

Fact Sheet

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The Children Left Behind: Deeper Poverty, Fewer Supports

*This Fact Sheet highlights findings from IWPR's forthcoming report, **The Children Left Behind: America's Poorest Children Left in Deeper Poverty and with Fewer Supports after Welfare Reform**. The report utilizes 1996 and 2000 data from the Census Bureau's Survey of Income and Program Participation (SIPP) to examine the situations of low-income children in single-parent families both before and after welfare reform.*

➤ **Youngest and Poorest Children at Greatest Risk of Unmet Needs**

Children younger than six, already the most likely to be extremely poor,¹ were *less* likely than older children to be covered by TANF in 2000. Among older children in extreme poverty, coverage fell by two-fifths (from 57 percent to 33 percent), while coverage for extremely poor young children dropped by nearly three-fifths (from 61 percent to 26 percent). Although prior to welfare reform, children younger than six were more likely to receive cash assistance than their school-aged counterparts, by 2000, the youngest children were the least likely to receive TANF.

➤ **Cash Assistance Reached Fewer Poor Children**

Cash assistance receipt declined by nearly one-third for quite poor children² in single-parent families, from 42 percent in 1996 to 29 percent in 2000. This sharp decline in assistance over four years is not attributable to declining poverty, since during this period the proportion of children under eighteen who were quite poor and lived with single parents dropped by only 8 percent. If the decline in cash assistance were the result of declining poverty, we would expect a much smaller decline in cash assistance.

Similarly, by 2000, the share of extremely poor children receiving TANF had been cut almost in half, from 59 to 31 percent. The need for income support among this group remains just as great as it was before welfare reform, but many of those who are in need are no longer receiving cash assistance.

¹ Extreme poverty is defined as having a family income below 50 percent of the poverty line.

² Quite poor children have family incomes that are less than 100 percent and equal to or greater than 50 percent of the poverty line.

➤ **Poverty Deepened for the Poorest Children**

Despite increased parental work effort, extremely poor children fell deeper into poverty after the implementation of welfare reform, with the youngest children being hit the hardest. The monthly family income of young children living in extreme poverty declined by 21 percent following welfare reform, while family-income among school-aged children declined by nine percent. As a result, children in extreme poverty in 2000 lived in deeper poverty than their 1996 pre-welfare reform counterparts. The decline in income is largely due to the diminished likelihood of receiving cash assistance under welfare reform.

➤ **Health Insurance Coverage Declined for Extremely Poor Children**

From the pre-reform period to the post-reform period, the proportion of extremely poor children without any health insurance increased significantly in the wake of welfare reform (from 15 percent to 25 percent). Although historically, children in extreme poverty were less likely than quite poor children to lack health coverage, after welfare reform this relationship reversed, leaving those in extreme poverty at greatest risk of being uninsured.

➤ **Fewer Poor Children Receive Food Stamps**

For all poor children in single-parent families, access to food stamps declined between 1996 and 2000. The proportion of children whose families received no food stamps rose from 36 percent to 47 percent for quite poor children and from 27 percent to 37 percent for extremely poor children.

Prior to welfare reform, younger children were slightly more likely to receive food stamps than older children. Under welfare reform, this situation reversed. By 2000, the percentage of children living in extreme poverty, yet not receiving food stamps increased by 32 percent for school-aged children and by 44 percent for young children.

While many have heralded the success of welfare reform, this study uncovers a much more complex picture showing that the nation's most vulnerable children are faring much worse under welfare reform than previously understood.

This fact sheet was written by Dr. Avis Jones-DeWeever in June 2003. It is based on a forthcoming report, *The Children Left Behind: America's Poorest Children Left in Deeper Poverty and with Fewer Supports after Welfare Reform* by Deanna Lyter, Melissa Sills, and Gi-Taik Oh. These publications were funded by the David and Lucile Packard Foundation, the Charles Stewart Mott Foundation, the Annie E. Casey Foundation, and the Open Society Institute.

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