

The Project on Devolution and Urban Change

Welfare Reform in Cleveland Implementation, Effects, and Experiences of Poor Families and Neighborhoods

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) ushered in profound changes in welfare policy, including a five-year time limit on federally funded cash assistance (known as Temporary Assistance for Needy Families, or TANF), stricter work requirements, and greater flexibility for states in designing and managing programs. The law's supporters hoped that it would spark innovation and reduce welfare use; critics feared that it would lead to cuts in benefits and widespread suffering. Whether PRWORA's reforms succeed or fail depends largely on what happens in big cities, where poverty and welfare receipt are most concentrated.

This report — one of a series from MDRC's Project on Devolution and Urban Change — examines how welfare reform unfolded in Ohio's largest city and county: Cleveland, in Cuyahoga County. Ohio's TANF program features one of the country's shortest time limits (36 months) and has a strong emphasis on moving welfare recipients into employment. This study uses field research, surveys and interviews of current and former welfare recipients, state and county welfare and employment records, and indicators of social and economic trends to assess TANF's implementation and effects. Because of the strong economy and ample funding for services in the late 1990s, it captures welfare reform in the best of times, while also focusing on the poorest families and neighborhoods.

Key Findings

- Cuyahoga County remade its welfare system in response to TANF. It shifted to a neighborhood-based delivery system and dramatically increased the percentage of recipients who participated in work activities. It also launched a major initiative to divert families from going on welfare. The county firmly enforced time limits starting in October 2000, but it ensured that families were aware of their cutoff date, and it offered short-term extensions and transitional jobs to recipients who had employment barriers or no other income.
- Between 1992 and 2000, welfare receipt declined in the county, and employment among welfare recipients increased. The economy and other factors appear to have driven these trends, as they did not change substantially after the 1996 law went into effect. However, TANF seems to have encouraged long-term welfare recipients to leave the rolls faster and to have discouraged food stamp recipients from coming onto cash assistance.
- A longitudinal survey of former and ongoing welfare mothers in Cleveland's poorest neighborhoods showed substantial increases in the percentage who were working and had "good" jobs between 1998 and 2001. These changes are not necessarily due to welfare reform; they may reflect the economy and the maturation of women and their children. Despite the improvements, half the women surveyed in 2001 had incomes below poverty level. Those who had exhausted 36 months of cash assistance or had less than one year of benefits remaining tended to face the most employment barriers and to have the worst jobs. Nevertheless, most who were cut off TANF because of time limits were working, and nearly all were receiving food stamps and Medicaid.
- Between 1992 and 2000, the number of neighborhoods with high concentrations of welfare recipients (20 percent or more) fell sharply — a result of caseload decline. Though social conditions in these neighborhoods were much worse than in other parts of the county, they generally improved or remained stable over time. For instance, birth rates among teens and violent crime decreased, while prenatal care and median housing values increased. Unmarried births, property crimes, and child abuse and neglect did not change.

The study's findings counter the notion that welfare reform would lead to service retrenchment and a worsening of conditions for families and neighborhoods. To the contrary, there were many improvements in Cleveland — though the favorable economy played a major role, and time limits had just been implemented when the study ended. Further study is needed to determine the long-term effects of time limits and how welfare reform will fare under less auspicious conditions.