

Welfare Reform 20 Years On: The Kids are All Right (?)

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Looking at the Big Picture



In many respects, children are better off than they were in 1990, before welfare reform

- We can see this in mortality rates, high school graduation rates, test scores, teen pregnancy, and drug use, among other metrics.
- Positive trends are even more pronounced for African American children.
- These positive trends have been largely ignored in public discourse.

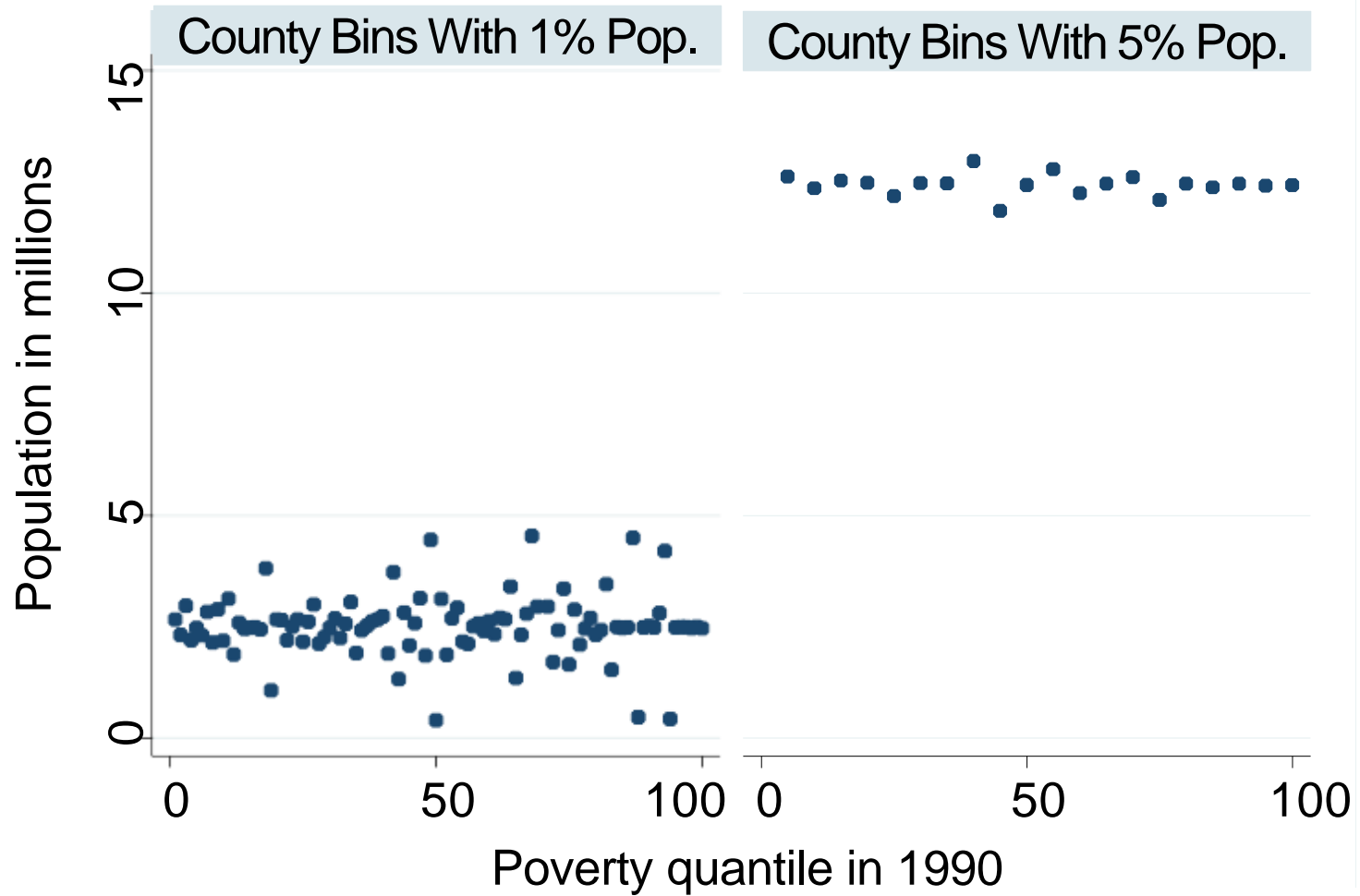
In order to examine mortality differentials:

We first rank counties from richest to poorest.

We then group counties into “bins” each representing about 5% of the population.

We do this separately for 1990, 2000, and 2010, so that in each Census year, we are considering mortality in the poorest counties and the richest counties regardless of whether counties changed ranks.

Population size of poverty quantiles



Advantages of this county group approach

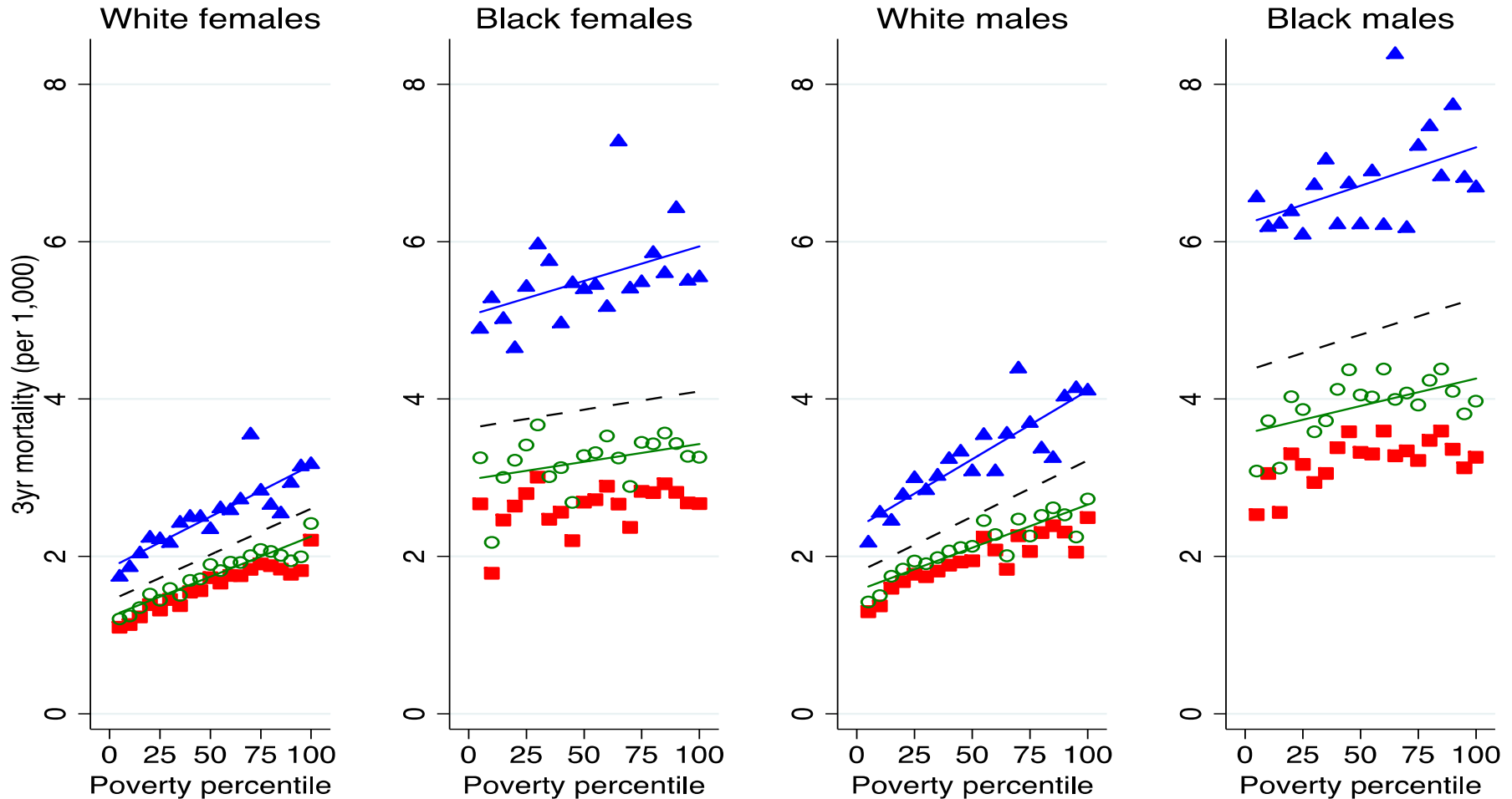
- County of residence consistently recorded in Census and Vital Stats.
- Sufficient cell size (with >0 deaths) even for subgroups.
- By focusing on groups of counties accounting for a fixed share of the population, we avoid problems associated with shrinking and growing counties.

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3-Year Mortality Rates Across County Groups Ranked by Poverty Rates, by Race and Gender.

(Blue triangle=1990, Green Circle=2010, Red Square=2010 with multiple race)

(A) Age 0-4



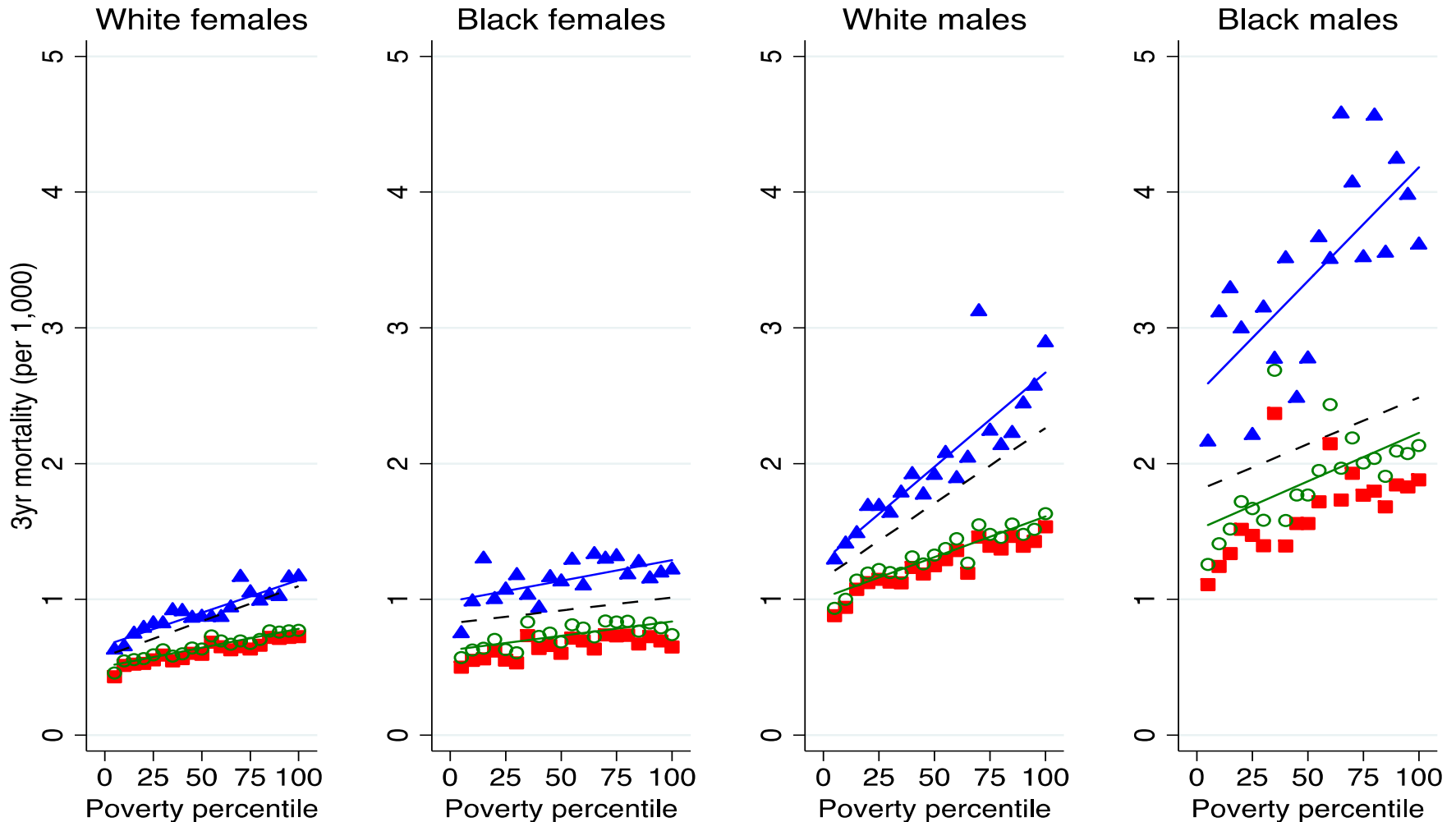
Summary for Under Fives

- Strong reductions in mortality across the county poverty spectrum.
- Very large reductions for African Americans (even larger if we include those with multiple race)
- Reductions are larger in the poorest counties **implying decreasing inequality in mortality.**

3-Year Mortality Rates Across County Groups Ranked by Poverty Rates, by Race and Gender.

(Blue triangle=1990, Green Circle=2010, Red Square=2010 with multiple race)

(B) Age 5-19



Summary for 5-19 Year Olds

- Strong reductions in mortality across the county poverty spectrum.
- Very large reductions for males, especially African Americans males.
- Including multiple race categories makes less of a difference.
- Reductions are larger in the poorest counties **implying decreasing inequality in mortality.**

Disparity in Life Spans of the Rich and the Poor Is Growing

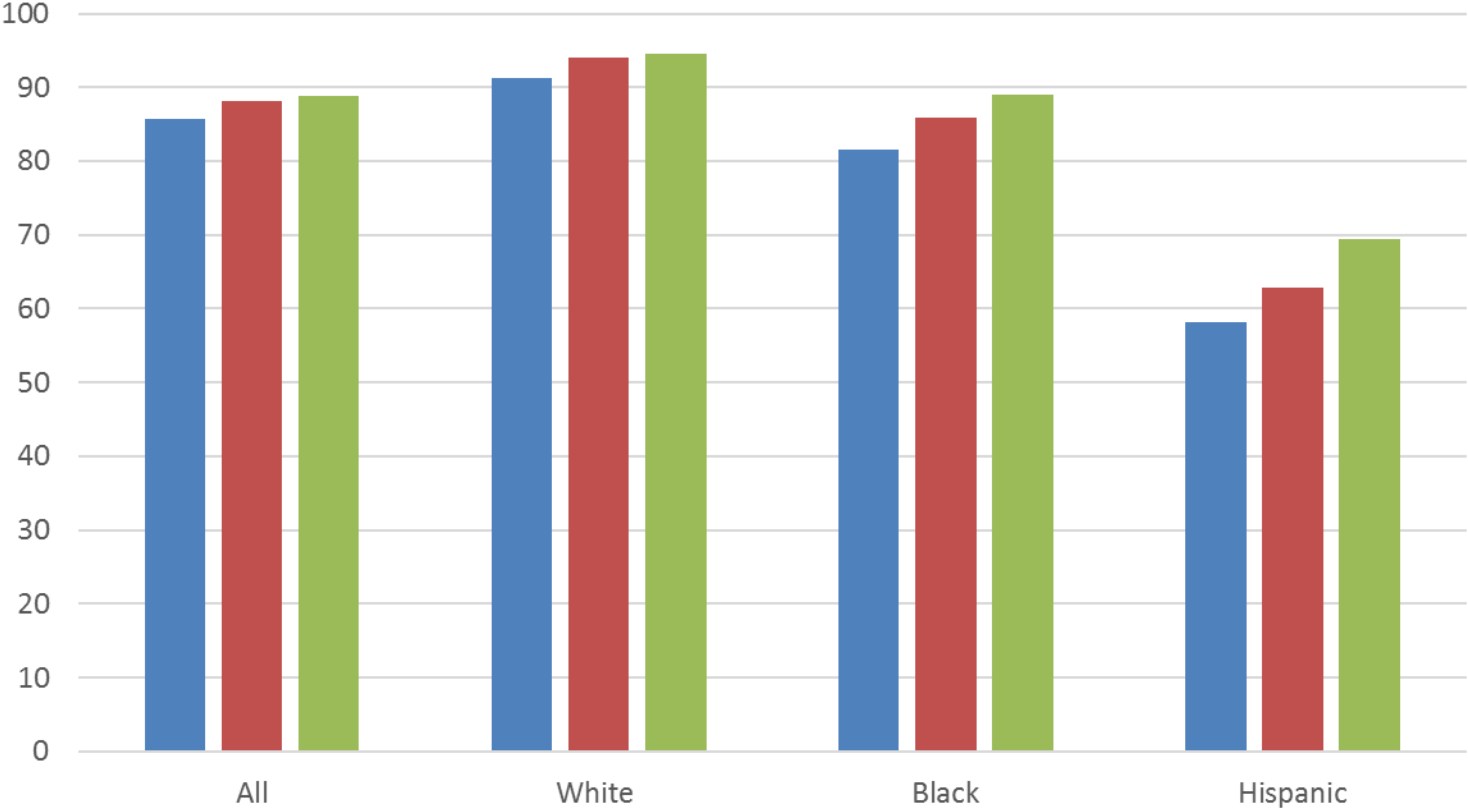
By [SABRINA TAVERNISE](#) FEB. 12, 2016



Patients at the Free Clinic in Newton, N.J. Researchers debate whether expanding access to health care will shrink the gap in life expectancy between the rich and the poor.

Credit Joshua Bright for The New York Times

Share of 24-29 Year Olds with 4 Years High School or More (Current Population Surveys)

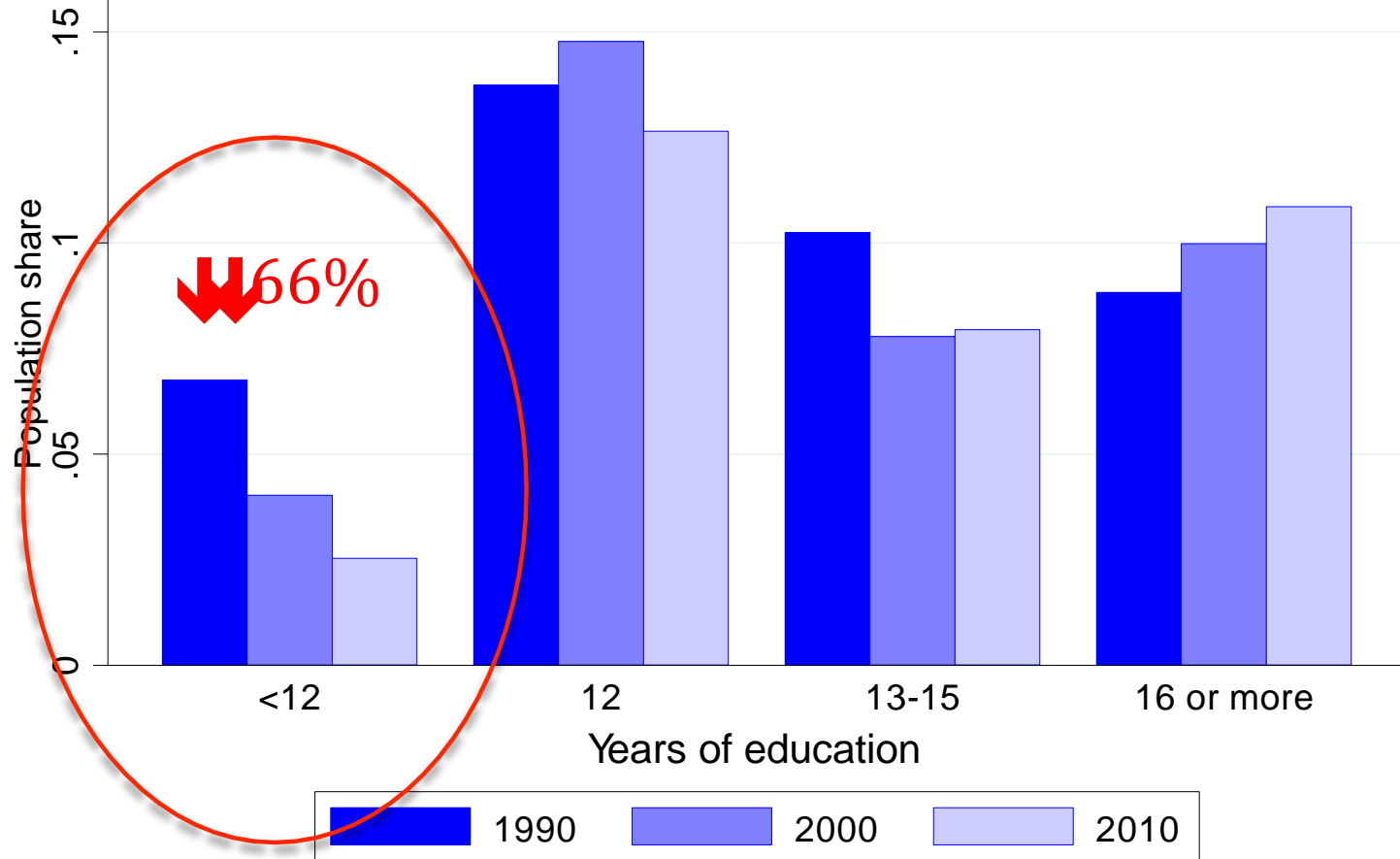


■ 1990 ■ 2000 ■ 2010

US Census

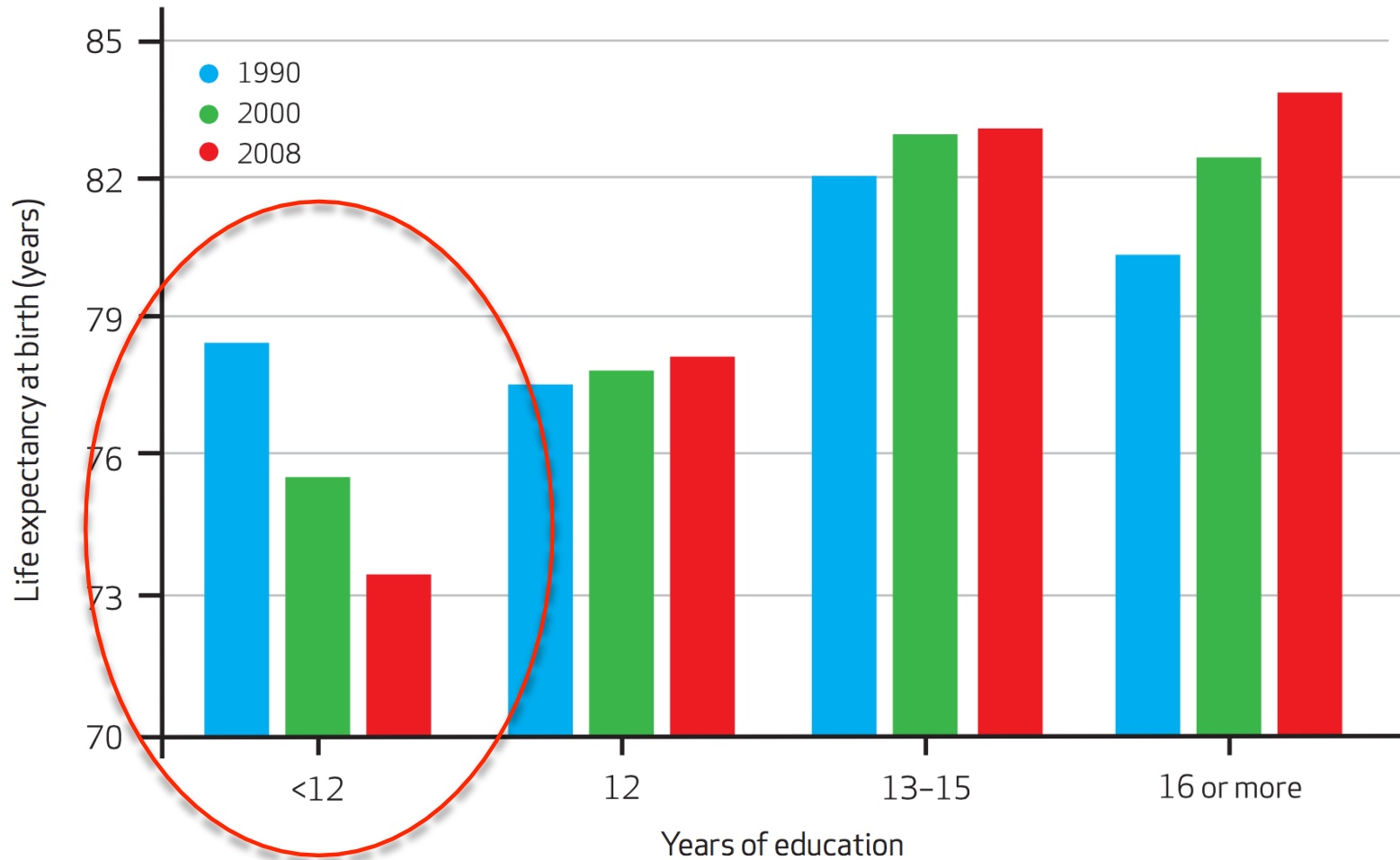
Population Share

by Education for White Non-Hispanic Females, Age 25-84, 1990-2010



Olshansky et al. (2012)

Life Expectancy At Birth, By Years Of Education At Age 25 For White Females, 1990–2008

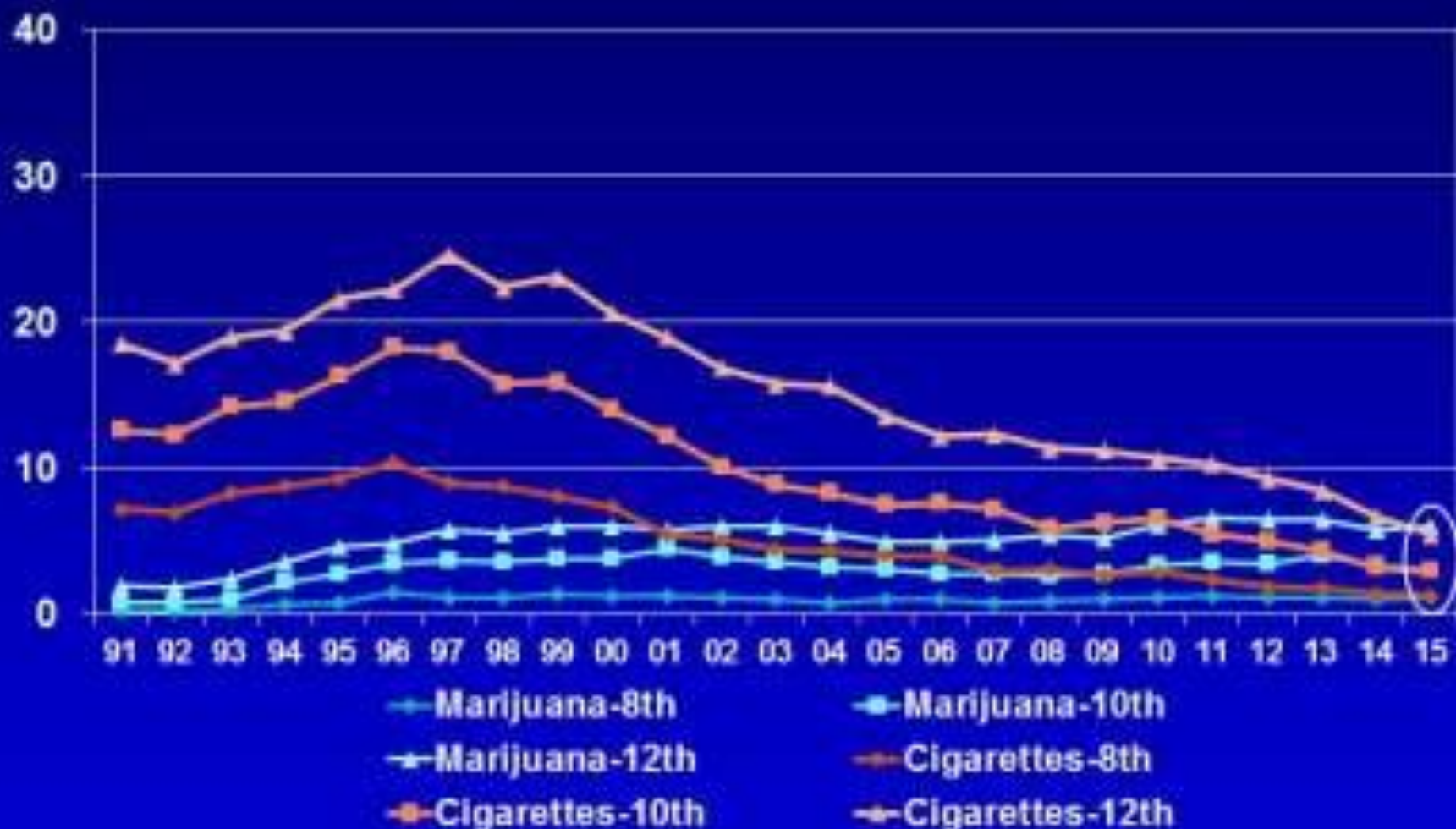


Percent of Students Reporting Use of Alcohol in Past Year, by Grade



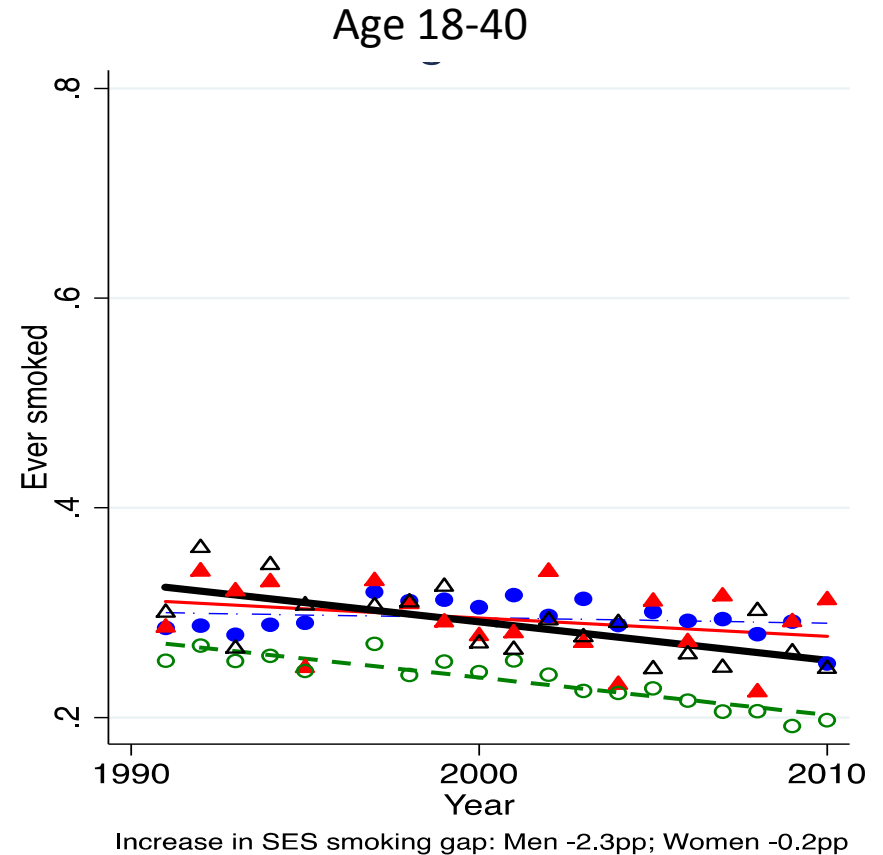
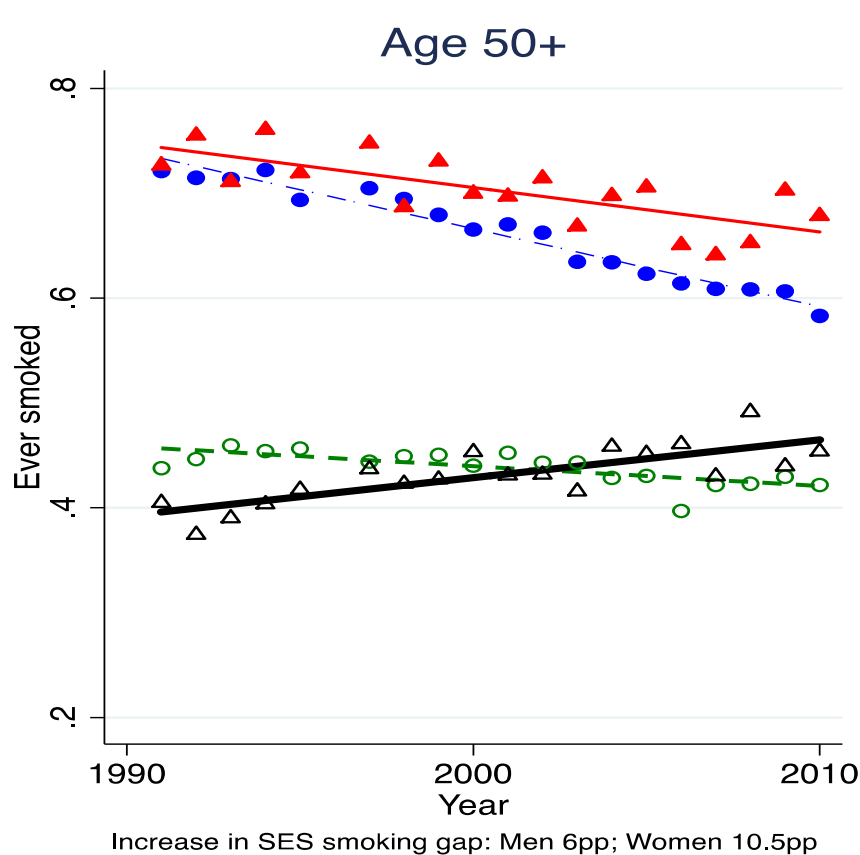
SOURCE: University of Michigan, 2015 Monitoring the Future Study

Percent of Students Reporting Daily Marijuana, Daily Cigarette Use in Past Month, by Grade



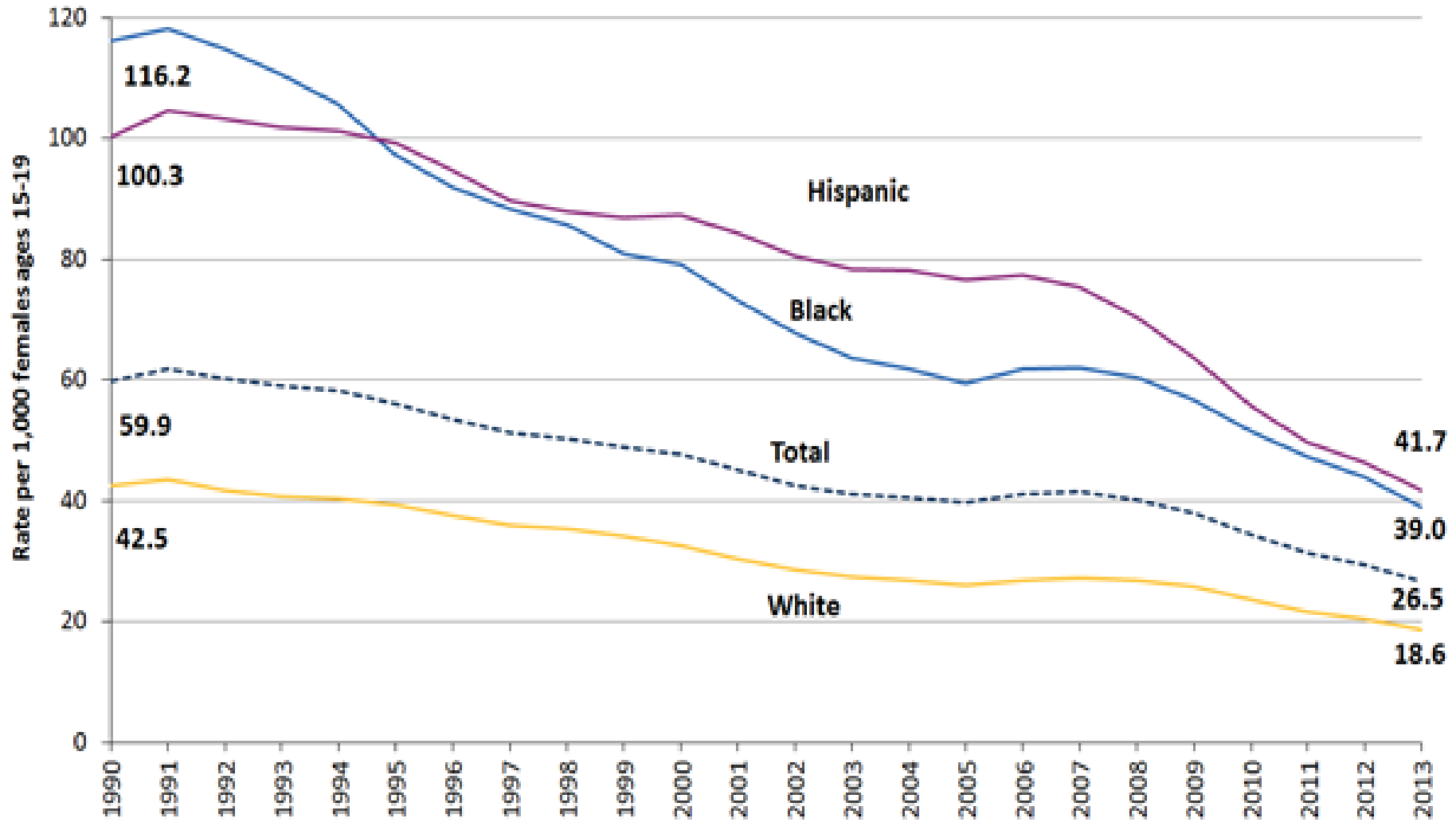
SOURCE: University of Michigan, 2015 Monitoring the Future Study

Fraction ever smoked is much lower in younger people which will have future health dividends



- Men above poverty line
- Women above poverty line
- Men below poverty line
- Women below poverty line

Figure 1: Birth rates per 1,000 females ages 15-19, by race/ethnicity, 1990-2013

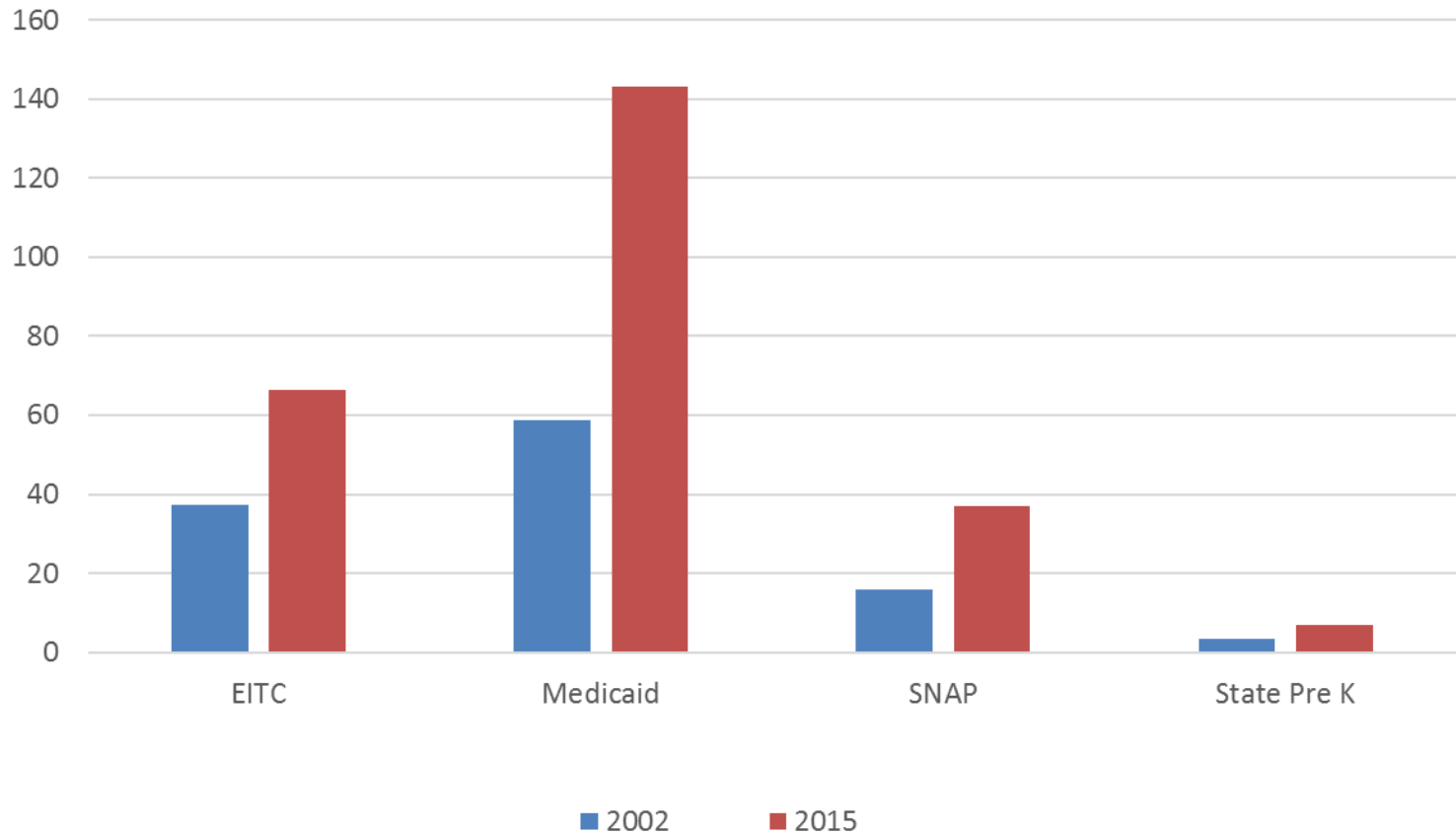


What Policies are Likely to Have Played the Greatest Role?

There are many candidates:

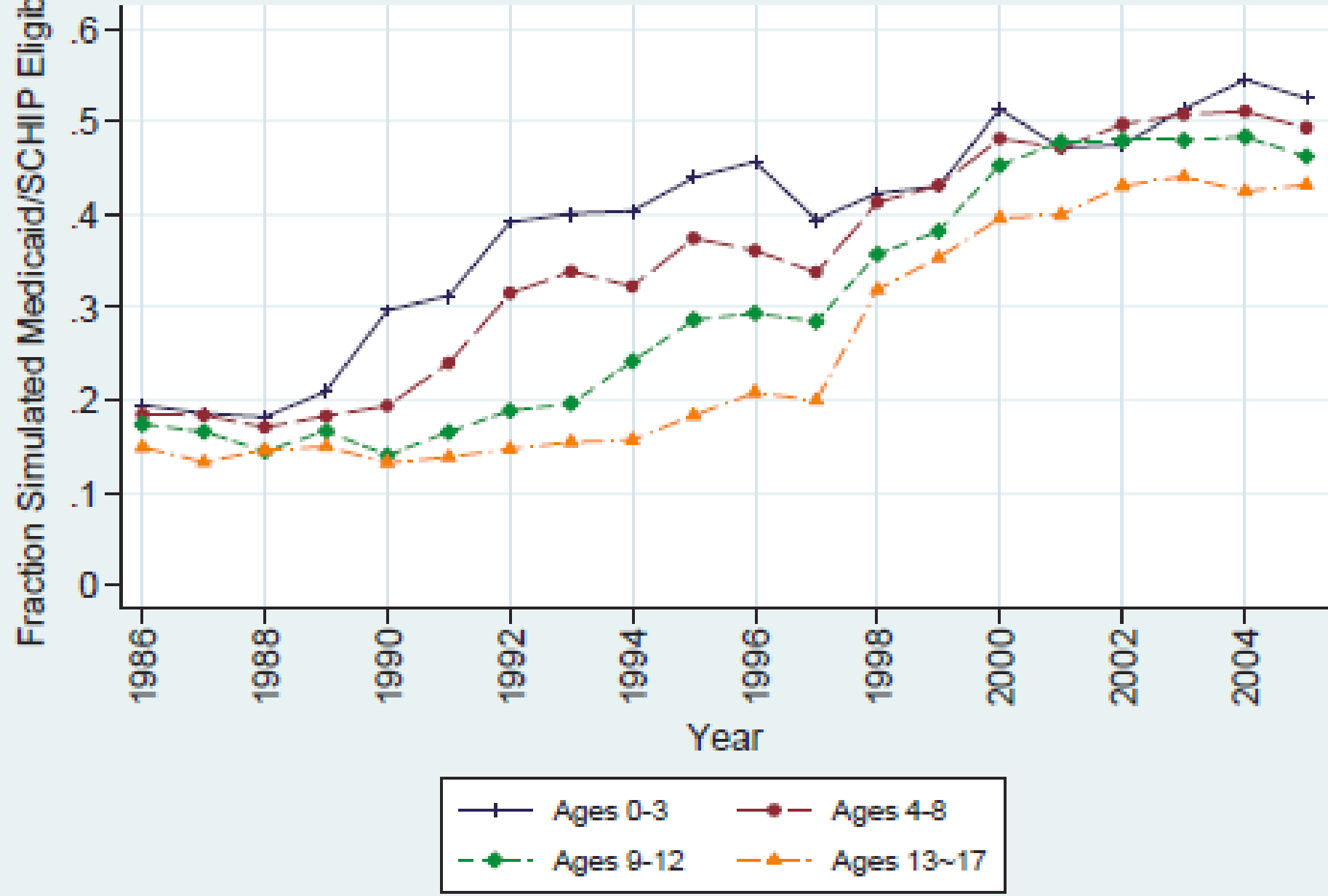
- Expansions of health insurance for poor pregnant women, children, and now adults
- Expansions of the EITC
- Expansions of SNAP (Food Stamps)
- Expansions of public preschool

Overall Amounts Spent on Children Have Greatly Increased (\$2015)



Note: Only Medicaid for children and non-disabled adults is included.
Assumed that ½ of Food Stamp payments go to families with children.

Figure 4: Simulated Medicaid/SCHIP Eligibility by Child Age Group

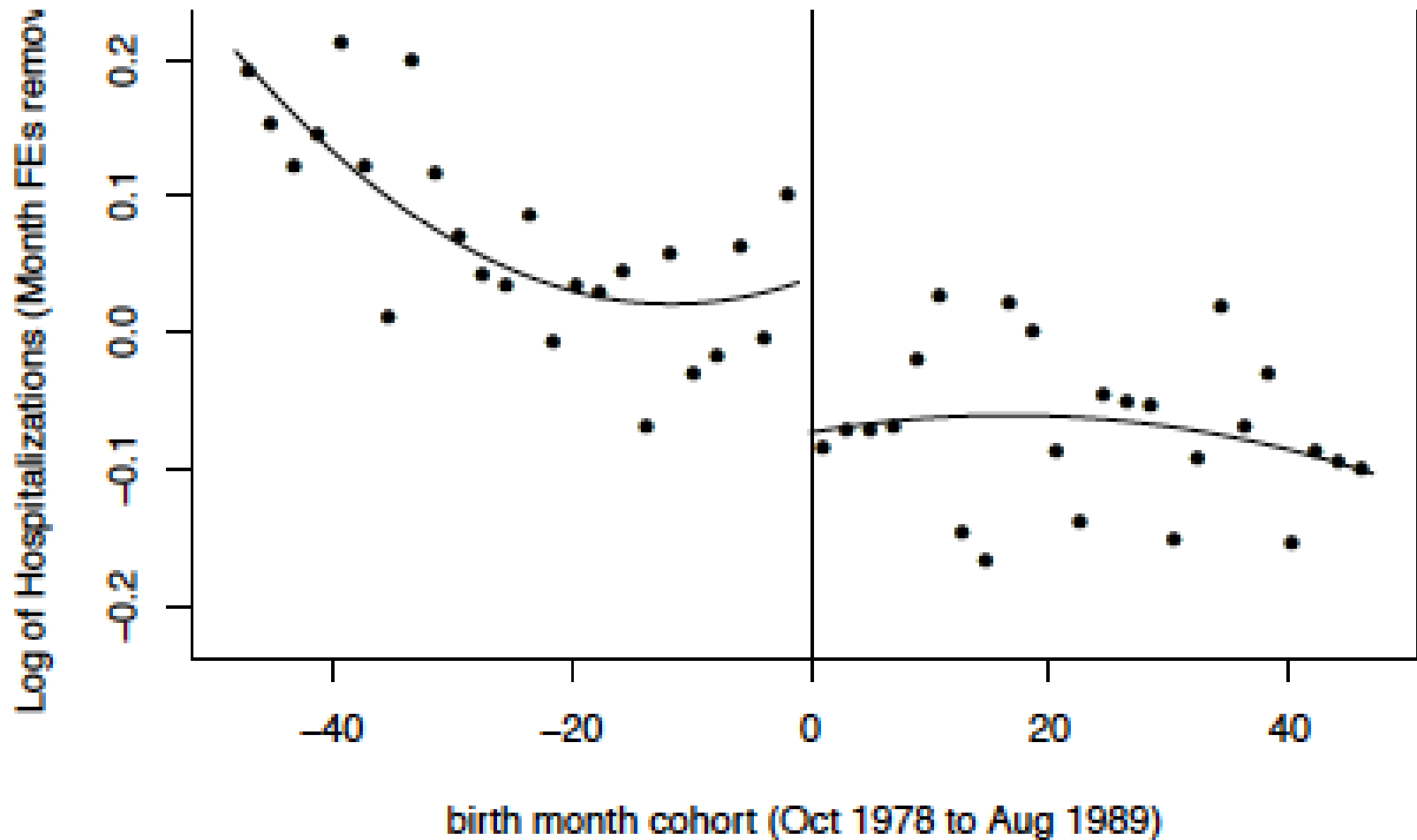


Variation across states over time can be used to identify the effects of public insurance

Only children born after September 1, 1983 were eligible for expansions, creating a discontinuity.

More recent research shows long term effects on the health of children who became eligible (Currie, Decker, Lin, 2008; Wherry et al. 2015; Wherry and Meyer, forthcoming; Kowalski et al. 2015)

Wherry et al. (2015) show a drop in 2009 hospitalizations for chronic illness in black children born after Sept. 1, 1983



The Bright Bottom Line

- Even in a time of growing economic inequality, there were strong improvements in the welfare of the young, including reductions in mortality.
- Improvements were often greatest among the poorest and among African-Americans.
- Suggests that policy may be able to effectively buffer the health effects of economic inequality and improve the lot of poor children.

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