The Status of Child-Only TANF Families: Evidence from New Jersey

by Robert G. Wood and Debra A. Strong

This brief is based on Mathematica’s study of New Jersey’s child-only TANF population. Relying primarily on data from a survey of the April 2001 child-only caseload, we examined demographic characteristics, household structure, economic well-being, and other outcomes for families and children who receive child-only TANF grants. The study, which is part of a comprehensive evaluation Mathematica is conducting of Work First New Jersey (WFNJ), also explored factors that lead to the formation of child-only cases.

A Changing Picture

As more people have left the welfare rolls for the workforce, the mix of families remaining on cash assistance has changed. In New Jersey, as in the rest of the nation, the part of the Temporary Assistance for Needy Families (TANF) caseload made up of families receiving child-only grants has grown in recent years. From 1995 to 2001, the overall TANF caseload dropped more than 60 percent in New Jersey, while the number of child-only cases declined by only 25 percent. As a result, the portion of the total TANF caseload made up of child-only cases grew over the period, from 17 to 33 percent (Figure 1). Because the proportion of child-only cases is increasing, understanding this group’s issues and needs is essential.

A child-only TANF case is one in which no adult is included in the cash grant. As such, these cases are not subject to TANF work requirements and time limits, which may in part explain why their numbers are declining more slowly than the general TANF caseload.

The child-only caseload in New Jersey is composed of families headed by three distinct groups (Figure 2):

- Nonparent caretakers (mainly grandparents)
- Disabled parents receiving Supplemental Security Income (SSI)
- Immigrant parents not eligible for TANF
Figure 2: Distribution of Types of Child-Only TANF Cases in New Jersey

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonparent Caretakers</td>
<td>63%</td>
</tr>
<tr>
<td>SSI Parents</td>
<td>25%</td>
</tr>
<tr>
<td>Immigrant Parents</td>
<td>10%</td>
</tr>
<tr>
<td>Other Parents</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note: Figures represent the child-only TANF caseload as of April 2001.

Nonparent Child-Only Families

The largest part of the child-only TANF caseload, at 63 percent, consists of families headed by nonparent caretakers, who are raising their grandchildren, nieces, nephews, or other young relatives and receiving cash assistance on their behalf. Many of these caretakers have taken on the responsibility of caring for these children in order to keep them out of the foster care system. Because they have no legal obligation to support the children, they can receive a child-only grant that ignores their income and assets in eligibility and benefit determinations. Since the caretaker’s income is ignored, these families are generally less disadvantaged; have more income, and face fewer hardships than other TANF families. Their average monthly income is $2,344, compared with $968 for regular TANF families, in which the adult is included in the grant (Figure 3). Even so, most of these families have low incomes. Seven in 10 have incomes below 200 percent of the poverty threshold, or about $30,000 for a family of three.

Many nonparent caretakers are older and in poor health. Because most — over 70 percent — are grandparents or great-grandparents, they tend to be much older than the typical adult receiving TANF, with an average age of 52, compared to 32 for adults heading regular TANF cases. Moreover, their physical health is poorer than that of other U.S. residents their age. Based on their responses to a standardized set of health questions, their average level of physical health is similar to that of a typical 70-year-old in the general population. In addition, one in five nonparent caretakers lacks health insurance, which may complicate any health problems they may have.

Most children in nonparent child-only families have long-term and stable living arrangements. They have typically spent most of their lives in these households — on average, they have spent 70 percent of their lives with their current caretaker. In addition, most caretakers assume that they will continue raising these children until they reach adulthood.

In spite of this stability, school and behavior problems are common. Three in 10 of the school-age children in these families have been enrolled in special education, and more than a quarter have repeated a grade. For teenagers, more than 40 percent have been suspended or expelled from school; 12 percent have had trouble with the police. These rates of school and behavior problems are substantially higher than the rates for children in regular TANF families.

Many nonparent child-only families form when the absent parents have serious personal problems that make it impossible or inappropriate for them to raise their children. Drug and alcohol abuse problems are particularly common. Six in 10 caretakers report that the child’s mother has a substance abuse problem that makes it impossible for her to raise the child. Many children in nonparent child-only families have been involved with the child welfare system. Four in 10 caretakers said the state child welfare agency has required that the child not live with the mother. In some cases, the absent mothers have been involved in crime; have abused, neglected, or abandoned their children; or have serious mental health problems. Although our information on absent fathers is more limited, it suggests that they have similar severe personal problems.

SSI-Parent Child-Only Families

One in four child-only TANF cases in New Jersey is headed by a disabled parent who receives SSI. Although these adults cannot receive both SSI and TANF, they can receive TANF for their children. Most of these parents have little work history, most
likely because of physical and mental disabilities and poor health. Many of these families began receiving cash assistance as a regular TANF case that converted to a child-only case when the parent began receiving SSI.

These families have slightly higher incomes than regular TANF families ($1,126 versus $968 per month). More than half of their monthly income comes from SSI; most of the rest comes from TANF and food stamp benefits. Although most live below the poverty threshold, they are less likely than regular TANF families to be in “extreme poverty”—defined as having income below 50 percent of the poverty threshold (2 percent versus 22 percent). However, they have higher rates of food insecurity, with more than half reporting problems getting enough food to eat during the past year. More than 90 percent of these families receive food stamps, so lack of access to this benefit does not appear to be the source of their food security problems. The parents’ disabilities may contribute to these high rates of food insecurity, however, since these parents may have greater difficulty shopping and cooking for their families and may have to rely to a greater extent on more-expensive prepared foods.

Figure 3: Average Monthly Income for Child-Only and Regular TANF Families

<table>
<thead>
<tr>
<th>Child-Only TANF Cases</th>
<th>Nonparent Caretakers</th>
<th>SSI Parents</th>
<th>Immigrant Parents</th>
<th>Regular TANF Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income in 2001 dollars</td>
<td>$2,344</td>
<td>$1,126</td>
<td>$785</td>
<td>$968</td>
</tr>
</tbody>
</table>

Note: Figures do not include child care subsidies or the EITC. Income is in 2001 dollars.

Immigrant-Parent Child-Only Families

One in 10 child-only cases in New Jersey is headed by an immigrant parent who is not eligible for TANF. This group includes both illegal and recent legal immigrants. Ineligible immigrants can receive TANF for their children who are U.S. citizens.

These families have very low incomes (less than $800 per month, on average), little recent work history, and often make ends meet by doubling up with friends and relatives. They tend to live in larger households than other TANF families, typically including extended family or adults who are not related to them. One in four of these families lives in severely overcrowded housing. Many immigrant parents have limited work skills. Six in 10 have less than a high school education, and many have limited English skills. Only one in three has worked in the past two years, and many cannot work legally in the U.S. Many have poor mental health, perhaps because of their precarious financial situation and difficulties adjusting to life in a new, unfamiliar country. In addition, 84 percent lack health insurance, which may contribute to their stress and anxiety.

Next Steps: Addressing Different Needs

Much of the federal and state policy focus in recent years has been on moving welfare recipients into employment. These efforts have succeeded in getting many people into the workforce. While overall case-loads have been dropping, however, the proportion of child-only TANF cases has been growing. This study has helped shed light on a population about which little was known and has revealed distinct needs of three different groups of child-only TANF families. These needs and other issues will require attention as welfare policy efforts begin to focus more on child-only TANF families.

In particular, many nonparent caretakers receiving child-only grants have poor health. Poor and deteriorating health may make it difficult for some caretakers to continue caring for the children they are raising. Policymakers may want to consider services aimed at improving the health of nonparent caretakers, such as promoting health insurance
coverage among this group. In addition, although these caretakers typically provide stable, long-term living arrangements for the children they are raising, many of the children have serious behavioral problems. Families may need additional services aimed at addressing these issues, such as peer support groups or counseling and tutoring services.

High rates of food insecurity are a key concern for SSI parents and their families. Additional research is needed to understand the causes of this problem. Depending on what else is learned, it may be appropriate to expand nutrition services for these families, perhaps by developing programs to address the needs of people with disabilities.

Finally, immigrant families receiving child-only grants are particularly disadvantaged, even relative to other TANF families. They have extremely low incomes and limited work skills. Housing problems emerged as a particular concern for this group, most likely the result of the broader challenges of extreme poverty, skills deficits, and limited access to legal work. Policymakers concerned about the needs of these families may want to focus on their housing problems and, perhaps, the broader issues of their limited work skills and uncertain legal status.

The New Jersey Department of Human Services (NJDHS) funded the research. The opinions expressed here are those of the authors and do not necessarily represent the views of NJDHS. Information was gathered through a survey of more than 500 heads of child-only cases from the April 2001 caseload. This information was supplemented with in-depth follow-up interviews with a small set of survey respondents, as well as state administrative data on TANF and food stamp receipt. Comparisons to regular TANF families come from other surveys conducted as part of Mathematica's evaluation of WFNJ. For more information, contact Robert G. Wood at (609) 936-2776, rwood@mathematica-mpr.com. The full report is available at www.mathematica-mpr.com/PDFs/redirect.asp?strSite=wfnjchild.pdf. For additional copies of this issue brief, contact Publications at (609) 275-2350 or visit our web site.

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