Does the Family Cap Influence Birthrates? Two New Studies Say 'No'

By Patricia Donovan

Contrary to early claims that a cap on benefits would reduce birthrates among welfare recipients, recent studies in New Jersey and Arkansas conclude that denying an increase in cash assistance to women who have another child while on welfare has had no effect on births in these states.

In response to the findings, New Jersey officials now insist that the family cap was never intended to reduce births, but simply to encourage welfare recipients to make responsible decisions about childbearing. But, four years ago, when New Jersey became the first state to impose a family cap, officials offered a different rationale. Then-governor James Florio (D) declared the cap a success after only two months, for example, asserting that births among welfare recipients had declined 16%.

The long-awaited analysis by researchers at Rutgers University—released only last September, more than a year after investigators made it available to state officials—contradicts such claims. While rates among welfare recipients did decline between August 1992 and July 1995, the researchers found that the rate of decline was "virtually identical" for women subject to the cap and for a control group that continued to receive a benefit increase if they had another child. Among both groups of women, birthrates fell from 11% in 1992–1993 to 6% in 1994–1995, a trend, the researchers noted, that also was "consistent with birthrates in the general population in New Jersey." The results did not change when the researchers controlled for the age and race of the nearly 8,500 women studied.

The researchers also examined state Medicaid data to assess whether the family cap had any impact on abortion rates among women on welfare. Some antiabortion advocates have feared that a cap could result in more abortions among welfare recipients, but the analysis indicates otherwise. Like birthrates, abortion rates in New Jersey declined both among women subject to the cap and among the control group, dropping from 11% in 1992–1993 to 9.5% in 1994–1995.

Researchers at the University of Arkansas studying the impact of that state's family cap could not evaluate its effect on abortion rates, because Arkansas—like most states, but unlike New Jersey—does not pay for abortions under Medicaid; the state, therefore, has no way of knowing how many welfare recipients terminate their pregnancies. Like their colleagues in New Jersey, however, the investigators did determine that there was "no statistically significant difference…in the number of births" between a control group and women subject to the cap in the two-and-a-half years after the cap went into effect in July 1994.

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Cash Increase No 'Incentive'

The New Jersey and the Arkansas studies raise serious questions about the validity of family cap proponents' primary rationale for the policy—the notion that an increase in monthly benefits upon the birth of a new baby acts as an incentive for welfare recipients to have more children. When the Arkansas researchers asked a subsample of the women studied whether they would have another child in order to receive higher benefits, fully 100% of those subject to the cap and more than 95% of those in the control group said they would not. Many did not know how much more money they would receive if they had another child.

"It appears that women do not make decisions about the birth of their children based on the addition of $42 per month in…benefits," the researchers concluded. Indeed, one of the evaluators, University of Arkansas School of Social Work professor Brent Benda, observed in a subsequent paper that "it would be a quantum leap in faith to believe that $42 influences an act that is usually spontaneous and occurs nine months before birth."

Where Things Stand

According to the National Conference of State Legislatures, 21 states and the District of Columbia currently have family cap policies (see box), many adopted after the early claims of "success" in New Jersey. Like those in Arkansas and New Jersey, most were implemented under the old Aid to Families with Dependant Children (AFDC) program, which required states to conduct a rigorous evaluation of the impact of changes in their welfare programs.

When Congress enacted the welfare reform law in August 1996 and replaced AFDC with a new program

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Arizona	Massachusetts
Arkansas	Mississippi
California	Nebraska
Connectivut	New Jersey
Delaware	North Dakota
District of Columbia	Oklahoma
Florida	South Carolina
Georgia	Tennessee
Illinois	Virginia
Indiana	Wisconsin
Maryland	Wyoming

of block grants to the states, however, the evaluation requirement was eliminated. Thus, most states with family caps are unlikely to conduct the type of analysis done in New Jersey and Arkansas. However, federal officials report that three states—Arizona, Connecticut and Indiana—have received funding from the Department of Health and Human Services to continue their plans to evaluate the effects of their family caps.

The new block grant program (Temporary Assistance to Needy Families, or TANF) is silent on the issue of a family cap. After long and heated debate, Congress decided not to require states to impose a cap, opting instead to let states decide for themselves whether to do so. Last year, legislatures in four states—Georgia, Mississippi, North Dakota and Oklahoma—voted to impose a family cap.

But some experts believe the push for family caps is losing steam. “The momentum for a family cap is down,” reports Jack Tweedie of the National Conference of State Legislatures, “because most states that don’t have one have had an opportunity to incorporate a cap [in their welfare plans] and haven’t done so.” Furthermore, he says, policymakers are slowly recognizing that a family cap does not reduce birthrates.

Legal and Legislative Challenges

The New Jersey and Arkansas studies are likely to speed up that learning process and may also make it easier to persuade state legislatures to adopt other means of reducing welfare rolls. Last year, for example, a campaign mounted by Family Planning Advocates of New York State and Concerned Clergy for Choice convinced the legislature to reject a family cap proposed by the governor and, instead, to transfer $7 million of its federal welfare funds to the state health department for family planning programs.

Through intense lobbying and grassroots organizing and a statewide media blitz, the campaign persuaded legislators that expanding access to family planning services would do more to enhance the ability of poor women to avoid long-term dependency than denying indigent women a few extra dollars if they had another baby.

States could also be influenced by the outcome of legal challenges to family caps in New Jersey and Indiana. Armed with the findings from the Rutgers evaluation, the NOW Legal Defense and Education Fund (NOW-LDEF) has filed a class action lawsuit on behalf of welfare mothers in New Jersey and their infant children who are subject to the cap. The suit contends, among other things, that the cap violates the New Jersey Constitution’s equal protection guarantees because it creates two classes of children who are treated differently—some receive welfare benefits and some do not—based solely on the timing of their birth.

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“The court will have to balance the rights at stake and the harm done [to the children] against the interests of the state,” says NOW-LDEF attorney Sherry Leiwant. The evaluation findings are critical, she says, because they make it difficult for the state to justify why it is enforcing a policy that hurts children when that policy has no effect on the birthrate.

Since New Jersey began enforcing the family cap in August 1993, NOW-LDEF says, more than 20,000 children born to welfare mothers have been denied cash benefits, at a savings, according to some press reports, of more than $15 million. Despite the cost savings, the Rutgers’ study may give policymakers pause. The denial of extra benefits apparently has failed to achieve its policy goal of lowering birthrates, but, in all likelihood, has caused significant hardship for the families affected. Even without a family cap, New Jersey welfare families receive less than half of what the state itself says they need to obtain basic necessities, such as housing, clothing and food.