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Family Cap: An Evaluation of Child Exclusion Policies in Massachusetts

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May 21, 2014

Final Capstone

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Abstract

Between 1992 and 1998, 24 states including Massachusetts adopted provisions specifically designed to reduce the fertility rates of welfare recipients. These adopted measures became known as Family Caps. Under Family Cap, families receiving Temporary Assistance for Needy Families (TANF) cash assistance would not receive increased aid for having another child. Proponents of this measure believe that by eliminating the financial incentive to have additional children, individuals on welfare would subsequently have smaller families. In this paper, I have used the most up-to-date TANF national data file to determine if an association between states with a family Cap provision and the number of children per TANF family exists. The results of this research show little if any correlation between states that use family Cap and the number of children those welfare recipients have.

Introduction

With the passage of The Personal Responsibility and Work Opportunities Reconciliation Act of 1996 (PRWORA), a number of comprehensive welfare reforms occurred. The most significant of these reforms was the elimination of the federal entitlement program, Aid to Families with Dependent Children (AFDC), and the implementation of Temporary Assistance for Needy Families (TANF) block grants as the program's replacement. The primary difference between these two programs was that under AFDC, recipients were legally entitled to welfare benefits as long as the household continued to meet financial eligibility. With the implementation of TANF however, states would only be awarded block grants if they instituted federal time limits for eligibility, and implemented work requirements for recipients. Legislators believed that these measures would encourage self-sufficiency, reduce out-of wedlock births, and eliminate welfare recipients' dependence on government aid (Wallace 2009).

In order to achieve these lofty goals of PRWORA, states were also given additional freedom in implementing their welfare programs. With this extra latitude, eight states adopted provisions specifically designed to reduce the fertility rate of welfare recipients. These adopted measures became known as family CAPs. Under Family CAP, a family receiving cash assistance would no longer receive increased aid if the custodial parent had an additional child while collecting benefits (Dyer & Fairly 2004). CAP provisions were a dramatic change from prior welfare policy in which the maximum assistance grant was determined by household size. Family Cap policies were first implemented by nine states prior to PRWORA (including Massachusetts, which implemented their CAP provision in 1995). However, these states were required to obtain a federal waiver in order to implement the rule; and now with TANF, a waiver was no longer necessary.

Supporters of family Cap believe that by giving families incremental benefits for having additional children, the state is encouraging recipients to have more out-of-wedlock births and that by eliminating the additional benefits; recipients would have fewer children (Camasso et al. 1998). Supporters of Cap also assert that the provision encourages responsible reproductive behavior, which ultimately encourages self-sufficiency. Opponents of Family Cap believe that these policies not only heighten the many economic barriers that low-income families face, but can also significantly hurt the long-term health of the low-income children who are denied benefits (Smith 2006).

For my capstone project, I will be evaluating how the family cap provision affects the fertility decisions of Massachusetts welfare recipients. In the following literature review, I will examine prior studies on family Cap, discuss how Cap policies are implemented among different states, and go into specific detail on the family Cap policy of Massachusetts.

Previous Literature

The economic framework for family Cap appears to be rooted in rational choice theory. Rational choice theory asserts that individuals act by measuring both costs and benefits in order to achieve a personal advantage (Becker 1991). A primary assumption for policymakers in adopting this provision is that welfare policies can directly affect human behavior.

This policy also appears grounded in another assumption: that rational choice is in fact a tangible factor in welfare recipients' family planning decisions. This assumption can be difficult, if not impossible, to verify. For example, how can one unequivocally establish that a welfare mother became pregnant in order to collect additional benefits, as opposed to any number of reasons an individual decides to bear children? A number of factors could also have caused an unwanted pregnancy as well, such as unavailable birth control at the time of

conception. Much of the literature around family Cap involves the changes in benefits for welfare recipients through state-by-state comparisons, as well as numerous studies examining the impact of family caps on family planning. Despite a considerable number of studies, it remains to be seen whether family Cap provision is an effective policy.

One study, conducted by Camasso et al. (1998), looked specifically at the Cap policies of New Jersey and notes that between the years of 1992 – 1993 and 1994 – 1995 (the years before and after the family Cap was first implemented in the state), the birth rates of those subject to family Cap fell modestly. However, this rate decrease was similar to those in the general population, suggesting little if any effectiveness of the provision.

Research from Turturro et al. (1997) on the welfare waiver program in the state of Arkansas, also found no statistical evidence of lower births by those affected by Cap. That research however, may have been contaminated because of confusion in the control group, who were inadvertently informed that their benefits were going to be reduced during the study. Research from Bane and Ellwood (1994) also suggest that raising the welfare benefit amount will not lead to an increase in out-of-wedlock births by mothers, and that welfare mothers typically have less than two children, which is lower than women in the general population. This research is drastically contrary to popular opinion, which is that families on welfare have more children.

Another study by Joyce et al. (2004) attempted to identify a link between Cap and abortion rates. By using abortion rate data from 24 states, (12 states with Cap policies and 12 without) between 1992 and 1999, Joyce et al. concluded that states implementing family Cap had similar abortion rates to states that did not implement such policies, suggesting that Cap provisions did not affect abortion rates among welfare recipients. The topic by Joyce is

extremely important to members of the pro-life community, who ironically tend to support stricter welfare policies.

Although several studies have found no connection between Cap policies and birth rates of TANF recipients, other studies have suggested such an association. Mach (2001) found that having one's benefits affected by the Cap rule has reduced fertility by 10 percent. Horvath & Peters (2001) conducted research specifically on teen mothers collecting benefits and concluded that family Cap is associated with a nine percent decrease in out-of-wedlock births. However, both studies have been criticized for having weak evidence. Furthermore, Horvath & Peters (2001), also suggest that social stigma may have played an even larger role in the decline of out-of-wedlock births than the Cap provisions themselves.

Studies also suggest that the effectiveness of these provisions may also differ among demographic groups. Research from Camasso & Jagannathan (2003) shows that targeted welfare policies can influence fertility behavior. However, their research found that black women who are subject to Cap have lower birth rates, as well as higher abortion rates, than their Hispanic and white counterparts.

The most recent research conducted by Dyer & Fairlie (2004), which examines evidence from five states, finds that the effectiveness of Cap policies on fertility behavior may be limited because the birth of another child will positively affect other assistance allotments, such as Supplemental Nutrition Assistance Program (SNAP) benefits. The authors note that when a child receives welfare benefits, each dollar they receive will negatively affect the household SNAP grant by 30 cents, thus minimizing the effectiveness of the Cap.

Other studies on Cap provisions have focused less on family planning decisions and more on the prevalence of public assistance households. Blank (1997) studied public assistance

caseloads throughout the United States and found that Cap policies decreased caseload size. However, she also noted that because of the complexity of these regulations, the processing time of Cap cases may have increased modestly.

Family Cap Policies

Family Cap can differ drastically among states, but in general, there are three types of Cap policies: a complete Cap, a partial Cap, and a flat grant. Most states with Cap provisions, including Massachusetts, have a complete Cap. A complete Cap means that states provide no additional cash assistance for mothers who have an additional child while collecting benefits. Two states, Connecticut and Florida, offer only a partial benefit increase for families who have additional children. The partial benefit for both states is 50 percent of what the family would have received if CAP had not been implemented. Finally, Idaho and Wisconsin impose a flat grant, which means that these states offer a fixed amount in aid regardless of household size.

For this evaluation, I am looking specifically at the family Cap policy of Massachusetts. The agency responsible for administering the TANF block grant in Massachusetts is the Department of Transitional Assistance (DTA). The DTA serves one in eight residents in the state, providing nutritional assistance, cash assistance, and employment support. The cash assistance program operated by the DTA is Transitional Aid to Families with Dependent Children (TAFDC). In order to receive TAFDC, an applicant must meet all financial and non-financial eligibility requirements. A principal non-financial requirement for TAFDC is that a household has (or has custody of) a dependent child. The program also allows an otherwise eligible pregnant woman with no dependent children to receive TAFDC benefits during the final 120 days of her pregnancy. This is because under TAFDC regulations, an unborn child within 120 days of its birth, satisfies the definition of a dependent.

Under the Massachusetts Cap rule, children who live with their custodial parent are eligible to receive TAFDC only if they were already born when the household first applied, or if a child was born ten months after the initial application date. The date ten months following the initial application date is known in policy regulations as the “Family Cap date.” This Cap date also applies to pregnant applicants with no children in the household, but are within 120 days of their expected due date.

A child born prior to a household’s Family Cap date is referred to as a “child of record” and satisfies non-financial eligibility criteria for TAFDC until they turn 18 years-old. Any additional child of a custodial parent born after the Cap date is deemed ineligible for TAFDC benefits under the Cap rule. TAFDC benefits can be given to a variety of different families, including households in which a grantee is caring for a relative’s child. (The relative’s relationship being up to, but not further than, first cousin, once removed). However, only households containing a custodial parent are given a Family Cap date, and can be negatively affected by the Cap provision.

Most states with Cap policies offer similar grace periods between when a family first applies for TANF benefits and when a Family Cap date is established (the state of Arkansas, being the one exception). A child who is born after the Family Cap date in Massachusetts can only receive TAFDC benefits under Cap if the legal custody of that child is transferred from the custodial parent to another relative (no further than first cousin, once removed), or if the parent becomes incarcerated or is deceased. In these types of situations, a child who was ineligible because of Cap is given what is known as a “Cap waiver” and is now eligible for the program.

There are also exceptions for children born after the Family Cap date who continue to live with their custodial parent. The first exception is for a child born as a result of rape or

incest. The rape and incest exception exists in all states with Cap policies; it asserts that the grantee became pregnant against her will, and should not be financially burdened because of a crime committed against her. Most states with this exemption require that the rape be verified by a medical or law enforcement authority. Massachusetts does not require law enforcement or medical documentation. However, the state does require that an applicant make a written declaration of the crime and a sworn statement by an individual with knowledge of the crime is given.

The second exception to the family Cap rule in Massachusetts is if a child was born 20 months after the assistance unit stops receiving TAFDC, and the case has been closed for 12 consecutive months. Any child born between this period and not more than ten consecutive months after the TAFDC case reopened would be eligible under what is known as the “20-12-10” exception. This exception assumes that a family was not habitually receiving TAFDC, left the system because they found a job, but are applying again because they are facing an additional financial hardship.

Along with a Cap child’s ineligibility for TAFDC, the parents of Cap children also face more stringent program work requirements. A work program requirement exists for all states under PRWORA as a way of enhancing a client’s economic mobility. Furthermore, this requirement is enforced with sanctions that can reduce a household’s grant, or even terminate an entire case, if the recipient does not participate in a work program activity. In Massachusetts, a grantee who has received TAFDC for 60 days must work a required amount of program hours (the amount of hours depend on the age of the household’s youngest child) in order to continue receiving benefits. A household does not, however, have to fulfill these requirements if they

meet work program exemption criteria. A household is considered exempt from the work program if the adult grantee is one of the following:

- Age 60 or older
- Disabled
- Pregnant, and 120 days from their expected due date
- Teen parent attending school full-time
- Caring for a disabled family member
- Caring for a child under the age of two
- Caring for a child under the age of three months, if that child excluded family Cap

This means that if the youngest child within a household is ineligible for TAFDC because of Cap, then the parent of that child is required to work 20 hours per week when the child turns three 3 months-old. The child's custodial parent must then continue to work the required 20 hours (or participate in an approved work program required activity) until the child is six years-old. After the youngest child in a TAFDC case turns six years-old, the adult grantee is then required to participate in a work program activity for 30 hours per week. Families without a Cap child are also required to participate in the work program; however, these households are exempt from the work program requirement until their youngest child turns two years-old (rather than three months-old).

An exemption from the work program requirement means that TAFDC recipient does not have to participate in an authorized work program activity, but it also means the household is exempt from established time limits on collecting TANF benefits in Massachusetts. Under PRWORA, the federal government prohibits states from using TANF block grants to assist non-

exempt families, containing an adult, for longer than 60 months. A few states have reduced the number of months to less than the 60-month lifetime limit, (e.g. Arizona and Indiana offer a lifetime limit of 24 months) while other states have opted to only set lifetime limits for adults, and not for child-only households. In Massachusetts, a non-exempt TAFDC household containing a custodial parent is limited to 24 months of assistance in any continuous 60-month period. However, any month in which a household is exempt will not count towards the assistance units 24 month limit. This regulation means that a non-Cap household can be eligible for 21 additional months of program benefits over a course of a five years if they meet financial eligibility.

Although Cap children are excluded from the TANF grant in Massachusetts, their income and assets are considered when determining the financial eligibility for remaining household members (except for the first \$90 earned or received by a Cap child). The first \$90 of income can, and often does, include child support. Any income in excess of that \$90 limit will be counted in determining the eligibility for all remaining household members. For example, if a Cap child receives \$150 a month in child support, \$60 of that support will be considered countable income when determining the TAFDC grant for eligible household members.

Family Cap children can qualify for other assistance programs like the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), MassHealth, or SNAP benefits in Massachusetts. This is true for all states with Family Cap. However, many opponents of CAP argue that these incremental benefit increases can be detrimental to the Cap's effectiveness, because the increases in SNAP benefits can offset the penalties incurred.

Cap Today

Since 1997, several states have reversed their Cap policies. For example, Illinois and Maryland repealed their Family Cap provisions in 2004. California, currently the largest state with a Cap provision, recently proposed Assembly Bill 271, a bill that attempted to repeal the state's Cap rule. Legislators, however, blocked this bill in August 2013. In arguing for the amendment last year, State Senator Holly Mitchell, who also wrote the bill, asserts, "By reducing the benefits families receive to spend on basic necessities, Caps are likely to exacerbate the many mental and physical health problems that children in poverty are already at increased risk of developing." (2013. P1) Today, 15 states including Massachusetts continue to have a family Cap rule. During times of budgetary constraints, transitional assistance budgets are consistently on the chopping block. The average monthly TANF grant in Massachusetts is \$456 dollars, with total appropriation being \$315,351,679 for FY 2013. Because welfare programs are only partially federally funded, and rely heavily on state funds, a provision like this may prove to be an enticing cost cutting measure for states' legislators. By gaining a better understanding of this policy, I hope to find the best course of action in serving the Commonwealth's most disadvantaged populations.

Design and Methods

A rigorous research design is essential to assessing the impact of Cap in Massachusetts. For this evaluation, I will use both quantitative and qualitative research methods. Through quantitative research, I will attempt to establish if there is a causal relationship between states with a family CAP, and the average number of recipient children within a TANF household. With qualitative research, I will attempt to shed light on how legal advocates, as well as

Massachusetts Department of Transitional Assistance (DTA) caseworkers and administrators, interpret the Cap policy's effectiveness and fairness.

Quantitative Research Methods

The United States Department of Health and Human Services (HHS) National TANF data file for FY 2011, as well as the Urban Institute's Welfare Rules Database, will be the source of this capstone's quantitative data. The HHS data file and the Urban Institute's database have the most up-to-date financial and household characteristics information for TANF recipients. Using household characteristics data, I will attempt to paint an in-depth picture of Massachusetts TAFDC recipients, their racial/ethnic background, as well as their household demographics.

In order to determine how the Massachusetts Cap provision affects fertility behavior, I will first need to figure out how many Cap children there are. To do this, I looked specifically at active TAFDC cases, and the percent distribution of those cases receiving a household grant reduction because of Cap. From this percentage distribution, I then multiplied the percentage to the total number of TAFDC families in the state. Because children are the only household recipients subject to Cap, the number derived from this calculation will represent the total number of Cap children in Massachusetts. For example, State X has 1,000 TANF families consisting of 2,000 recipient children; additionally, the percentage distribution of those families receiving a grant reduction because of Cap is ten percent. With this information, I can then determine that there are 100 Cap children in State X ($10\% * 1,000$ families).

There are limitations to this quantitative method, chiefly among them, I am underestimating the total amount of Cap children. The reason for this is that I do not take into account families that contain more than one Cap child. This concern was validated by a United States General Accounting Office Report (2001), which notes that, "While a majority of families

receiving TANF have not had additional children after their benefits were limited by the cap, about 12 percent of capped families did” (p19). In order to alleviate this significant margin of error, I will add an additional 12% to the total number of Cap children in the state. For example: if there are 100 Cap children in State X, we will multiply that number by 12%, and determine that the actual number of Cap children in State X is closer to 112, making the total number of recipient children within State X: 2,112 (had the CAP policy not been in place).

After adjusting the number of total recipient children within the state, I can then determine the adjusted average number of recipient children per family. To determine this, I will simply take the adjusted number of total recipient children, and divide it by the total number of families receiving aid. For Example, the adjusted total number in recipient children in State X is 2,112. When I divide that number by the total number of TANF families in State X (1,000), I can determine that the average number of TANF recipient children per family in State X, without a Cap provision is: 2,112 (as opposed to 2.0 recipient children per family when the Cap provision is in place).

After adjusting the average number of recipient children per family in Massachusetts, I will then compare these figures to the average number of recipient children in three neighboring states. For this evaluation, the three states that I am comparing to Massachusetts are: Connecticut, New York, and Rhode Island. All states have similar demographics and TANF financial eligibility standards as Massachusetts. However, one major difference between these states is that two of them (New York and Rhode Island) do not have a Cap provision, and one (Connecticut) has only a partial Cap. In comparing the average number of recipient children per family within these states, I hope to determine if there is a significant difference in the number of

recipient children in a TANF family for states with a full Cap, states with a partial Cap, and states without a provision.

Qualitative Research Methods

For the qualitative portion of my research, I have conducted two interviews with poverty law advocates, six interviews with TAFDC caseworkers and supervisors, and two interviews with policy administrators from the DTA. All qualitative research participants are key stakeholders, being either directly connected to the Cap's implementation, or working directly with individuals affected by the provision's existence.

I began my qualitative research by interviewing staff from the Massachusetts DTA. DTA staff interviews consisted of six questions, with each interview lasting roughly 20 minutes in duration. (Questions are found in attachment #1).

The first staff members I interviewed were caseworkers and supervisors. The caseworkers and supervisors I had chosen to interview are from four local transitional assistance offices throughout the state: two in the Central region (Worcester), two in the Southern region (Plymouth), one in the Northern region (Lawrence), and one in the Boston region (Dudley Sq.). These individuals work on the front lines of the TAFDC program; screening clients, determining household eligibility, and ultimately approving or denying a household's application. In order to be approved for TAFDC, an applicant must complete a face-to-face interview in one of the state's 22 local transitional assistance offices. This regulation differs from other benefit programs offered by the DTA such as SNAP, in which an interview can be conducted by telephone. TAFDC caseworkers see between three and four recipients a day, either conducting applications or processing routine case maintenance. In interviewing these caseworkers and

supervisors, I gained a better understanding of the perceptions of staff who work one-on-one with the state's most vulnerable populations, many of whom are subject to the Cap provision.

The two DTA staff administrators that I interviewed are from the DTA's Policy, Procedure and External Relations (PPER) unit. The PPER unit is located at the department's central office building in Boston. This unit works as the support staff for all of the DTA's local offices; writing regulations, sending operations memos, and developing standardized procedures in order to adhere to federal regulations. In interviewing these administrators, I gained an understanding of the provision from the very people overseeing the policy's implementation.

The Analysis of these DTA staff interviews focused on several issues:

- Staff's understanding of the Family Cap provision's purpose
- The effectiveness of the Family Cap provision in attaining its purposed goal
- Ways (if any) in which the provision could be improved
- Potential barriers to making those improvements
- Unexpected outcomes (if any) on TAFDC recipients as a result of this provision
- Overall ways to improve the department's operations

After interviewing DTA staff, I then conducted two telephonic interviews with poverty law advocates at The Western Center on Law & Poverty. The Western Center is California's oldest and largest legal support center. Headquartered in Los Angeles, the Center has recently co-sponsored Assembly Bill 271, which would have repealed the CalWorks Maximum Family Grant Rule (the family cap provision in California). These advocate interviews consisted of six questions, with each interview lasting about 30 minutes in duration. In interviewing these advocates, I gained a different prospective on the Cap provision from that of DTA staff.

The Analysis of legal advocate interviews focused on several issues:

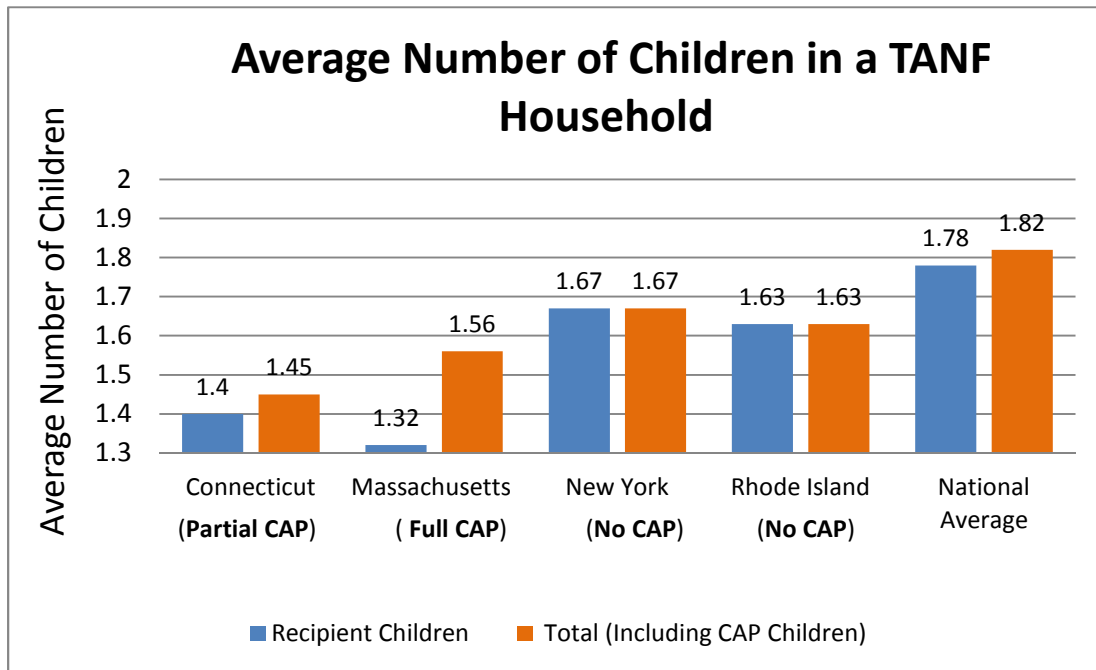
- Advocates' overall understanding of the Family Cap provision.
- Advocates' understanding of the provision's purpose
- How advocates feel the provision affects clients' outcome
- Suggestions from advocates on how to better improve TANF operations

Quantitative Research Findings

For FY 2011, the average number of household recipients per family within Massachusetts, Rhode Island, Connecticut, and New York was 2.125, moderately lower than the national average of 2.4. The state with the fewest number of recipients per family was Massachusetts (1.9), only slightly lower than Connecticut (2.0), and significantly lower than New York (2.2) and Rhode Island (2.4). Included within these households was an average of 1.5 recipient children. All of the states in this evaluation had a fewer number of recipient children per family than the national average (1.78). Massachusetts averaged the fewest number of recipient children per family among the four states with 1.32. Connecticut had the second fewest number (1.4); with New York (1.67) and Rhode Island (1.63) both having moderately higher numbers than the other two states. Furthermore, 86.7% of Massachusetts TANF families had fewer than three children, significantly more than Rhode Island (80.9%) and New York (78.7%) and only slightly less than Connecticut (88.2%).

I expected to see a difference in the number of recipient children per household between these states; considering that Massachusetts and Connecticut both have Cap provisions, while the other two states (New York and Rhode Island) do not. However, after adjusting the total number of recipient children to include otherwise eligible Cap children, the differences were less drastic.

Furthermore, average number of children per household in Massachusetts was higher than in Connecticut, and only slightly lower than Rhode Island (see chart below). This was surprising considering that Connecticut is a partial Cap state while Massachusetts offers Cap children no benefit at all.



Source National TANF Data file as of 09/05/2012

At first, I thought that perhaps the demographic characteristics of Massachusetts and Connecticut played a role in the disparity of family size. However, as charts #2 and #3 show, the demographic characteristics of the two states do not appear significantly different enough to make such a drastic difference. Does this graph confirm an association between having a family Cap and household size, perhaps? In order to inspect this potential association further, I decided to graph every state according to household size and see if the states with the fewest number of children per TANF household were in fact, all Family Cap states. As chart, #7 shows, however, two of the four states with the highest number of children per household were California and Indiana, states with a Cap provision. Furthermore, the state with the fewest number of children

per TANF family was Missouri, a state without a provision. In all, eight of the 25 states with the largest number of TANF household children had a Cap provision, while nine of the 25 states with the lowest number of TANF household children also had a Cap. This suggest that, overall, the Cap has little to no effect in determining the number of TANF household children that a state has.

Qualitative Findings

After conducting eight interviews with DTA staff and administrators, a number of key themes emerged.

1. A majority of staff feel that the Cap rule is a necessary and effective state provision.
2. A small minority of staff feel that the provision is not effective, and may in fact be detrimental.
3. Staff in favor of a Family Cap would like to offer additional types of aid in lieu of benefits.
4. All staff believe that additional funding for the department's Employment Service Program is necessary to improve client outcomes.

The first theme I observed from these interviews was an overwhelming amount of support for the provision by a majority of DTA staff. Two thirds of the local staff, as well as both department administrators interviewed, believed that Cap is an effective policy. Several staff members thought Cap was a "strong deterrent" that kept clients from making "irresponsible family planning decisions," as one-interviewee commented. Furthermore, many of these interviewees felt that the provision ultimately helps clients achieve self-sufficiency. As Interviewee #7 (a TANF supervisor in the Central Region) vehemently asserts, "Welfare is not

something for you to live off, it is something to help you transition from a tough time in your life, and this rule is a constant reminder of that.” Interviewee #8 (a caseworker in the Central Region who has worked with the department for three years) echoed a similar sentiment, stating that the provision is “a way for the DTA to keep clients focused on self-sufficiency, and eliminate any incentive they may have had to have more children.” When discussing the effectiveness of Cap, Interviewee #3 (a department administrator from the Boston region) notes, “This rule has been successful in deterring families from having additional children; it’s not fool-proof by any means, but it at least forces the client to think twice before having another child.”

Two of the staff members who are in favor of the Cap provision felt that the rule did not go far enough in deterring clients from having additional children. Interviewee #4 (a supervisor from the Boston region who has been with the Department for eight years) contends that, “I don’t know if the Cap rule is strong enough, because it always just ends up being additional SNAP benefits, maybe we could try to cut those too, but that might be a little over the top.” This additional deterrent proposed by Interviewee #4 would be impossible to achieve because SNAP benefits are not funded by TANF block grants, but rather by the United States Department of Agriculture. Interviewee #2 (a supervisor in the North Region) proposed another potential deterrent for TAFDC recipients, noting that, “Maybe if we required the parent of a CAP child to comply with DOR [Department of Revenue], that would mean fewer Cap kids for sure.”

In order to receive TAFDC, a grantee must assign their child support rights over to the state, as well as answer a series of questions regarding the absent parent, at the point of application. Clients who do not provide information about an absent parent are ineligible for the program unless the child was conceived as a result of rape, or if the client is a victim of domestic violence. The information that a client provides to their caseworker will then be sent to the

Department of Revenue (DOR), which enforces child support collection from the absent parent. After DOR has begun to collect child support, the DTA will send the first \$50 in monthly child support back to the client, and that money (known as a DefRA payment, coined from the Deficit Reduction Act of 1994) is considered non-countable when determining the family's TAFDC grant. The state will keep the remaining amount of the child support as a recoupment for TAFDC benefits. The custodial parent of a Cap child however, can keep all of the child support paid (whether the child's parent pays the support directly or if DOR collects the support), and the first \$90 in that month is non-countable towards the TAFDC household grant.

Only two of the eight DTA staff members interviewed felt that the Cap provision was an ineffective welfare policy. Interviewee #5 (a caseworker with the department for six years in the Southern Region) asserted, "I don't feel like Cap helps, because I don't think it's effective in keeping our clients from having more kids." When asked why she feels that this is the case, Interviewee #5 stated that, "I see it once a week at least, a mother having another child that will be ineligible. I think it's something our clients don't really think about until it's too late." Interviewee #1 (a supervisor in the Southern Region with the department for 26 years) is strongly against the provision. She asserts that, "There's this conception of our clients as just careless breeders who get pregnant to collect welfare, and it's wrong. I mean, a woman having a child for something like \$100 more in benefit, it does not happen. That wouldn't even pay for diapers."

Interviewee #1 continues even further, saying, "That's how it is when things are politically driven like this, if you consider that Family Cap and welfare reform were instituted together; I don't think it's for the good of the client, not at all." Massachusetts instituted its Cap rule, like many other states, during the wave of welfare reform measures that took place in the mid 1990's. Since then, the number of states still using this provision has decreased from 24 to

15. When I asked Interviewee #1 if there were any potential barriers from improving the department she notes that, “Well I would say just get rid of it, but it’s not something that we can do on our own. In order to repeal Cap, we would need legislative approval, and I just don’t see that happening.”

One theme from a vast majority of the DTA staff was a desire to provide Family Cap children with vouchers for certain household items in lieu of benefits. For example, Interviewee #3 (a caseworker from Worcester who is in favor of CAP) notes, “I wish we could give family Cap children other benefits that we can’t give them today, like a clothing allowance or infant expense payments; I think that stinks.” Interviewee #4 expressed a parallel opinion, “I’m not for giving clients more money, because I think a Cap is important, but we could give clients diapers or formula, something instead of cash to help make ends meet.”

Currently, Massachusetts offers an annual clothing allowance of \$150 to every eligible household child in September to buy school clothes, as well as a one-time payment of \$300 for a crib and layette if the eligible household child is under six months-old. These benefits cannot be given to Family Cap children. Interview #4 asserts, “Just because you’re a family cap kid, that doesn’t mean that you can do without this stuff, and as a caseworker, I wish I could give it to them.” Some states that have Family Cap policies, for example South Carolina, offer vouchers for goods and services to Family Cap children, in an amount up to the benefit that they would have received in welfare benefits; however, this is not the case in Massachusetts.

Another theme of DTA staff, recommended by all interviewees, is the need provide additional information to clients about the Cap rule. Interviewee #1 notes, “Maybe some more information for our clients would help. Sure, we tell them at the initial point of application, and explain to them when the Family Cap date is, but we could offer more information to show them,

(like visual aids) that explicitly show how having another child will hurt their financial situation.” DTA staff are required to inform clients of the rules and regulations of the program, including the Cap rule, at the initial point of application. However, DTA staff assert that more information should be distributed in order to avoid any client confusion. Two staff members, Interviewees #4 and #8, believe that the department should put posters in the local office waiting rooms, explaining the rules to clients. Interview #5 contends that the local office waiting room should, “Have television screens displaying program information in both English and Spanish.” The ideas about ways to display Cap information differ among staff, but one thing that has become abundantly clear is the need to offer additional information to clients about the provision.

Interviewee #3 notes that along with visual aids, the department should also focus more on training its workforce. She says, “Training has to be the first step, because without an informed worker, you won’t get an informed client.” She later notes that, “Before I started as a TAFDC worker, I was given six days of training, but before I became SNAP worker, they gave me a month and a half of training. TAFDC is a lot more complicated than SNAP is, so I don’t know how a worker is supposed to learn all the regulations of TAFDC in six days.” Individuals who are hired by the DTA as caseworkers are first trained to be SNAP benefit eligibility and referral specialists (BERS/AB). Since the job title and pay grade are the same for both SNAP and TAFDC caseworker, the Department usually takes the most efficient SNAP workers and places them into the more complicated program.

Another common concern among DTA staff was that families affected by the Cap rule might not report the birth of an additional child to the department. By not reporting a birth to the department, a family would not receive other benefits in the state like Mass Health, WIC and SNAP. Interviewee #1 stated, “We inform the client that they cannot collect additional cash

benefits, but I don't know if we stress enough the fact that a Cap child is eligible for other services, and if we aren't doing this, we may be putting a family in an even worse position."

Welfare recipients are required under program rules to report any change in household composition, but some interviewees felt that by denying cash benefits, a client might wrongfully interpret that their child is ineligible for any state aid. Interviewee #2, who expressed a similar sentiment, also believes that the department may be denying children who are exempt for the Cap rule because of rape or incest. She notes, "The fear and shame that some rape victims have, and the fact that they have to report it to the police, or even tell someone about it, can sometimes be too much for a victim to bear. A lot of rapes generally go unreported, and if a client does not have another person with knowledge of the rape to make a written statement, the child born from that rape cannot collect benefits. I fear this may be the case with some of my clients."

Finally, when asked about ways to improve client outcomes, a universal theme among the DTA staff was the need to increase funding for the DTA's Employment and Services Program (ESP). ESP is a state and federally-funded program that provides occupational and educational training for clients in order to attain self-sufficiency. The ESP program in Massachusetts has endured drastic cuts to its budget over the last twelve years (receiving \$36 million in funding in FY 02, now funded at \$7.1 million for FY 13). Many DTA staff interviewees feel that cuts to ESP have been profoundly detrimental to client outcomes. Interviewee #6 (an administrator with the department's policy and procedure unit for over 12 years) asserts, "These programs actually gave our clients the opportunity to become self-sufficient, and we are cutting funding for these programs, I just don't get it." Interviewee # 3 echoed a comparable view, saying, "If you want to improve client outcomes, you need money for training and employment supports, but these programs have been totally gutted. To successfully transition a client off assistance, they need a

good job, and to do that, we need to give clients the resources to get that good job. I think if the department focused more of its resources on this, we would save a lot of money.”

Poverty Law Advocate Findings

After conducting two interviews with poverty law advocates about family CAP, three key themes emerged.

1. Cap is a cruel and ineffective policy.
2. Current state TANF grant amounts are insufficient in combatting poverty.
3. Additional funding for employment supports is necessary to help families achieve self-sufficiency.

The most common theme among poverty law advocates was that Family Cap policies are both ineffective and ultimately damaging to children’s well-being. As Advocate Interviewee #2 contends, “Family Cap policies haven’t been proven to modify recipient behavior at all, but they have unquestionably increased suffering.” When I asked how Cap has increased suffering, Advocate Interviewee #2, continued, “When a child is excluded because of Cap, the entire family is pushed into even deeper poverty. They are stranded, and it’s a shame that we do this to children.” Advocate Interviewee #1 agreed, noting that, “The purpose of Cap was to reduce out-of-wedlock births, and in this regard it has failed miserably. We are seriously punishing families who have more children. If this rule has proven to not work, why keep enforcing it?”

Another theme by advocates was the need to raise TANF benefit levels. Advocate Interviewee #1 contends, “Here in California we recently increased our maximum family grant, and although it is an improvement, it’s still not nearly enough benefit for a family to meet their most basic needs, and this is without taking the Cap rule into account. States should be

increasing benefits to a livable amount, so that families do not end up in shelters, or lose their children.” Advocate interviewee #2 expressed a similar sentiment, saying, “The grant amount that TANF recipients receive are insufficient in getting children and families out of poverty, and only lose their value every year as prices for things like food and shelter go up.” This concern was substantiated by a 2013 Center on Budget and Policy Priorities report, which notes that, *“For 99 percent of TANF recipients, the purchasing power of TANF benefits is below 1996 levels, after adjusting for inflation. These declines came on top of even larger declines in benefits over the preceding quarter century; between 1970 and 1996, cash assistance benefit levels for poor families with children fell by more than 40 percent in real terms in two thirds of states.”*(2013, p2)

With the inception of TANF block grants, and the additional leeway that states were given in implementing their state programs, the maximum grant amount a TANF family can receive can differ drastically. For example, the maximum monthly grant for a family of three ranges from \$923 in Alaska to \$170 in Mississippi. The California maximum grant amount was raised this March to \$670 for a family of three, a \$32 increase from the prior year. The maximum family grant in Massachusetts is \$618 for a non-exempt household, and \$633 a month for exempt households, an amount that has not increased since 2001, equaling only 40% of the federal poverty level.

The final common theme among advocates was the need to increase spending on employment supports and childcare subsidies. Advocate Interviewee #2 noted, “Welfare reform was about two things, encouraging work and ending lifetime benefits. Now, as a result, families are working more, but the number of children in poverty has not changed. What states need to focus on, is helping beneficiaries get a decent job, one with enough earnings to support t a

family, and not just a job for the sake of having a job.” Advocate Interviewee #1 expressed similar feelings noting that, “If we really want to increase self-sufficiency, we need to promote not just work, but education, and the TANF program here in California isn’t doing that enough.” Under PRWORA, beneficiaries are allowed to fulfill their work program requirements by attending school or vocational training, but only for a period of 12 months. After those 12 months, a recipient will also have to spend the required amount of time in another work program activity if they would like to continue to receive benefits.

Discussion

The quantitative and qualitative data retrieved from this evaluation paint a complex, and somewhat conflicting, picture of Cap. While a majority of DTA staff feels that this provision is successful in deterring clients from having additional children, the quantitative data clearly suggests otherwise. Currently 21.8% of Massachusetts TANF families receive a grant reduction because of the Cap, the highest percentage of any state. At the same time, only 4.4% of Connecticut families (a state that offers Cap children a partial amount in benefits as opposed to none), receive a Cap grant reduction. This could suggest that the penalty a welfare family incurs for having additional children may not have to be as severe in order to be effective.

This percentage disparity could also suggest that the DTA is not providing clients with enough information about the provision. Insufficient information to clients about the provision was a concern among DTA staff, who suggested that the department provide visual aids in order to deter clients from having subsequent children. This policy appears to lack effectiveness in its goal of reducing fertility, but this may be because of a lack of transparency from the department.

Having worked in the DTA for the past seven years, and spending countless hours talking with welfare families, I have found that many families are desperately trying to transition off welfare and support their families without assistance. As a result, I wholeheartedly disagree with the assumption that recipients wish to remain on welfare in order to avoid work, a feeling that is rampant among my DTA co-workers.

Policy Recommendations

My first policy recommendation is for Massachusetts to eliminate its full Cap policy and institute a partial Cap. This will alleviate some of the financial stresses that Cap families face, while still “appearing” as a deterrent. I am not recommending a complete removal of the Cap provision primarily because the state does not have a lifetime limit on TANF benefits like other states. Because the state does not have a lifetime limit, a recipient could continue to have children, remain exempt from the work program requirement, and receive benefits as long as they continue to have children. If Massachusetts did institute a lifetime benefit limit like every other state, I would recommend that the provision be eliminated.

My second policy recommendation is for Massachusetts to increase funding for its Employment Services Program. Increasing ESP funding will help clients transition off TAFDC and achieve self-sufficiency. Welfare reform has made great strides in increasing employment, but has done far less to reduce poverty. By increasing ESP funding, the department could offer more assistance such as skills training, resume writing, internships, and job placement opportunities to clients.

The final recommendation that I have is for the DTA to offer clients a two-year exemption from the TANF work program requirement, if they are attending school or vocational

training. Education is an essential element to attaining a livable wage. Currently, TANF recipients can fulfill their work program requirement by attending school, but only for a period of 12 months. If the DTA could extend this period to two years, perhaps more clients could attain an associate's degree, or even a college degree. Reaching this educational level would exponentially increase clients' odds of earning a livable paycheck.

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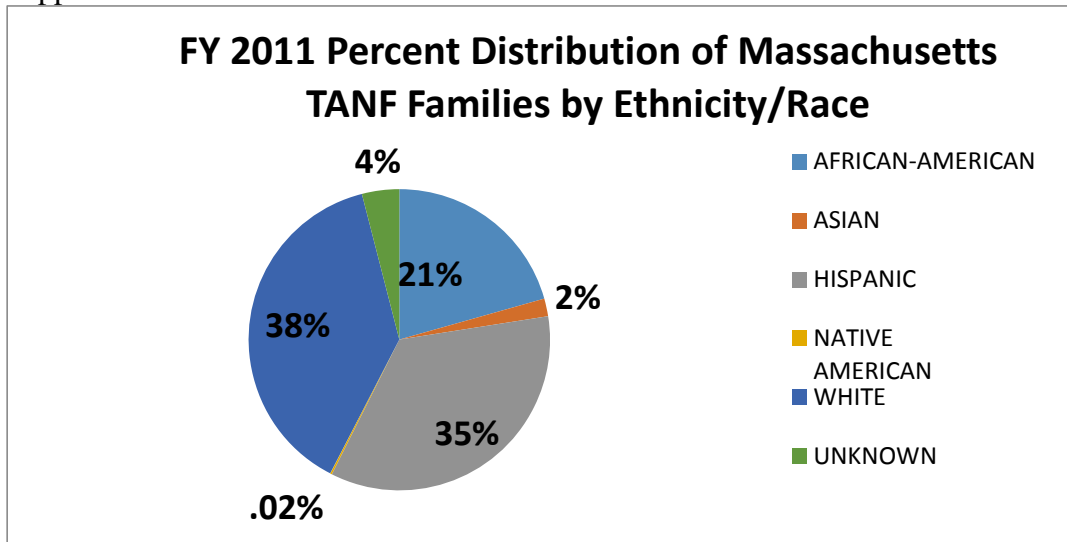
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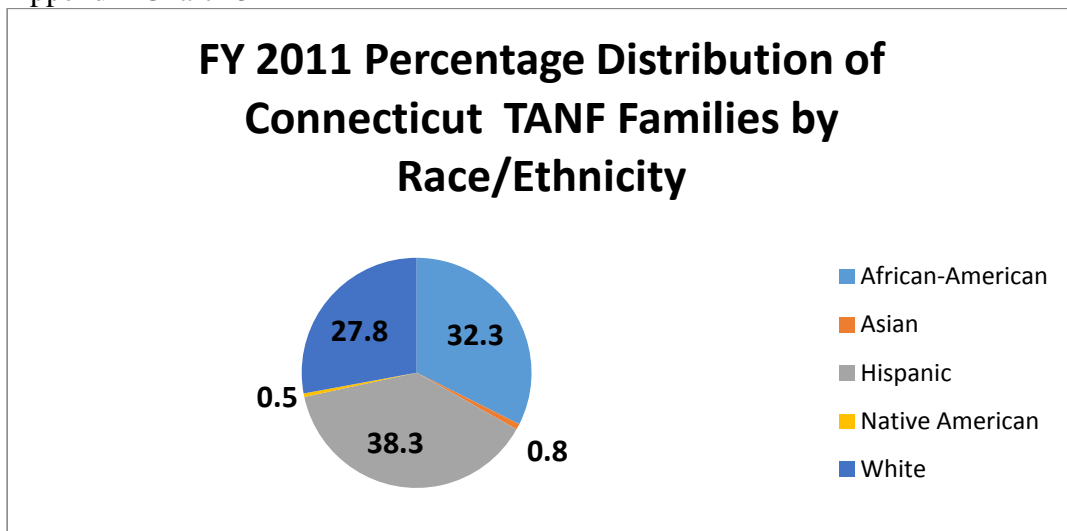
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Appendix Chart #2



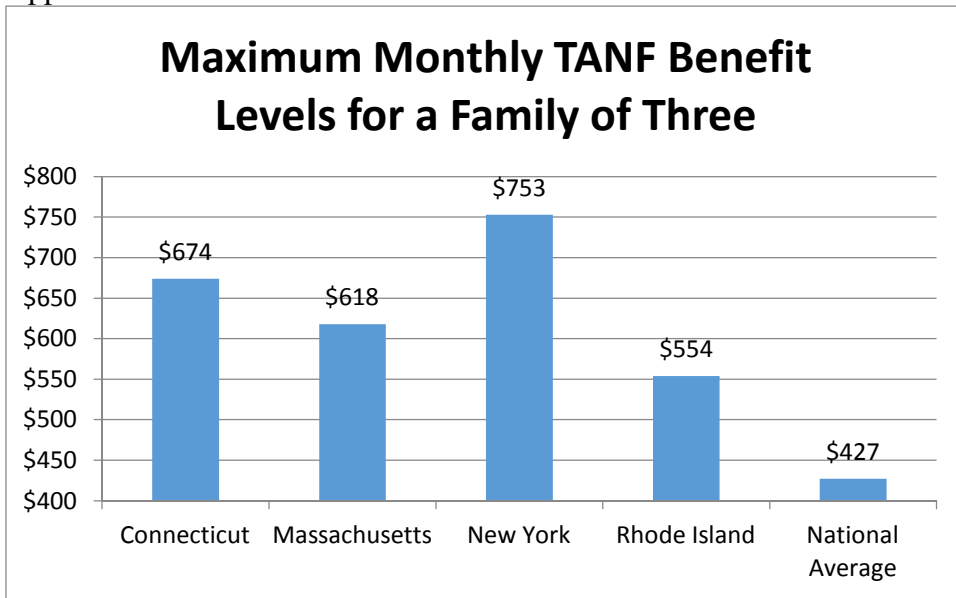
Source: National TANF Database as of 09/05/2012

Appendix Chart #3



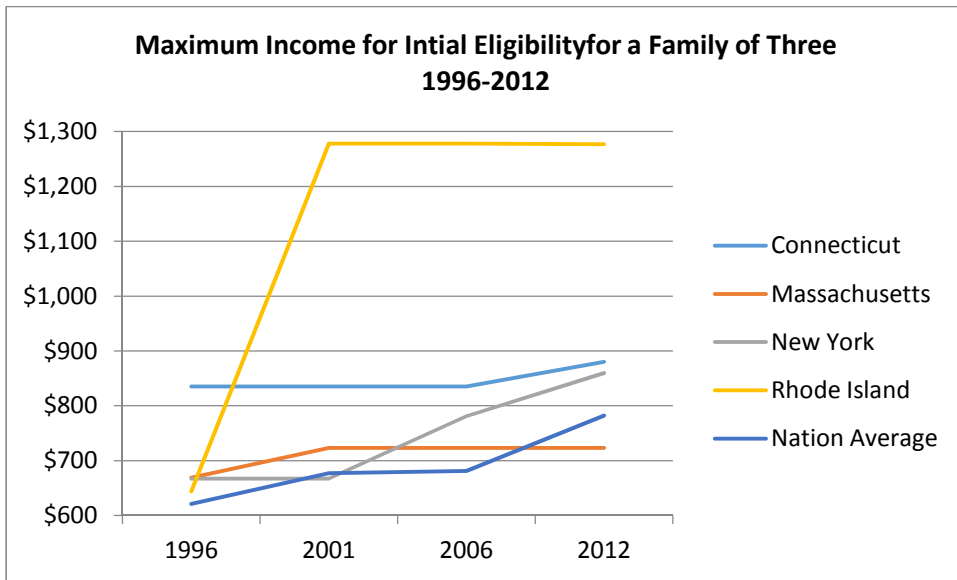
Source: National TANF Database as of 09/05/2012

Appendix Chart #4



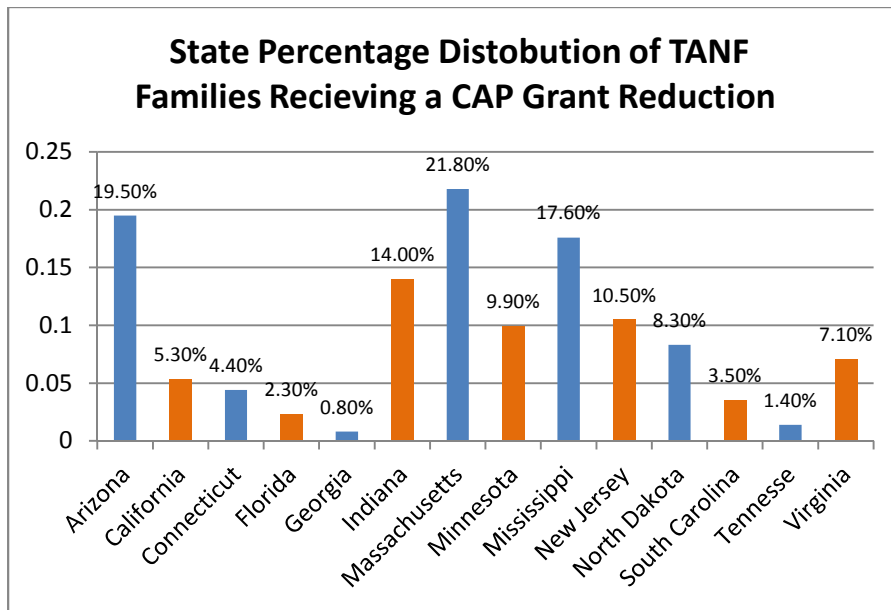
Source: Urban Institute Welfare Rules Database July 2011

Appendix Chart #5



Source: Urban Institute Welfare Rules Database July 2011

Appendix Chart #6



Source: National TANF Data file as of 09/05/2012

Appendix Chart #7

Source: National TANF Data file as of 09/05/2012

