

# TANF Coverage, State Policies, and Children's Well-Being

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## Introduction

- Existing studies show mixed findings on how welfare participation affects child wellbeing.
- Limited studies examine impacts of varying state TANF policies on child wellbeing, and few are based on more recent data post-2000.
- The self-selection issue of welfare participation limits the possibility to estimate causal effects. This study uses the propensity score matching strategy to overcome this limitation and estimate effects of TANF coverage on child wellbeing post-2000.

## Conceptual Model

### Income and Employment Effects

### Child Wellbeing

Cognitive stimulation  
Family life structure  
Family interactions  
Parenting stress  
Educational outcomes

### TANF Coverage

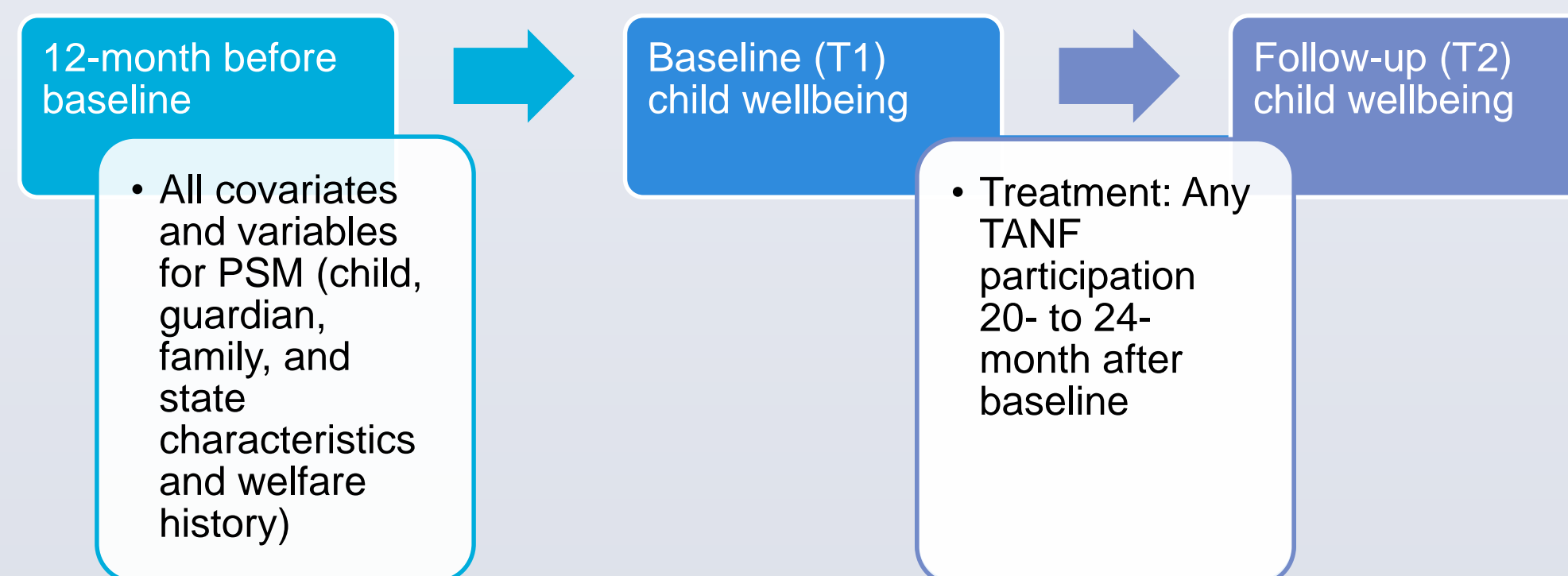
Sanctions  
Time limits

## Research Questions

- How does TANF coverage affect child wellbeing? Does income or employment mechanism drive the effect? How do the effects differ by age groups?
- How do stringencies of state TANF policies on time limit and work requirements impact wellbeing of children covered by TANF?

## Methods

- Dataset:** Survey of Income and Program Participation (SIPP) 2004 and 2008 panels
- Child wellbeing topical modules** (2 per panel, with a 20- or 24-month interval)
- Sample:** Children (1) aged 0 to 15 at baseline, (2) who are US citizens, (3) did not move to a different state during the survey, and (4) were NOT covered by TANF in 12 months prior to baseline
- Design:**



### Empirical Strategies:

- Q1:**  $CWchange_i = \beta_0 + \beta_1 TANF_i + \beta_2 CW_{it1} + \beta_3 X_{it0} + \beta_4 Policy_s + \beta_5 State_s + \beta_6 Panel_i + \epsilon_{it0}$  (Weighted by PSM weight)
- Q2:**  $CWchange_i = \beta_0 + \beta_1 TANF_i + \beta_2 Policy_s + \sum \beta_3 TANF_i \times Policy_s + \beta_4 CW_{it1} + \beta_5 X_{it0} + \beta_6 State_s + \beta_7 Panel_i + \epsilon_{it0}$  (Weighted by PSM weight)
- OLS for continuous outcomes and ordinal logistic regression for ordinal outcomes
- Propensity Score Matching:** Nearest five-neighbour method using 35 covariates
- Missing data:** 16% in 2004 panel & 23% in 2008 panel. Multiple imputation (m=10) using ICE command in Stata

## Results

Table 1. TANF Coverage & Child Wellbeing

	Overall	Aged 0-5	Aged 6-11	Aged 12-15	
<b>Cognitive stimulation</b>					
Read by family members	0.002 (0.235)	-0.248 (0.323)	0.193 (0.357)		β
Extracurricular	0.975 (0.109)	0.783 (0.228)	1.112 (0.172)	0.856 (0.220)	OR
<b>Family life structure</b>					
# of breakfast	0.277 (0.127)**	0.341 (0.182)+	0.307 (0.211)	0.182 (0.258)	β
# of dinner	0.008 (0.080)	-0.056 (0.111)	0.102 (0.151)	-0.024 (0.180)	β
Any TV rules	1.306 (0.150)*	1.354 (0.343)	1.427 (0.308)	1.230 (0.225)	OR
<b>Family interactions</b>					
# of outing	0.549 (0.602)	0.653 (0.656)	0.356 (1.025)		β
Fun	0.924 (0.097)	0.935 (0.165)	0.904 (0.169)	0.809 (0.203)	OR
Praise	1.069 (0.093)	1.115 (0.152)	1.044 (0.172)	0.970 (0.209)	OR
<b>Parenting stress</b>					
Parenting difficulties	1.058 (0.111)	0.956 (0.203)	1.029 (0.212)	0.962 (0.257)	OR
<b>Educational outcomes</b>					
Confidence in finishing college	0.834 (0.112)	0.849 (0.230)	0.822 (0.211)	0.894 (0.276)	OR
Confidence in going beyond college	1.461 (0.105)***	1.595 (0.198)**	1.643 (0.203)**	1.108 (0.276)	OR
Hard working	0.986 (0.115)		0.660 (0.179)**	1.426 (0.227)	OR
Ever repeated grade	0.638 (0.220)**		0.673 (0.376)	0.483 (0.359)**	OR
Ever expelled from school	0.772 (0.287)			0.849 (0.302)	OR

Table 2. TANF Coverage, Stringencies, & Child Wellbeing

	CoverageX Lenient	CoverageX 60 Months	CoverageX <60 Months (Strictest)	CoverageX Strict work sanction	
<b>Cognitive stimulation</b>					
Read by family members	0.499 (0.596)	-0.473 (0.680)	-0.489 (1.021)	-0.298 (0.490)	β
Extracurricular	0.987 (0.267)	1.131 (0.294)	0.696 (0.405)	0.951 (0.240)	OR
<b>Family life structure</b>					
# of breakfast	0.412 (0.275)	-0.387 (0.300)	-0.537 (0.461)	0.390 (0.246)	β
# of dinner	0.099 (0.184)	-0.056 (0.214)	0.190 (0.303)	-0.264 (0.161)	β
Any TV rules	1.410 (0.424)	0.857 (0.505)	0.534 (0.578)	1.160 (0.343)	OR
<b>Family interactions</b>					
# of outing	0.966 (1.076)	-0.389 (1.249)	-1.859 (1.893)	0.469 (1.237)	β
Fun	0.984 (0.216)	1.191 (0.253)	0.686 (0.342)	0.689 (0.190)*	OR
Praise	1.327 (0.198)	0.913 (0.236)	0.616 (0.361)	0.796 (0.192)	OR
<b>Parenting stress</b>					
Parenting difficulties	1.082 (0.255)	0.906 (0.381)	0.381 (0.552)	1.438 (0.235)	OR
<b>Educational outcomes</b>					
Confidence in finishing college	0.720 (0.277)	1.157 (0.296)	1.121 (0.423)	1.238 (0.250)	OR
Confidence in going beyond college	1.224 (0.265)	1.194 (0.312)	0.520 (0.450)	1.396 (0.223)	OR
Hard working	0.930 (0.294)	1.020 (0.330)	1.336 (0.494)	1.234 (0.270)	OR
Ever repeated grade	0.528 (0.680)	1.094 (0.674)	2.629 (1.038)	1.030 (0.512)	OR
Ever expelled from school	1.349 (0.775)	0.561 (0.751)	0.427 (1.282)	0.804 (0.703)	OR

## Notes:

- \*\*\* p<0.01, \*\* p<0.05, \* p<0.1
- Reference group: Non-TANF participants
- Definitions of (1) lenient time limit: No time limit or only adult portion has time limits, (2) lenient sanction: Only sanction adult portion, a percentage, pro rata portion of benefit, or no sanction, (3) strict sanction: Sanction on entire benefit or case close.

## Conclusions

- TANF coverage may improve family structure and parental educational expectation and reduce children's propensity of repeating a grade.
- Income and employment changes during the intervention period do not explain these effects.
- TANF coverage does not alleviate parental stress, improve family interactions, or enhance children's cognitive stimulation.
- TANF coverage in states with more stringent TANF policies does not exhibit different effects.

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