Economic & Concrete Supports: Prevention of Child Welfare Involvement

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More in-depth presentation found at:
www.chapinhall.org/economicsupports
Child Welfare Involvement is Preventable, Solvable & Policy Solutions Exist

• Policy choices related to economic & concrete supports are associated with child welfare involvement

• Evidence of economic & concrete supports clarifies policy choices

• Increased family financial stability is a child maltreatment prevention strategy

• Universal and targeted population level policies are viable cost-effective strategies

Solving child welfare involvement beyond focus on individual level interventions

Strategies relating to both conditions/context and individual are needed
Historical Policy Context
Broadly & in Child Welfare
Policy Milestones: Bifurcation of Concrete and Social Supports

Mother’s Pensions
for poor single mothers recognized the importance of financial supports to address economic hardship & promote family stability. However, these supports were largely limited to white, widowed mothers.

Flemming Rule (FR)
implemented in response to states denying ADC benefits to families, mostly Black, because their homes were deemed "unsuitable." It required states to either 1) provide supports to these families OR 2) remove the children and place them in foster care.

CAPTA
requires state mandated reporting laws but does not include standard guidelines, training, or opportunities for reporters to explore alternative family support options. This has resulted in high reporting rates by teachers, the majority of which are unsubstantiated.

Social Security Act
bifurcates supports to families by nesting Aid to Dependent Children (ADC, later AFDC) under the Social Security Administration but social services under the Children’s Bureau.

Social Security Act Amendments
establish AFDC-FC (later title IV-E) as an open-ended entitlement for foster care services (part 2 of FR) without analogous funding for family support services (part 1 of FR)

Family First Prevention Services Act
does not explicitly include economic & concrete supports and focuses on treating the parent or child rather than the context.

Impact of Historical Policy Choices Broadly

- Economic Hardship
- Fragmented Human Service System
- Mandated Reporting Laws
- Deficit-Based, Rigid & Piecemeal Policies

Disparate Access to and Lack of Sufficient Economic & Concrete Supports

- Overloaded & Destabilized Families
- Unmet Service & Support Needs
- High Rates of Reported Neglect
- Deployment of authority to investigate & remove children from family
- Child Welfare Involvement
Intersection of Family Economic Insecurity, Income, & Child Welfare Involvement
nearly 85% of families investigated by child protective services earn below 200% of poverty

(Dolan, 2011)
60%+ of substantiated CPS responses nationally involve neglect only

- **National:** Majority of both substantiated reports (76%) and entries into foster care (64%) involved neglect (FFY20)
- **California:** Over the past decade, more than 80% of youth in care at any time were removed due to neglect.

...and provision of economic & concrete supports is associated with decreases in both neglect and physical abuse

Increased Risk for Child Welfare Involvement: Both Neglect & Abuse

If low-income families experience at least one material hardship

• ~3x higher likelihood of neglect investigation
• ~4x higher likelihood physical abuse investigation

If low-income families experience multiple types of hardship (after experiencing no hardships)

• ~4x higher likelihood of CPS investigation
• ~7x higher likelihood physical abuse investigation

(Yang, 2015) (Shook, 1999)
The Intersection of Family Economic Insecurity & Child Welfare Involvement

Most reliable economic predictors of child welfare involvement

- Income Loss
- Cumulative Material Hardship
- Housing Hardship

Strongest predictors of investigated neglect reports

- Food pantry use
- Cutting meals
- Difficulty paying rent
- Utility shutoffs
- Inability to receive medical care for sick family member
- Short duration of residence
- Public benefit receipt

(Conrad-Hiebner, 2020) (Slack, 2011)
Negative Earnings Shocks Are Associated with Increased Risk for Subsequent Child Welfare Involvement

For low-income families with recently closed CPS investigations:

- Experiencing a **negative earnings shock** *(quarterly reduction of 30% or more)*:
  - Increases risk of subsequent CPS investigation by 18%
  - Increases risk of physical abuse investigation by 26%
- Each additional negative earnings shock is associated with a **15% greater likelihood** of CPS involvement
- But each consecutive quarter with stable income is associated with a **5% lower risk** of CPS investigation

About 10% of low-income adults with children have experienced an economic shock resulting in a **50% income drop** over one year

(Cai, 2021)
But the Association Diminishes When Negative Earnings Shocks Are Offset by Public Benefits

Research suggests that accessing sufficient public benefits when negative earnings shocks occur serves to effectively buffer against the risk of child welfare involvement.

Buffer is particularly strong for families with young children (ages 0–4) who are associated with a:

- 12% decrease in risk for CPS involvement
- 50% decrease in risk for physical abuse investigation

(Cai, 2021)
Increased Unemployment Rates Are Associated with Increased Child Maltreatment Reports

- A 1% increase in the monthly unemployment rate in an urban midwestern county is associated with an increase of 61 screened-in child maltreatment reports (excluding “neglect only” reports)

- A 1% increase in the county unemployment rate is associated with a 20% increase in substantiated neglect reports

(Weiner, 2020)
(Brown, 2020, national data set 2004–2012)
Lower Family Income Is Associated with Longer Time to Reunify

Children in foster care take longer to reunify with their families when:

- Their reason for placement is neglect (compared to physical abuse)

- Their mothers have lower average monthly incomes post placement
  - Every $100 increase in a mother’s post-placement income increases her child’s speed of reunification by 6%

- Their mothers lose a significant amount of cash assistance post placement
  - Percentage of children remaining in foster care after a year whose mothers lost a significant amount of income from cash assistance post placement is more than double that of children whose mothers did not lose income from cash assistance post placement (87% vs. 41%)

- Their mothers must pay the state for the costs of foster care
  - $100 increase in the monthly child support order amount is predicted to increase the time to reunification by 6.6 months

(Wells, 2006) (Cancian, 2017)
Economic Insecurity Is Widespread, but Families Move In and Out of Poverty

Economic insecurity is widespread

- Almost 50% of American families with young children are at risk of poverty before their child enters kindergarten
- More than 50% of all Americans will spend a year in poverty (by age 65)
- 84% of all Black Americans will spend a year in poverty (by age 65)

Families move in and out of poverty over time

- Almost 50% of those who become poor are out of poverty a year later
- But more than 50% of those who previously left poverty will return to poverty within 5 years

The volatility and turbulence created by entering & leaving poverty may create serious stress for parents and impact parenting

(Drake, 2014)
(Cellini, 2008)
(Mistry, 2002)
(Han, 2021)
(Irving, 2015)
of U.S. adults don’t have $400 in the bank to cover an unexpected expense

37%

The Buffer is Thin

Improved to 32% in 2021 (Federal Reserve, 2022)
Multiple Material & Economic Hardships Overload Families and Increase Risk for Child Welfare Involvement

Watch the Overloaded Parents Video by NSPCC

Visual created by Chapin Hall at the University of Chicago
Family Protective Factors

- Parental resilience
- Social connections
- Knowledge of parenting and child development

Concrete support in times of need

Social and emotional competence of children
Racial Economic Disparities May Contribute to Disproportionate Child Welfare System Involvement
Economic & Concrete Supports: A Race Equity Strategy to Address Disparity & Disproportionality in Child Welfare

Poverty & economic hardship puts families at increased risk of child welfare involvement.

Due to systemic inequities, families of color are more likely to experience economic hardship & this may contribute to their disproportionate child welfare involvement.

Economic & concrete supports to stabilize families and prevent child welfare involvement may be a mechanism to reduce racial disparities.
While 14% of U.S. children are Black, they make up 27% of children living below the poverty line.

(Kids Count, 2020)
(Census Bureau, 2020)
(Center on the Developing Child at Harvard University, 2021)
The Racial Wealth Gap Further Exacerbates the Consequences of Economic Insecurity for Families of Color

- Black Americans represent 13% of the U.S. population, but possess only 4% of the nation’s household wealth
- The median wealth of young Black families is $600
- Nearly 1 in 5 Black households has zero or negative net worth
- Native American households own $0.09 for every dollar of wealth held by white households (as of 2000)

CPS Interventions Are Pervasive: Over Half of All Black Children Experience an Investigation

(Berger, 2020 - graphic)  
(Kim, 2017) (Edwards, 2021)  
(Child Maltreatment 2019)  
(Wildeman, 2020)
Reach & Disparities in Child Welfare System Involvement: California

- Approximately **half** of all Black (46.8%) & Native American children (50.2%) are investigated at least once by CPS
- Black & Native American children experience CPS involvement at **more than 2x rate** of white children
- Black & Native American children are placed into foster care at **more than 3x rate** of white children
- **More than a quarter** of all children born in California are investigated by CPS for alleged maltreatment *(based on 1999 birth cohort)*

Children receiving public health insurance experienced CPS involvement at **more than 2x rate** of children with private insurance

*Putnam-Hornstein, 2021*
Key Finding & Questions
Linking Vulnerable Families to Economic Supports

• Research finds that poverty & economic stressors create conditions in which child maltreatment is more likely to occur

• Research also has found a relationship between increased state spending on public benefit programs & decreased child maltreatment

• Considering overall spending on poverty alleviation & prevention could be a component of reducing child maltreatment

How can the Legislature help ensure poverty alleviation programs & child welfare supports are complementary?
Theoretical Models & Evidence:
Economic & Concrete Supports, Child Maltreatment, Child Welfare Involvement and Child and Family Well-being
Sources of Evidence

How do the following studies show the impact of programs, policies, and strategies for reducing child welfare system involvement through economic & concrete supports?

- Research designed to detect the impact of a specific strategy through randomized controlled trials (RCT)
- Analysis of decades of administrative data aligned with policy or other shifts
- Natural experiments to assess public benefit programs
- Theoretical models and studies that illustrate the processes by which material hardship leads to child maltreatment

Taken together, this vast body of science and growing preponderance of evidence informs our understanding of what has been effective and why and our hypotheses about the potential of policy shifts and new pathways.
What does the evidence suggest happens when economic & concrete supports are reduced?
How Does Economic & Material Hardship Impact Parenting and Child Well-Being?

**Family Stress Model**

- Economic & material hardship
- Psychological distress
- High cognitive loads
- Drained mental resources
- Increased conflict & hostility
- Less nurturing, responsive, & supportive parenting
- Higher risk for child abuse & neglect

But Families Must be Considered within the Context of Their Communities, Cultures, Policies, & Systems

“The single most significant lesson of [this] conceptual framework is that interventions & policies to reduce health inequities must not limit themselves to intermediary determinants, but must include policies specifically crafted to tackle underlying structural determinants.”

(WHO, 2010)
Decreased Access to Economic & Concrete Supports Is Associated with Increased Child Welfare Involvement

- Reduced TANF benefits
- Reduced employment
- Lack of child care
- Increased gas prices
- Lack of stable housing
- Reduced income & negative earning shocks

Increased risk for child welfare involvement

States that implemented TANF sanctions of loss of all benefits for not working:

- 23% increase in substantiated neglect reports
- 13.4% increase in foster care entries due to neglect
- 12.7% increase in total foster care entries

States that implemented TANF time limits of less than 5 years:

- 34.4% increase in substantiated maltreatment reports
- 37.3% increase in substantiated neglect reports

Reminder: First statutory goal of TANF is to support needy families so that children can remain safely at home or with relatives.

(Ginther, 2017) (Increases observed from 2004 to 2015)
Lack of Access to Child Care

Waitlists to access subsidized child care are significantly associated with an increase in child abuse & neglect investigations

- Only 1 in 6 children eligible for childcare assistance receives it
- Low-income families who pay for child care spend an average of 30% of their household income on child care

(Klevens, 2015) (Rice, 2019)
Lack of Access to Child Care

Mothers entering *substance abuse treatment* who have difficulty securing child care are **82% more likely** to **self-report child neglect** (compared to mothers entering treatment who don’t have difficulty securing child care).

- Difficulty finding child care was a **stronger predictor of maternal neglect** than almost any other factor measured in this study, including mental health, severity of drug use, history of abuse as a child & use of public assistance.

(Cash, 2003)
Housing Insecurity & Evictions

• Inadequate housing contributes to the risk of entering foster care for 1 out of every 6 children involved in CPS investigations.

• Self-reported housing instability in urban areas is significantly associated with increased risk for neglect (above and beyond poverty).

• Each additional eviction filing (per 100 occupied units in a block group) is associated with a 2% increase in child maltreatment reports (primarily neglect).

Housing Insecurity - Foreclosures

- Households experiencing a foreclosure filing in next 6–12 months are at **70% greater risk of a CPS investigation** than households that will not

- Increases in current and prior-year mortgage foreclosure rates are associated with **increases in investigated & substantiated child maltreatment**
  - 1% increase in the prior-year foreclosure rate is associated with a **7.3% increase** in substantiations

- Increases in mortgage delinquency & foreclosure rates are associated with increases in hospital admissions for:
  - **Physical abuse of children** < 6 years old
  - **Traumatic brain injury for infants** <1 year old (non-birth & non-motor vehicle crash related)

(Berger, 2015, Wisconsin data 2008–2011)
What does the evidence suggest happens when economic & concrete supports are increased?
How Might Economic & Concrete Supports Positively Impact Child and Family Well-being?

Family Investment Model

Families receive sufficient economic & concrete supports
Families have resources to meet their basic needs
Families can invest in services & opportunities for their children
Families have access to housing, child care, & educational opportunities
Families can provide increased nurturing, responsive & supportive parenting
Families experience improved child and family well-being
Families have lower risk for child welfare involvement

(Conrad, 2020) (Maguire-Jack, 2021)
Increased Access to Economic & Concrete Supports Is Associated with Decreased Child Welfare Involvement

Child Welfare Interventions Augmented with Economic & Concrete Supports
- Differential response
- Family preservation

Concrete Supports
- Medicaid
- Supportive housing
- Paid family leave
- Child care
- SNAP & WIC

Economic Supports
- Minimum wage increase
- Earned Income Tax Credit (EITC)
- Public benefits (TANF)
- Child support payments
- Unemployment benefits
Rate of screened-in neglect referrals decreased in states that expanded Medicaid, but increased in states that did not expand Medicaid (between 2013/2016)

There would have been an estimated 124,981 fewer screened-in neglect referrals in the U.S. from 2014 through 2016 if non-expansion states had expanded Medicaid

Continuity of eligibility for Medicaid/child health insurance (SCHIP) is significantly associated with a decrease in child abuse & neglect investigations

(Brown, 2019)(Kleven, 2015)
HUD’s Family Options Study found that homeless families referred for permanent housing subsidies self-reported at the 20-month follow-up:

- **50% fewer foster care placements**
  
  (1.9% vs. 5% in the business-as-usual control group experienced at least 1 placement in the last 6 months)

Connecticut’s Supportive Housing program for child welfare-involved families facing housing instability provided supportive housing (housing voucher + case management) experience:

- **Fewer removals** (9% vs. 40% in business-as-usual control group after 2 yrs)
- **Lower prevalence of substantiations**
- **Increased reunification**
Compared to states with no PFL policy, the implementation of California’s 2004 PFL policy was associated with a significant decrease in hospital admissions for abusive head trauma among children <1 year old and among children < 2 years old (up to 12 weeks of partially paid leave) (Klevens, 2016)
Child Care Subsidies have a Protective Effect

- States with more flexible Child Care Development Fund (CCDF) program polices regarding subsidies for child welfare-supervised children have, on average, significantly fewer child removals than other states.

- Each additional month that low-income mothers receive a child care subsidy is associated with a 16% decrease in the odds of a neglect report (in the following 12 months).

(Meloy, 2015) (Yang, 2019)
An additional $1,000 spent by states on child care assistance per person living in poverty is associated with a:

- 40% reduction in child maltreatment reports
- 35% reduction in substantiated child maltreatment
- 63% reduction in foster care placements
- 50% reduction in child fatalities due to maltreatment

(independent of federal spending)
(data are best understood qualitatively)
Minimum Wage

- States that increased the minimum wage beyond $7.25 per hour experienced a reduction in child maltreatment reports.
- For every $1 increase in the minimum wage, there was a 9.6% reduction in neglect reports (primarily for children < 12 years).

(Raissian, 2017)
Earned Income Tax Credit (EITC)

• Expansion of EITC is associated with a 7.4% decrease in foster care entry rates per year in states with a state-level EITC (relative to those without)

• States with state-level refundable EITC, compared to those without, had 11% fewer entries into foster care (even after controlling for poverty, race, education, and unemployment)

• If states without any EITC implemented a refundable EITC, an average of 668 fewer children would enter foster care annually in each state

(Biehl, 2018) (Rostad, 2020)
Earned Income Tax Credit (EITC)

• 10% increase in refundable state EITC benefits is associated with a:
  ▪ 5% decline in rates of reported maltreatment
  ▪ 9% decline in rates of reported neglect
• Refundable EITC (averaging $400 per year) is associated with a decrease in hospital admissions for abusive head trauma for children < 2 years (decrease of 3.1 per 100,000), even after controlling for child poverty

(Kovski, 2021) (Klevens, 2017)
A 10% increase in state public benefit levels (AFDC/TANF + the value of food stamps) for a family of four is predicted to reduce foster care placements by 8% (Paxson, 2003) (data from 1990–1998)
Mothers who participate in TANF and are eligible to receive full child support for their children (and child support is disregarded in determining welfare benefits) are 10% less likely to have a child subject to a screened-in maltreatment report (compared to mothers who are eligible to receive only partial child support payments).

- Even a modest increase in child support payments—averaging $100 per year—results in a decrease in screened-in maltreatment reports.

(Cancian, 2013) (RCT)
Relationship Between Macroeconomic Factors & Child Welfare Involvement Suggests the Need for a Population-Level Public Health Approach to Prevention
Family Context & Economic Factors Matter

- Material hardship is associated with CPS involvement beyond caregiver psychological distress & parenting factors.

- The association of individual factors, such as caregiver substance abuse or mental health, with child maltreatment is reduced after accounting for poverty experienced by families.
  
  ➢ "Contextual factors like poverty are essential to understanding a family’s needs when addressing child maltreatment."

- Economic factors are associated with neglect outcomes above individual-level parenting behaviors & capacities.

(Yang, 2015) (Escaravage, 2014) (Slack, 2011)
Economic & Concrete Supports As a Population-Level Strategy for Prevention of Child Maltreatment

Each additional $1,000 that states spend annually on public benefit programs per person living in poverty is associated with:

- 4.3% reduction in child maltreatment reports
- 4% reduction in substantiated child maltreatment
- 2.1% reduction in foster care placements
- 7.7% reduction in child fatalities due to maltreatment

(independent of federal spending)

Public benefit programs included in this analysis:
- Cash, housing, & in-kind assistance
- Low-income housing infrastructure development
- Child care assistance
- Refundable EITC
- Medical assistance programs (including Medicaid + CHIP)

California ranks 17th in state spending per person in poverty

The Family Connects (FC) is a community-wide nurse home visiting program for families with newborns

**Short-term:** 1–3 home visits to assess family needs (with a focus on material needs), address family needs with collaborative connections to community resources, and provide education & intervention as needed

**Randomized clinical trial** of all families with births in two county hospitals in Durham, NC between 2009 and 2010

- Compared to those who didn’t receive FC, families assigned to FC experienced:
  - 39% fewer CPS investigations (through age 5)

- Findings suggest that, when implemented with high quality and broad reach, a brief postpartum nurse home visiting program can reduce population rates of child maltreatment

(Goodman, 2021) (RCT)
Economic Burden and Child Welfare System Cost & Expenditures Annually: California

• $284 billion = estimated total annual economic burden of child maltreatment to California

• $4.9 billion = total annual public expenditures by California on its child welfare system (SFY 2018)

Of its federal expenditures, California spends:

- 57% on out-of-home placements
- 22% on adoption & guardianship
- 11% on child protective services
- <1% on services and assistance for older youth
- Only 11% on prevention services

(Safe & Sound, 2019)(Child Trends, 2021)
Elevating State Policies & Other Organizations’ Efforts that Promote a Child & Family Well-being System
Increasing Access to Child Care for Families

**New Mexico**

- Will provide a year of **free child care to most families** *(a family of four earning up to about $111,000)*

- In 2020, New Mexico created:
  - Early Childhood Education & Care (ECE) Department as a Cabinet-level position
  - Dedicated ECE fund *(which draws on taxes from oil and natural gas production)* projected to be worth **$4.3 billion** by 2025

- Goal is to develop a **free, universal child care system**

- In addition, New Mexico recently established a **refundable state child tax credit** *(House Bill 163, effective 2022)*
Flexible Funds to Meet Economic & Concrete Needs of Families with Children at Risk of Removal

Kentucky – SFY 2022 budget

State budget included $1,000 in flexible funds for families with children at risk for removal to meet economic and concrete needs & support prevention

From SFY 2019 to SFY 2021

- Prevention expenditures increased by $9.6 million
- Out-of-home care expenditures decreased by $58.1 million

(decline in out-of-home expenditures includes decrease in number of children in foster care [900+ less] & reductions in congregate care placements)

(Kentucky Interim Joint Committee on Health, Welfare & Family Services, July 21, 2021)
Economic Diversion System to Address Poverty-Related Neglect

Vermont – “Economic Firewall” for poverty-related cases

- Vermont has the highest rate of child maltreatment referrals in the nation, but lowest reported screened-in neglect rate
  - Only 1.5% of all child maltreatment victims are substantiated for “neglect only” (compared to 92% in Montana)
  - Specificity of harm is required to substantiate neglect, rather than omissions

- Strong interagency collaboration—child welfare division is co-located with economic services division & child development division

- CPS district directors have direct access to family preservation flexible funds for families without open cases to prevent removal

- Multidimensional diversion system where families are referred to:
  - Economic support services (TANF)
  - Family resource centers
  - Differential response systems

(DeGuerre, 2021)
(Child Maltreatment 2019)
California – **AB 1686** (introduced 2022)

**Limits the practice of billing parents** for the cost of their child’s foster care placement if they are working to reunify

- Under California law, child welfare agencies must determine whether it is in the child’s best interests to pursue collection

- **AB 1686** would require child welfare agencies to **presume that collection is likely to pose a barrier to family reunification**

- Introduced in response to a 2021 [NPR investigation](https://www.npr.org) which found:
  - 57% of parents billed for foster care in California are people of color & the extra debt often follows families for years
  - When parents get billed, their children are likely to spend **additional time** in foster care
  - The government raises little money, or even **loses money**, when it tries to collect

(Cancian, 2017)

*(see also time to reunification slide)*
Leverage Opportunities to Use Medicaid Funding to Address Social Determinants of Health & Increase Housing Supports

North Carolina – [Healthy Opportunities](2022)
California – [CalAIM](2022)

Using Section 1115 waivers to shift Medicaid to a population health approach that prioritizes prevention & addresses social determinants of health:

- Provides non-medical supports related to **housing, food & transportation insecurity** for those with complex needs
- Improves individual health outcomes & health of communities
- Cost savings through reduced health care costs
Califonia – Blueprint to Ending Poverty (2022)

Recommendations to reduce poverty, expand access to the public benefit system & address racial inequities:

• **Develop unified & integrated public benefit system**
  - Coordinate program requirements & provide automatic referrals between programs
  - Implement data integration across programs & automation
  - *Reminder:* states already have well-developed systems that match data across state & federal agencies to detect ineligible claims & collect child support payments

• **Eliminate “make work” program requirements** to the extent possible while still meeting federal mandates

• **Remove financial barriers** to accessing support
Emergency Funding for MaryLee Allen Promoting Safe and Stable Families Program (PSSF)

**Amount:** $72,450,000 to states/territories for FY 2021 (project period thru 9/30/22)

- **Eligible grantees:** All states, territories, and tribes approved to receive FY 2021 PSSF funding are eligible to receive supplemental PSSF grants

- **Approved Activities (No State Match Required):** Supplemental PSSF funds may be used to provide community-based family support, family preservation, family reunification, adoption promotion and support services

- There are no other specific programmatic requirements or limitations on use of supplemental funding

- The Children’s Bureau encourages child welfare agencies to reach out to families and community-based agencies to identify the unmet needs for services or supports

ACYF-CB-PI-21-04 (March 9, 2021) - Guidance and instruction related to Consolidated Appropriations Act of 2021
Community-based Child Abuse Prevention (CBCAP) in American Rescue Plan

**Amount:** $250 million supplement to states/territories available through 9/30/25 which augments CBCAP funding increases over the last several years

- **Approved Activities:** CBCAP is flexible and example activities include assistance to families, comprehensive support for parents, increasing family stability, improving access to formal and informal resources
- Program Instruction elevates the need to attend to the “**Intersection of Poverty and Child Welfare**” and to “**Advanc[e] Racial Equity and Support for Underserved Communities in Prevention and Child Welfare Prevention**”
- Children’s Bureau strongly encourages lead agencies to reach out to families and community-based agencies to plan for the use of funds to increase supports, especially for black, brown, indigenous, and LGBTQ+ children and families as well as communities that have been historically underserved, marginalized, and adversely affected by persistent poverty.

ACYF-CB-PI-21-07 (May 5, 2021) - Guidance and instruction related to American Rescue Plan Act of 2021
Pandemic Fiscal Recovery Funds Provide Opportunities to Strengthen Economic & Concrete Supports and Address Racial Inequities Available **NOW!**

Coronavirus State and Local Fiscal Recovery Funds (SLFRF), part of the American Rescue Plan, provide **$350 billion** to mitigate the impacts of the pandemic & support equitable recovery

- Funds can be used for a **wide range of investments** focused on helping low-income households & communities *(presumed to be impacted by the pandemic)*
- State, local, and Tribal governments have flexibility to use the funds to address **racial & economic inequities**
- All funds must be obligated by 12/31/24 and spent by 12/31/26

- **Services for child welfare-involved families & foster youth, including:**
  - Economic & concrete supports
  - Health supports
  - Kinship care
- **Cash assistance**
- **Assistance in accessing public benefits**
- **Affordable & permanent supportive housing**
- **Rental, mortgage & utility assistance**
- **Childcare, early learning, & home visiting services**
- **Family leave programs**
- **Health services**
- **Food aid**

(US. Dept. of Treasury, 2022)
In 2020, California spent about $6.7 billion in federal and state funds under the Temporary Assistance for Needy Families (TANF) program. It spent 39 percent of these funds on basic assistance, generally as cash assistance to TANF families.

### Federal and State TANF Spending by Category, 2020

<table>
<thead>
<tr>
<th>Category</th>
<th>California</th>
<th>National Share of U.S. spending</th>
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<tbody>
<tr>
<td>Basic Assistance</td>
<td>$2600</td>
<td>22%</td>
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<tr>
<td>Work Activities</td>
<td>$512</td>
<td></td>
</tr>
<tr>
<td>Child Care</td>
<td>$1100</td>
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</tbody>
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Since unspent block grant funds can be carried over to future years, a state may spend more or less than its annual block grant allocation in any given year. As of 2020, California has accumulated $101 million in unspent TANF block grant funds, equal to 3 percent of its block grant.

TANF-to-Poverty Ratio in California

In 2019-20, for every 100 families living in poverty in California, only 71 received TANF cash assistance. This “TANF-to-poverty ratio” has fallen 30 points since 1995-96. If TANF reached the same share of families in poverty that its predecessor AFDC did in 1996, 152,900 more families in California would be helped by TANF now.

<table>
<thead>
<tr>
<th>TANF-to-poverty ratio</th>
<th>1995/96</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>101</td>
<td>71</td>
</tr>
<tr>
<td>National</td>
<td>68</td>
<td>21</td>
</tr>
</tbody>
</table>
Child and Family Well-being System: Use of Economic & Concrete Supports as a Prevention and Intervention Strategy

- **Supports for families upstream of system involvement**
- **Assessment of economic instability at all touchpoints**
- **Reorientation of public benefits** administered explicitly to reduce government interventions that interrupt familial bonds
- **Interagency collaboration & integration** to leverage supports beyond what child welfare systems can provide
- **Broad array of supports** that extend beyond “treatment” for parents
- **Partnership with families and communities** to develop responsive & accessible supports and services
- **Evaluation and monitoring** of the effectiveness & impact of interventions and fine-tune approach
Universal Childcare as a Policy to Prevent Child Maltreatment (forthcoming in Pediatrics)

Henry T. Puls MD, Department of Pediatrics, Children’s Mercy Kansas City
Paul J. Chung MD, Department of Pediatrics, UCLA
Clare Anderson, Chapin Hall at the University of Chicago
Chapin Hall Resources

www.chapinhall.org/economicsupports

(Weiner, Anderson & Thomas, 2021)
(Anderson, Grewal-Kök, Cusick, Weiner & Thomas, 2021)
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Suggested citation:

Main slide deck available at:
www.chapinhall.org/economicsupports
References & Related Citations


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