



## The Impact of Welfare Reform on the Child Welfare System in Cuyahoga County, Ohio, 1995-2001

Kathleen Wells, PhD  
Professor of Social Work and of Psychology  
Case Western Reserve University

### INTRODUCTION

This project is based on the work of Kathleen Wells, Ph.D., Mandel School of Applied Social Sciences, Case Western Reserve University, and her colleagues Shenyang Guo, Ph.D., School of Social Work, University of North Carolina at Chapel Hill; Sue Pearlmutter, Ph.D., School of Social Work, Rhode Island College; and Robert Shafran, Ph.D, independent consultant. The project is a collaborative project of the Mandel School of Applied Social Sciences at Case Western Reserve University and the Cuyahoga County Department of Children and Family Services. It was supported by these institutions as well as by the Annie E. Casey Foundation, the Cleveland Foundation, the George Gund Foundation, and the Ohio Department of Mental Health.

### EXECUTIVE SUMMARY

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 changed fundamentally the way in which welfare is provided in the United States. It was designed to promote paid employment among those who had historically relied on cash assistance by restricting access to cash assistance and requiring work in order to receive aid. At the time the legislation was being debated, child welfare advocates raised the concern that its effect on families at risk of involvement in the child welfare system would be negative. Of particular concern was, due to the problems of such families, that welfare reform policies would decrease family income, increase the numbers of children placed in foster care, and decrease the rate at which children in foster care returned home.

This project was comprised of four inter-related studies to examine these issues: A policy study; a study of the rates of child abuse and neglect between 1995 and 2001; a study of three cohorts of children in foster care, one that entered foster care prior to reform and two that entered foster care after the onset of welfare reform; and a study of a subset of biological mothers of children in foster care in the third foster care cohort.

The context for the project is Cuyahoga County, Ohio. Counties oversee welfare and child welfare programs in the state. In Ohio, cash assistance is limited to 36 months rather than the 60 allowed under federal law. Moreover, the time between placement of children in foster care and filing the petition to terminate parental rights is 12 months rather than the 15 allowed under federal law. Therefore, if welfare reform is going to have negative effects on child welfare families, it was expected they could be detected in this county.

This report describes the major findings from the four studies. Taken together, they constitute an in-depth case study of one community before the onset of reform through the onset of time-limits on receipt of cash assistance. As such, the findings cannot prove that welfare reform caused the effects observed. Rather, they describe child welfare families in one specific historical, social, economic, and policy context that should, however, be of wide interest to other counties, particularly those that have similar levels of poverty and job loss.



## KEY FINDINGS

- Although the county expanded its welfare-to-work program, by the time the first recipients of cash assistance could lose aid (October 2000) the mechanisms for the delivery of specialized mental health and substance abuse services needed by a significant minority of families involved in the child welfare system were under-developed and hampered by differing mandates, assumptions, and administrative structures of the welfare, child welfare, mental health, and substance abuse treatment systems.
- Between January 1995 and August 2001, there were increases in the number of children with substantiated reports of child abuse and neglect, in the number of children with substantiated reports referred to protective services, and in the number of children with such reports referred to foster care services on a monthly basis. The first two increases are related to decreases in the cash assistance caseload.

*For example*, between May 1995 and January 1996 there was a decline in the number of children with substantiated reports (from 439 children in May to 341 children in January); after that month, the number of children each month varied between 336 and 370 until September 1997. After 1997, the number of children with substantiated reports varied, but the trend was upward so that by June 2001, the number of children with substantiated reports was 593. The statistical analysis of these data showed that this increase was related to the decrease in cash assistance counts in Cuyahoga County to a statistically significant degree ( $p < .001$ ).

- When the three cohorts of foster children were compared, children who entered foster care after welfare reform are reunified with their biological mothers more slowly within 12 months of their placement than are children who entered care before reform.

*For example*, children in the first post-welfare reform sample ( $n=525$ ) were reunified at a speed that is 42% slower than were children from the pre-welfare reform sample ( $n=378$ ) ( $p < .05$ ), after controlling for other variables in the analysis. Children from the second post-welfare reform sample ( $n=657$ ) were reunified at a speed that is 48 slower than were children from the pre-welfare reform sample ( $p < .01$ ), after controlling for other variables in the analysis. (These other variables included child characteristics, maternal characteristics, and placement characteristics that had been related to reunification speed in prior research.)

- After welfare reform, a higher percentage of children are first placed in foster care, a higher percentage remain in care for more than 12 months, and a lower percentage exit care within 12 months in the care of guardians than before.

*For example*, before welfare reform, 37.3% of children were in care for more than one year compared to 45.7% and 53.4% (for post-reform sample 1 and 2, respectively), after reform.

- Both before and after welfare reform, however, family income has a strong relationship to the speed with which children are returned home.

*For example*, children whose mothers lose a significant amount of cash assistance, defined as a mother's first loss of \$75 (or more) in cash assistance after her child's placement and before reunification or until her child has spent 12 months in foster care, whichever comes first, are reunified more slowly than are children whose mothers received cash assistance and did not lose such assistance ( $p < .001$ ), after controlling for other variables in the analysis. The rate is 86% slower for the former than for the later group. Alternatively said, 87% of children whose mothers received but lost a significant amount of cash assistance were in care 12 months after placement; this percentage differs dramatically from the percentage of children whose mothers received cash assistance but did not lose a significant amount of cash assistance – 41% – at that same point in time.

- Mothers ( $n=158$ ) with children in foster care are economically impoverished. Over three quarters (81%) have incomes that fall below the extreme poverty level (50% of the poverty threshold). Thirty percent had no wages from work in the year after the placement, and 46.8% had average total monthly wages of less than \$500. About half have at least

one significant material hardship beyond insufficient income from wages such as food insecurity, substandard housing, housing insecurity, or economic insecurity, variously defined.

- Mothers also have multiple obstacles to employment and to a greater degree, on some obstacles, than do mothers in the general welfare population. Common obstacles to employment were transportation (74.1%), lack of a high school education or a GED (48.1%), and a substance use problem (48.1%). Mothers with co-occurring obstacles to employment, especially obstacles posed by substance dependence, are less likely to be employed than are mothers without such problems.

*For example, mothers with co-occurring mental health and substance use obstacles to employment were about 84% less likely to be employed than were mothers who did not have those barriers (B=1.81, Exp{B}=.016, p <.01).*

- Moreover, children whose mothers abuse substances are reunified more slowly within 12 months of their placements than are children whose mothers do not; however, the effect of abuse on reunification speed is mediated through its effect on loss of cash assistance.
- In brief, two proportional hazard models that test whether loss of income mediates the relationship between substance use and reunification were tested. When the results of the models are compared, it is clear that when the mediating variable is removed (loss of cash assistance), there is a statistically significant relationship between mother substance use and reunification speed ( $p < .05$ ). These findings strongly support the hypothesis that although a mother's substance use influences reunification, the effect operates mainly through the effect a mother's use has on her loss of cash assistance post-placement.
- Three quarters of mothers expected their children to return home, but stated they needed concrete material assistance pertaining to, for example, housing and transportation in order for reunification to occur. Difficulties meeting the agency's expectations centered on lack of financial resources, conflicts between work and caring for others, and substance dependence.

## POLICY IMPLICATIONS

The findings from this project suggest that families involved in the child welfare system or at risk of such involvement have not fared well under conditions of welfare reform. The project's authors offer these recommendations for consideration before Congress votes on renewal of this legislation.

### Income Support as a Child Welfare Intervention

Most mothers are unlikely to have access to the income needed to support their children during the first year of their child's placement. The mother can receive cash assistance from Ohio Works First at the same level for up to 6 months following the removal of a child. This restriction may further undermine the mother's ability to regain custody of the child.

Long-term income support for mothers should be considered a critical child welfare intervention, and its potential to increase rates of reunification should be explored further. While mothers seek to improve their work capabilities, methods to increase their income could include cash assistance, payment for education or job training, wage subsidies, or child support from children's fathers.

### Long-term Psychiatric Support as a Child Welfare Intervention

Substance dependence delays or prevents mothers from regaining custody of their children and makes the child welfare system a de facto drug treatment system. Moreover, current approaches to treatment may be ineffective or inappropriate to treat mothers' with both substance dependence and mental health problems.

Implementation of evidence-based practices for women with dual diagnoses within the child welfare system, specifically those with substance dependence and mental health problems, should be a high priority. In addition, a more flexible child welfare policy with respect to permanency planning deadlines than the one we have at present would allow mothers to create momentum toward recovery and to retain the hope of regaining custody of their children permanently.

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Jill E. Korbin, Ph.D.  
Co-Director  
Associate Dean, College of Arts  
and Sciences  
Professor, Department of  
Anthropology

Richard Settersten, Jr., Ph.D.  
Co-Director  
Professor, Department of  
Sociology

Donald K. Freedheim, Ph.D.  
Founding Director  
Professor Emeritus, Department  
of Psychology

Ann Anderson  
Department Assistant

**PHONE** 216.368.0540

**FAX** 216.368.1196

**E-MAIL** schubert-ctr@case.edu

**WEB** [www.case.edu/artsci/  
schubert/](http://www.case.edu/artsci/schubert/)

## FURTHER READING AND INFORMATION

Wells, K., & Shafran, R. (2005). Obstacles to employment among mothers with children in foster care. *Child Welfare*, 84(1), 67-96.

Wells, K., & Guo, S. (2004). Reunification of foster children before and after welfare reform. *Social Service Review*, 78(1), 1-22. [Winner of the 2005 Pro Humanitate Literary Award-Herbert A. Raskin Child Welfare Article Award, Center for Child Welfare Policy of the North American Resource Center for Child Welfare.]

Wells, K., Guo, S., Shafran, R., Pearlmutter, S. (2004). *The impact of welfare reform on child welfare in Cuyahoga County, Ohio project*. Final Report submitted to the Annie E. Casey Foundation, the Cleveland Foundation, and the Gund Foundation. Cleveland, OH: Case Western Reserve University, Mandel School of Applied Social Sciences. Readers interested in a copy of this report may contact Professor Wells by e-mail, address below.

Dr. Kathleen Wells can be contacted at [kathleen.wells@case.edu](mailto:kathleen.wells@case.edu). Further information on Dr. Wells' research can be found on her website: <http://msass.case.edu/faculty/kwells/research.html>.

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**Schubert Center for Child Development**  
Room 614A, Crawford Hall  
College of Arts and Sciences  
Case Western Reserve University  
10900 Euclid Avenue  
Cleveland, OH 44106-7179

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