State TANF Policy Trends and the Emerging Geography of Vulnerability

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Abstract

This working paper examines declining welfare rates from 1996 to 2000 at the state level. The author examines the role that state policies might have had on welfare rates. He examines 18 state policies that might have been implemented. Sandoval's data suggest that four different regimes for Temporary Assistance for Needy Families (TANF) emerged after the passage of the 1996 welfare-to-work act. He refers to these regimes as: Social Investment, Social Reform, Social Retrenchment, and Social Disinvestment. His data suggest that states that adopted punitive TANF policies, on average, had welfare recipients that were black or Hispanic, and states that adopted more liberal TANF policies were the states that tended to have a homogeneous white welfare population. His data also show that the states that had the largest decline in welfare rates did not all adopt Social Disinvestment-type policies.

Introduction

   Politicians, scholars, and researchers have narrated their own version of the welfare reform story. These different interpretations of the unparalleled decline in welfare caseloads have produced two competing theories: (1) the pre-1996 waivers and PRWORA were largely responsible for the decline of welfare cases; or (2) the strong economy produced low-unemployment rates making employment opportunities more attractive, which encouraged welfare recipients to leave AFDC/TANF. Most scholars and researchers believe "that both falling unemployment and new work-oriented policies played major roles in this drop in dependence for low-income families" (Bell 2001). This conventional wisdom has left room for scholars and researchers to parse out how much of the caseload decline is from the TANF policy and how much of the decline is from the performance of the economy. The emergence of the two theories is not surprising because they represent the symbolic features of the welfare reform debate that dates back to the 1960s. It is important to distinguish the two stories of welfare reform because they have different contemporary intellectual histories and policy prescriptions for the next stage of welfare reform.

   The PRWORA story of welfare reform is driven by a general desire to convey to the general public, in the simplest terms, the success of welfare reform. More importantly, the PRWORA story is driven by the perceptions of welfare participation by minorities and able body individuals using welfare. This cultural version of the welfare reform story has constituted a growing consensus among PRWORA supporters because it essentially relies on a notion that culture is a key barrier to work. The emergence of this

cultural discourse before PRWORA is an important element in framing the policies

aimed at removing the incentives of welfare to reduce the welfare rolls. Supporters of the

PRWORA cultural story argued that the decline in caseloads is a reflection of the welfare

reform law that was geared at changing the behavior of poor individuals. There are

several reasons why this cultural version of welfare reform gained popularity: (1) the

racial composition of poor people; (2) the geographical concentration of welfare

participation; (3) the geographical concentration of minorities; (4) the symbolic belief

that politicians are getting tough with the poor; (5) the ability to explain the outcomes to

a non-technical audience; (6) the core principles of PRWORA resonate with American's

ethos of work; and (7) there little disagreement among the supporters of the cultural

story.

The economic story of welfare reform is driven by a desire to attribute the decline

in caseloads to the performance of the economy. Unlike the consensus among the

supporters of the cultural story of welfare reform, the economic explanation of "why"

families left TANF is more complex and the analytic camp of scholars and researchers

can't arrive at a satisfactory accord to explain the mystery of declining caseloads.

Arriving at a consensus in the analytical camp to explain TANF's impact on the declining

welfare rolls has been hampered by three factors: (1) two years before the passage of

PRWORA welfare caseloads started to decline after peaking in March of 1994; (2) states

started to experiment with welfare waivers as earlier as 1992; [1] and (3) the sluggish U.S. economy started to recover in 1993 and 1994.

Purpose

Economists have been the most influential players who have shaped the post TANF quantitative research agenda (Blank 1997; Ziliak et al. 1997; Martini and Wiseman 1997; Figlio and Ziliak 1999; Klerman and Haider 2000; Schoeni and Blank 2000; Council of Economic Advisers 1997, 1999). This research paradigm has been primarily built with five methodologies: (1) time-series analysis of national aggregate data; (2) time-series analysis of state aggregate data; (3) pooled (cross-section time-series) analysis of state aggregate data; (4) analysis of cross-sectional and longitudinal (panel) data for individuals; and (5) analysis of pooled (cross-section time-series) data for individuals (Stapleton, Livermore, and Tucker 1997).

For the most part, economists have tried to answer the same question using these different methodologies, which have led them to different conclusions about the causes of the decline of TANF caseloads. Some scholars argue that the decline in caseloads simply reflects the easy-to-serve or easy-to-employ TANF population (Danziger et al. 1999; Olsen and Pavetti 1996). Others argue that the law can explain the decline in caseloads (Council of Economic Advisers 1999; O'Neill and Hill 2001). A third group of scholars

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[1] Thirty-four states had some type of wavier in place prior to the passage of the 1996 welfare-to-work law. A wavier basically gave states the authority to experiment with AFDC. The literature on TANF and state waivers has mostly focused on the negative aspects, but state welfare waivers can help welfare recipients develop assets and achieve economic security. States waivers can: permit recipients to receive and keep more of their income; increase the value of physical and financial assets recipients are allowed to own such as cars and IRA; and require or encourage recipients to increase their human capital assets through education, job training and work experience.

argue that the decline can be explained by the economy (Figlio and Ziliak 1999; Ziliak et al. 1997). Even if there was a general agreement among scholars that explains the nature of TANF caseload reductions, there is variation between the scholars regarding the precise numerical impact on caseload reduction. For example, let's take the case of those researchers who agree on the overall conclusion that the economy is responsible for the decline in TANF caseloads. Figlio and Ziliak concluded that approximately two-thirds of the decline is due to the economy (Figlio and Ziliak 1999). However, Klerman and Haider concluded that fifty percent of the caseload decline is due to economic conditions (Klerman and Haider 2000). This gap is a significant, especially as they try to convince policy makers what is working and what is not working at the state level.

My critique of this literature is twofold: (1) the literature fails to study the variation of state TANF policies and how these policies varied across states since 1996; and (2) the literature fails to provide a longitudinal analysis of state TANF policy. These missed opportunities of the welfare story are the motivation for writing this paper. I examine TANF policies and how they varied among states since 1996 through 1999. I study 18 state TANF policies to determine if new policy paradigms emerged after 1996. Next, I explore whether state welfare policies or welfare paradigms are strongly associated with the racial composition of the state TANF population. Finally, I conclude with an analysis of TANF state policy and economic conditions on TANF family and recipient welfare rates.

Estimation Strategy and Data

To complete my analysis, I created an integrated time series state policy, state welfare participation, and state economic database. To create my dependent variable for this analysis, I used state-level welfare participation data from 1996 to 2001 calendar year from the U.S. Department of Health and Human Services. The racial composition of TANF participants came from the U.S. Department of Health and Human Services reports entitled "Characteristics and Financial Circumstances of TANF Recipients Fiscal Year" reports. From these reports, I was to obtain state-level welfare participation data by race for families for 1996, 1998, 1999, and for recipients for 1997, 1998, and 1999.

To normalize the welfare participation rates per capita, I used age, race, and gender estimates from the Population Division of the U.S. Census Bureau from 1996 to 2000. By normalizing the recipiency ratio, I have made a significant improvement from previous studies that used the entire population in the denominator to calculate the participation rates. The first wave of recipiency studies relied on a bias dependent variable. By using the entire population in the denominator, the studies included people "neither currently nor potentially categorically eligible for AFDC/TANF benefits" (Martini and Wiseman 1997). However, when comparing recipiency rates across racial groups a similar problem arises. To accurately compare recipiency rates by race the denominator needs to reflect the cohort structure for each racial group that is potentially eligible for AFDC/TANF benefits.

The statistical method I employed in this paper is modeled after the Council of Economic Advisers' 1997 report, which estimated the economic conditions, policy reforms on recipiency rates, holding other factors constant which may affect the

recipiency rate (Council of Economic Advisers 1997). I have also restricted my analysis to the fifty states and the District of Columbia.

First, instead of modeling recipients or caseloads, I model both recipients and caseloads. State TANF policy can be directed at reducing the number of cases or reducing the number of recipients. It is important to ferret out these policy effects on the individual and the household.[2] Second, I used 18 different policy variables rather than the traditional dummy variable, which indicated if a state was granted a wavier to experiment with their AFDC programs. Welfare reform can't be explained by one variable. However, I can't load the right hand side of the equation with 50 policy variables because of the small degrees of freedom that are available. A recent report by MaCurdy, Mancuso, and O'Brien-Strain, provides a good framework for estimating models that incorporate a diversity of TANF policies and economic indicators (MaCurdy, Mancuso, and O'Brien-Stain 2002).

Additionally, I do not weight my models because all the states and the District of Columbia are represented in the sample for each year. Researchers who argue that the data needs to be weighted assume that heteroscedasticity arises from the population distribution. However, states were given the power and freedom to experiment with TANF programs, so I argue that all states should have equal weights regardless of population size (Martini and Wiseman 1997). Martini and Wiseman's (1997) have made the most convincing argument to use unweighted regression results because we have no *a*

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[2] Ziliak et al. used cases in their analysis, but they use cases per capita. I argue that the more appropriate measure should be cases per household.

priori reason to believe that a state's population factored into the process of state policy.

I will estimate a series of annual state panel data models, using the following form:

Welfare Recipient Models

(1) Baseline Economic Model (Random State Effects)
$$W_{ts} = \beta_1 E_{ts} + \gamma_t + \varepsilon_{ts}$$

(2) Policy Model (Random State Effects)
$$W_{ts} = \beta_1 E_{ts} + \beta_2 P_{ts} + \gamma_t + \varepsilon_{ts}$$

(3) Policy Model (Fixed State Effects)
$$W_{ts} = \beta_1 E_{ts} + \beta_2 P_{ts} + \gamma_t + \gamma_s + \varepsilon_{ts}$$

Where:
W_{ts} is caseload/ recipient rate.
E is a vector of economic variables.
P is a vector of policy variables.
γ_t is a vector of year fixed effects.
γ_s is a vector of state fixed effects.
ε_{ts} is a random error term.

Policy Paradigm Models

(4) Policy Model (Random State Effects)
$$W_{ts} = \beta_1 E_{ts} + \beta_2 P_{ts} + \gamma_t + \varepsilon_{ts}$$

(5) Policy Model (Fixed State Effects)
$$W_{ts} = \beta_1 E_{ts} + \beta_2 P_{ts} + \gamma_t + \gamma_s + \varepsilon_{ts}$$

Where:
W_{ts} is caseload/recipient rate.
E is a vector of economic variables.
P is a vector of policy paradigm.
γ_t is a vector of year fixed effects.
γ_s is a vector of state fixed effects.
ε_{ts} is a random error term.

Descriptive Statistics

The devolution of welfare policy from the federal government to states or the devolution of welfare policy from the states to counties has been understudied. Scholars are recognizing burgeoning inequalities across states. The inequalities vary by benefit levels, work requirements, eligibility requirements, and sanctions. Scholars have acknowledged "even avowedly aspatial policies…vary in their impact and effectiveness when implemented in different jurisdictions and diverse place contexts across the country" (Staeheli, Kodras, and Flint 1997). The impact of welfare devolution and federal responsibility to states has the potential to "accentuate spatial variation in government provision" and to create a geography of social vulnerability. (Staeheli, Kodras, and Flint 1997). There are a small number of studies that look at the changing nature of welfare policy in a post welfare-to-work era, but these studies do not study the longitudinal impact of policies and how they changed from 1996 (MaCurdy, Mancuso, and O'Brien-Stain 2002; Hughes 1997; Zedlewski and Giannarelli 1997; Schram 2001; Soss et al. 2002).

In addition to the potential spatial inequalities, scholars have argued that inequalities may be compounded because the 1996 welfare-to-work law did not give states complete authority to design state TANF policy. In order to address the culture of poverty and cultural debates, the federal government imposed work and time limit mandates that curbed some state policy options. Soss and others have the best description of the 1996 law. They argue that the 1996 welfare-to-work law "can be

described as one in which the states enjoy increased discretion in choosing means so long as they toe the line in meeting federally prescribed ends" (Soss et al. 2002).

Tracking TANF policy changes from state to state is important because states prior to 1996, started to experiment with AFDC programs to tackle perceived problems with long-term welfare use and recidivism. The preconceived notions of welfare behavior, mobility, reproductive behaviors, and long-term welfare dependency influenced the design of many TANF policies (Peterson and Rom 1990; Meyer 2000). The four most citied state policies in the popular media focused on four issues: (1) work obligations; (2) time limits; (3) family cap; and (4) sanctions (Soss et al. 2002).

In selecting state TANF policies for this analysis, I will continue to use the four most citied policies in the popular press. I have also decided to include state transitional benefits and asset accumulation policies. The 18 state TANF policies that I will study can be classified into three broad categories: (1) transitional benefits and asset accumulation, (2) exemptions and eligibility requirements; (3) contracts, diversion programs, and time limits. Table 1 provides a definition for each policy.

[INSERT TABLE ONE]

Transitional Benefits and Asset Accumulation

After the passage of PRWORA, at least 88% of states provided transitional childcare or medical care. Since 1996, the number of states providing transitional benefits has significantly dwindled. (See Table 2) Sixty-one percent of the states provided transitional childcare and 66% of the states provided transitional medical care. This disinvestment in transitional benefits contradicts the logic of helping welfare mothers leave welfare for work; they will need transitional benefits to successfully leave welfare. Advocates in favor of transitional benefits argue that states that provide transitional benefits will be more successful in reducing welfare caseloads.

[INSERT TABLE TWO]

Prior to PRWORA, it was difficult for individuals to accumulate capital, however, since states have the freedom to design their own policy, states, in theory, could design TANF policy that helps welfare families become economically secure through assets. The two asset policies I examine illustrate a different trend compared to transitional benefits. In 1996, nine states had an Individual Development Account (IDA) policy and seven states had a car ownership policy that allowed recipients to have a car worth $8,000 or more without being sanctioned. This compared to 26 states that had an IDA policy and 32 states that had a generous car ownership policy, in 1999. From 1997 to 2000, states that adopted a liberal car policy had a 43% decline in caseloads and a 56% decline in recipients compared to a 36% decline caseloads and a 39% decline in recipients for states with a conservative car policy. (See Table 3 and Table 4)

[INSERT TABLE THREE AND FOUR]

In 1996, 48 states provided transitional medical care and 45 states provided transitional childcare compared to 34 and 31 states that provided transitional medical care and childcare in 1999, respectively. From 1997 to 2000, caseloads fell by 62% and recipients fell by 63% for states that did not provide transitional medical benefits. This compares to a 33% and 45% decline in caseloads and recipients in states that provided transitional medical benefits. Caseloads fell by 49% and recipients fell by 48% in states that provided transitional childcare from 1997 to 2000. This compares to a 33% decline in caseloads and a 47% decline in recipients for states that did provide transitional childcare.[3]

The evidence suggests that an asset policy pattern has emerged since 1996. It appears that more states are recognizing the importance of transportation as a key factor in making the transition from welfare-to-work. Policy makers are also recognizing the importance of allowing welfare recipients to start an IDA as a way to allow the recipients to build their own "safety net." The accumulation of assets, especially a reliable car and a saving account, are important resources for welfare recipients as they try to negotiate the urban opportunity structure to find stable employment in an effort to become economically self-sufficient. The evidence suggests that more states are eliminating the transitional childcare and medical benefits. This is an unfortunate trend for welfare recipients that will need transitional benefits to move from welfare-to-work.

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[3] I decided to present lag recipiency rates and family rates. I used this strategy to allow for policies to have an impact. The effect of the policy will not be immediate. We should see the effect of policy changes at six months to twelve months from the implementation of policy.

Exemptions and Eligibility Requirements

The exemption and eligibility TANF category is a divisive category because many policies were targeted at stereotypes of a sub-group of welfare recipients. For states to receive federal TANF block grant money, states need to meet federal annual work participation rates and states need to make certain that welfare recipients find employment within 24 months of receiving benefits (Rowe 2000). In 1996, 15 states implemented an activity requirement that began immediately after signing up for TANF benefits. This compared to 31 states, in 1999 that implemented a similar activity requirement. States that did not implement an immediate activity requirement experienced a lower caseload decline.

However, this requirement does not adequately address cases where individuals are not physically or emotionally capable of work. To address these cases, states could exempt these workers from work requirements. In 1996, 44 states had work exemptions compared to 11 states that had work exemptions, in 1999. States that did not exempt welfare recipients experienced a lower recipiency rate decline compared to states that exempted welfare recipients from work requirements.

States also started to exclude felons from receiving benefits. This policy is designed to deal with stereotypes about long-term welfare recipients that do not work in the formal labor market and sell and use drugs. By excluding convicted felons from receiving TANF, states, in theory, could provide benefits to the most needy. In 1996, 42 states excluded convicted felons from receiving TANF benefits compared to 40 states

with similar policies, in 1999. From 1997 to 2000, states that had stringent eligibility requirements for convicted felons decreased the caseloads by 41% compared to a 35% decline for states that provided benefits to convicted felons.

To address one of the most controversial aspects of the culture of welfare thesis that women get pregnant to increase family benefits, some states excluded pregnant women and/or the unborn child from receiving TANF benefits. There was little change in the number of states that provided benefits to pregnant mothers. However, the number of states that provided benefits for the mothers and the unborn child was significantly lower. States that provided benefits for the unborn child had no decrease in caseloads and a slight increase in recipients compared to the decline in caseloads and recipients for states that did not provide benefits to mothers that were pregnant.

The legacy of California's Proposition 187, which curbed benefits for immigrants in California, influenced the design and implementation of TANF policies for legal and undocumented immigrants. In 1996, one state allowed non-citizens to apply for TANF benefits compared to 28 states that included non-citizens, in 1999. States that excluded non-citizens from receiving benefits were more likely to experience a decline in caseloads.[4] However, states that included non-citizens were more likely to experience a decline in the recipiency rate compared to states that had a non-citizen exclusionary policy.

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[4] It is important to note that important changes after 1996 regarding noncitizens. The general rule is that noncitizens that entered the U.S. after 1996 have to wait five years before they can be eligible for federal TANF money. Noncitizens can be eligible for TANF benefits if the states use their own money to funds the benefits during the five-year period. Noncitizens who entered the U.S. prior to 1996 are eligible for TANF benefits unless they live in a state that decides to exclude non-citizens for participating in TANF programs.

The evidence provides mixed results about emerging exemptions and eligibility requirement trends. A trend has emerged among the states that are requiring welfare recipients to engage in work or activity requirements in exchange for welfare benefits and fewer states are giving welfare recipients an option to apply for work exemptions. The analysis provides evidence that states are restricting access to aid for recipients who have not been convicted of drug felony. Surprisingly, the analysis also provided direct evidence that an increasingly number of states gave welfare benefits to legal immigrants.

Contracts, Diversion Programs, and Time Limits

Prior to 1996, states that received waivers began experimenting with programs that were geared to divert applicants from applying for AFDC benefits. Welfare reformers argued that many families were applying for AFDC to overcome short-term economic problems. Reformers wanted to design programs that allowed individuals to receive lump sum cash payments rather than applying for monthly welfare benefits. In 1996, only 3 states had a diversion program compared to 22 states, in 1999. From 1997 to 2000, there was a 34% decrease in caseloads for states with a diversion program compared to a 46% decrease in caseloads for states with no diversion program. From 1997 to 2000, there was a 35% decrease in the recipiency rate for states with a diversion program compared to a 42% decrease in the recipiency rate for states with no diversion program.

Welfare reformers also argued that states needed to address the change in the composition of welfare families. In particular, reformers wanted to make it more difficult for mothers to receive higher benefits if she gives birth to children while on public assistance. This argument relies heavily on Charles Murray's thesis that women were

making a rational choice to get pregnant (Murray 1984). In 1996, 14 states implemented a family cap program compared to 21 states, in 1999. States with a family cap program experienced a 34% and 45% decline in the caseload and recipiency rates, respectively. This compares to a 46% and 54% decline in the caseload and recipiency rates for states with no family cap, respectively.

States also designed policies geared to change the behavior of welfare parents. These programs are most commonly referred to as social contracts. In 1996, 9 states had welfare recipients sign social contracts compared to 33 states, in 1999. The recipiency rate fell by 59% and caseloads fell by 47% for states with a social contract. This compared to a 41% decline in recipients and caseloads, for states with no social contract, respectively.

Although the federal government gave states the freedom to design their own TANF program the federal government imposed federal time limit standards. States did have the freedom to design the time and length of the time limits. In general, state designed time limits can be classified into four categories: (1) benefit reductions; (2) periodic limits; (3) benefit waiting periods; (4) and lifetime limits. In 1996, only 14 states had enacted some type of time limit for TANF recipients. This compares to 48 states that had enacted some type of state time limit for TANF recipients in 1999. States that adopted the federal time limit of 60 months experienced a 62% decline in the recipiency rate and 48% decline in caseloads from 1997 to 2000. This compares to a 42% decline in the recipiency rate and a 48% decline in the caseload rate for states that did not implement the federal time limit. States that adopted a combination of the federal

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standard and periodic time limits experienced a 69% decline in the recipiency rate and caseload rate.

In an earlier part of this paper, I presented data, which showed that minority caseload and recipiency rates were significantly higher compared to whites. The welfare rates by race and state policies show that some policies had a strong association with caseload decline for certain racial and ethnic groups. Since state TANF policies can address individualistic attributions (e.g., weak labor attachments) or structural attributions (e.g., insufficient human capital), a growing debate has emerged among scholars regarding the nature of state TANF policies as it relates to racial stereotypes (Gooden 2000, 1998) (Schram 2001; Rose 1993; Hughes and Tuch 2000).

Scholars who argue that there is a racial and ethnic welfare divide suggest that recent evidence shows that policies have a disproportionate impact on certain racial and ethnic groups (Gooden 2000, 1998; Neubeck and Cazenave 2001). Federal policy makers have always assumed that "race" would not be a factor when states designed their TANF policy. However, since states have discretion to design their TANF policy it has been suggested that some policies function "to impede, deny, or educe welfare eligibility and benefits of impoverished women and children of color"(Neubeck and Cazenave 2001). Scholars have also suggested that the welfare racial composition of states is highly associated with the design of TANF policies such as sanctions, family caps, and time limits (Neubeck and Cazenave 2001).

The family cap policy is the most interesting policy to examine given the racial stereotypes associated with the culture of welfare debates.[5] There was only a 7% decline in the white recipiency rate compared to a 15% and 26% decline in recipiency rates for blacks and Latinas, respectively. This compares to a 6% decline in white caseloads and a 9% and 14% decline for blacks and Latinas, respectively. However, the percent decline in recipiency rates for blacks and whites was almost identical for states with a social contract, 22% and 21%, respectively. This pattern in percent decline is the same for diversion programs.

Several state policy trends emerged regarding social behavior. These policy trends are the most controversial because some policies try to legislate and change the reproductive behaviors of poor women. The family cap policy provides direct evidence that states are trying to reduce out-of-wedlock birth by denying additional benefits to women who have children while receiving welfare. The popular media has labeled the family cap policy as an anti-baby policy. Scholars contend that since the implementation of the family cap abortion rates have increased among poor women. New research also suggests that the marriage rates have increased and fertility among women on welfare decreased by as much as 17% (Argys and Ress 1996). Although a number of states have designed family caps to end policies that give extra benefits to families who have additional children while receiving welfare, there is no satisfactory study that has identified the impact on whether this policy has contributed to declining welfare rolls.

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[5] I computed a percent decline statistic for all racial groups from 1998 to 1999. I did not include 1997 because several key states were missing data on race and ethnicity.

Another important trend is the emergence of diversion programs. There are two schools of thought regarding the diversion program. First, scholars and policy makers argue that states are adopting diversion programs to help poor women pay for transportation, childcare, and medical costs. A competing alternative is that diversion programs are being set up to divert potential welfare recipients from getting on the welfare in the first place. The theory is that poor women, who need temporary relief, go on welfare and become dependent on the system because of the monthly payments. Therefore, many states are implementing diversion programs that provide lump sum payments to help poor women overcome a temporary economic crisis (Maloy et al. 1998). Appling and receiving TANF benefits are a last resort. Regardless, of why states adopted diversion programs, scholars and policy makers have been critical of the popular program. First, if poor women never get on aid, they may not be eligible for transitional benefits. Preliminary results from studies in Oregon and Wisconsin, suggests that diversion programs "do in fact have an impact on individuals' decisions to submit an application and/or complete the application process" (Holcomb and Pavetti 1998).

State Policy Paradigms Trends

  Prior to 1996, the U.S. welfare policy was based on a fundamental theme that an individual was entitled to benefits if the individual met the minimum federal requirements. PRWORA eliminated the entitlement status of public assistance and replaced it with an economic self-sufficiency policy. The economic self-sufficiency policy should not be used to describe a general public TANF philosophy. With the states new autonomy to design their state TANF policies, there is not one public TANF philosophy, but several TANF philosophies.

  After 1996, several organizations and researchers developed methodologies to compare state TANF philosophies (Rector and Youssef 1999; American Public Welfare Association 1997; Center on Hunger and Poverty 1998; MaCurdy, Mancuso, and O'Brien-Stain 2002). I believe these efforts to develop a heuristic device to examine caseload and recipiency rates are important to the development of social policy knowledge. The Tuff's index and APWA's index are the most widely cited indices in the literature. The problem associated with these indices is that they were created in 1997 and have not been updated to reflect the changing nature of state TANF policy.

  There is a small, but growing literature that is emerging regarding heuristic categories that explain the variation in state TANF policies (Howard 1999; Schram and Soss 2001; Soss et al. 2002; Vartanian et al. 1999). These studies suggest that social and political forces within the states have shaped policies. The Soss, Schram, Vartanian and O'Brien study also concluded that the racial composition of families on welfare was a key factor in shaping state TANF policies. The key disadvantage with this study is that

they limited the analysis to restrictive or "tough love" state TANF policies. They relied

on a study by Mettler who argued "policy innovation in states have been skewed in a

restrictive and punitive direction…the vast majority of states used their new authority to

limit access to social provision and, most especially, to shift the balance in welfare policy

design from rights to obligations, imposing burdensome sanctions on recipients" (Mettler

2000). This indeed may be the predominant pattern, but it is not the only pattern that has

emerged since 1996. By limiting the analysis to restrictive policies, the authors failed to

capture the variation in state TANF policies that were created to allow individuals to

accumulate assets. It has always been assumed that states were bottoming out benefits to

reduce welfare rolls. The evidence I presented in the previous sections, suggest that some

states have developed generous TANF programs to encourage work and personal

responsibility.

A second weakness of the studies is that they are cross-sectional and rely on the

status of policies in 1997. As I have showed in the previous section, state TANF policy

is a fluid process and 1997 is too early to capture the maturity of state policy initiatives or

trends among state policies. Furthermore, in order for a heuristic device to be meaningful

it needs to capture the full spectrum of possibilities. After all we are not interested in

what some states are doing we are interested in what all states are doing.

My study of state policy paradigms deviates from the previous studies in many

ways. First, I decided to analyze a broader set of state TANF programs that include

restrictive and generous polices. I decided that states couldn't be categorized into two

paradigms. Although the two-group schema is an important improvement from the one-

group schema, I argue that a four-group schema more accurately reflects the social reality

and innovation of state TANF policies.   The four categories not only constitute a

heuristic device to study the fluidity of state TANF policies, but the four categories also

provide a heuristic device to study paradigms that have emerged since 1996: (1) social

investment; (2) social reform; (3) social retrenchment; and (4) social disinvestment.[6]

I categorize states into the social investment regime if the state has a score greater

than 8 points out of a possible 36 points. I argue that these states tend to have policies

that offer transitional benefits, allow individuals to accumulate assets, and less restrictive

eligibility requirements. States are less likely to have restrictive or punitive policies. I

categorize states into the social reform regime if the state has a score between 2 and 8.I

argue that these states tend to have policies that are slightly more restrictive, but overall

the policies are more skewed towards less restrictive and less punitive policies. I

categorize states into the social retrenchment regime if a state has a score from 0 to −8.

These states have policies that tend to have strict eligibility requirements, strong

disincentives that discourages welfare. Finally, I categorize states into the social

disinvestment regime if the state has a score less than −8. These states have strict

eligibility requirements, weak transitional benefits, no opportunity to accumulate assets,

and strong disincentive that discourage welfare.

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[6] States received two points if the state had a policy for IDA, Work Exemptions, Social Contract, Diversion
Program, and No Activity Requirement. States received three points if the state had a policy for Child Care,

Using 14 of 18 state TANF policies from the previous section, I created a basic

metric to determine the level of investment or disinvestment from the state.   The

maximum possible score that a state can receive is 38 and the minimum possible score

that a state can receive is -38. States with a score greater than 10 were classified into the

social investment category. States with a score from 10 to 2 were classified into the

social reform category. States with a score of 0 to -8 were classified into the social

retrenchment category. States with a score of −10 or less were classified into the social

disinvestment category.

In 1996, there were five states that designed social investment TANF policies.

This compares to two states that had social disinvestment policies. Many states, in 1996,

were classified in the social disinvestment category because they had not implemented

their state welfare-to-work plan. However, by law, all states had to design and

implement their state version of welfare-to-work, by 1997. In 1997, three states had

social investment welfare-to-work policies and, in 1999, nine states designed their

policies with a social investment philosophy. This compares to 9 states, in 1997, and 12

states in 1998 and 1999, respectively that had a social disinvestment welfare-to-work

policy paradigm. There is some evidence to support the "race to bottom" thesis. The

percent of states that were classified as having a social disinvestment paradigm increased

from 4% to 24% from 1996 to 1999. This increase most likely came from states that

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Medicare, car, Pregnant Mother, Pregnancy Exemptions, Felons Eligible, Immigrants Eligible, No
Residency Requirements. State received four points if the state did not have a family cap.

moved from the social retrenchment paradigm. The percent of states that were classified

as having a social investment paradigm increased from 10% to 18% from 1996 to 1999.

This increase most likely came from states that moved from the social reform paradigm

(See Table 5)

[INSERT TABLE FIVE]

New Hampshire experienced the greatest shift in TANF philosophy toward a

social investment paradigm. New Hampshire moved from the social retrenchment

paradigm, in 1996, to the social investment paradigm, in 1999. This represented an

18-point change in the state TANF score from 0 to 18 from 1996 to 1999, respectively.

Wyoming had the greatest shift in TANF philosophy toward a social disinvestment

paradigm. Wyoming moved from the social reform, in 1996, to the social disinvestment

paradigm, in 1999. This represented a 26-point change in the state TANF score from 6 to

–20 from 1996 to 1999, respectively.[7] (See Map 1 through Map 4)

[INSERT MAP 1 THROUGH MAP 4]

Race and State Policy Paradigms

The design and implementation of state TANF policy since 1996 has significantly

varied from year to year. Thomas Gais and Richard Nathan have been conducting a state

capacity study in 21 states to examine the institutional changes at the state level to

determine if policy changes are correlated to the overall state ideology (Nathan and Gais

1998). It is important to note that my classification system is not representative of the

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[7] See Appendix B, Tables B-25 to B-28 for an analysis of state TANF paradigms by year.

state political ideology, but rather it represents a taxonomy of potential paradigms associated with TANF and welfare reform.

Scholars refer to the formation of state TANF policy as the "devolution revolution," but I tend to view this same process as the "evolution of devolution." Although I view the process as an evolution, there are reminisces that "race" has been an important element in the formation of state TANF policy. The Soss, Schram, Vartanian, and O'Brien study provide evidence that "welfare politics in the United States remains racialized….and welfare reform has created opening for new forms of racial inequality that disadvantage African Americans in the U.S." (Soss et al. 2002). They further argue that "states with more black recipients have adopted stricter policy regimes, black families are now more likely to participate under the most punitive program conditions" (Soss et al. 2002).

Racial animus may have played a major role in shaping the cultural debates, but it has played a relatively small role in shaping certain state TANF policy. This does not rule out the hypothesis that TANF paradigms are strongly associated with the racial composition of the TANF rolls. Table 5 provides the most compelling evidence that race is a significant factor in shaping individual state TANF policy. States that adopted a social disinvestment TANF strategy are states that have, on average, a large TANF population that was black. Whereas states that adopted a social investment TANF strategy are states that have, on average, a large TANF population that was white. It is important to underscore that this table represents an association between a TANF paradigm and the racial composition of TANF.

[INSERT TABLE 5]

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Discussion

Tables 6 and 7 present the coefficients estimates of equation 1, 2, and 3 for caseload and recipient rates. Model one provides a baseline set of economic estimates to identify the state effects and state specific trend effects. The unemployment rate in model one for caseloads and recipients is shown to have a considerable effect on the caseload rate and recipiency rate. The state poverty rate was not significant in either model.

In the caseload model two, I present estimates for the economy; transitional benefits and asset accumulation; exemptions and eligibility requirements; and contracts, diversion programs, and time limits. Model two provides a baseline set of policy estimates to identify the state effects and state specific trend effects. After adding the policy variables, the unemployment estimate in the caseload and recipient models were significant. Several policy variables were also significant in model two for caseloads and recipients. Time limits had substantial effects on reducing caseload and recipiency rates. One surprising finding is that the social contract and diversion estimates were significant for caseloads participations rates. These estimates imply that perhaps a modest decline in the caseloads was due to the implementation of policies that were geared to discourage families from apply for TANF benefits. Another surprising finding was that states with generous policies (e.g., pregnant mother and work exemptions), had significant estimates. This finding is exactly opposite to the Council of Economic Advisers (Council of Economic Advisers 1997).[8]

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[8] In the CEA report, they found that "more generous benefits are estimated to reduce the welfare rolls."

[INSERT TABLE SIX AND SEVEN]

In the caseload model three, I present estimates for the economy; transitional benefits and asset accumulation; exemptions and eligibility requirements; and contracts, diversion programs, and time limits; and fixed state effects.   The unemployment rates in this model are significant. However, when state fixed effects are introduced into the model, lower unemployment rate estimates were produced. Surprisingly, with state fixed effects, the state poverty rate estimates were significant for the caseload and recipient models. The childcare transitional benefit estimate was also significant for caseloads and recipients and the estimates had the expected sign. The caseload state fixed effects model also produced a significant estimated for the family cap policy with the expected sign.

In model four, I introduced state specific trends to capture other trends that were present in the state that are not be captured by the policy or unemployment variables. Since my analysis is from 1996 to 2000, my unemployment and state specific trend variables are highly correlated. This is due to fact, that since 1996 all the states had similar rates in the unemployment, multicollinearity contaminates the model.   Because of this shortcoming, I believe the estimates, in model 4, are unreliable.[9]

There are many interpretations from models one, two, and three. Clearly, it is safe to conclude that the state unemployment rate made a significant contribution to reducing caseload and recipiency rates. Second, the state poverty rates provide another measurement of the importance of the performance of the economy in reducing welfare rolls.   My interpretation of the policy estimates is that they have had a modest impact, at

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[9] One method to solve this problem is to use monthly data.

best, on reducing the caseload and recipiency rates. Moreover, in model three, with the fixed state and year effects, it is difficult to identify the effects of specific TANF policies. It is possible that these effects are absorbing up too much of the state policy variation.

Using these results and trends from welfare participation rates during the current recession, I believe that that there is little mystery as to why welfare rates fall so dramatically from 1994. The robust economy unmistakably plays a vital role in welfare participation. New research suggests that poor families use welfare as a rational method to make end meets during cyclical changes in the regional economy. This is especially true for farm workers that work during certain time of the year and are idle at other times (Brady et al. 2002).

Using the state policy paradigm categories provides another alternative to measure the impact of TANF policy on welfare participation. In Table 7, I present estimates for two recipients and two caseload models. Model one for caseload and recipients provides a baseline set of economic estimates to identify the state effects with the policy paradigms. The estimates of policy paradigms lend support to my argument that states that decided not to pursue social investment policies are estimated to have the most significant impact on the reduction of the welfare rolls. The social retrenchment estimate has a negative sign and the social investment estimate has a positive sign. This relationship is what I expected when I developed the categories and magnitude of impact they would have on welfare rolls. The social disinvestment paradigm was significant in model one for recipients and caseloads.

[INSERT TABLE SEVEN]

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As expected, the variation explained by the independent variables varies by the specification of the model. The fixed year, fixed state, and state specific trend models produced adjusted r-squares of .97, for recipients and caseloads. The fixed year and fixed state models produced adjusted r squares of .94 and .96, for recipients and caseloads, respectively. This compares to the baseline economy model that explained .52 of the variation, and a baseline policy and economy that explained .68 of the variation for both recipients and caseloads, respectively.   The goodness of fit statistics for the state policy paradigms are similar to the goodness of fit statistics for the economic and policy model.

With the exception of model 4, which may be a saturated model, the performance of the economy played a key role in the decline in caseloads and recipients. Collectively, the disinvestment and retrenchment policy paradigms and specific state TANF policy, modestly contributed to the decline in welfare rolls. As we get better aggregate data on race and ethnicity welfare participation rates, it will be interesting to replicate this analysis on the sub-set of TANF population (e.g., white, black, and Latina) to test the "welfare racism" hypothesis as it relates to the design and implementation of state TANF policy.

Although this analysis has yielded several important findings, there are several potential shortcomings with this methodology to gauge the success of welfare reform. The methodology implemented in this paper does not fully capture the dynamic cycle of welfare use nor does it capture the full experiences of individuals. The models provide no insight into how individuals fare under different state policies. These models tell part of the welfare reform story. There are several difficult hurdles one has to overcome to

design a satisfying methodology to explain the 1996 welfare reform story. In this paper, I have presented results to explain part of the story for the decline of welfare rolls.

Summary

In this paper, I explored a variety of themes. My overall conclusion is that the passage of PRWORA created a fluid process that fostered a variety of TANF initiatives that have had a modest impact on welfare participation rates. Additionally, I conclude that state TANF policy can be categorized into four paradigms. As time passes and as scholars collect more data on state TANF policy, researchers will be in a better position to draw conclusions about the TANF paradigms and state political ideology. Given the movement of states from one paradigm to another paradigm, it is clear that states are still finding their way in this era of devolution.

Race has always been tangled with welfare politics. My evidence suggests that this controversial racial-political relationship continues to exist after 1996, with the design of state TANF policies, targeted at specific racial stereotypes and welfare use. As we turn our attention to the reauthorization this year, we need to pay particular attention to reestablishing a federal safety net for individuals that may be adversely impacted by state policy. The story of welfare reform should not be reduced to a simple question of how much of the decline is due to the economy or TANF policy. The story of welfare reform is a dynamic story that needs to describe the weighted influence of life experience and changing economic and social realities that poor women and children live with everyday.

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Table 1 - Definition of Policy Variables

	Variable Name	Definition	Values
Transitional Benefits and Asset Accumulation	Child Care	State limits Transitional Child Care Benefits, if the recipient's income exceeds limits.	(1=Yes and 0=No)
	Medical Care	State limits Transitional Medical Benefits, if the recipient's income exceeds limits.	(1=Yes and 0=No)
	IDA	State allows Individual Development Accounts.	(1=Yes and 0=No)
	Car	State will allow one vehicle or a vehicle greater than $8,000 not counted toward the asset limit.	(1=Yes and 0=No)
Exemptions and Eligibility Requirements	Pregnant Mother is Eligible	Pregnant women are Eligible for Benefit.	(1=Yes and 0=No)
	Pregnancy Exemptions	Pregnant women and unborn child are Eligible for Benefit.	(1=Yes and 0=No)
	Activity Requirement	Activity Requirement Begins upon receipt of benefits.	(1=Yes and 0=No)
	Work Exemptions	Recipient must work in an unsubsidized in order to be considered exempt from activities requirement.	(1=Yes and 0=No)
	Convicted Felons are Eligible	Persons Convicted of Drug Felony are eligible for Benefits.	(1=Yes and 0=No)
	Immigrants are Eligible	State has decided to fund groups of non-exempt immigrants and new immigrants.	(1=Yes and 0=No)
	Residency Requirements	Must live in state longer than 12 months to receive benefits.	(1=Yes and 0=No)
Contracts, Diversion Programs, and Time Limits	Social Contract	Recipients must sign a social contract to receive benefits.	(1=Yes and 0=No)
	Diversion Program	State has a diversion program.	(1=Yes and 0=No)
	Family Cap	State has a family cap provision.	(1=Yes and 0=No)
	No Time Limit	State has not imposed a time limit	(1=Yes and 0=No)
	Lifetime Time Limit	State has imposed a time limit	(1=Yes and 0=No)
	Lifetime Time Limit & Periodic Time Limits	State has imposed a time limit	(1=Yes and 0=No)
	Periodic Time Limits	State has imposed a time limit	(1=Yes and 0=No)

Table 2 - Number of States that Passed the TANF Policy by Year

Policy Category	Policy Name	Outcome	1997	1998	1999	2000
Transitional Benefits and Asset Accumulation	Child Care	No	6	15	18	20
		Yes	45	36	33	31
	Medical Care	No	3	17	18	17
		Yes	48	34	33	34
	IDA	No	42	33	28	25
		Yes	9	18	23	26
	Car	No	44	24	20	19
		Yes	7	27	31	32
Exemptions and Eligibility Requirements	Pregnant Mother is Eligible	No	17	18	18	18
		Yes	34	33	33	33
	Pregnancy Exemptions	No	7	24	30	29
		Yes	1	4	4	4
	Activity Requirement	No	36	23	19	20
		Yes	15	28	32	31
	Work Exemptions	No	7	30	39	40
		Yes	44	21	12	11
	Convicted Felons are Eligible	No	42	36	40	40
		Yes	9	15	11	11
	Immigrants are Eligible	No	50	39	27	23
		Yes	1	12	24	28
	Residency Requirements	No	50	45	45	48
		Yes	1	6	6	3
Contracts, Diversion Programs, and Time Limits	Social Contract	No	42	24	18	18
		Yes	9	27	33	33
	Diversion Program	No	48	41	32	29
		Yes	3	10	19	22
	Family Cap	No	37	33	30	30
		Yes	14	18	21	21
	No Time Limit	No	15	41	48	48
		Yes	36	10	3	3
	Lifetime Time Limit	No	49	28	21	21
		Yes	2	23	30	30
	Lifetime Time Limit & Periodic Time Limits	No	51	47	47	47
		Yes	0	4	4	4
	Periodic Time Limits	No	41	46	48	48
		Yes	10	5	3	3

Table 3 - State Policy by Families per Captia (1,000) by Year

Policy Category	Policy Name	Outcome	1997	1998	1999	2000
Transitional Benefits and Asset Accumulation	Child Care	No	34.6	27.2	21.9	17.7
		Yes	36.2	28.6	24.2	24.2
	Medical Care	No	45.2	26.5	20.9	17.1
		Yes	35.5	29.1	24.7	23.9
	IDA	No	33.3	25.4	19.9	15.8
		Yes	48.8	33.4	27.6	27.2
	Car	No	35.9	29.9	27.0	23.0
		Yes	36.7	26.7	21.0	20.8
Exemptions and Eligibility Requirements	Pregnant Mother is Eligible	No	32.3	21.9	17.2	13.7
		Yes	37.9	31.7	26.7	26.0
	Pregnancy Exemptions	No	36.3	28.0	23.1	18.7
		Yes	21.4	30.7	26.6	21.5
	Activity Requirement	No	37.4	32.9	25.9	20.2
		Yes	32.8	24.4	21.8	22.6
	Work Exemptions	No	44.2	28.2	23.8	22.7
		Yes	34.7	28.2	21.7	17.6
	Convicted Felons are Eligible	No	36.5	27.3	22.4	21.5
		Yes	34.0	30.3	27.0	22.2
	Immigrants are Eligible	No	36.0	28.1	22.5	19.4
		Yes	37.2	28.6	24.3	23.5
	Residency Requirements	No	36.4	28.2	23.9	22.1
		Yes	17.9	28.4	19.2	13.8
Contracts, Diversion Programs, and Time Limits	Social Contract	No	34.8	29.4	26.1	20.4
		Yes	41.9	27.1	21.9	22.3
	Diversion Program	No	36.6	30.4	26.8	26.4
		Yes	26.4	19.4	17.6	15.4
	Family Cap	No	34.8	28.3	23.0	18.8
		Yes	39.2	28.0	23.8	25.7
	No Time Limit	No	34.2	27.3	23.2	21.7
		Yes	36.8	32.0	26.4	20.0
	Lifetime Time Limit	No	36.2	29.1	26.0	28.2
		Yes	32.5	27.1	21.5	17.0
	Lifetime Time Limit & Periodic Time Limits	No	36.0	28.9	23.9	22.5
		Yes	.	20.1	17.3	11.8
	Periodic Time Limits	No	38.1	29.1	23.7	19.2
		Yes	27.7	20.1	17.0	60.7

Table 4 - State TANF Paradigms by Year

Year	Social Investment		Social Reform		Social Retrenchment		Social Disinvestment		Total
	Number of States	Percent of States	Number of States	Percent of States	Number of States	Percent of States	Number of States	Percent of States	
1996	5	10%	20	39%	24	47%	2	4%	51
1997	3	6%	22	43%	17	33%	9	18%	51
1998	9	18%	15	29%	15	29%	12	24%	51
1999	9	18%	19	37%	11	22%	12	24%	51

Note: Table Computed by Author.

Table 5 - State TANF Paradigms and Percent of TANF by Race (1999)

	Social Disinvestment	Social Retrenchment	Social Reform	Social Investment
White	37%	32%	48%	55%
Black	49%	36%	26%	31%
Latino	6%	13%	16%	8%
Asian	0%	4%	2%	1%
Native American	8%	10%	6%	1%
Other	0%	5%	2%	4%
Total	100%	100%	100%	100%

Table computed by Author.

Table 6 - OLS Estimates for Welfare Caseloads from 1996 to 2000

|		Model 1	Model 2	Model 3
Economy	State Unemployment Rate	8.37 ***	8.30***	2.91***
		(-0.747)	(-0.67)	(0.59)
	State Poverty Rate	-0.1002	0.03	0.25
		(-0.24)	(-0.21)	(0.16)
Transitional Benefits and Asset Accumulation	Child Care		5.13**	1.42
			(-1.84)	(0.96)
	Medical		-1.22	-1.12
			(-1.88)	(1.04)
	IDA		8.46***	1.00
			(-1.77)	(1.00)
	Car		-3.30	-0.50
			(-1.79)	(1.00)
Exemptions and Eligibility Requirements	Pregnant Mother Eligible		7.98***	0.92
			(-1.71)	(1.20)
	Unborn Baby Eligible		3.72	1.79
			(-3.38)	(1.97)
	Activity Requirement		2.12	3.37
			(-1.63)	(0.92)
	Work Exemptions		3.72	0.143
			(-1.98)	(0.97)
	Felons Eligible		1.20	-0.44
			(-1.77)	(0.80)
	Immigrants Eligible		-0.75	-0.83
			(-1.96)	(0.90)
	Residency Requirements		4.57	0.90
			(-2.93)	(1.41)
Contracts, Diversion Programs, and Time Limits	Social Contract		-2.65	-0.46
			(-1.81)	(0.99)
	Diversion Program		-5.02**	-0.70
			(-1.81)	(0.97)
	Family Cap		0.95	-1.55
			(1.653)	(1.05)
	No Time Limit		-10.16***	-1.60
			(3.23)	(1.57)
	Lifetime Time Limit		-10.94***	-4.42
			(2.51)	(1.46)
	Lifetime & Periodic Time Limits		-17.33***	-4.62
			(4.003)	(2.14)
	Periodic Time Limits		-19.61***	-2.99
			(-3.52)	(-1.88)
	Constant	0.01	-1.40	8.05
		(-3.81)	(3.31)	(3.92)
	Number of Cases			
	F Statistic	47.3	23.88	74.87
	R - Square	0.53	0.71	0.97
	Adjusted R -Square	0.52	0.68	0.96
	d.f.			

*p<.05, **p<.01, ***p<.001 (Two-tailed test); numbers in parentheses ae standard errors

Table 7 - OLS Estimates for Welfare Recipients from 1996 to 2000

	Variable	Model 1	Model 2	Model 3
Economy	State Unemployment Rate	28.09***	27.31***	11.20***
		(2.51)	(2.26)	(2.32)
	State Poverty Rate	-0.34	0.24	1.06
		(.81)	(.72)	(.64)
Transitional Benefits and Asset Accumulation	Child Care		14.88*	5.51
			(6.24)	(3.76)
	Medical		-4.06	-4.61
			(6.38)	(4.08)
	IDA		24.49***	2.84
			(6.00)	(3.92)
	Car		-9.35	-1.92
			(6.07)	(3.93)
Exemptions and Eligibility Requirements	Pregnant Mother Eligible		30.45***	1.45
			(5.81)	(4.72)
	Unborn Baby Eligible		17.23	6.64
			(11.46)	(7.70)
	Activity Requirement		6.77	9.31**
			(5.54)	(3.59)
	Work Exemptions		11.69	1.20
			(6.71)	(3.79)
	Felons Eligible		3.28	-2.03
			(6.00)	(3.12)
	Immigrants Eligible		-0.15	-3.17
			(6.65)	(3.52)
	Residency Requirements		12.74	2.46
			(9.94)	(5.51)
Contracts, Diversion Programs, and Time Limits	Social Contract		-6.51	-0.99
			(6.14)	(3.87)
	Diversion Program		-19.71***	-1.22
			(6.13)	(3.82)
	Family Cap		-0.75	-5.49
			(5.61)	(4.12)
	No Time Limit		-35.63**	-6.09617
			(10.94)	(6.16)
	Lifetime Time Limit		-35.26***	-12.34*
			(8.52)	(5.70)
	Lifetime & Periodic Time Limits		-56.58***	-18.46*
			(13.58)	(8.37)
	Periodic Time Limits		-66.26***	-9.29915
			(11.94)	(7.35)
	Constant	-2.71	-6.31	14.47
		(12.79)	(11.22)	15.38
	Number of Cases			
	F Statistic	47.04	23.18	54.26
	R - Square	0.53	0.71	0.96
	Adjusted R -Square	0.52	0.68	0.94
	d.f.			

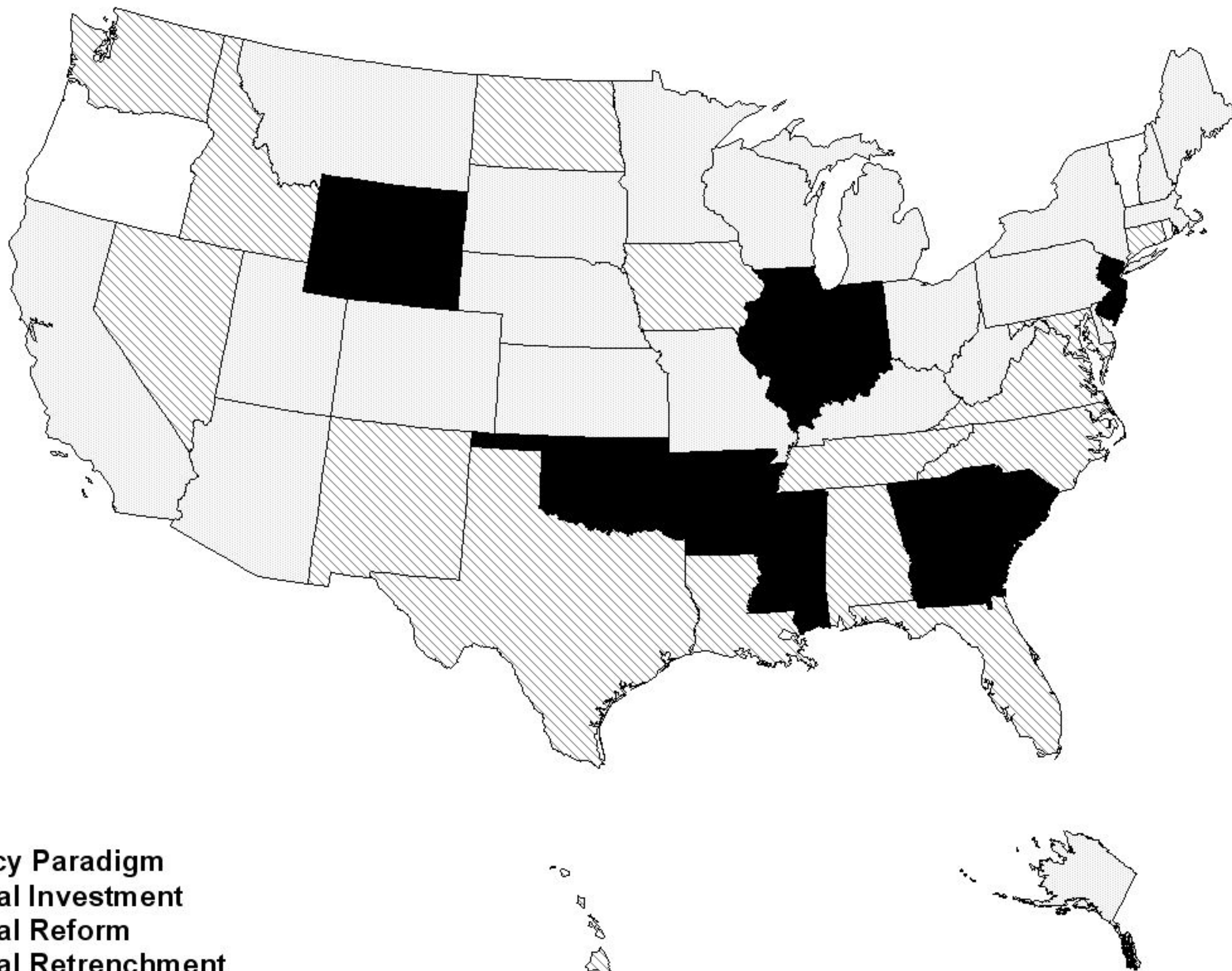*p<.05, **p<.01, ***p<.001 (Two-tailed test); numbers in parentheses ae standard errors

Map 1- 1996 State TANF Paradigm
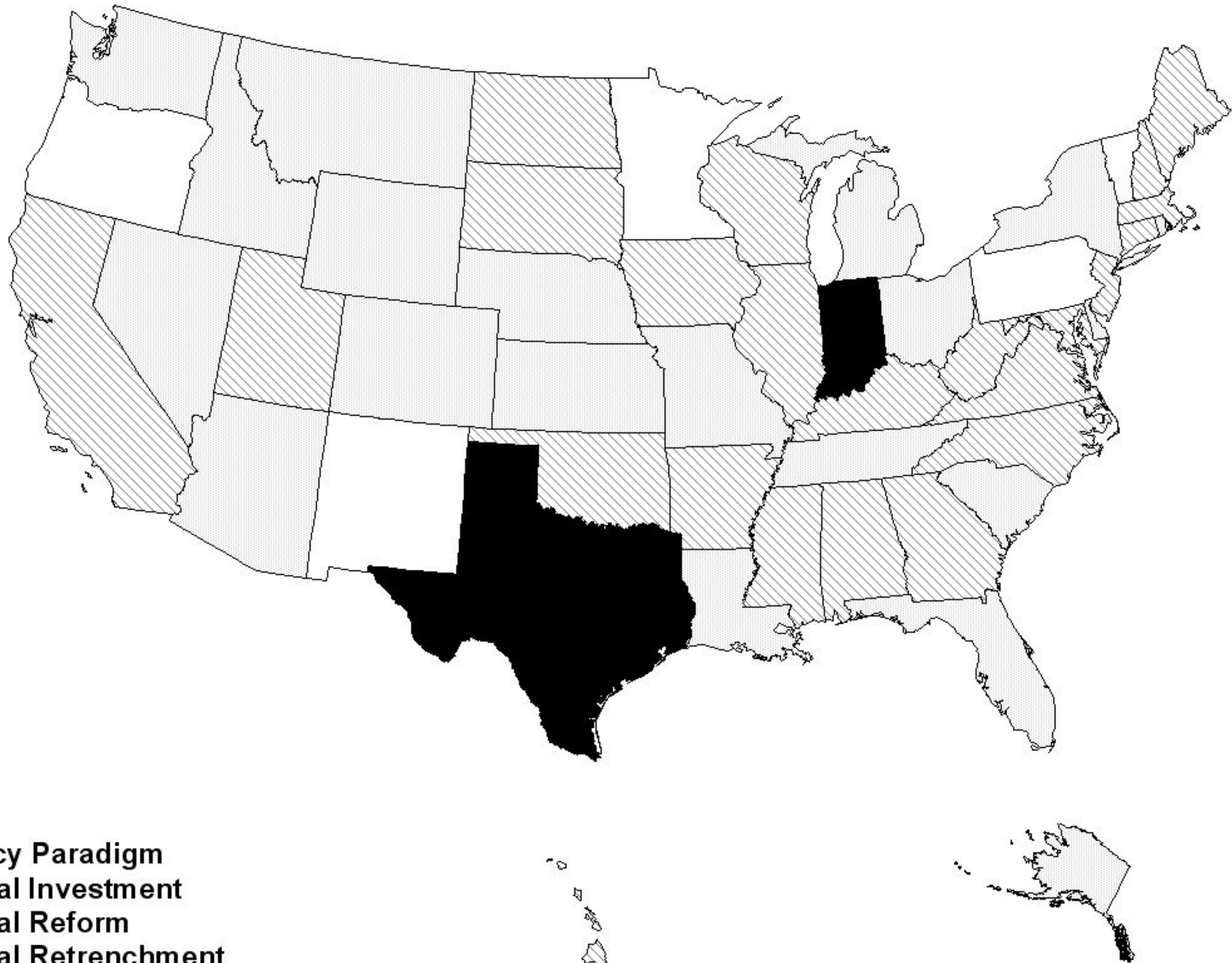
State Policy Paradigm

	Social Investment
	Social Reform
	Social Retrenchment
	Social Disinvestment

Map 2 - 1997 State TANF Paradigm

State Policy Paradigm

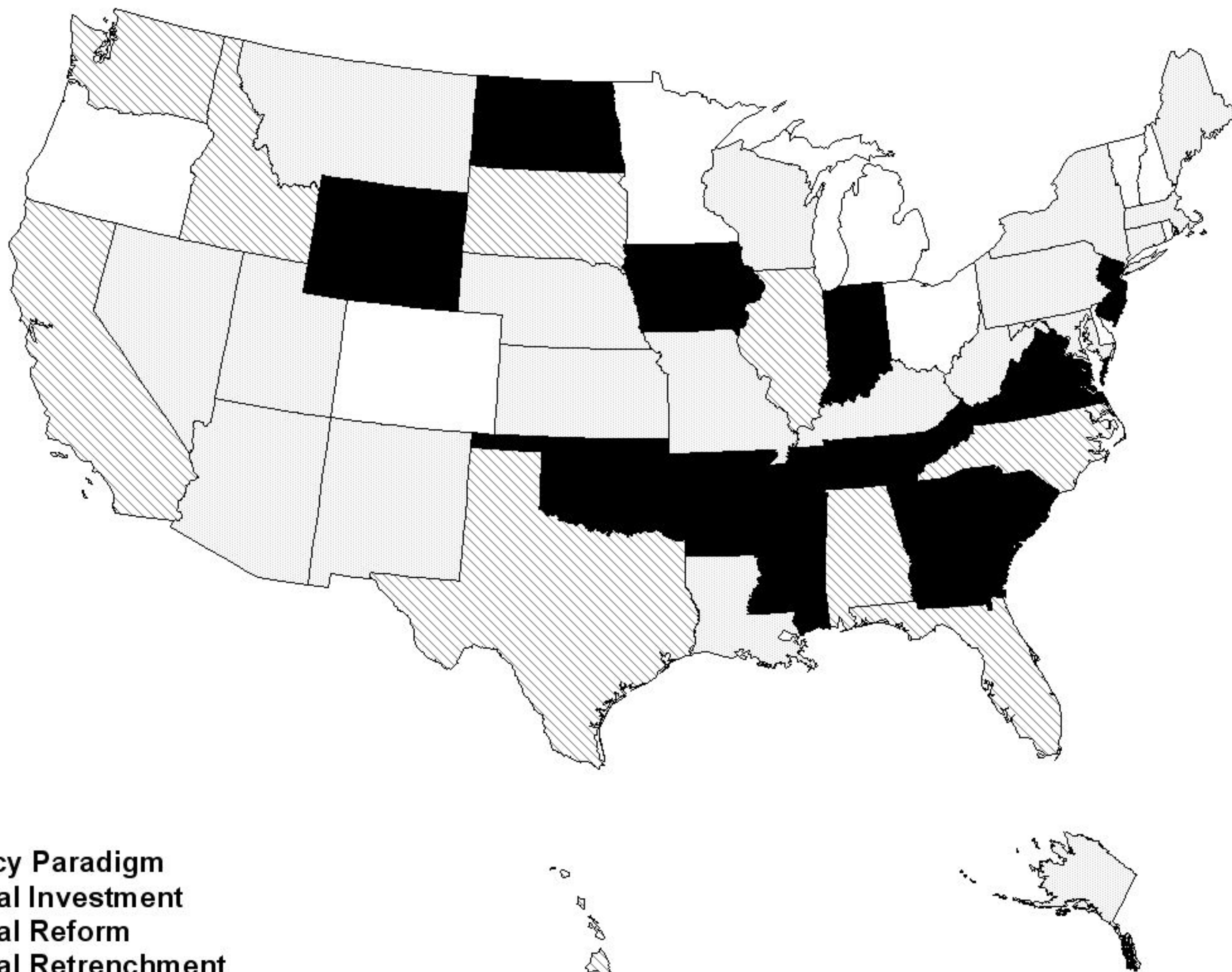|	
☐	Social Investment
▨	Social Reform
▨	Social Retrenchment
■	Social Disinvestment

Map 3 - 1998 State TANF Paradigm
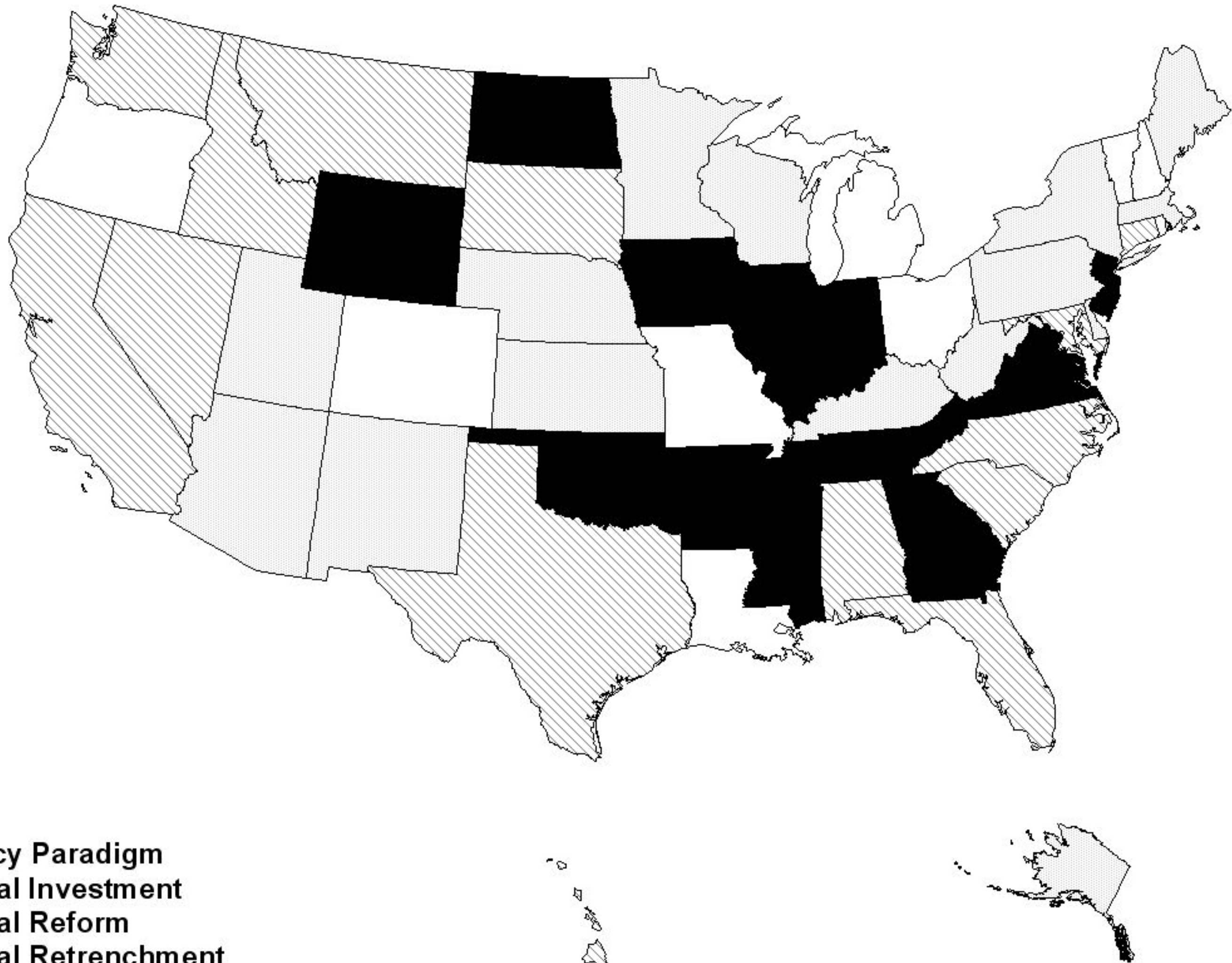
State Policy Paradigm
- Social Investment
- Social Reform
- Social Retrenchment
- Social Disinvestment

Map 4 - 1999 State TANF Paradigm

State Policy Paradigm

- Social Investment
- Social Reform
- Social Retrenchment
- Social Disinvestment