Two decades of federal- and state-level demonstration projects and experiments concerning cash welfare in the United States culminated with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, better known as “welfare reform.” Ten years after reform, there remain a host of unanswered questions on the well-being of low-income families. In *Welfare Reform and Its Long-Term Consequences for America’s Poor*, many of the nation’s leading poverty experts come together in a single volume to assess the longer-term effects of welfare reform. A diverse array of survey and administrative data are brought to bear to examine the effects of welfare reform and the concomitant expansions of the Earned Income Tax Credit on the level and distribution of income, the composition of consumption, employment, public versus private health insurance coverage, health and education outcomes of children, marriage, and social service delivery.

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Welfare Reform and Its Long-Term Consequences for America’s Poor

Edited by

JAMES P. ZILIAK
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Preface

Taking stock of the research on the effects of the 1996 welfare reform in the fall of 2005, it became abundantly clear that as we neared the tenth anniversary of its passage, we knew comparatively little about the longer-term consequences of the reform for America’s poor. The lucid surveys by Blank (2002) and Moffitt (2003), followed by the meta-analysis by Grogger and Karoly (2005), summarized the research using experimental and non-experimental data from the “welfare waiver” era spanning 1990 to 1995 and data from the first four years postreform through 2000. The late 1990s was a period of great prosperity and relative peace for the nation, and thus many of the gains of the poor uncovered in the research were undoubtedly fostered by the strong economy. Since the business cycle peak of 2000, the country has experienced a recession, the 9/11 terrorist attacks, two ongoing wars in Afghanistan and Iraq, rising poverty, declining health insurance coverage, a series of devastating hurricanes, and stagnant real wages. As this book goes to press, the world is in the midst of the greatest financial crisis since the Great Depression. How these developments interact with public policies such as welfare reform and the Earned Income Tax Credit to affect the lives of the poor had not been explored nearly to the extent that the pre-2000 experience would dictate. This realization was the genesis for the present book.

In the spring of 2006, I commissioned the authors represented here to conduct new research on the effects of welfare reform using up-to-date data a decade after passage of the legislation. In April 2007 I invited the authors, formal discussants, and other guests from the research and policy communities to Lexington, Kentucky, for a two-day conference to discuss preliminary results and suggest revisions. I am particularly grateful to the discussants Peter Gottschalk, Sarah Hamersma, Julia Henly, Harry Holzer, Lynn Karoly, Robert LaLonde, Dan Lichter, Donna Pavetti, Bob Plotnick,
Seth Sanders, Tim Smeeding, and Jim Sullivan for their many helpful comments on earlier versions of the chapters.

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Much of my research energy over the past decade leading up to the publication of this volume has been spent on understanding the effects of welfare reform on low-income families in the United States. Along the way, I have benefited from fruitful conversations with many individuals but wish to extend a special thanks to my collaborators David Figlio, Craig Gundersen, and Erik Hurst, whose numerous insights have informed and challenged my thinking on the most significant piece of legislation to affect the poor since the New Deal. Finally, to my wife, Gena, for her love and support throughout.

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