

# The Effects of Welfare and Employment Programs on Child Development

*By Beenu Puri*

Earlier this year, the Society for Research in Child Development published an article cataloging the findings of their recent research project that examines child development within families receiving welfare and employment supplements. The paper, *Effects of Welfare and Employment Policies on Young Children: New Findings on Policy Experiments Conducted in the Early 1990s* by Pamela A. Morris, Lisa A. Gennetian and Greg J. Duncan, is part of the Next Generation Project, a collaboration with MDRC (Manpower Demonstration Research Corporation) and multiple research entities, utilizing data from the early 1990s on welfare and employment experiments aimed to increase self-sufficiency of low-income parents.

## ***POVERTY & YOUNG CHILDREN***

The study focuses on child well-being to determine if it is influenced by parent enrollment in welfare and employment programs. The study also aimed to identify any changes in children academically and socially during parental enrollment. Previous studies have identified the negative role of poverty upon a child's development, socially and cognitively. Though poverty has its effects on children at all ages, this study focuses primarily on young children. Impact on younger children is also contingent upon presence of older siblings with additional responsibilities including employment and looking after younger siblings.

For this study, the Next Generation Project utilized seven random-assignment studies to evaluate the effect of 13 welfare and employment anti-poverty programs upon low-income families in the early to mid-1990s. The programs aimed to increase employment of the parents and observe the impact upon their young children. Participants in the program group were distributed in areas and received either earnings supplements to encourage work and increase low-wage employment, or mandatory employment services and time-limits to enhance use of other services.

Overall, the sample used for analysis included 27,180 observations from 15,779 children from 11,502 families. Ages of the children ranged from 2 to 9. Use of random assignment enhanced the ability to identify changes in children at the time the policy changed in relation to either the income or employment programs in which their parents had enrolled. The study chose to focus on cognitive and academic performance, as they are seen to be more sensitive to income increases and also allowed for comparison across different stages of childhood.

## ***RESULTS***

Analyses on child progress were conducted to determine effects from income 2 to 5 years after parent enrollment. In comparing performance in standardized school achievement of those children in the program to those in control groups, positive effects for each age group were apparent for those in the program groups. However, effects of welfare and employment had different effects upon children of different age groups. The transition period from elementary to middle school is known to be a significant transition period for child development, but effects of the programs upon those age groups was not large.

Positive impacts upon young children might have stemmed from overall increase in earnings for the parents and/or changes in child care received by the child. Participants in the earning supplement groups received increases of \$1,700 per year while those in other program areas received increases of only \$230 a year. But the data, cannot verify if positive impacts were the result of income increases alone or a combination of income, employment and child care. Utilizing the data and tools, researchers can suggest that a sustained \$1,000 annual increase in income during 2-5 years of follow-up can boost child achievement. Further research alludes to positive impacts from income increases and use of center-based care having a positive impact upon young children, while income has no effect upon those children receiving at-home child care.

### *CONCLUSIONS*

The research concluded that policies allowing for increases in income from welfare and employment programs along with use of center-based child care are important factors of a young child's cognitive development. Data from this study may be used to emphasize the importance of child development as a secondary result of anti-poverty programs aimed to increase self-sufficiency of low-income families.

Findings from the study may be applied when observing the number of families reported in the FY 2003 CSBG Statistical Report. According to the data, over 400,000 families receive assistance via TANF and over 1.5 million families receive a form of employment assistance. And overall, CSBG serves over 1.3 million children up to age five. Families receiving assistance from welfare and employment programs in a Community Action Agency have an advantage of access to center based child care opportunities to enhance a child's cognitive abilities at that crucial age in development.

To read the entire report please visit: <http://www.mdrc.org/publications/407/abstract.html>

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