



## Fifty Years of Service to Children and Their Families

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Aid to families with dependent children (AFDC) began with the Social Security Act, passed 50 years ago to provide what President Franklin D. Roosevelt called a "safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours." In creating the program, originally called aid to dependent children, the Federal Government for the first time accepted responsibility for helping States care for children who had been deprived of support by a parent because of death, disability, or desertion. Most im-

portantly, the program provided a means to care for these children in their homes, rather than in institutions, as had been the common practice before. From the beginning, AFDC has been administered by States under broad Federal requirements. States set their own need and payment standards, and share program costs with the Federal Government. Over its history, the program has been modified to emphasize service to families. Among these changes was the addition of a needy adult relative to the assistance unit in 1950, creation of an unemployed parent program for two-parent households in 1961, and the implementation of work opportunities programs for able-bodied adult recipients beginning in 1981.

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**O**ne of the Social Security Act's many legacies is the program of aid to families with dependent children, created by title IV of the original Act 50 years ago, in August 1935.

In establishing the program, the Federal Government, for the first time, assumed responsibility for directly helping States provide for the needs of vulnerable children—those who become destitute when deprived of the support of a parent by virtue of death, desertion, or incapacity.

Most importantly, the Act laid the foundation for encouraging the care of these needy, dependent children in their own homes or in the homes of relatives. The program offered financial assistance and other services to maintain and strengthen family life. The ultimate intent was to help parents or other relatives with whom the child was living attain the highest level of self-sufficiency possible.

## **A Time of Awakening**

The concept of public responsibility for the needy has been part of our heritage since the Colonial Era. Settlers took their lead from the English Poor Law of 1601, which stressed local responsibility and financing. Assistance was based on a means test and was limited to residents of the community.

These Poor Laws, which served as the basis for public assistance in our country through most of the next two centuries, recognized two ways of giving aid—in the recipient's own home or through institutionalization in an alms or work house.

In institutional settings, all able-bodied individuals were expected to earn their keep. This applied not only to adults, but also to children, who were apprenticed or indentured.

Mass waves of immigration and the beginning of urbanization in the latter part of the 19th century created new needs for assistance, and private citizens, both individuals and groups, stepped in to help. Private organizations of today, which serve such an important role in helping the needy, can trace their roots to this late 19th and early 20th century movement. During this same period, State Boards of Charity began to assume the responsibilities of investigating and supervising public charitable institutions.

However, there still was no comprehensive system for taking care of needy, dependent children. The most common way in which care was provided to these children was through institutions.

The idea that children should be taken care of in their own homes began to take hold in 1909 with the first White House Conference on Dependent Children. This conference, convened by President Theodore Roosevelt, increased public awareness of the problems of needy children. Its most far-reaching recommendation was to

strengthen family life by providing financial assistance to the mothers of needy children.

This change in philosophy led to widows' and mothers' aid programs. In 1911, Missouri became the first State to enact a widows' pension law permitting counties to give mothers with dependent children financial assistance. Illinois quickly followed suit, and by 1935 all but two States had passed some form of legislation to provide assistance to mothers with dependent children.

## **A Time of Reckoning**

The Great Depression of the 1930's resulted in a loss of 13 million to 15 million jobs, and the demand for financial help overloaded the combined resources of local governments, churches, and private organizations. Private philanthropic efforts were inadequate to meet the overwhelming need for assistance. Local governments were neither financially nor administratively prepared to take over the increased burden. Many banks, themselves in dire straits, were unwilling to lend money for public assistance because local governments already were heavily in debt and had no prospect for increased tax revenues.

Local officials began to look to their State governments for assistance, but, in general, States were not prepared for the crisis either. Most had no administrative structure in place to take over this previously local and private function. Moreover, States were experiencing tax payment defaults and, thus, had insufficient revenues to carry on even basic services. States, like local governments, experienced difficulty in borrowing from banks when their tax collections were shrinking.

## **Safeguards Against Misfortune**

In response to the enormous hardships caused by the Depression, President Franklin D. Roosevelt urged Congress to provide a "safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours." In a special message to Congress on June 8, 1934, he called for a program that would "provide at once security against several of the great disturbing factors in life." To develop the program, Roosevelt established the Committee on Economic Security chaired by Secretary of Labor Frances Perkins. Other members were Treasury Secretary Henry Morgenthau, Jr., Attorney General Homer Cummings, Agriculture Secretary Henry Wallace, and Federal Emergency Relief Administrator Harry Hopkins. Within 6 months, the Committee developed a series of recommendations, which were presented to the Congress and incorporated in the Social Security Act.

The Act was signed into law on August 14, 1935. It

represented a major change in the way Americans viewed their responsibility for assisting their fellow citizens.

The law's provisions included two different approaches to human need—contributory social insurance and public assistance.

The Federal old-age insurance system and the Federal-State system of unemployment insurance provided security for workers who reached retirement age or were temporarily unemployed. Their contributory nature made them insurance, rather than public assistance programs.

However, the Social Security Act also provided for needy individuals who were not part of the workforce by establishing three public assistance programs supported by Federal grants-in-aid. They were old-age assistance, aid to the blind, and aid to dependent children (later to become aid to families with dependent children, or AFDC).

## A State-Federal Program

In creating aid to dependent children, Congress acknowledged a Federal responsibility for helping deprived children, but also retained the concept that primary responsibility lay at a less centralized level of government. Thus, from the beginning, AFDC has been a program administered by States within broad Federal guidelines. States set their own income limits and benefit levels. They even had the choice of whether to participate at all. The cost of the program was shared by the Federal and State governments.

When the first grants to States for AFDC were made

available in 1936, only 12 States and the District of Columbia implemented the program. The combined expenditure for that first month was \$1.7 million for 140,286 children in 56,836 families.

## A Changing Program

Throughout its 50-year history, AFDC has grown so that it now includes all States and territories, and has evolved to meet changing needs and changing perceptions of government's role in providing assistance.

One of the first major changes occurred in 1939 when States were given the option of extending eligibility to needy 16- and 17-year-olds who were attending school. In 1950, eligibility was broadened again to allow States to include one needy adult relative in the dependent child's home as a recipient.

The basic program still includes a requirement that the dependent child receiving AFDC be deprived of the care, guidance, and support of at least one parent because of death, disability, or absence from the home. But in 1961, States were given the option of extending the definition of deprivation to include parental unemployment. This "unemployed parent" option allowed States, for the first time, to make AFDC available to intact families.

AFDC eligibility requirements continued to change during the 1960's. In 1964, States were allowed to extend the maximum age of eligibility for children from 17 to 20 years if the child was attending high school or receiving vocational or technical training. Beginning in 1965, this option was expanded still further to cover individuals in this age group who were attending a col-

## The AFDC Program Today

Aid to families with dependent children (AFDC) provides financial assistance to needy families with dependent children. Responsibility for program formulation and administration lies with the States, while the Federal Government provides broad guidelines and program requirements. The States and the Federal Government share in meeting the program's cost.

To be eligible for AFDC, a family must have a dependent child who is under age 18, unless a State has elected to include 18-year-olds who will complete instruction in a secondary school before turning 19. The dependent child must be deprived of the support or care of one or both parents by reason of death, continued absence from the home, or physical or mental incapacity. At the State's option, the unemployment of the principal breadwinner may be included as a reason for deprivation.

Each State sets its own need and payment standards, which often vary substantially from State to State. Eligi-

bility and benefit levels are determined based on the income and resources of the family when measured against the State's standards. Some kinds of income, such as work and child care expenses and the first \$50 per month of child support, are disregarded in determining eligibility and benefit levels.

Recipients of working age who are not incapacitated or responsible for the care of very young children must make themselves available to participate in activities designed to help them become employable and find jobs.

The program operates in all 50 States and in the territories. The Federal Government provides 50 percent of the cost of administration, training, and emergency assistance, and at least 50 percent of benefit payment costs. Exact Federal funding levels for benefits are determined by means of a formula that takes into account the State's per capita income relative to that of the Nation. Currently, the Federal matching rate for benefits ranges from 50 percent to 77.5 percent.

lege or university. Subsequently, in 1981 the age limit was lowered again so that current law includes children attending secondary school through their 18th or, at State option, their 19th birthday, if they will graduate by that time.

Another major expansion of the AFDC program came in 1967, when the Emergency Assistance program was enacted. This amendment allows States to provide aid for up to 30 days in a 12-month period for emergency purposes.

## **Toward Self-Sufficiency for Recipients**

AFDC caseloads grew dramatically following World War II. By the late 1950's, concern developed that providing cash assistance alone was insufficient. Support developed for providing social services, such as job training and placement, to recipients to help them break the cycle of dependency.

Provisions allowing regular Federal matching funds under AFDC for these services were enacted in 1956. In 1962, the level of Federal support was increased to 75 percent of the cost of social services for AFDC recipients. The ultimate intent, as stated in current statute, was to strengthen family life and to enable parents of needy dependent children to attain capability for maximum self-support and personal independence consistent with the maintenance of continuing parental care and protection.

The law also provided increased Federal funding, at 75 percent of cost, to train a pool of managers to administer AFDC programs, primarily through graduate social worker education programs.

These efforts, however, did not yield the results that had been expected. Combining the tasks of establishing eligibility and providing social services complicated AFDC administration. Therefore, in the late 1960's and early 1970's, the Federal Government required State agencies to administer social services and financial assistance separately. Keeping track of two kinds of expenditures, at two different Federal matching rates, still proved cumbersome, and in 1975 Congress enacted title XX, which completely removed social services from the title IV AFDC program.

During this same period, other societal factors were influencing the AFDC program. More and more women were entering the labor force to help meet the economic needs of their families, and it seemed reasonable that AFDC recipients could be expected to join in this trend. Moreover, it was recognized that AFDC recipients, given the choice, would rather be self-supporting than be dependent on welfare.

For these reasons, the Work Incentive (WIN) Program was created in 1967. It is jointly administered by the Department of Labor and the Department of Health and Human Services. Under WIN, able-bodied

recipients who are not responsible for the care of preschool children are required to register for work, training, or manpower services.

Also in 1967, legislation was passed to encourage recipients to get jobs and remain employed by disregarding a portion of their earnings in calculating eligibility for benefits for an indefinite period of time. This had the unintended effect of establishing AFDC as an income-support program for those who had at one time established eligibility, though not for those who had never met the income and resource requirements for eligibility.

Another piece of legislation designed to lessen dependency on AFDC concerned child support enforcement. This legislation was passed in 1975 to address the growing problem of single parents being forced to seek AFDC because noncustodial parents failed to provide support for their children.

In addition to legislative changes in the program, a series of court decisions during the 1960's and early 1970's also had the effect of broadening eligibility. Thus, caseloads and the corresponding costs increased dramatically throughout the 1970's.

This led to a reexamination of the effects of the program changes that had been made during the previous two decades. In 1981, several fundamental changes were made, each designed to better carry out the two major statutory missions of AFDC—providing financial assistance to needy children and their families when there is no alternative means of support, and helping those families become self-sufficient and independent of welfare whenever possible.

Thus, the Omnibus Budget Reconciliation Act (OBRA) of 1981 contained provisions designed to target assistance to those most in need, improve program administration, and improve opportunities and strengthen requirements for recipients to become self-supporting.

A major thrust of OBRA, and of subsequently enacted legislation, was to develop means of assisting recipients in their efforts to become self-supporting. Throughout our history, public assistance has always been intended to be a temporary measure for those who have no alternative. Moreover, experience has shown that, given the opportunity, AFDC recipients, like everyone else, want to support themselves and their families.

The WIN program and other training and placement services, which were put into place in the 1960's and 1970's, had not had the desired effect. Since 1981, State agencies administering the AFDC program have been given several options that they can implement to help employable recipients get jobs. Recipients who are incapacitated or responsible for very young children continue to be exempt from work activity requirements.

The Community Work Experience Program (CWEP) places recipients in positions in public or private

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nonprofit agencies. In these jobs, which they perform in exchange for their benefits, recipients learn job skills and develop work histories and references that make them more employable.

Job Search provides intensive assistance to recipients who need help in making their way through the often complex process of finding a job.

Grant Diversion allows the State to use money that would have been used for benefits to subsidize wages for recipients as they make the transition into the private labor force.

In addition to these options, States have been given the authority to convert their WIN programs to WIN demonstration projects, in which the State welfare agency, rather than the employment agency, has primary responsibility for administering the program. This change tested whether bringing WIN under the agency that works directly with recipients would make the program more effective. Experience has shown that this is indeed the case.

Thirty-seven States have implemented one or more of these four options. Although the programs are new, all available data indicate that they already are proving successful and promise even greater results for the future.

Successful work opportunities programs carry two benefits. They help target resources to those families for whom public assistance was intended—families without other options for support.

Equally important, however, is the positive effect these programs have on recipients who often have had poor images of themselves and low levels of self-confidence. Programs such as CWEP help them discover that they do have something to offer in the workplace and that they can support their families. The self-esteem that comes from being self-sufficient and the prospect for a

brighter future with increasingly better jobs and higher wages are unquantifiable but tremendously important effects of the emphasis on work opportunities in AFDC.

Among OBRA's other provisions designed to improve program management were changes in accounting procedures and reporting requirements for recipients.

It was in OBRA that the age limit for dependent children was lowered to include those under age 18 except, at State option, for those who were completing a secondary education course of study by age 19.

Work expenses, which can be disregarded in calculating eligibility for employed recipients, were limited and standardized at \$75 per month for general work expenses and \$160 per month for child care. The additional income disregards that had been established in the 1970's were retained, but only for limited amounts of time, to provide a transition period for recipients gaining employment.

These income-related changes not only targeted resources to those most in need, but also equalized eligibility standards for all families of the same income level.

## **The Future**

The first 50 years of AFDC have been a remarkable tribute to the compassion of the American people and their willingness to underwrite the costs of benefits, which today total approximately \$14.4 billion per year for 7.2 million children and their adult relatives who are part of 3.7 million families.

At the start of its second half-century, AFDC is in a position to continue improving the way in which it serves the public and, especially, those who depend on it for support.