

See Part III: sample multiple choice and short answer at the end of this review sheet

Quiz 4 covers topics 1-3: helping poor families with children with:

1. [Welfare Reform](#) Make work pay: provide future opportunities: EITC vs. Min wage [see RPEM-1](#)
2. Stabilize Fragile families: the Fragile Families research project finds 80% of unmarried births begin with two parents, but then a considerable fraction of these families break apart leaving single parent families... Unfortunately, very few programs seem to help fragile families stay together and keep families involved: one is the Elmira-Olds visiting nurse program ([WRAB 10](#)) another is a generous 2 parent [welfare program in Minnesota](#).
3. Help single parents: reduce early child bearing, flexible part-time work schedules (Piketty)
 - a. Encourage marriage/fatherhood: HHS [Healthy Marriage & Responsible Fatherhood](#)
 - b. Offer more flexible work schedules (as in Sweden)
 - c. A remarkable fall in teen birth rates: some success, favorable trends
4. Upgrade skills/education: Charter schools (Fryer, HCZ): Perry Preschool
5. Promoting HH formation: increasing population growth (Piketty: reducing gender inequality helps sustain population growth and reduce inequality) Immigration reform; Detroit,
6. Janet Yellen (now head of the Federal Reserve Bank) and her husband George Akerlof speculate that “technical change” [caused the increase in single parent families](#) (and the decline in “shotgun weddings”).

Quiz #4(online and/or class please check back April 6th): [1996 Welfare Reform](#). [President Johnson’s War on Poverty pptx](#) [Women’s Agency Poverty & Mobility](#) [Welfare Reform and Fragile Families](#) and the [EITC Marriage and Poverty: HHS, Heritage Foundation](#)

Terms for Review: *TANF, Clawback bonus and neutral phases of EITC/SNAP and all means-tested transfers, the four helping conundrums, Ellwoods American values*

Quiz 5: [Mobility and Inequality: Why is NYC different](#) [U.S. Poverty Trends](#) [PBS Film Questions](#) [Pew study](#) [Millennial women](#) , covers lecture notes [Urban Poverty in the U.S.](#) and [immigration reform](#),

Readings: Haskins & Sawhill (2003) [Work and Marriage](#) and [Welfare Reform and Beyond \(WRAB\)](#) [WRAB *8](#) [chapt 16*](#) [chapt 17*](#) [chapt 18*](#) See also [Haskins slides from last October](#) with updated incomes of single parents and child poverty rates (as well as income by racial/ethnic group). Fragile Families: Please take a look at the [five year follow report on these fragile families, see especially Figure 1](#), a somewhat easier to follow update of [Table 2](#), which gives basically the same information at the end of 18 months and 2 years after the study started. What % of fathers have their name on the birth certificate or give their surname to the baby? Do the majority of fragile families start with the intending to be two parent families? Referring to [Table 1](#), about ___% of fathers have worked during the past year, but about ___% have not worked in the past week. What % of mothers and fathers have less than a high school degree? About ___% of fathers have been incarcerated, about ___% report drug and alcohol problems and about ___% of mothers and ___% of fathers report having been hit by their partners. Of all FF parents, what % are still romantically involved, cohabitating or married after five years? Not coincidentally, what % of fathers had seen their child in the month prior to the five year interview? New summary of [fragile family study findings](#), [Understanding fragile families](#)

http://www.futureofchildren.org/futureofchildren/publications/docs/20_02_03.pdf

Helping working parents:

1. Discuss the minimum wage vs. the [EITC](#) as strategy for [helping single parents?](#) Which gives them a potential advantage in the labor market, in terms of raising their incomes and helping them find jobs. b)

Does the New York times argue [low wages](#) or [jobs](#) are the key to reducing poverty? c) Jason Furman call Walmart a “progressive success story” why? Would he make the same claim today (publically) why or why not? Are workfare programs a subsidy for low wage employers, or an effective way to support single parents? What happens if two EITC receiving parents get married? Is there a practical way to fix this “tax” on marriage? Should we fix it?

2. Education: Headstart and the [Perry pre-school program](#) provide a history of success and some cautionary tales for pre-school (and after school programs). Does Headstart improve test scores of low income children? Why is this not the end of the argument? How does the Perry pre-school project help attendees 40 years later?

Nurse family partnership program <http://www.givewell.org/united-states/charities/nfp>

Perry pre-school program <http://evidencebasedprograms.org/1366-2/65-2>

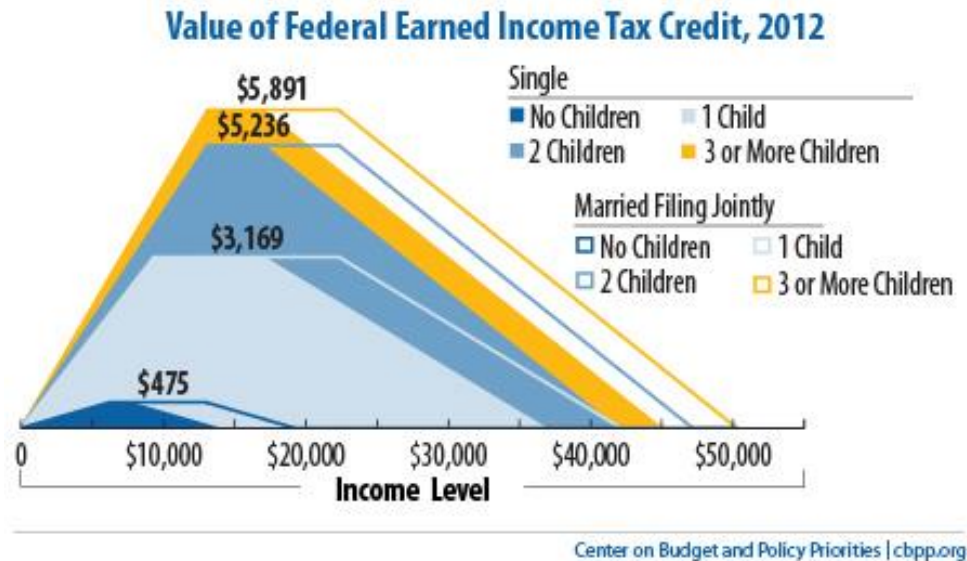
3. Initially, the results of fragile families program were somewhat encouraging regarding the potential for helping fragile families remain 2 parent families. Discuss potential role of fathers and the dramatic social trends in non-marital birth rates that make policies to promote marriage less promising 10 years later (10 years after “Let’s get Married” Frontline video for example. What programs proved effective in keeping families together (hint: [Elmira New York](#)).

4. More encouraging is the falling birth rate for teenage. What according a recent Brookings study explains about a third of the drop in teenage birth rate? Was this a government program? What lessons can learned from the experience regarding behavioral poverty.

5. TANF is not a good program for helping the poor during recessions, why not? What did the administration use to help working families get through the recession?

Terms for review: [TANF](#) clawback, neutral, bonus, SCHIP, [EITC](#), [PRWORA](#), [fragile families](#), AFDC, on Elimir-Olds counseling program see also Perry WRAB 17 [chapt 17*](#)

Medical insurance and poverty: The current administration has put a great ([S-CHIP](#) and [WRAB 20](#))” Ellwood (1986) begins his discussion of how to help single and two-parent families with medical insurance. (a) Why is medical insurance a potential obstacle to work for young parents with children? What did the 1996 welfare reform do for medical insurance—eventually—that has been continued by SCHIP (skim [WRAB 20](#) briefly). (b) Discuss the carrots and sticks PRWORA-TANF-EITC programs use to draw and push welfare mothers into the workforce (the EITC is not part of TANF, but expanded greatly during the 1990s). List the penalties for not-working and some key rewards for working. Use the welfare to [work diagrams](#) to illustrate your points. Comparing the EITC and the AFDC pictures—what is the most dramatic difference about the new welfare system put in place during the 1990s? (c) How does the EITC help overcome the targeting-social isolation conundrum? What percentage of children had medical care in 2000 vs. 2010? Is this due to CHIPS or Obamacare? Why is this important for getting parents to work?



Source: Center on Budget Priorities and Policies

Fragile families and Welfare reform: [WRAB Ch 21](#) [Myths about Fathers](#) The CEA Report (2001) Chapt 5 pp. *199-205 and (2000) *165-72 are also short and helpful. Use the questions below to guide your reading. Find when health insurance in terminated in the pre-[welfare reform diagrams](#) and the updated 2009 EITC numbers above. The **Personal Responsibility and Work Opportunity Reconciliation Act (PWORQ) of 1996** was finally renewed with the [deficit reduction act of 2005](#) which includes the [healthy marriage initiative](#) discussed in the [PBS documentary](#). If you have time take a look at the [Clinton-election article](#), an [update on SCHIP](#) and the first few figures a 2007 [CBO review of welfare reform](#) (don't read the whole thing, use the lecture notes).

TANF/PRWORA Review Questions

1. [Haskins and Sawhill \(2003\) Work and Marriage: the way to end poverty and welfare](#) (a) Haskins and Sawhill (2003) use simulations to argue that poverty in families with children would fall from 13% to 3.7% if everyone would just: (i) finish high school or a least family heads (ii) get married (when?) (iii) have at most two kids and (4) work full time (both parents?). Which of these alone is most important for reducing poverty (see Figure 1)? Why does family poverty fall so much when you do all four together? Which of these is hard for government to encourage? In which of these four areas has the 1996 welfare reform had some success? How do Haskins and Sawhill propose extending that success? (b) [EITC marriage tax](#): See [Ellwood](#), p. 7 or the [2006 CBPP EITC](#) p. 6 to answer this one. *Why is the marriage penalty reduced if a mother marries the father of her children?* (c) [Ellwood \(1986\) thought chiECON3240Quiz4ReviewSheetSp2013ld-support collection would be an important element of welfare reform—why is child support a good source of income for SPFs? But in light of the FF study results Mincy's "fragile father" arguments \(WRAB Brief 17\) why might be better to be less demanding when it comes to child support payments from poor fathers, why might it pay to be more strict with child support payments?](#)

2. ([WRAB brief 16](#) +family structure [slides](#).) The share of births to fragile families (unmarried mothers) increased from about 5% in 1960 to over 30% in 2000. (a) What happened to share of children living with two parents? How does PRWORA try to discourage unmarried women from having children? Have “family caps” or abstinence education worked? (b) Do the young children of welfare mothers do better or worse in school when their mothers work? (see [WRAB 8](#)) (c) Which states won “bonuses” for rapid reductions in non-marital birth rates? Among which groups is the birth rate falling most rapidly? What happened to increase the “agency” of women during the 1990s? Are there parallels between these trends and birth rates in India, China and Indonesia? See also “[An ounce of prevention...](#)” by [Molina, Sawhill and Thomas, 2010](#) and “[For Love and Money...](#)” and [Ellwood and Jencks, 2004, The Spread of Single Parent Families.](#)

3. [WRAB brief 17](#): and see “It Takes a wedding” below. (a) What is a fragile family? Roughly what % of unwed fathers are in close contact mother of their child at birth? How do you know (hint: what % out their name on the birth certificate and/or are still romantically involved with the mother?) What makes “fragile families” fragile? What are [some common myths about men in fragile families](#)? (b) What programs successfully stabilize “fragile families?” (hint: Elmira) What are “shotgun weddings?” Should the government promote these improve the “marriageability” of unwed parents? Explain and give an example of each sort of policy reform. What are the risks of promoting early marriage, as opposed to delaying child birth? (c) Take a look at the [five year follow report on these fragile families, see especially Figure 1](#). Figure 1 is a somewhat easier to follow update of [Table 2](#), which gives basically the same information at the end of 18 months to 2 years. Of all FF parents, what % are still romantically involved, cohabitating or married after five years? Not coincidentally, what % of fathers had seen their child in the month prior to the five year interview? Of the mothers no longer involved with their child’s father at the end of five years, what % have new partners or are married to someone else? The couples most likely to stay together are those cohabiting when the child is born? Should the government give tax breaks to couples that live together (or get married)? Why or why not? (d) *EC The “Let’s get Married” documentary follows 3-4 couples through child birth and marriage. What were the most commonly cited reasons for not getting married mentioned by the young mothers (and their mothers or aunts)? What is the problem the men or the women in this film? What can government do to encourage marriage under these circumstances? Should government do something to help men (quite a few programs target mothers)? The film and the [Fragile families study](#) suggest jobs and education for men is likely to increase marriage rate. Should the government help fathers get jobs or into school. Why? (think CCTs or EITC). What policies might encourage cohabitation, school attendance and employment of young fathers? Compare this with what the governments says it is doing for fathers in the [Deficit reduction act of 2005](#)...*

4. (**[WRAB Chapter 18- optional not required for quiz](#)) *While just 30% of non-marital births are to teenagers, Isabel Sawhill argues reducing teen pregnancy should be a top priority. Why? What is the trend in teen pregnancy and birthrates over the past two decades? Rebecca Maynard says each teen pregnancy costs the government about \$3,200. How much should the government spend per teen girl on pregnancy prevention programs (realizing that 40% of teen girls get pregnant, 20% give birth and 90% ignore the advice of people who know better). Why, in your view, has the teen pregnancy rate been falling over the past 10 years? Did welfare policy contribute to this decline? Charles Murray argues teen mothers under 18 should be forced to live with their parents. Is this a good idea? What does TANF require teen mothers to do?*

Skim the pictures in the [2007 CBO study](#) and the see the [Winship and Jencks](#) study’s brief summary/conclusions (how do they isolate severely poor families?).

http://futureofchildren.org/futureofchildren/publications/journals/journal_details/index.xml?journalid=73

It Takes a Wedding

Alex Kotlowitz, New York Times OpEd November 13th, 2002.

CHICAGO — With the Republican victory last week, Congress now appears likely to set aside funding for programs that promote marriage among the poor. A friend who provides services for inner-city children declared this marriage push “nuts.” That had been my initial reaction, as well. But now I wonder if the conservatives who are driving this effort might be on to something. There’s a shift in the winds in our inner cities. On the heels of a fatherhood movement (which, incidentally, also had conservative roots), more and more young couples are considering marriage.

A long-term study of 5,000 low-income couples has found that eight of 10 who have a child together have plans to marry. “I was out in the field all of the time, interviewing low-income single mothers,” Kathy Edin, a sociologist at Northwestern University, told me. “And what really struck me in those interviews was how many people talked about the desire to get married. And I would go back, you know, and talk to my friends in academia and they would say, ‘Oh, they can’t mean that.’ But I would hear it again and again.”

Might marriage be making a comeback in communities where the vast majority of children are born to single parents? A minister on Chicago’s West Side told me that when he began preaching there 10 years ago, his congregation scoffed at his efforts to foster matrimony. But this year his church co-sponsored an event called “Celebrating Contentment,” in which long-married couples testified to their happiness together. Last summer, there

was such demand for the minister's weekly marriage enrichment workshops that he had to put some parishioners on a waiting list. In Baltimore, Joe Jones, who runs a program to promote fatherhood, is adding marriage classes to his curriculum. And the Nation of Islam, which organized the Million Man March, has now taken up the mantle of marriage, declaring it "a social institution in need of restoration."

Marriage can be treacherous terrain. In 1965, Daniel Patrick Moynihan, then a young official in the Department of Labor, issued a report titled "The Negro Family: The Case for National Action." It suggested that the breakdown of the black family — one-third of all black children at the time lived with only one parent — was keeping African-Americans from finding their way into the middle class. Mr. Moynihan was pilloried by progressives; he was accused of blaming the victim. Liberals essentially abdicated the discussion about family to the conservatives, and have had a tough time finding their way back since.

But there is now growing consensus among social scientists that, all things being equal, two parents are best for children. It would seem to follow that two-parent families are also best for a community. It may take a village to raise a child, but it takes families to build a village. While liberals haven't done enough to emphasize the importance of marriage in reinforcing the bonds that hold society together, conservatives have put too much faith in the power of marriage alone to lift people out of poverty.

In 1988, Vince Lane, director of the Chicago Housing Authority, conducted top-to-bottom searches of public housing high-rises, looking for guns and drugs. But the discovery that most dismayed him was the large number of men living with their girlfriends illegally. They weren't on the lease. In the raids, Mr. Lane found them hiding in closets and in bathtubs and in laundry baskets. At one high-rise, Mr. Lane got fed up. He told the men they could stay — if they got married. So the city hosted an all-expenses-paid (honeymoon included) eight-couple shotgun wedding.

What's happened to the couples since? Most have split up, which should come as no surprise. The stress of not having money, of living in decrepit housing, of sending children to poorly funded schools would take its toll on even the most committed relationship. So how then might we help get couples to the altar? By pushing marriage? Or by helping ease the strains in people's lives? It would be wrongheaded to encourage marriage by stigmatizing single parenthood, a process that has already begun with the reintroduction of the word "illegitimacy" into the lexicon. After all, that's the very constituency government is trying to reach.

Wade Horn, the Bush administration official who oversees the welfare program, has assured critics that the administration, by supporting demonstration projects that promote marriage, doesn't intend to coerce people to the altar. And, indeed, what tools government has available — like the relationship training seminars Oklahoma has begun to offer — seem benign enough, if unproven. When it comes to social engineering, government has turned out to be a clumsy catalyst. Mr. Moynihan, whose report was in many ways prescient — the numbers he cited for black families in 1965 now apply to all families, regardless of race — has said, "If you expect government to change families, you know more about government than I do."

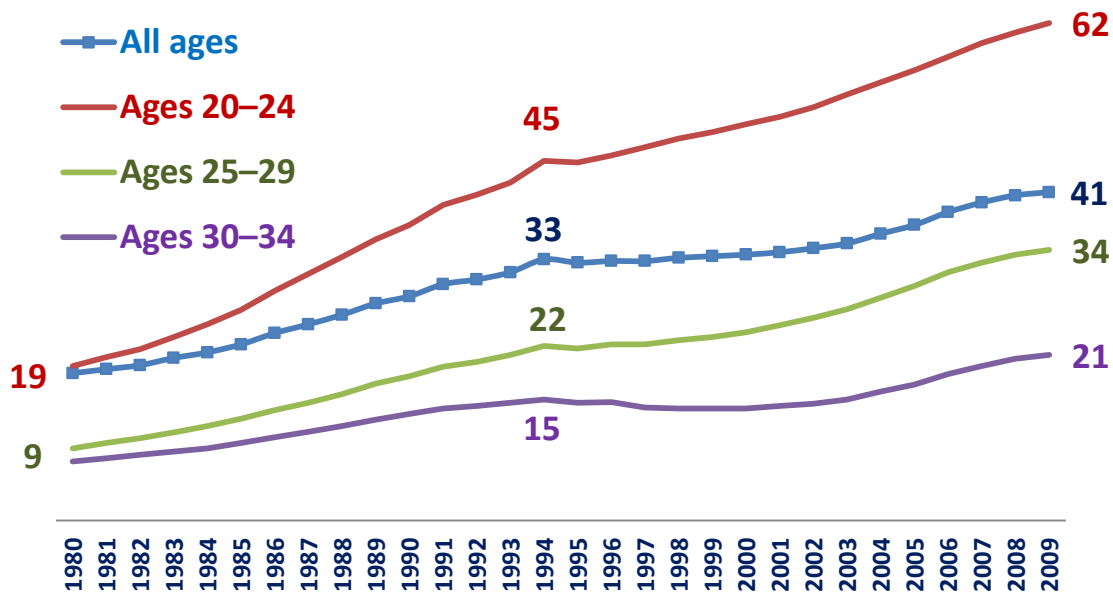
Even if conservatives don't know how to get there, at least they recognize that marriage, this very private institution, has very public consequences. Liberals, who have a much firmer understanding of the obstacles poor people face, need to enter that conversation.

Alex Kotlowitz, wrote, narrated and co-produced the [Frontline documentary Let's get Married, you can view the entire video, but it make take a while to download, especially off-campus "Let's Get Married."](#) Film <http://www.fordham.edu/economics/mcleod/LetsGetMarried.mp4>

A full transcript of the film is available at the PBS Frontline web page, <http://www.pbs.org/wgbh/pages/frontline/shows/marriage/>

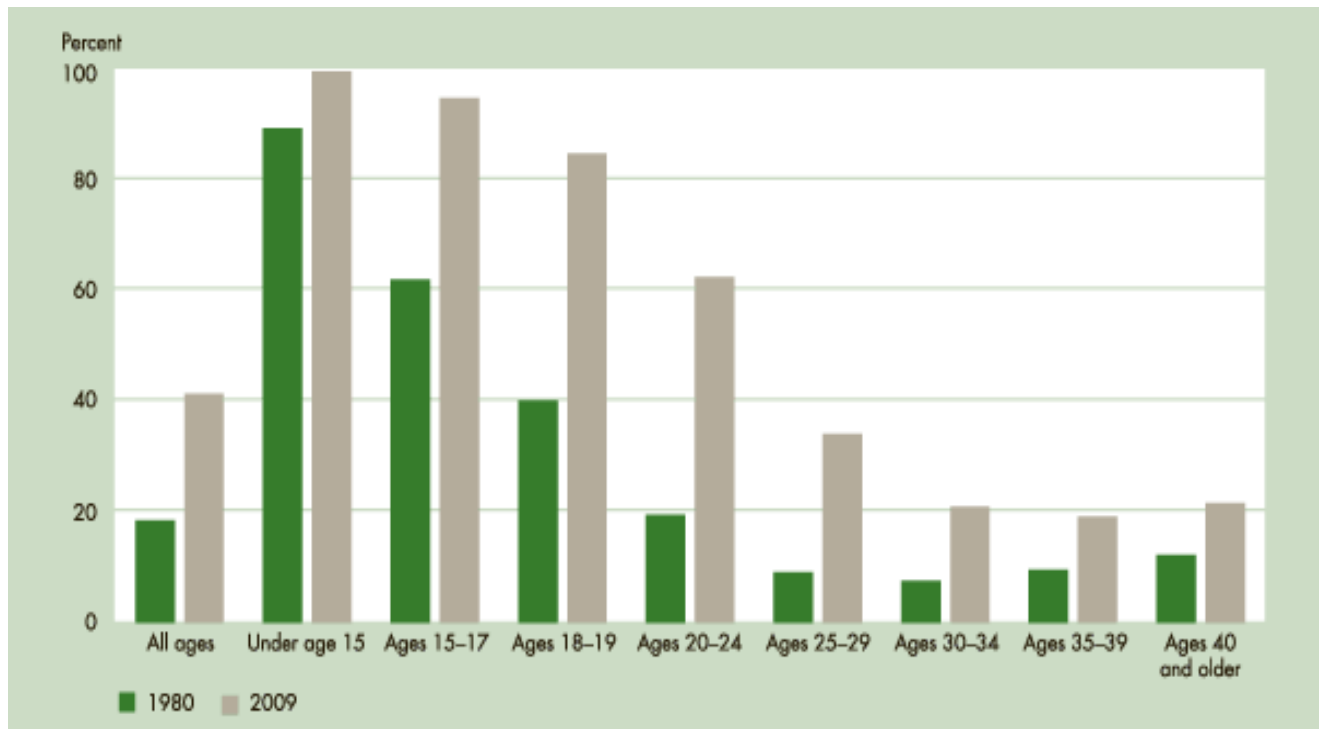
If you have trouble downloading or viewing the video, ask me for a copy, or go to the EIC in Walsh to view it or borrow a CD copy (ask in class).

Figure 7: Share of all births to Unmarried Women



Source: U.S. HHS ChildStats, accessed April 2012
<http://www.childstats.gov/americaschildren/famsoc2.asp>

Indicator Fam2.B: Percentage of all births to unmarried women by age of mother, 1980 2009



SOURCE: National Center for Health Statistics, National Vital Statistics System.

There were 50.6 births for every 1,000 unmarried women ages 15–44 in 2009.¹⁰

Between 1980 and 1994, the birth rate for unmarried women ages 15–44 increased from 29.4 to 46.2 per 1,000. Between 1995 and 2002, the rate fluctuated little, ranging from 42.9 to 44.3 per 1,000; from 2002 to 2008, however, the rate increased from 43.7 to 52.5 per 1,000, before declining to 50.6 per 1,000 in 2009.^{8, 10, 11}

Rates in 2008 remained highest for women ages 20–24 (79.2 per 1,000), followed closely by the rate for women ages 25–29 (76.1 per 1,000).^{6, 12}

The birth rate among unmarried adolescents ages 15–19 declined between 1994 and 2005, increased in 2006 and 2007, and then decreased slightly in 2008. Among adolescent subgroups, the rate for adolescents ages 15–17 declined from 31.7 per 1,000 in 1994 to 19.7 in 2005 and has changed little since (it was 20.6 in 2008). For adolescents ages 18–19, the birth rate declined from 1994 to 2003 and increased annually from 2003 to 2007; the rate declined in 2008, when it was 61.9 per 1,000. Birth rates for unmarried women in their twenties changed relatively little during the mid- to late 1990s. In the 2000s, for women ages 20–24, the rate rose from 70.5 per 1,000 in 2002 to 79.2 in 2008, and, for women ages 25–29, the rate rose from 58.5 per 1,000 in 2000 to 76.1 in 2008. Birth rates for unmarried women ages 30–44 have steadily increased since the late 1990s. The proportion of women of childbearing age who were unmarried continued to rise to over half in 2009. However, nonmarital cohabitation has remained relatively unchanged: nearly 3 in 10 unmarried women ages 25–29 in 2002 were in cohabiting relationships.¹³

Children are at greater risk for adverse consequences when born to a single mother, because the social, emotional, and financial resources available to the family may be limited.¹⁴ The proportion of births to unmarried women is useful for understanding the extent to which children born in a given year may be affected by any disadvantage—social, financial, or health—associated with being born outside of marriage. The change in the percentage of births to unmarried women reflects changes in the birth rate for unmarried women relative to the birth rate for married women.¹⁵

For footnotes, see <http://www.childstats.gov/americaschildren/famsoc2.asp>

III. Multiple Choice Practice questions (Foreign Aid and Fragile families/welfare Reform)

1. In Figure 1, with the old AFDC welfare system, hourly take home wages were low during phase ___ and then fell sharply at ___ when families reach the eligibility threshold for ___. A) private earnings from work B) childcare assistance C) child support D) Medicaid E) EITC F) food stamps

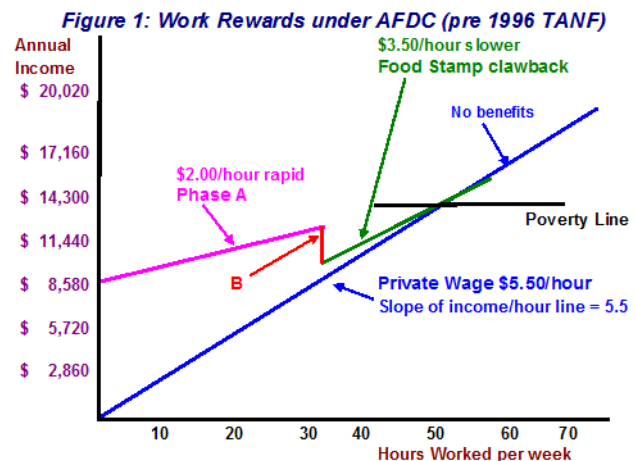
2. Which #1 policies played major role in helping the poor during the Great Recession? ___ What happened to the

3. Which policies/education messages seem to help fragile families become or remain together and/or reduce births to unmarried women (WRAB 16,17). Discuss briefly why these policies worked or did not work referring to Wilson Chapter 4 on African American families.

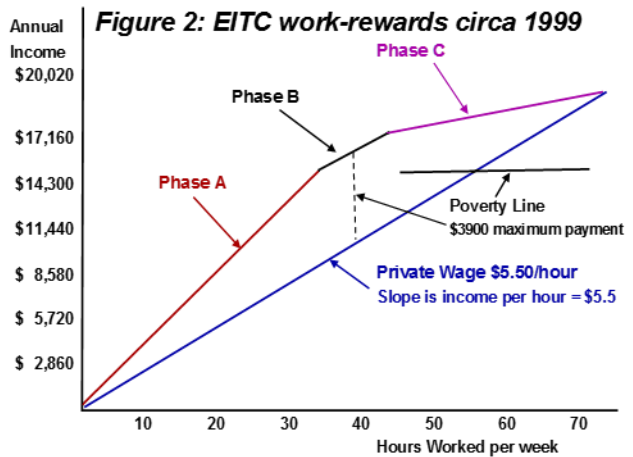
A) Family caps in New Jersey B) Abstinence education. C) the Elmira-Olds Nurse family partnership Program (look up David Olds online, is he an economist like Hans Rosling). D) Minnesota’s increased welfare benefits to working families C) MTV’s reality program 16 and Pregnant.

4. Of 5000 children born to unmarried mothers in the Princeton Child well-being study about 50% of children were living with both parents at birth (WRAB 17). About ___ % of pregnant mothers reported being romantically involved with and/or received some financial support from the father, while about ___% of fathers put their name on the child’s birth certificate and about ___% gave their surname to the child. A) 75%-85% B) 40% D) 35% D)5%

Again in the Princeton Fragile families study, while 90% of mothers say full time job for their was a prerequisite for marriage, about ___ % of fathers had less than a high school education and ___% of had a history of incarceration while ___% abused alcohol or drugs



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- _____ 5. LATA Which of Ellwoods 3+ helping conundrums were aggravated by AFDC? A) family structure B) social isolation C) geographic mobility D) security work.
- _____ 6. Choose all that apply, the EITC: A) Targets and raises the income of working low income adults with children B) Targets and raises the income of low wage workers who do not have dependents C) Targets and raises the income of low wage workers who do not have other sources of income. D) Increases the number of low wage jobs E) Decreases the supply of low wage workers F) Is a subsidy for already profitable low wage employers such as Walmart and McDonalds. G) Encourages single parent families to become two parent families.
7. Choose all that apply. For families with children, a higher Minimum wage: a) reduces poverty and rewards work b) reduces poverty but discourage work c) Increases turnover and creates to more jobs d) Increases productivity.
8. Which of the following statements is true?
- Middle income countries receive more foreign aid than low income countries
 - Poor people in poor countries, on average, receive more aid than poor people in relatively richer countries.
 - Who is the biggest net ODA donor in terms of \$ of aid but not share of GDP?
 - France The U.K Germany Japan The U.S
9. According to Sachs, the poor African nations are often stuck in a
- Conflict trap
 - Low productivity or poor health trap
 - Natural resource trap
 - Bad governance
10. Who is most likely to agree with the statement "Poverty not aid causes corruption" ?
- Sachs
 - Collier
 - Moyo
11. According to Sachs, after accounting for consultants' compensation, food and emergency aid, administrative costs, and debt relief, net aid per person to Sub-Saharan Africa from all donors comes down to:
- \$30
 - \$5
 - \$12
 - \$4

12. Assume there are one billion poor people in the world at the \$1.25 a day, and assume that their average income \$0.9 a day, how much aid would it take to lift everyone above the poverty line? (We did this in class, See sacks slide)
- A. \$100 billion
 - B. \$128 billion
 - C. \$200 billion
 - D. \$50 billion
13. Select all that apply. Which of the following actions does Moyo suggest poor countries do?
- A. Restrict trade with china
 - B. Get a credit rating and borrow from international financial market
 - C. Tax foreign direct investment
 - D. Encourage micro finance and remittances
14. Select all that apply. which of the following types of interventions does Collier support (Chapt 8)?
- A. Military intervention to support revolutions
 - B. Military intervention Maintaining post-conflict peace
 - C. Military intervention to restore
 - D. Military intervention to support coups.
- According to collier:
- A. All countries of the bottom billion have recently been through a civil war or are still in one
 - B. Civil war is much more likely to break out in low-income countries
 - C. The global cost of a civil war is \$64 billion
 - D. Aid increases the risk of civil war, but decreases the risk of coups
 - E. Aid increases the time that a failing state is stuck
15. Choose all that apply. According to collier:
- A. In countries with weak governments, aid barely increases growth while significantly inducing coups.
 - B. In post-conflict situations, the security benefits of aid are usually high enough to justify a large aid program
 - C. Instead of conditioning aid on good future policies, Donor should encourage condition aid on past good policies.
 - D. When a country announces its intention to reform, donors should immediately supply it with a lot of aid money.