	85	86	87	88	89	90	91
North Carolina AFDC TYPMAX3													
AFDC fams	73,809	77,411	80,221	89,536	69,647	67,441	63,506	66,864	67,529	70,586	77,066	84,464	105,304
AFDC recaps	192,369	197,730	200,561	173,434	174,245	166,638	165,530	174,067	175,310	182,842	200,277	223,442	272,245
FSP hlds		200,103	212,684	200,795	193,363	179,360	171,618	167,128	158,913	153,730	153,749	164,749	201,096
FSP persons		581,766	604,965	575,568	553,624	506,065	474,175	449,993	416,734	399,290	390,304	416,026	517,145
Medicaid adults in AFDC-like	79,847	77,836	81,669	66,677	93,990	82,300	82,566	92,159	93,201	97,031	121,572	142,650	173,410
Poverty		15.0%	17.5%	20.3%	18.0%	14.6%	14.2%	14.3%	13.8%	12.6%	12.2%	13.0%	14.5%
Civ unemp	4.6%	6.8%	6.4%	9.0%	8.8%	6.7%	5.4%	5.3%	4.5%	3.6%	3.5%	4.1%	5.8%
Female unemp					10.1%	8.3%	6.6%	6.0%	5.1%	4.2%	3.8%	4.6%	6.7%
Poor (000s)		677	1,016	1,201	936	880	863	884	853	786	770	829	964
Population (000s)		5,784	5,857	5,820	5,973	6,059	6,147	6,222	6,305	6,388	6,467	6,577	6,648
Births to unmarried	15,563	16,065	16,223	17,404	17,253	18,205	19,772	21,323	23,262	25,622	28,315		

Tennessee

AFDC, food stamps,
and Medicaid cases

poverty and
unemployment rates

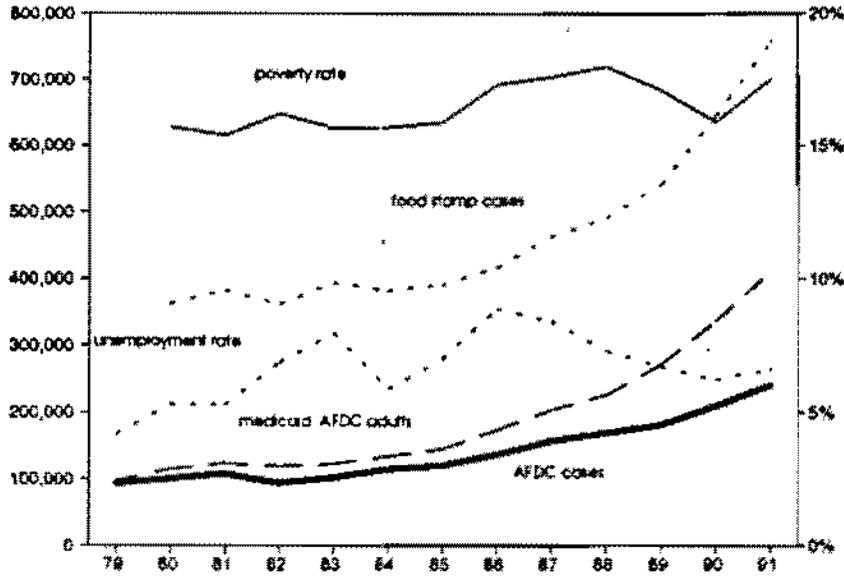


Tennessee	79	80	81	82	83	84	85	86	87	88	89	90	91
AFDC TYPMAX3		136	137	141	136	150	164	164	166	179	186	197	186
AFDC fams	57,027	60,862	66,064	55,763	56,367	58,838	57,036	59,060	65,721	67,531	70,575	76,483	87,717
AFDC recaps	157,141	161,620	173,697	146,579	152,625	153,456	156,047	161,636	179,765	185,757	196,481	211,185	244,168
FSP hrsas		225,465	256,607	237,363	221,778	200,529	186,518	184,060	185,128	185,849	192,727	206,528	238,650
FSP persons		624,309	676,936	640,467	622,176	563,488	518,283	506,626	502,336	491,804	499,096	526,593	607,622
Medicaid adults in AFDC-elig	47,225	48,066	53,892	53,714	51,728	53,156	54,076	57,578	69,202	78,349	104,572	120,265	137,751
Poverty		19.6%	20.9%	23.6%	20.1%	17.4%	18.1%	18.3%	16.9%	16.0%	18.4%	16.9%	15.5%
Civ unemp	6.8%	7.2%	9.1%	11.8%	11.5%	8.6%	8.0%	8.0%	6.6%	6.6%	6.1%	5.2%	6.6%
Female unemp					11.7%	8.5%	9.1%	9.1%	7.2%	6.3%	5.5%	5.4%	6.6%
Poor (000s)		894	943	1,106	936	800	837	853	792	863	891	833	744
Population (000s)		4,569	4,616	4,644	4,668	4,706	4,744	4,781	4,836	4,876	4,929	4,929	4,800
Births to unmarried	13,058	13,736	13,672	14,001	14,420	14,885	16,214	16,767	17,867	19,511	21,281		

Texas

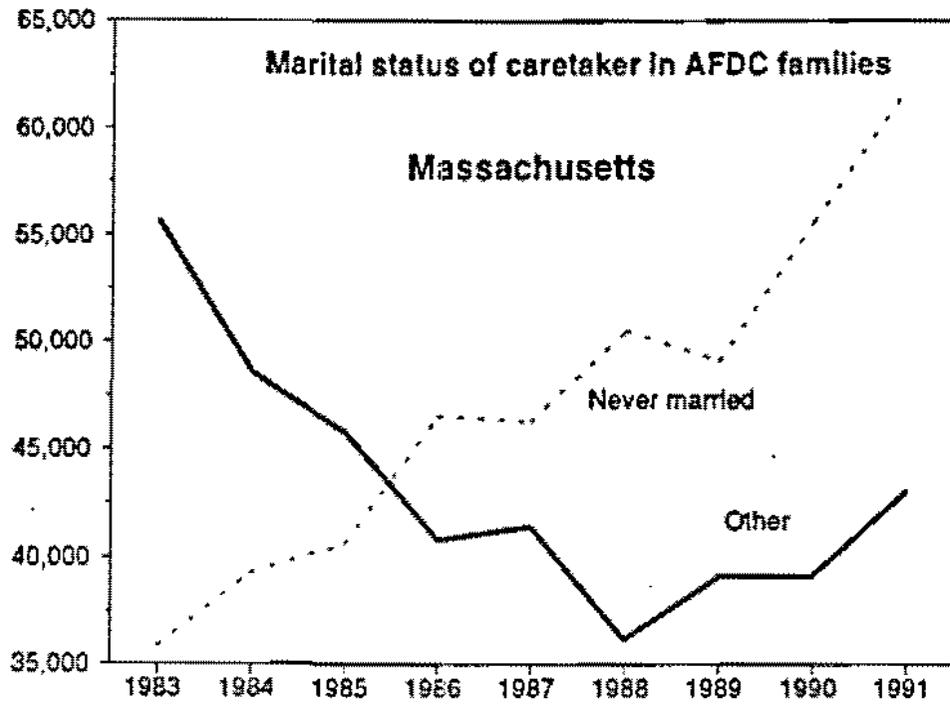
AFDC, food stamps,
and Medicaid cases

poverty and
unemployment rates

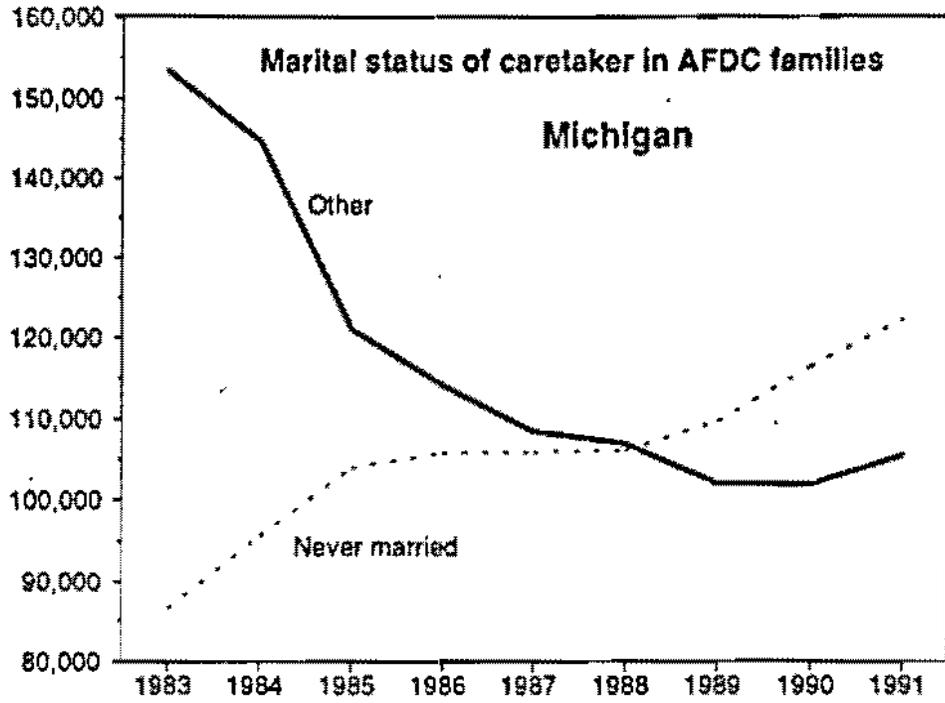


Texas	78	80	81	82	83	84	85	86	87	88	89	90	91
AFDC TYPICALS		132	133	131	129	180	179	185	189	190	168	186	184
AFDC cases	93,236	100,680	106,293	93,860	102,294	113,821	120,182	136,333	157,329	169,403	181,598	208,897	236,887
AFDC meals	268,530	368,187	395,113	285,204	307,549	326,151	367,947	413,455	473,369	507,703	536,858	611,281	687,343
FSP meals		361,659	383,120	362,542	385,434	383,044	392,728	417,936	463,706	482,240	542,174	645,182	757,118
FSP persons		1,167,106	1,226,009	1,154,919	1,303,219	1,253,741	1,282,891	1,333,800	1,478,225	1,525,154	1,634,488	1,879,398	2,154,827
Medicaid adults in AFDC-H	87,825	114,322	123,276	118,840	122,625	104,326	145,509	173,606	203,867	228,067	272,157	336,286	406,828
Poverty		15.7%	15.4%	16.2%	15.7%	15.7%	15.9%	15.9%	17.3%	17.6%	18.0%	17.1%	15.9%
Unemp	4.2%	5.3%	5.3%	6.6%	8.0%	6.9%	7.0%	8.9%	8.4%	7.3%	6.7%	6.2%	6.6%
Female unemp					8.1%	6.5%	7.6%	8.7%	8.8%	7.5%	7.1%	6.6%	6.7%
Poor (100s)		2,247	2,258	2,450	2,451	2,448	2,582	2,829	2,917	3,006	2,860	2,684	2,865
Population (100s)		14,068	14,822	15,232	15,819	16,036	16,232	16,536	16,806	16,866	16,865	16,881	16,943
BIRTHS to unmarried	0	38,406	38,031	41,447	43,703	45,888	50,445	54,240	57,464	59,820	60,303		

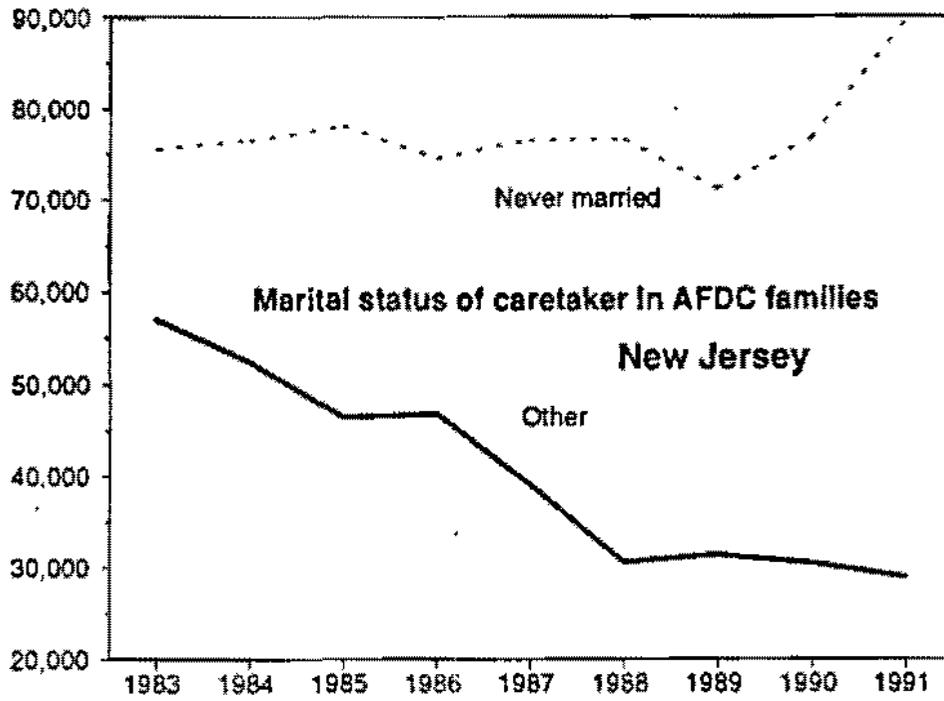
Average monthly AFDC families



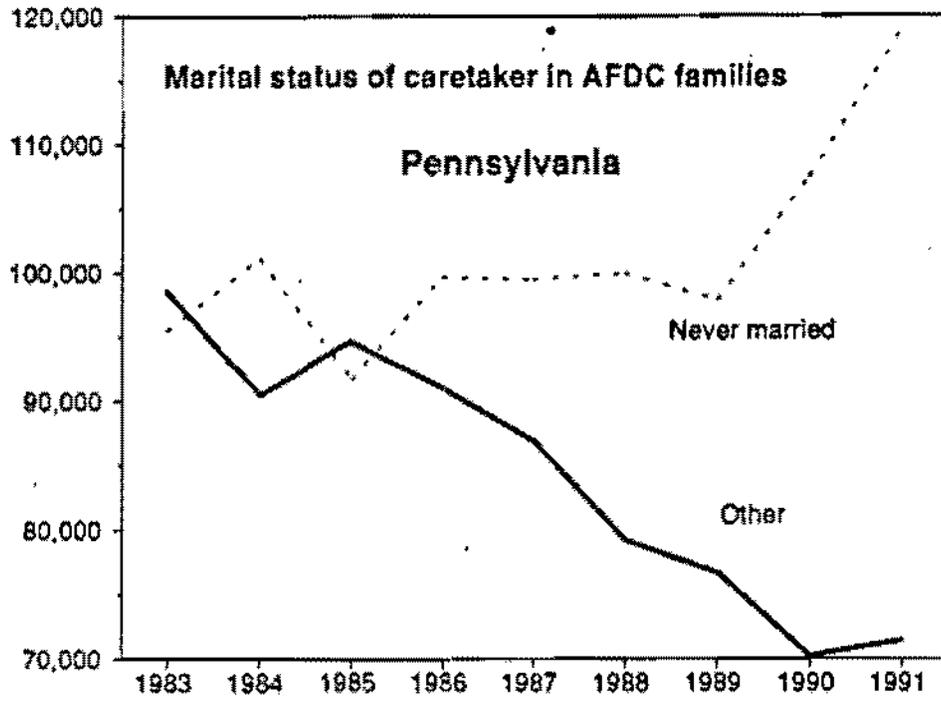
Average monthly AFDC families



Average monthly AFDC families



Average monthly AFDC families



FAMILY STATS

WR Prevention

Out of wedlock births: 5% in 50s → early 60s → 27% today (55% for blacks)
- 1 m kids born out of wedlock/yr

Divorce: Half of marriages end in divorce. Children are "deeply conservative creatures"
- 1 m kids go thru divorce or separation
- Conroy: "Each divorce is death of a small child"
- only group to benefit is therapists + lawyers
- children of widows do better → divorce
- US is easier → any Western nation but Sweden, where also motherhood is lower

Dependency

- 40% of never-married who get welfare stay on 10+ yrs

- white daughters of single mothers are

- 53% → likely to marry as teens

- 111% → to have kids as teens

- 169% → premarital birth

- 92% → dissolve own marriage

- 70% of juveniles in reform insts. come from fatherless homes

DeTouzeville: individualistic society needs comm. institutions like family

- Family is resp. for teaching values essential to free, democ. society: independence, self-restraint, respons., discipline

- If family fails, blame insts

1st gener. to do more psych., socially, + econ. → parents

- 2-parent family is more access now

THE WHITE HOUSE

WASHINGTON

June 22, 1993

MEMORANDUM FOR Economy and Jobs Background Group

FROM: National Economic Council

SUBJECT: Enclosed Documents

Enclosed you will find copies of memorandums from Richard Bavler, of OMB, that pertain to the Economic and Job issues for the Welfare Reform. They include:

1. Factors in caseload increases and implications for reducing dependency
2. Benefit reduction rate graphs
3. Matrix of employment and wage subsidies

If you have any questions or concerns, please feel free to contact any of the National Economic Council staff at 456-2802.

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