Child Poverty and Child Welfare in Nebraska

Ann Coyne
University of Nebraska at Omaha

Herb Grandbois
University of Nebraska at Omaha

Follow this and additional works at: http://digitalcommons.unl.edu/cpar

Part of the Public Affairs Commons
Children represent the fastest growing group of poor people in the United States today. An increase in the number of children living with one parent, an increase in unwed teenage pregnancy, a lack of child support, lower wages and benefits for women than for men, the cost of child care, and unemployment and underemployment in two-parent families contribute to child poverty. Policy options ranging from changing eligibility requirements for assistance programs to establishing state funded health insurance programs are presented. Methods of responding to abused and neglected children have changed dramatically. The effect of PI 96-272 on the child welfare system is analyzed, and the unique problems of Indian children are also discussed.

Children are the fastest growing group of poor people in the United states today. They are much poorer than individuals in other age groups, and have the highest rate of poverty. While the poverty rate among adults has remained relatively stable over the past 15 years, the poverty rate among children, especially very young children (age 0-5), has risen dramatically. According to Senator Daniel P. Moynihan of New York, “The United States in the 1980s may be the first society in history in which children are distinctly worse off than adults” (Children’s Defense Fund, 1986).

**Child Poverty**

Nationally, 24 percent of children younger than age 6 were poor in 1985, compared with 20.2 percent of those aged 6-17. In contrast, only 11.6 percent of adults aged 18 and older were poor (Children’s Defense Fund, 1986). (National data came from a national random sample, not a state-by-state count.) In Nebraska, according to the 1980 census, 13.4 percent of children younger than 5 and 11.6 percent of those aged 5-17 were poor, while only 10.2 percent of adults aged 18 and older were poor. Current figures on poverty in Nebraska are unavailable. However, because of the farm crisis, it is expected that poverty levels in Nebraska in 1986 are much higher than the 1980 census data indicate.
The Poverty Index

Poverty is a difficult concept to define. However, in 1964, the Social Security Administration developed a poverty index that has gained wide acceptance. The index is based on the cost of a minimum diet (Economy Food Plan) for a four-member family with two schoolage children (about $2.32 per person per day using 1984 prices). Because families of three or more persons were found to spend one-third of their income on food, the poverty level for these families was set at three times the cost of the Economy Food Plan.

Each year the thresholds are adjusted to reflect changes in consumer prices. The poverty thresholds are weighted according to family size and age of the householder, with individuals over age 65 presumed to need 10 percent less than individuals under age 65. Table 1 shows poverty levels for 1985.

Table 1 — Poverty levels by family size, 1985¹

<table>
<thead>
<tr>
<th>Size of family</th>
<th>Poverty level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dollars</td>
</tr>
<tr>
<td>1</td>
<td>5,061</td>
</tr>
<tr>
<td>2</td>
<td>6,483</td>
</tr>
<tr>
<td>3</td>
<td>7,938</td>
</tr>
<tr>
<td>4</td>
<td>10,178</td>
</tr>
<tr>
<td>5</td>
<td>12,049</td>
</tr>
<tr>
<td>6</td>
<td>13,630</td>
</tr>
<tr>
<td>7</td>
<td>15,500</td>
</tr>
<tr>
<td>8</td>
<td>17,170</td>
</tr>
<tr>
<td>9+</td>
<td>20,310</td>
</tr>
</tbody>
</table>


Current Statistics

Between 1979 and 1982, about 3.1 million additional American children fell below the poverty level. During the economic recovery of 1983 and 1984, only 210,000 of the 13 million poor children in the United States escaped poverty (1.6 percent). Clearly, the economic
Poverty was not very effective in improving the economic condition of children (Children’s Defense Fund, 1986).

Poor children are also getting poorer. In 1983 (the last year for which data are available), 5.6 million children, or 42.2 percent of all poor children, lived in families with incomes lower than half of the poverty level. Half of the poverty level for a family of three in 1983 was $3,969. For a family of four it was $5,089. In 1979, only 34.9 percent of all poor children lived in families with incomes below half of the poverty level (Children’s Defense Fund, 1986).

Reasons for Child Poverty

Why are so many children slipping into such dire poverty? What are the implications of this dramatic social change?

Children are more apt to be poor today for several reasons. Chief among them is the likelihood that for at least some time during their childhood over 37 percent of American children will live with only one parent. Most will live with their mothers, and children living with single-parent mothers are very likely to be poor (54 percent compared with 12.5 percent of other children) (Children’s Defense Fund, 1986). In Nebraska, according to the 1980 census, 49,758 children under age 18 were living in families with a female head of household, and 40.2 percent of these children were living in poverty. Of the 5,786 children under age 3 who lived in a female-headed family, 61.5 percent lived in poverty (Peterson, 1985). This feminization of poverty is related to a number of social changes that have occurred in the past 30-50 years.

The divorce rate in the United States has climbed so that now nearly half of all recent first marriages end in divorce. At the same time, the economic situation has changed so that most families need a second wage earner. When divorce occurs, typically, women are left with full support of the children and smaller salaries. In 1979, the median annual income in Nebraska of a two-parent family with children under age 18 was $21,421. In contrast, mothers of children under age 18 with no husband present had a median income of only $8,582 (Nebraska Department of Labor, 1985).

Teenage Pregnancy

Although the birthrate among teenage mothers has decreased over the past 45 years, the birthrate among unmarried teenagers has
increased dramatically. The number of out-of-wedlock births in the United States has quadrupled since 1950. It also has increased in Nebraska; now one baby out of seven is born to an unmarried mother. Many of these mothers are teenagers. In Nebraska, teenagers accounted for 39 percent of the 3,645 out-of-wedlock births in 1984. That is, 1,420 infants were born to unmarried teenagers; 33 were born to mothers under age 15, 297 were born to mothers aged 15-16, 646 were born to mothers aged 17-18, and 444 were born to mothers aged 19 (Nebraska Department of Health, 1985).

Pregnancy is the primary reason that girls drop out of school. Those who drop out of high school and have children without getting married are at risk for being dependent on Aid to Dependent Children (ADC) for a longer period than those who receive public assistance for other reasons.

Lack of child care prevents many teen mothers from returning to school. Infant care especially is very much in demand, not only for infants of teen mothers but also for infants of adult mothers in the labor force.

**Lack of Child Support**

Women also are faced with the lack of child support. Nationally, in 1984, only 58 percent of the 8.7 million women with children from an absent father were awarded child support payments by the courts. Of those who were supposed to receive child support in 1983, only half received the amount due, 26 percent received partial payment, and 24 percent received no payment at all.

In Nebraska, during fiscal year (FY) 1985-86, 59.4 percent of the 24,386 ADC recipients were awarded child support payments by the courts. Of those on ADC who were supposed to receive child support in FY 1985-86, only 16.9 percent received partial or full payment and 83.1 percent received no payment at all. Of those parents who did not receive ADC, only 46.9 percent received some child support, not necessarily the full amount, and 53.1 percent received nothing.

Since the passage of LB 7 in April 1986, which allows the garnisheeing of wages, it is likely that more children will receive the financial support to which they are entitled. It is estimated that Nebraska's child support enforcement program collected $35.5 million in child support payments.
in FY 1985-86 on behalf of eligible children (Nebraska Department of Social Services, 1986). In Nebraska, the fiscal year begins on July 1 and ends on June 30 of the following year.

Women's Wages and Benefits

Among the mothers of preschool age children in Nebraska, an estimated 49.4 percent or 50,622 women, participated in the labor force in 1979. Among mothers of older children, 67.2 percent or 74,200 women, were employed or seeking employment. Among households headed by females with no husband present, 62.3 percent of the female householders were employed, another 3 percent were unemployed, and 34.7 percent did not participate in the labor force (Nebraska Department of Labor, 1985).

Men consistently earned more than women in Nebraska. Median earnings statewide for full-time, year-round female workers were estimated at $9,168, compared with $15,573 for full-time, year-round male workers. Full-time working women earned 58.9 percent of wages paid to full-time working men (Nebraska Department of Labor, 1985).

Females were concentrated in lower-paying female or pink collar occupations, which partially explains the income difference. However, even in occupational areas in which there were a sufficient number of male and female full-time workers to compare their earnings, males consistently earned more than females. For example, female elementary and prekindergarten teachers' median earnings were $11,427, while male elementary and prekindergarten teachers' median earnings were $14,768. For executive, administrative, and managerial occupations, female median earnings were $11,482, while male median earnings were $20,592 (Nebraska Department of Labor, 1985).

Single mothers, like other working women in Nebraska, tend to be employed in female jobs that are clustered at the bottom of the income scale, even when these jobs require extensive education or training. For example, in Nebraska in 1986, only 18.4 percent of women with year-round, full-time jobs had incomes of $20,000 or more (Nebraska Department of Labor, 1986).

Frequently, female jobs do not pay benefits, such as health insurance, so children in single-parent families may not be protected by any type of health insurance. One in three poor children in the
United States is insured for only a portion of a year or is uninsured (Children’s Defense Fund, 1986).

In Nebraska, many working women have jobs that do not provide health insurance as a benefit. Only some of the employers that provide health insurance make dependent coverage available. Because 41.3 percent of the 340,000 working women in Nebraska have children, many children are not covered by basic health insurance, unless they are covered by their fathers’ policies.

**Child Care**

Single-parent working mothers have great difficulty finding adequate child care. It is estimated that as many as 6-7 million children may be left alone while their parents work. Nationwide, many women must depend on welfare because affordable child care is unavailable (Children’s Defense Fund, 1986).

Of 121,631 preschoolage children in Nebraska in 1979, 10,736 lived in single-parent households, and most mothers worked. There were 50,622 mothers of preschoolage children in the labor force in 1979 (Nebraska Department of Labor, 1985). Undoubtedly, some of these children were cared for by relatives, but many may have been left alone. Today, there are 2,346 day-care homes and centers licensed to care for 29,629 preschoolage and schoolage children in Nebraska (Nebraska Department of Social Services, 1986).

Child care is expensive. In 1985, Title XX paid $120 per month per child for care in a day-care home and $150 per month per child for care in a day-care center (Nebraska Department of Social Services, 1986). A mother of two preschool age children who has a job paying minimum wage (many female jobs are low-paying service jobs) would have to spend about half of her earnings for day care if she could not receive subsidized day care. Most low-income single mothers cannot afford this, so they are faced with the choice of leaving their children unattended while they work or quitting work and going on ADC if subsidized day care is not available.

Nebraska provides some subsidized day care. In FY 1985-86, Title XX paid day-care expenses for 11,340 children. However, many of these children were not in day care all year (Nebraska Department of Social Services, 1986). Some received just a few days or a few months of subsidized day care. Nebraska has 16,343 preschoolage children who live below the poverty level. Clearly, their economic situation would
improve if subsidized day care were provided because their mothers would be able to work.

**Unemployment and Underemployment**

Children in two-parent families can face poverty too. Unemployment and underemployment of adults frequently leads to poverty for children in these families. Despite economic recovery, there are 5.4 million children in the United States with at least one parent unemployed and another 5.4 million children with no parent in the labor force (Children's Defense Fund, 1986).

Most families headed by a worker who has just lost a job expect to rely on the Unemployment Insurance System (UIS), which covers 86 percent of all unemployed persons. Until the early 1980s, the UIS provided an effective buffer for most unemployed workers in the United States. In May 1975, more than two-thirds of all unemployed persons received unemployment insurance benefits. Since 1981, however, the protection this system provides for workers and their families has been eroded. In October 1985, the share of all unemployed workers receiving unemployment insurance benefits hit a historic low of 25.8 percent.

Because eligibility for unemployment benefits is based on work experience and wages during the previous year, the UIS is ineffective in reaching the most vulnerable jobless Americans—young parents, women, and minorities who lack steady work histories. The UIS is ill-equipped to cope with the many young women workers who hold less stable and poorer paying jobs in the service sector. Many of these jobs are not covered by the UIS. The UIS is designed to respond to temporary periods of joblessness in manufacturing industries. But, the U.S. economy is shifting more to a service economy, and the Unemployment Insurance System has not kept pace.

Additionally, states have trimmed unemployment insurance expenditures by tightening eligibility standards, reducing benefits for individuals who receive social security or private pensions, and imposing a 1-week waiting period before any benefits can be received (Children's Defense Fund, 1986).

Children in families with one or both parents unemployed are very apt to find themselves living in poverty because of the unavailability of unemployment insurance. In Nebraska, in June 1986, only 27 percent
of unemployed workers received unemployment insurance (Nebraska Department of Labor, 1986).

Low Wages

Many families with more than one or two children and parents with marginal skills who earn low minimum wages live in poverty, even if one parent works full time (tables 2 and 3). In 1984, more than 11.4 million Americans receiving hourly wages were paid at such low rates ($4.00 per hour or less) that income from a full-time job would not bring a family of three out of poverty. In 1979, the number of workers with inadequate wages was 2.8 million, a fourfold increase in only 5 years (Children’s Defense Fund, 1986). Today, if both parents work at minimum wage, one full-time and one half-time, their combined wages would not lift a family of four or more out of poverty (Children’s Defense Fund, 1986).

Table 2 — Comparison of minimum wage earnings and the federal poverty level for a family of three1

<table>
<thead>
<tr>
<th>Year</th>
<th>Hourly minimum wage</th>
<th>Annual earnings2</th>
<th>Federal poverty level (annual)</th>
<th>Full-time minimum wage earnings as a percentage of the poverty level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>1.25</td>
<td>2,500</td>
<td>2,413</td>
<td>103.6</td>
</tr>
<tr>
<td>1969</td>
<td>1.60</td>
<td>3,200</td>
<td>2,924</td>
<td>109.4</td>
</tr>
<tr>
<td>1974</td>
<td>2.00</td>
<td>4,000</td>
<td>3,936</td>
<td>101.6</td>
</tr>
<tr>
<td>1979</td>
<td>2.90</td>
<td>5,800</td>
<td>5,784</td>
<td>100.3</td>
</tr>
<tr>
<td>1980</td>
<td>3.10</td>
<td>6,200</td>
<td>6,565</td>
<td>94.4</td>
</tr>
<tr>
<td>1981</td>
<td>3.35</td>
<td>6,700</td>
<td>7,250</td>
<td>92.4</td>
</tr>
<tr>
<td>1982</td>
<td>3.35</td>
<td>6,700</td>
<td>7,693</td>
<td>87.1</td>
</tr>
<tr>
<td>1983</td>
<td>3.35</td>
<td>6,700</td>
<td>7,938</td>
<td>84.4</td>
</tr>
<tr>
<td>1984</td>
<td>3.35</td>
<td>6,700</td>
<td>8,277</td>
<td>80.9</td>
</tr>
<tr>
<td>1985</td>
<td>3.35</td>
<td>6,700</td>
<td>8,5893</td>
<td>78.0</td>
</tr>
<tr>
<td>1986</td>
<td>3.35</td>
<td>6,700</td>
<td>8,9343</td>
<td>75.0</td>
</tr>
</tbody>
</table>

1A family of three consists of one adult and two children.
2Based on 2,000 hours of work per year (40 hours per week for 50 weeks).
3Estimated.


Table 3 — Comparison of public assistance and the federal poverty level for a Nebraska family of three with no other income

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly aid to dependent children</th>
<th>Food stamps for ADC recipients</th>
<th>Energy assistance for ADC recipients</th>
<th>Poverty level (monthly)</th>
<th>ADC, food stamps, and energy assistance as a percentage of the poverty level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>210 N/A</td>
<td>N/A</td>
<td>N/E</td>
<td>328</td>
<td>N/A</td>
</tr>
<tr>
<td>1989</td>
<td>310 N/A</td>
<td>N/A</td>
<td>N/E</td>
<td>482</td>
<td>N/A</td>
</tr>
<tr>
<td>1989</td>
<td>335 135</td>
<td>27.28</td>
<td>547</td>
<td></td>
<td>90.9</td>
</tr>
<tr>
<td>1981</td>
<td>350 138</td>
<td>22.85</td>
<td>604</td>
<td></td>
<td>84.6</td>
</tr>
<tr>
<td>1982</td>
<td>350 138</td>
<td>26.09</td>
<td>641</td>
<td></td>
<td>80.2</td>
</tr>
<tr>
<td>1983</td>
<td>350 154</td>
<td>27.74</td>
<td>661</td>
<td></td>
<td>80.4</td>
</tr>
<tr>
<td>1984</td>
<td>350 158</td>
<td>29.29</td>
<td>690</td>
<td></td>
<td>77.9</td>
</tr>
<tr>
<td>1985</td>
<td>350 167</td>
<td>35.58</td>
<td>716</td>
<td></td>
<td>77.2</td>
</tr>
<tr>
<td>1986</td>
<td>350 179</td>
<td>35.58</td>
<td>744</td>
<td></td>
<td>75.8</td>
</tr>
</tbody>
</table>

\*A = figures not available.
\*E = program not in existence.

Family of three consists of one adult and two children.

Source: Nebraska Department of Social Services, unpublished data, 1986.

**Tax Increases**

The change in federal tax laws in 1981 subjected poor families to increased taxes. Additionally, the number of poor households paying federal income tax tripled between 1979 and 1983. For example, a traditional two-parent family of four with poverty-level earnings of $142 paid $134 in combined federal taxes in 1979, or 1.8 percent of its income. In 1986, the same family with poverty-level earnings of $11,508 will pay $1,223 in combined federal taxes or about 10.6 percent of its income.

A single-parent family of four with the same poverty-level earnings has been subjected to an equally harsh federal tax hike from $288 in combined taxes in 1979 (3.9 percent of its income) to $1,369 or 11.9 percent of its income this year. Large families also have been affected. A poverty-level family of six paid 6.7 percent of its income in federal taxes in 1979, while it must pay 11.2 percent of its income in 1986.

This increase in federal income taxes on working families living in poverty occurred because federal policymakers failed to increase the personal exemption, the standard deduction, and the earned income...
tax credit (EITC). Failure to increase these three tax provisions was not
offset by cuts in tax rates in 1981.

In 1985, very small adjustments were made to the personal exemp-
tion, the standard deduction, and the earned income tax credit, but
they were not nearly sufficient to make up for the damage of not
increasing them for several years. The lower a family's income, the
more nominal was the relief it received from the rate cut passed in
1981, and the greater was the damage caused by the failure to adjust the
exemption, the standard deduction, and the EITC. The higher a family's
income, the more important a factor was the rate cut and the more
irrelevant the failure to adjust these items.

The tax reform bill passed by Congress in September 1986 may be
the most important antipoverty effort in many years. It appears as if
over 6 million low-income workers will be exempt from federal taxes
because adjustments have been made in the personal exemption, the
standard deduction, and the earned income tax credit.

Eligibility Requirements for Federal Programs

Children in two-parent families can experience dire poverty and still
be ineligible for some federally funded public assistance benefits,
especially in those states that do not have ADC-Unemployed Parent or
Medicaid eligibility for Ribicoff children (poor children in two-parent
families not receiving public assistance).

Fortunately, Nebraska has an ADC-Unemployed Parent Program that
also makes children eligible for Medicaid. It served 7,056 people in June
1986. In addition, 2,645 children under age 21 in Nebraska received
Medicaid through the Ribicoff Program as of May 31, 1986. Poor children
in large families with both parents working for minimum wage,
however, are not eligible for federally funded public assistance (ADC),
although they may be exceedingly poor. But, they may be eligible for
food stamps and low-income energy assistance.

Crisis in Agriculture

The crisis in agriculture has resulted in more poverty among
Nebraska's rural children. The number of two-parent families with
children receiving ADC has increased dramatically, especially in the
Panhandle and north-central areas of the state. Likewise, the number of
Households using food stamps has increased in rural areas but decreased in urban areas (tables 4 and 5).

Unfortunately, this crisis in agriculture has occurred at the same time that the federal government has cut spending on social programs for poor children. Thus, the state of Nebraska and its subdivisions must

| District          | November 1985 | January 1986 | Change
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>Lincoln</td>
<td>115</td>
<td>146</td>
<td>50.4</td>
</tr>
<tr>
<td>Gibby</td>
<td>115</td>
<td>146</td>
<td>27.0</td>
</tr>
<tr>
<td>North Central</td>
<td>39</td>
<td>59</td>
<td>51.3</td>
</tr>
<tr>
<td>South Central</td>
<td>205</td>
<td>246</td>
<td>20.0</td>
</tr>
<tr>
<td>South</td>
<td>230</td>
<td>275</td>
<td>19.6</td>
</tr>
<tr>
<td>East</td>
<td>189</td>
<td>250</td>
<td>32.3</td>
</tr>
<tr>
<td>Palouse</td>
<td>154</td>
<td>178</td>
<td>15.6</td>
</tr>
<tr>
<td>Omaha Metro</td>
<td>258</td>
<td>272</td>
<td>5.4</td>
</tr>
<tr>
<td>Out of state</td>
<td>1</td>
<td>2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>1,306</td>
<td>1,601</td>
<td>22.6</td>
</tr>
</tbody>
</table>

Source: Nebraska Department of Social Services, April 1986.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lincoln</td>
<td>2,564</td>
<td></td>
<td>2,677</td>
<td>2,701</td>
<td>137</td>
</tr>
<tr>
<td>Gibby</td>
<td>2,069</td>
<td></td>
<td>2,168</td>
<td>2,373</td>
<td>304</td>
</tr>
<tr>
<td>North Central</td>
<td>940</td>
<td></td>
<td>1,081</td>
<td>1,171</td>
<td>231</td>
</tr>
<tr>
<td>South Central</td>
<td>3,547</td>
<td></td>
<td>3,885</td>
<td>4,031</td>
<td>484</td>
</tr>
<tr>
<td>South</td>
<td>3,780</td>
<td></td>
<td>3,978</td>
<td>4,398</td>
<td>618</td>
</tr>
<tr>
<td>Palouse</td>
<td>2,954</td>
<td></td>
<td>3,170</td>
<td>3,335</td>
<td>381</td>
</tr>
<tr>
<td>Omaha Metro</td>
<td>4,866</td>
<td></td>
<td>4,436</td>
<td>4,344</td>
<td>522</td>
</tr>
<tr>
<td>Total</td>
<td>13,886</td>
<td></td>
<td>13,429</td>
<td>13,747</td>
<td>139</td>
</tr>
<tr>
<td></td>
<td>34,606</td>
<td></td>
<td>34,824</td>
<td>36,100</td>
<td>1,494</td>
</tr>
</tbody>
</table>

Source: Nebraska Department of Social Services, April 1986.
confront the problems of child poverty. Federal policies relating to unemployment insurance, minimum wage, federal taxes, agriculture, and human services have all affected the ability of Nebraskans to support themselves and their children.

Implications of Child Poverty

The implications of a rapidly increasing number of poor children are many. Because poverty appears to be associated with poor nutrition, accidents, increased illnesses, mental retardation, poor school performance, increased drop out rates, and some forms of child abuse, this rapid increase is a serious social problem. It appears that a large subclass of individuals who are educationally unprepared to function in a technological society may be forming in Nebraska and other more industrialized states.

The rate of divorce in the United States is beginning to stabilize at about 50 percent. However, this means that many children will live in a single-parent family during part of their childhood. Whether they live in poverty during this period depends on policy choices regarding things such as enforcement of child support, availability of child care, comparable pay for working mothers for jobs of comparable worth, and increases or cuts in federal and state funds for children's programs.

The agricultural crisis appears to be worsening and unemployment in Nebraska will probably increase, at least in the next several years. Children in two-parent as well as single-parent families facing these economic hardships are at great risk for living in poverty. It also appears that the proposed federal cuts in children's programs may be disproportionately large, compared with other domestic and military program cuts.

Policy Options

Nebraska policymakers are faced with several choices for addressing the problems of child poverty. The options range from changing eligibility requirements so that more children would qualify for assistance to establishing state funded health insurance programs for unemployed or underemployed parents.
Increased Standard of Need

Nebraska’s standard of need for ADC has not increased recently, despite severe inflation. Since 1981, it has been $210 for the first family member and $70 for each additional family member. The standard of need affects both the maximum amount of public assistance an eligible family receives each month and the number of families eligible for ADC. As the standard of need increases, more families become eligible. By increasing the standard of need, more children living in poverty in Nebraska would become eligible for federally funded public assistance (ADC). Additionally, children receiving ADC would receive an amount closer to their actual need.

If the standard of need were increased to $260 for the first family member and $86 for each additional family member, a figure corrected for inflation, a family of three would be at the same ADC benefit level they were at in 1981. Recipients would not receive a net increase of $82, however.

For every $3 of ADC increase, $1 is lost in food stamps. Using this proposal, a family of three (mother and two children) would receive $132 monthly in ADC benefits (an increase of $82), $152 in food stamps (a decrease of $27), and $35.58 in energy assistance (unchanged), for a total of $619.58. This income represents 83.2 percent of the poverty level. To reach the $744.50 per month poverty level for a mother and two children, ADC would have to be raised to approximately $375 for the first person and $125 for each additional family member.

The fiscal impact on the state of the more modest proposal ($260 for the first member plus $86 for each additional family member) would be considerable. The number of families on ADC would increase by about 430. The increase in expenditures for ADC would be about $19.3 million, which would require an increased appropriation of about $8.2 million in state funds. This represents a 32.3 percent increase in state funds for ADC over FY 1985-86 levels.

Because of the decrease in food stamp benefits, the state would lose about $5.3 million in federal funds for food stamps. However, because the federal government pays 57.8 percent of ADC, there would be an increase of about $11 million in federal ADC funds, for a net gain to the state of about $5.8 million in federal funds. Thus, for an investment of $2 million in state funds, Nebraska could increase by $5.8 million the
federal funds coming into the state for poor children (Nebraska Department of Social Services, 1986).

Because the agricultural crisis affects two-parent families as well as single-parent female-headed families, a continuing increase in the number of ADC-Unemployed Parent recipients is expected (note the 22.6 percent increase in just 2 months shown in table 4). The number of poor children living in two-parent marginally employed families not eligible for ADC also will increase in rural areas. Their medical needs will be covered by the Ribicoff amendment to Medicaid. Both ADC Unemployed Parent and the Ribicoff Medicaid Programs are state options. Nebraska has chosen to protect poor children in two-parent families as well as the traditional ADC recipients, poor children in single-parent families.

**Food Programs**

Food programs, such as the Food Stamp and the Women, Infants, and Children’s (WIC) Supplementary Food Programs, are important for children. In Nebraska, 101,329 people received food stamps in January 1986. While 39,864 food stamp recipients also received public assistance (such as ADC), 61,465 recipients did not. Unlike ADC, food stamps are available to two-parent, poor working families. For children in families where both parents are employed marginally or part-time, food stamps and free or reduced school lunches may be the only help they receive.

The WIC Program is targeted to the special nutritional needs of poor infants, children, and pregnant women who also exhibit measurable nutritional deficiencies. However, in Nebraska only 33 percent of those eligible for WIC assistance receive it because of the way the program is funded. Nebraska ranks 39th among states in this regard.

Because the cost-benefit tests for WIC have consistently shown that $3 is saved (generally on neonatal intensive care expenses for premature infants) for every $1 spent on food for poor pregnant women (Select Committee on Children, Youth, and Families, 1985), an option for the state would be to increase funding for WIC by using state funds. An immediate savings in state matching funds for Medicaid (which pays for neonatal intensive care for poor infants) is apt to result. Because Nebraska uses state funds to pay 42.2 percent of the Medicaid
In the long run, because premature infants are more likely to need these services than full-term infants.

**Health Insurance**

A state funded health insurance program should provide medical protection for poor children who live with parents who do not receive employer provided health insurance. Such a program would reduce the motivation to receive public assistance so as to be covered by Medicaid. Continuing state funded Medicaid coverage to public assistance recipients for 1 year after they become employed also would reduce their likelihood of remaining on ADC to keep their families covered by Medicaid. Currently, this is a major disincentive to work.

**Federal Policy Changes**

Poverty is largely a federal issue. Federal policies affect those who are poor and, to a great extent, those who will be eligible for assistance. Among policy options being discussed at the federal level would have a profound effect on poverty in Nebraska. Perhaps the most important is the recently passed Tax Reform Bill which will remove about 6 million poor people from the tax rolls.

A fundamental shift, from a means-tested eligibility program administered by the Department of Health and Human Services, to a negative income tax administered by the Internal Revenue Service, has been proposed several times since 1968 as welfare reform. Developing laws in comparable worth has been proposed also to prevent the clustering of female occupations at the bottom of the income scale, no matter what the level of education and skill required.

All other industrialized nations give a children’s allowance to all families with children. All other industrialized nations also have a national health insurance system which covers all residents, not just the elderly and the poor. A new idea being implemented in several Western European nations is the provision of a child-support allowance for children living in one-parent families when the other parent cannot provide child support (Kahn and Kammerman, 1983).
Child Welfare

Today, the problems of children at risk for out-of-home care are viewed much differently than they were in the 1950s. In the past, it was believed that children should be removed from families that were abusing or neglecting them. Placement with good, caring foster families was considered the solution.

Now that more is known about the importance of early bonding and attachment on a child’s ability to develop normally, it is recognized that children cannot be shifted from one family to another without disrupting their attachments and interrupting and frequently damaging their development. Permanent placement of children with a family, preferably with the family of origin, is recognized now as the central issue in dealing with families experiencing serious problems.

Child Abuse and Neglect

Many Nebraska families are experiencing serious problems in parenting their children. In 1985, 7,952 cases of child abuse or neglect were reported to the child abuse central registry and 4,818 of these cases were substantiated. This represents a 180 percent increase in substantiated child abuse cases since 1982 (table 6).

It is difficult to know if the increase in reporting represents a true increase in the incidence of child abuse or simply the public’s greater willingness to report it. Increased reports during periods of economic recession probably represent an actual increase in incidence, whereas the dramatic increase in reports of incest and other forms of sexual abuse probably are due to greater public awareness. With prevention

<table>
<thead>
<tr>
<th>Year</th>
<th>Reports of child abuse</th>
<th>Substantiated cases</th>
<th>Percentage of cases substantiated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>3,934</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td>4,417</td>
<td>2,029</td>
<td>45.9</td>
</tr>
<tr>
<td>1984</td>
<td>6,249</td>
<td>3,331</td>
<td>53.3</td>
</tr>
<tr>
<td>1985</td>
<td>7,952</td>
<td>4,818</td>
<td>60.6</td>
</tr>
</tbody>
</table>

Source: Nebraska Department of Social Services, 1986.
programs in the schools (for example, Cat and Mouse, Bubylonian Encounter, and Get Away Gang) children now are being taught to tell a responsible adult if inappropriate sexual advances are made toward them.

**Child Protective Services**

Nebraska, like all states, has a Child Protective Services (CPS) program in the Department of Social Services to respond to reports of child abuse and neglect. An issue of concern is the extent of the state’s response to these reports.

Because of increases in reports of child abuse and neglect and reductions in the number of CPS workers, especially in 1981-82, Nebraska now is in a situation where all reported cases cannot be investigated. Some cases are judged to be of a lower priority and investigations are either delayed or not performed.

In cases where abuse or neglect are documented, services needed to rehabilitate family members often are not provided because of a lack of resources. Child Protective Services workers barely have time to document the existence of abuse and neglect. Frequently, they have neither the time to provide in-depth services nor the resources to purchase them for the child and family. This raises a philosophical question about the appropriateness of coercive state intervention into families when services are not going to be provided to protect children. Does simple documentation that abuse or neglect has occurred justify coercive intrusion in a family? Or, must the state guarantee treatment?

In addition to the philosophical question regarding the limits of family autonomy and state intervention, there is a practical question. Does identifying and labeling a family as abusive protect or in any way help the child? Or, is labeling counterproductive in the absence of state willingness to provide the needed protective services?

Nebraska policymakers are faced with several choices. First, to what extent can child abuse be prevented, and who is responsible for providing preventive services? Through LB 333 in 1986, the Nebraska legislature created a trust fund for support of local prevention projects. Private community groups also have been funding projects aimed especially at preventing sexual misuse of children, primarily through educational programs in the schools.
Second, to what extent is the state responsible for providing the resources, either human or financial, to treat families caught in the cycle of child abuse? In the past, children were removed from abusive or neglectful homes and placed in foster care. For indefinite periods of time, these children went from foster home to foster home, drifting through the system without roots, frequently becoming alienated and developmentally delayed by the experience.

History of Advocacy Efforts

By the 1970s, advocates began to realize that children who were placed, with the best of intentions, in a series of foster homes, group homes, or institutions were not receiving the stability they needed to grow up normally. Inspired by the civil rights activities of the 1960s and the children's rights activities of the 1970s, advocates (for example, foster and adoptive parents, child welfare specialists, Junior League volunteers, lawyers, and others active in children's rights issues) began working with Congress toward the passage of legislation that would address the problems of foster children.

After 6 years of hard work, PL 96-272, the Adoption Assistance and Child Welfare Act of 1980, was passed. This legislation is truly revolutionary, and much of the change seen in the child welfare system today emanates from it.

States are now required to have a case plan for each child in out-of-home care and to have a case review system so that a child cannot simply be placed in foster care and forgotten. States are required to have a tracking system so that the whereabouts of each child in out-of-home care can be ascertained at any time. Certain due process provisions are required for the bioparents, as well as a dispositional hearing within 18 months of a child coming into care.

Foster Care Review Act

Nebraska, responding to the philosophy and requirements of PL 96-272, in 1982 passed LB 714, the Foster Care Review Act. This act established an autonomous citizen review system and a tracking system which covers all children in out-of-home care, not just wards of the Department of Social Services (DSS). It also requires a review of the disposition by the courts within 1 year of a child entering care.
court review every 6 months thereafter. These requirements are more
stringent than those mandated by PL 96-272.

Within DSS and other agencies, the effect of PL 96-272 and earlier
permanency planning initiatives can be seen clearly. The goal for
children at risk is prevention of out-of-home placement through the
provision of intensive home-based services. When children are already
in out-of-home care, the goal is rehabilitating the family and returning
the child to the home as soon as possible. For children who are unable to
return home, the goal is adoption or other legally protected permanent
arrangements, such as subsidized guardianship (a new program passed
by the 1986 legislature in LB 600). By definition, no child is too old or too
handicapped to be adopted.

Yet, despite these goals, thousands of children in Nebraska remain in
temporary, impermanent, out-of-home care. On any day in Nebraska,
approximately 4,000-4,500 children are living in foster homes, group
homes, and institutions. Since August 1983, over 11,000 children living
in out-of-home placements have been reported to the Foster Care
Review Board’s tracking system by 40 agencies and over 80 courts.
Many of these children have been in multiple placements; 3,371 have
been in three or more placements and 683 have been in over six
temporary homes (Foster Care Review Board, 1985).

Reasons for Out-of-home Placements

Why do so many children in Nebraska end up living in out-of-home
placements, usually in a series of temporary placements? Family
violence, poverty, drug and alcohol addiction, sexual exploitation,
mental illness, and family instability are frequently the causes of
problems which result in out-of-home placements. Children with
learning disabilities or other problems, such as addictions, may exhibit
behaviors such as truancy, minor in possession, uncontrollable beha-

vior, running away, or delinquency. These behaviors may come to the
attention of the court and result in a child being placed in out-of-home

A child with mental retardation or another developmental disability
may be placed in out of home care if special education is not available
usually or if the family has difficulty parenting the child at home.
Children from very poor families may be placed in foster care if they
are found living in inadequate housing, on the streets, or in shelters.
American Indian children are at great risk for out-of-home care. Historically, many Indian children have been removed from their parents. In the late 1970s, surveys showed that as many as 25-30 percent of all Indian children were living in non-Indian foster homes, adoptive homes, or institutions. Essentially, these children had been removed from their tribes and their cultures without the involvement of tribal courts.

In 1985, American Indians represented 0.5 percent of Nebraska's population. However, 5 percent of the children in foster care in Nebraska were Indian (10 times more than would be expected). Although there were 156 Indian children in foster care in 1985, there were only 27 Indian foster homes. Clearly, the majority of Nebraska's Indian children are still being placed outside their culture despite passage of the Indian Child Welfare Act in 1978.

Placement of children in out-of-home care is not a solution, and it often compounds the problem. Dealing with basic family problems is necessary if children are to remain in their homes or return home in safety. However, community-based family services are scarce. Therefore, children may be sent out of their communities to hospitals, institutions, or group homes in the hope that the problem resides with the child and that it can be changed by some type of child-centered intervention.

Need to Deal with Family Issues

If family issues are not addressed, it is very difficult for a child to return home. Mental health professionals and judges are reluctant to return a child to a family which has not received services and has not changed. Yet, the family situation may not be dysfunctional enough to meet the legal test for termination of parental rights, which would free the child for adoption by another family. So, the child remains stuck in foster care.

Children in poor families are in a particularly difficult situation. If a family is living in inadequate housing and the landlord, for example, neglects to fix a stopped-up toilet, the Department of Social Services could place the children in foster care to protect their health if alternative housing could not be found. DSS would find it difficult, however, to pay someone to fix the toilet, although fixing it would cost much less than 1 month of foster care for only one child. The fact that fixing the toilet would benefit the landlord, as well as the children,
usually results in a decision to place the children in foster care rather than to assist the neglectful landlord.

Once children are removed from a very poor parent, the difficulties of returning them are enormous. The mother is no longer eligible for public assistance if the children are not living with her. Yet, without the money from public assistance, she is unable to afford adequate housing and may end up on the street or in a shelter. And, the children will not be returned to her if she does not have adequate housing.

Children in Nebraska, then, are caught in a system that expends enormous amounts of money (about $20 million per year) for keeping them in out of home care, while not providing the resources to their communities to develop and maintain programs to assist their families.

While Nebraska has a six-city pilot program of home-based family services (funded by a $350,000 grant from the Edna McConnell Clark Foundation), the fiscal incentives in the child welfare system are still toward out of home care. It is simply easier for a caseworker to put a child in foster care than to garner the resources needed to rehabilitate the family, even if family services would cost less than foster care. For example, a caseworker could more easily place a child at the Youth Services System group home in Lincoln for $1,000 per month than pay the Youth Services System $1,000 for rehabilitation services for the family. In communities without family services, caseworkers are not in a position to fund the development of such services, so children are placed in foster care.

What we have in Nebraska, as in most other states, is a system organized to remove children from their homes. It was developed during the era of saving children, before we understood the negative effects of removing children from their families. We need a system in which fiscal policies are in line with the stated program policies. Only when it is easier for a caseworker to authorize payment for community-based family services and harder to authorize payment for out of home care will the number of children caught in the foster care system begin to decrease.

Community-based Family Services

After 3 years of work which built on studies conducted during the 1970s, the Study Commission on Programs and Services for Dependent Youth and Youth Offenders in Nebraska recommended fiscal incentives
by the state to local communities to encourage them to develop services for families. The commission suggested the development of preventive, treatment, and rehabilitative services.

“The goals of the Study Commission’s proposals are to increase the likelihood that children and youth will be treated according to their best interests for care, protection, and adequate development, that they and their families will have access to helping services at the community level, and that decision-makers of both public and private agencies will form new partnerships for planning and delivering a coordinated, integrated continuum of prevention, early intervention, diagnosis, treatment, and after care programs, unencumbered by bureaucratic funding, or procedural barriers” (The Lincoln Foundation, 1984).

To implement these goals the commission recommended a three-level system of coordination. It recommended an executive-level office capable of directing and controlling coordinated planning and budgeting of all resources for children, youth, and families in the state. Some responsibilities of the executive office would be coordinating service agencies and juvenile courts; acting as liaison among state agencies serving children to require the pooling of fiscal, human, and program resources; planning; resolving interagency disputes; and establishing in each community a networking authority.

The commission recommended establishing an authority capable of networking public and private resources in about 25 communities. These Offices of Children, Youth, and Families would conduct periodic needs assessments, assure that all mandated core services are established and functioning, provide support for a system which emphasizes in-home services, and provide input to state agencies planning services for these communities. The commission recommended a service coordination mechanism for clients that provides investigative, protective, intake, and case management services for children, youths, and their families, without the need for a court order. This service coordination mechanism could use public and private community resources.

The family centered child/youth service system suggested by the Study Commission specifies local advisory councils; community coordination; and state administration of standards, evaluations, and fund allocations. Local planning is emphasized and core services needed by all communities would be identified by the state and developed through fiscal incentives.
The proposed plan calls for coordination authorities at the state and community levels, administration by the Department of Social Services of a case management system that integrates juvenile justice and social services, and a state grant-in-aid incentive process to help communities develop and operate core services and other needed services (The Lincoln Foundation, 1984).

Case Review

States have several options to meet the review requirements of PL 96-272. Nebraska, with the passage of LB 714 in 1982, elected to have a three-level review procedure. The Department of Social Services provides Permanency Planning Reviews every 6 months for each child under its care who is in out-of-home care. The reviews allow discussion among biofamilies, the child, and others who are involved in the case. The plan can be developed or modified during these sessions as situations change.

All children who have been placed in out-of-home care by a court must have their cases reviewed by a judge after 1 year in care and every 6 months thereafter. This assures that the due process rights of all parties are protected and that the child's case is monitored to ensure that the child receives needed services.

Nebraska has a system of autonomous citizen reviewers who are charged with the responsibility of reviewing all children placed in out-of-home care for more than 6 months, regardless of the agency involved. Five-member boards exist in 17 locations around the state, and these community volunteers meet monthly to review specific cases.

Board members possess a variety of backgrounds, such as law, education, medicine, nursing, business, and advocacy. Board members discuss specific questions about each case and make suggestions to the guardian ad litem, the judge, and the agency involved. No employee of a child placing or child-caring agency can be a member of a local review board because of the potential conflict of interest.

As citizens of local communities, these Foster Care Review Board members also identify service gaps and attempt to secure services locally for children.

The value of a citizen review process to children in the child welfare system was shown by an evaluation conducted in November 1985. The evaluation showed that cases reviewed by a local Foster Care Review
Board and the Department of Social Services' internal Permanency Planning Review (PPR) System, were twice as likely to result in adoption of children as those reviewed only by the internal PPR System. When children's cases were reviewed by citizen boards they were more likely to receive legal services to free children for adoption. For example, filing for termination of parental rights against the biomother was five times more likely to occur if the child's case was reviewed by the Foster Care Review Board (Foster Care Review Board, 1985).

Special Focus on Indian Children

Nebraska has 9,146 Indians living in approximately 1,877 households. The three Indian reservations in northeast Nebraska are home for most of Nebraska's Indians. In addition to the Santee, Winnebago, and Omaha reservations, however, there are substantial Indian populations in Omaha, Lincoln, Scotts Bluff, Chadron, Gordon, and Rushville.

PL 95-608, the Indian Child Welfare Act, was passed by Congress in 1978, because many Indian children were being removed from their families and subsequently placed in non-Indian homes. The act's intent is to prevent the unwarranted breakup of American Indian families and to protect the interests of Indian children. The act establishes tribal jurisdiction over child welfare matters and establishes specific procedures for the removal and placement of Indian children. In 1985, the Nebraska Unicameral passed the Nebraska Indian Child Welfare Act (LB 255) based on PL 95-608. The Department of Social Services assumed responsibility for writing the rules and regulations for the state.

Nebraska's legal status in relation to Indian matters is confusing because it is a "PL 280 State." In 1954, Congress passed PL 280, giving states the right to assume jurisdiction over certain areas once relegated to Indian tribes. Nebraska was one of the first states to assume jurisdiction; it elected to assume jurisdiction over the three reservations within its boundaries.

However, in 1968, Congress passed legislation that allowed Indian tribes, through the process of retrocession, to reassume the jurisdiction taken by states in 1954. The Omaha Tribe retroceded in October 1978, and maintains exclusive jurisdiction in all child custody proceedings. The Winnebago Tribe reassumed jurisdiction over child custody cases.
with the development of the Winnebago Children's Court in June 1982, but the state still has jurisdiction on the Santee Reservation.

This confusion affects individual cases, and Indian children can find themselves served neither by tribal nor state courts. One suggestion to assist Indian children at risk for out-of-home care is to create an Indian desk in the Department of Social Services and staff it with Indians who are knowledgeable about Indian culture and child welfare. These Indians could help train and recruit Indian foster parents, develop more appropriate licensing standards for Indian foster homes, and provide case advocacy for Indian children.

Structure of the Delivery System

The organization of supervision within the delivery system often constrains the delivery and the quality of services. Child welfare services are more labor-intensive than income maintenance services. They also require more professional training and judgment. For example, the process of determining eligibility for ADC, food stamps, or other income maintenance programs can be set forth in a manual. Income maintenance technicians can be trained to do eligibility determinations by the book. And, they can be supervised to see that they make determinations correctly, as outlined in the manual.

Child Protective Services workers, on the other hand, must exercise more judgment. All cases are different and it is not possible (or desirable) to create a manual which tells the worker what to do in every conceivable situation. Therefore, professional training, experience, and case supervision are necessary for the delivery of quality child welfare services.

Public welfare agencies in this country provide a variety of income maintenance and social services. Budgets for income maintenance programs, however, tend to dwarf the budgets for child welfare and other social services. For example, in Nebraska, child welfare and Title XX social services amount to about $30 million, compared with almost $300 million for income maintenance programs. Therefore, most attention is given to problems of income maintenance and most supervisory personnel are oriented toward income maintenance. Systems, therefore, are designed to deliver income maintenance services efficiently rather than to deliver child welfare services effectively.
Several states reorganized their systems to deal with the problem of income maintenance supervisors providing supervision to child welfare and other social service staff. Some provide separate supervision of child welfare personnel, so that the only common supervisor is the director or commissioner. Others, like Massachusetts, completely separate their income maintenance and social services personnel so that the Department of Social Services focuses on child welfare and social services, while another agency administers ADC, Medicaid, and Food Stamp Programs.

References


*Nebraska Department of Social Services. Poverty in Nebraska (mimeo).* Lincoln, NE, May 14, 1985.


Peterson, Janice. *Who is Poor in Nebraska? Where Are the Poor in Nebraska? Characteristics of the Population Below the Poverty Level in Nebraska.* Nebraska Department of Social Services, Lincoln, NE, 1985.


The authors want to acknowledge the help of many people in the Nebraska Department of Social Services. Special thanks are extended to Marvin E. Kanne and Gary W. Leypoldt.