

CRS Report for Congress

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Welfare Reform: TANF Activities to Reduce Nonmarital Pregnancy

December 18, 2001

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Summary

The 1996 welfare reform law created Temporary Assistance for Needy Families (TANF) to replace the previous cash assistance program of Aid to Families with Dependent Children (AFDC). TANF gives states fixed federal block grants through FY2002, providing funds for a range of activities related to families with children. The legislation specifically addresses nonmarital pregnancy, establishing the following as an explicit TANF goal: “to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.”

The states may choose to use their block grant funds “in any manner reasonably calculated” to promote the goals of TANF. However, there are some constraints on the use of federal funds that are provided as cash assistance. For example, states may not use federal TANF funds to provide cash assistance to unwed mothers under age 18 without a high school diploma (or equivalent) unless they attend school (or equivalent educational or training program) once their youngest child is 12 weeks old. In addition, states may not use federal TANF funds to assist unwed mothers under age 18 (and their children) unless they live in the home of an adult relative or in another adult-supervised arrangement. Although there is no explicit provision, TANF also allows states to apply family caps, and to deny or reduce benefits for a new baby in a family already receiving cash welfare.

In addition to providing cash welfare, states may use their TANF grants for other services and activities that support the program’s overall goals. Given the flexibility of the TANF block grant, state activities to reduce nonmarital pregnancy are notably diverse. However, states spend relatively little of their TANF grants on these activities or services. In FY2000, pregnancy prevention efforts made up 0.8% of federal TANF spending and 0.4% of total spending (including expenditures made with state funds).

TANF directs states to set numerical goals for reducing nonmarital pregnancy in FY1996 through FY2005, which most states have done. However, because of the various ways that states report these goals, and the different statistics used by the states (e.g., some establish goals for reducing childbirth, others establish goals for reducing pregnancy; some states express their goals in terms of incidence rates, while others use percentage of total births, etc.), it is difficult to compare these numerical goals across states.

The 1996 welfare reform law authorizes a performance bonus as an incentive for states to decrease their “illegitimacy ratio,” defined in the law as the number of children born out-of-wedlock divided by the total number of children born in that state (over a given 2-year period). To qualify for a bonus payment, states also must have abortion rates that are lower than their 1995 base-year levels. For each of FY1999-FY2002, \$100 million was appropriated for this bonus. HHS has awarded three rounds of bonus payments, to five states in FY1999 and FY2000 (\$20 million each) and to three states in FY2001 (\$25 million each).

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Welfare Reform: TANF Activities to Reduce Nonmarital Pregnancy

Introduction

The 1996 welfare reform law created Temporary Assistance for Needy Families (TANF) to replace the previous cash assistance program of Aid to Families with Dependent Children (AFDC).¹ TANF gives states fixed federal block grants through FY2002, providing funding for a range of activities related to families with children, including efforts to reduce out-of-wedlock pregnancies. The legislation specifically addresses nonmarital pregnancy, establishing the following as an explicit TANF goal: “to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.”²

This report examines state activities under TANF in support of this goal. In particular, it provides:

- a state-by-state breakdown of reported activities to reduce nonmarital pregnancy under TANF;
- the numerical goals set by each state for the reduction of nonmarital pregnancy (or in some cases, nonmarital childbearing); and
- information about the “illegitimacy bonus,” which is a performance bonus under TANF for states that show reductions in nonmarital pregnancy; and a brief discussion of issues raised by this bonus.

State Activities to Reduce Nonmarital Pregnancy

The states may choose to use their block grant funds “in any manner reasonably calculated” to promote the goals of TANF. The TANF block grant is a funding stream rather than a single program; combined with state and local and other federal monies, it can be used to fund many types of programs addressing many different problems.³ Given this flexibility, states have chosen to approach the issue of nonmarital pregnancy in a variety of ways.

¹For information and current developments in general, see the CRS welfare reform electronic briefing book at: [<http://www.congress.gov/brbk/html/ebwlf1.shtml>].

²Section 401(a)(3) of P.L.104-193.

³For a discussion of how states have used their TANF funds, see CRS Report RL31087, *Welfare Reform: FY2000 TANF Spending and Recent Spending Trends*, by Gene Falk.

Pre-TANF Activities. Under pre-1996 law, states were encouraged to apply for waivers of certain federal AFDC provisions in order to operate demonstration projects.⁴ States used these waivers to experiment with alternative programs. Though the majority of waivers dealt with welfare-to-work initiatives, some did address the issue of nonmarital pregnancy prevention. To receive a waiver, states were required to run their demonstration programs as rigorous social experiments, using control groups and reporting evaluation results to the Department of Health and Human Services (HHS). After the 1996 reform of welfare, many states simply continued policies begun under their waiver programs. Thus, many of the pre-1996 waiver programs that addressed nonmarital pregnancy remain intact under TANF.

The most prominent type of pregnancy-related policy established under AFDC waivers was the “family cap.” Under AFDC, 19 states applied for, and received waivers to allow family cap provisions.⁵ (As shown in **Table 1**, 23 states and territories now have family cap-type provisions in their state TANF plans.) With a family cap, additional benefits are denied, or existing benefits are reduced or restricted, upon the birth of another child to a mother already on the welfare rolls.

Cash Assistance under TANF. Since enactment of TANF in 1996, the programmatic and reporting requirements for cash assistance programs have changed. States have flexibility to use their TANF grants for any purpose related to the program’s explicit goals, with few federal constraints. Among these constraints, however, states may not use federal TANF funds to provide cash assistance to unwed mothers under age 18 without a high school diploma (or equivalent) unless they attend school (or equivalent educational or training program) once their youngest child is 12 weeks old. In addition, states may not use federal TANF funds to assist unwed mothers under age 18 (and their children) unless they live in the home of an adult relative or in another adult-supervised arrangement. Although there is no explicit provision, TANF also allows states to apply family caps, and thereby to deny or reduce benefits for a new baby in a family already receiving cash welfare.

(For a complete listing of all provisions in TANF related to nonmarital pregnancy and childbirth, see **Appendix A** at the end of this report.)

“Other” Activities under TANF. As stated above, states may use TANF funds for any purpose related to the program’s goals, which may include services and activities in addition to cash assistance. Under TANF, states must file both a biennial state plan and an annual report, both of which are to include an outline of the state’s strategy for reducing out-of-wedlock pregnancies. However, the law does not specify the exact level of description required, and state responses vary greatly in detail. Separate information on state expenditures indicates that spending on initiatives to prevent and reduce nonmarital pregnancy represents a small part of total TANF expenditures. In FY2000, pregnancy prevention efforts made up 0.8% of federal TANF spending and 0.4% of total spending (including expenditures made with state funds).

⁴Waivers were allowed under Section 1115 of the Social Security Act.

⁵State Welfare Waivers: An Overview, Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services: [<http://aspe.hhs.gov/hsp/isp/waiver2/waivers.htm>].

The most current information available on state TANF activities to reduce nonmarital pregnancy is summarized in **Table 1**. This table identifies state activities as reported to HHS in their state plans. Given the flexibility of the TANF block grant, state programs to reduce nonmarital pregnancy are notably diverse. For ease of analysis, state activities have been divided into the following categories:⁶

Changes to Sexual-Education Curricula. Undertaken at a statewide or local level, this includes the introduction of or modifications to school sexual education classes. States have chosen to add material concerning the risks of early sexual involvement as well as develop age-appropriate lesson plans and course-work. This category includes school-based efforts to reduce nonmarital teenage pregnancy.

Parenting Education. This includes efforts to teach parenting skills and reduce the incidence of repeat pregnancies, which are often focused on teenage mothers or mothers-to-be. Methods include classes on prenatal care, self-esteem counseling, assignment of caseworkers, home visits, and so-called “second-chance homes,” which are community-based adult-supervised group homes for pregnant teens or teenage parents and their babies.

Male Intervention. Education initiatives to reduce out-of-wedlock pregnancy necessarily involve the at-risk woman. Some states also focus on that woman’s partner. Generally centered around pregnancy prevention, this category includes special instruction for men about consequences of nonmarital pregnancy, counseling for men who have fathered one or more children out-of-wedlock, statutory rape education for men, and male-targeted family planning services including publicly funded vasectomies. It also includes parenting classes for both partners to prevent subsequent nonmarital pregnancies.

Fatherhood Initiatives. Occurring post-conception, these programs focus specifically on male responsibility. Working to establish paternity and enforce child-support orders, these programs aim to give unwed mothers a higher level of income and potentially allow them to leave welfare. These initiatives can involve both general education about the problems surrounding fatherlessness and attempts to involve fathers in their children’s lives.

Contraception. This includes birth-control education, contraception-focused family planning services, and efforts to improve access to contraceptives, especially among low-income individuals.

⁶The category “family planning” is not included in the table, though many state plans mentioned it specifically. “Family planning” is a very general category, and encompasses a wide variety of services and programs. Instead, these services are presented in the table based on the populations they served (men, mothers, school age children, and others), the type of service (contraception, abstinence), or way the service is provided (education, public awareness). Similarly, “teenage pregnancy” is not included as a category, although almost all reporting states mention teenage pregnancy prevention in their state TANF plan. The most recent statistics available to CRS show that 47 states and territories (of the 54 with TANF plans) report teen pregnancy prevention programs in their TANF state plans.

Abstinence. Every state except California accepts extra federal funding for abstinence education.⁷ However, only about half the states mention these funds in their state TANF plans. The programs detailed include campaigns to promote the values of abstinence until marriage and both curricular and extra-curricular youth abstinence-education.

Statutory Rape. This includes a tightening of statutory rape laws as well as greater prosecution under existing laws. Education initiatives focusing on the nature and problems of statutory rape also fall under this category.

Peer Education and Mentoring. These programs are usually broad in scope and are not specifically focused on sexual activity. Rather, they often focus on poor self-esteem, emotional instability, depression, disconnectedness, and other non-sexual risk factors of nonmarital pregnancy. Through the establishment of bonds with peers and/or adult mentors, these programs encourage leadership and self-empowerment. A few school-based programs do include sexual education information, on the theory that information received from a peer will have a greater impact than that received from an administrator and that both students will benefit from the teaching interaction.

Media and Public Awareness Campaigns. Through news conferences, billboards, free information packets, toll-free hotlines, television/radio advertising, and print media, states encourage public awareness of issues surrounding nonmarital pregnancy. Often involving community coalitions as well as government, these public service announcements and campaigns frequently target teenagers. Some include information about statutory rape laws to discourage teenage sexual activity.

Family Cap. As explained earlier, family caps are state policies that either deny or reduce cash assistance benefits that would otherwise be payable on behalf of a child born to a mother already receiving welfare.⁸

⁷Separate from TANF, the welfare reform law authorizes a \$250 million, 5-year block grant to states for Abstinence Education programs. See CRS Report RS20873, *Reducing Teen Pregnancy: Adolescent Family Life and Abstinence Education Programs*, by Carmen D. Solomon-Fears.

⁸For more information about the implementation of family caps under TANF, see General Accounting Office, *Welfare Reform: More Research Needed on TANF Family Caps and Other Policies for Reducing Out-of-Wedlock Births*, GAO-01-924, September 2001.

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State	Changes to sex education curricula	Parenting education	Male intervention	Fatherhood initiatives	Contraception	Abstinence	Statutory rape	Peer education and mentoring	Media and public awareness campaigns	Family cap
Nevada			X			X				
New Hampshire			X		X		X	X		
New Jersey										X
New Mexico						X				
New York							X			
North Carolina										X
North Dakota			X			X				X
Ohio										
Oklahoma						X				X
Oregon						X		X	X	
Pennsylvania						X		X		
Puerto Rico										
Rhode Island			X				X			
South Carolina		X				X				X
South Dakota			X				X			
Tennessee										X
Texas						X				
Utah			X							
Vermont										
Virginia			X			X				X
Washington			X			X			X	
West Virginia		X								
Wisconsin						X				X
Wyoming										X
Guam						X				X
Virgin Islands									X	

Source: Table prepared by the Congressional Research Service (CRS) based on information in TANF state plans.

Numerical Goals for Reducing Nonmarital Pregnancy

TANF directs states to set numerical goals for reducing nonmarital pregnancy in FY1996 through FY2005. Most states have done so, but some report only the methods or formulas used for computing numerical goals rather than the numbers themselves. However, some states have failed to set any goal or establish any goal-setting process. In part, this may result from the structure of the law, which directs states to “establish” numerical goals without providing specific penalties for failure to do so.⁹ State numerical goals for reducing out-of-wedlock pregnancy, as reported in state TANF plans, are summarized in **Table 2**.

Cross-state comparison of these goals remains difficult as a result of several factors. First, the accuracy of statistical reporting at the state level varies. Further impediments to comparison arise when some states set goals for the reduction of out-of-wedlock *childbirth* rather than out-of-wedlock *pregnancy*. Though the purpose statement of TANF specifies nonmarital pregnancy, childbirth statistics are more current, reliable, and easily obtained. Thus, federal bonus funds (which are discussed later in this report) are awarded on the basis of reductions in nonmarital childbearing, not nonmarital pregnancy. (However, bonus funds are only awarded to states that have also reduced abortion rates.) Whether because of the difficulty in obtaining accurate pregnancy statistics or because of the TANF bonus funds, many states work only with childbirth data. However, numerical goals for reducing pregnancies cannot easily be compared with those for reducing childbirth.

Comparison is further complicated by the statistical methods with which some states report their pregnancy or childbearing data. Nonmarital pregnancy data can be reported as a *rate*, generally per 1,000 unmarried women of childbearing age. Or, data can be reported as a *percentage*; that is, the percentage of all pregnancies that occur out-of-wedlock. Finally, data can be summarized as a *percentage decline* in either the nonmarital pregnancy rate or the nonmarital pregnancy percentage. All of these measures, as well as others, are also used to report out-of-wedlock childbearing data. The TANF law does not direct states to use a specific type of statistic, and there is no consensus among states on which measure to use. The degree of success of two or more states cannot accurately be compared when those states use incongruent statistical measures to set goals and report results.

⁹The HHS Secretary can make a state ineligible for a given year’s federal block grant by refusing to certify its state plan, if the state plan is determined to be incomplete. To date, no state has been denied plan certification for failing to set numerical goals to reduce nonmarital pregnancy.

Table 2. Numerical Goals for Reducing Out-Of-Wedlock Pregnancies from TANF State Plans

State	Numerical goal
Alabama	None specified as yet.
Alaska	The state reports that it will develop goals for reducing out-of-wedlock births based on current data.
Arizona	<p>The 1995 out-of-wedlock birth percentage was 38.2%. Arizona's goals are to reduce out-of-wedlock births as follows:</p> <p>35% of total births in 1999-2000; 33% of total births in 2000-2001; 31% of total births in 2001-2002; 29% of total births in 2002-2003; 27% of total births in 2003-2004; and 25% of total births in 2004-2005.</p>
Arkansas	<p>The Arkansas Department of Health has established the following numerical goals:</p> <p>–decrease percentage of unwed births from 33.4% in CY1996 to 33% in CY2000; –decrease the teen (15-19) birth rate from 75.3 per 1000 in CY1996 to 70 per 1000 in CY2000.</p>
California	California has a stated goal for reducing the incidence of pregnancies among females aged 17 or younger. No numerical goals provided.
Colorado	Numerical goals for reduction of the out-of-wedlock birth rate are established in each county's plan.
Connecticut	Reduce the teen pregnancy rate of 23 births per 1,000 girls aged 15 to 17 by the year 2000.
Delaware	No information. (The FY2000-FY2001 plan also makes no mention of numerical goals that were established in its first TANF state plan, which were expected to run through March 2000.)
District of Columbia	Reduce teen births and out-of-wedlock births by 1% each year.
Florida	<p>The ratio of out-of-wedlock births to total births was 35.96% and 34.82% in 1996 and 1997 respectively. Florida established the following goals for calendar years 1998-2005:</p> <p>1998 – 34.38% 1999 – 34.03% 2000 – 33.68% 2001 – 33.37%</p>

State	Numerical goal
	2002 – 33.07% 2003 – 32.73% 2004 – 32.44% 2005 – 32.13%
Georgia	The goal of Teen Plus is to reduce pregnancies among girls aged 15 through 19 years of age by 5% each year, or by 15% by the year 2002.
Guam	Guam's Abstinence Only Education FY2000 Strategy has set the following goals: 1) Reduce the rate of pregnancy among teenagers aged 15-17% by 5%. 2) Reduce the proportion of adolescents who have engaged in sexual intercourse by 5%. 3) Increase the proportion of teenagers 10-18 who have discussed human sexuality with parents and/or parentally endorsed sources by 5%. 4) Reduce the rate of birth among female teenagers aged 15-17 by 5%. 5) Reduce the incidence of unintended pregnancies in females aged 10-18 by 5%.
Hawaii	Between 2000 and 2010 (with 1995 as benchmark year): reduce the onset of early sexual involvement/activity among adolescents by 10%; increase the use of contraception among sexually active adolescents by 10%; reduce pregnancies among adolescent females by 12%. These goals were to be evaluated based on the 1999 findings. The evaluation process was scheduled to begin in March 2000.
Idaho	Idaho has an objective that is the same as the Year 2000 National Objective for this issue: Reduce to no more than 30% the proportion of all pregnancies that are unintended.
Illinois	No information.
Indiana	Specific goals for teen pregnancy and abstinence were established beginning with 1997, using the actual performance for that year. Performance objectives for the rate of births to female teenagers aged 15-17 are: FY1997 - 32.1% (actual performance); FY1998 - 33.2%; FY1999 - 32.6%; FY2000 - 32.1%; FY2001 - 31.6%; FY2002 - 31.3%. Performance objectives for the rate of births to female teenagers aged 10-14 are: FY1997 – .85%(actual performance); Maintain same rate through FY 2002. Performance objectives for the reduction of the proportion of adolescents who have engaged in sexual intercourse (12th grade): FY1997 – 67.9% (actual performance); Reduce by one-tenth of 1% each year through 2002. (FY2002 goal - 67.4%) Performance objectives for the reduction of the proportion of adolescents who have

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State	Numerical goal
	engaged in sexual intercourse (9th grade): FY1997 – 36.1% (actual performance); reduce by one-tenth of 1% each year through 2002. (FY2002 goal - 35.6%).
Iowa	Desired outcomes for reducing out-of-wedlock teen pregnancies and indicators of success in meeting these outcomes have been established in consultation with the public and the Iowa Legislature. Baseline data will be used to establish additional numerical goals.
Kansas	A 1997 task force report established goal of reducing out-of-wedlock births by 3% per year, recognizing that progress should not be expected until 1999. The report further established a goal for reducing the state's teen pregnancy rate by 30 pregnancies per 1,000 in the 10-19 age group by the year 2000.
Kentucky	Goal established to reduce the out-of-wedlock birth ratio by 1% each year from 1999 through 2002.
Louisiana	No information in current state plan. (An amendment to the previous state plan reported that Louisiana set a goal of reducing unwed teen pregnancy rate statewide by 1% in 1998 and by at least 2% in the area of a pilot project.)
Maine	By 2005, the state plans to reduce the pregnancy rate of 10-14 year olds to 0 per 1,000 females (from 0.7 per 1,000), the pregnancy rate of 15-17 year olds to 30 per 1,000 females (from 37.9 per 1,000), and the pregnancy rate of 18-19 year olds to 80 per 1,000 females (from 101.4 per 1,000). (Maine baseline data are for 1992).
Maryland	Goal is to lower the incidence of out-of-wedlock births by 1% by 2005 (overall base rate is not specified). Plan is to primarily target the age bracket of 18 to 19 years.
Massachusetts	Numerical goals established are included in Attachment 2 (however, this attachment was not included in the HHS file and was therefore unavailable during the preparation of this CRS report).
Michigan	The state intends to reduce unintended pregnancies from 49% to 30% or less. The goal for the pregnancy rate among adolescents age 15 through 19 is no more than 63 per 1,000 females. The 1996 rate was 77.2 per 1,000.
Minnesota	Minnesota's 2005 goal is a 24% out-of-wedlock birth rate. The state's 1997 state out-of-wedlock birth rate was 25.1%
Mississippi	The state established numerical goals for reducing the illegitimacy ratio of the state (as defined in TANF) for federal FY1997 through calendar year 2005. This information was published in a document separate from the body of the state plan, and was therefore unavailable during the preparation of this CRS report.
Missouri	No specific numbers given.
Montana	By the year 2005, reduce average 5-year pregnancy rate for 15-19 year old females to 57.7 per 1000.
Nebraska	State HHS, including the Reproductive Health program and TANF, are working together

State	Numerical goal
	to establish numerical goals.
Nevada	The goal is to reduce the teen pregnancy rate among women ages 15 to 17 by one-third, to no more than 35 per 1,000 by the year 2005.
New Hampshire	By 2005, reduce the non-marital teen birthrate to 21.0 per 1,000 (from a baseline of 22.3 per 1,000 in 1994). By 2005, reduce the non-marital birth rate among women ages 20-24 to 33.0 per 1,000 (from a baseline rate of 35.1 per 1,000 in 1994).
New Jersey	No information.
New Mexico	No information.
New York	No numerical goals specified.
North Carolina	The state's goal is to reduce the incidence of out-of-wedlock births by 4.0% for calendar years 1999 and 2000, as anticipated in federal law.
North Dakota	In 1993, there were 2,257 out-of-wedlock births in North Dakota. There were 2,142 in 1998, a 5.4% reduction. The target is to continue this downward trend. (A 1998 state plan update said the yearly reduction goal is 2%. The 2000-01 plan does not give a precise percentage target.)
Ohio	Goals are set at county level.
Oklahoma	The Governor in his 1999 State of the State address established the goal of reducing out-of-wedlock birth rate by one-third by 2010.
Oregon	Goals for the reduction of teen pregnancies: The target set during the 1995 Oregon Legislative session is eight pregnancies for every 1,000 minor females by the year 2000, to remain constant through 2010. In 1995, the pregnancy rate for minors (10-17 years old) was 19.2 pregnancies per 1,000 minor females, resulting in 12.2 live births. The most recent data available, from April 1997 through March 1998, shows that figure now stands at 18 pregnancies per 1000 minor females in Oregon.
Pennsylvania	Pennsylvania proposes to reduce the proportion of out-of-wedlock births accounted for by teenagers to 28.15% in 1998 (one percentage point less than the average for 1994-1995). [Note: This language is included in FY2000-FY2001 plan.]
Puerto Rico	No numerical goals specified.
Rhode Island	Plan says HHS (and its partners) established numerical goals for reducing the illegitimacy ratio while developing a teen program, but the plan does not state them.
South Carolina	The goal is to reduce the state's illegitimacy rate by one-fourth of 1% in each of FY2000 and FY2001.
South Dakota	Plan says state will use TANF funds so that annual numerical goals are established to reduce out-of-wedlock teenage pregnancies, along with other purposes. However, goals are not specified.

State	Numerical goal																				
Tennessee	State says the Department of Human Services, in conjunction with the Department of Health and the Department of Education, developed a task force whose duties included establishing goals to reduce the ratio for 1996 through 2005 (but goals are not listed).																				
Texas	No information.																				
Utah	Reduce the out-of-wedlock birth rate by 2% per year through 2002.																				
Vermont	No information.																				
Virgin Islands	A committee has been formed with the Departments of Education and Health and private sector interests to establish numerical goals for reducing illegitimacy ratios.																				
Virginia	<p>Virginia set goals for reducing the percent of non-marital births in 1996, but because non-marital birth rates rose in 1999, the goals were adjusted. The target illegitimacy ratios (out-of-wedlock births divided by the number of births): are as follows:</p> <table data-bbox="751 618 961 930"> <tbody> <tr><td>1996</td><td>28.9%</td></tr> <tr><td>1997</td><td>28.6%</td></tr> <tr><td>1998</td><td>28.4%</td></tr> <tr><td>1999</td><td>29.3%</td></tr> <tr><td>2000</td><td>28.8%</td></tr> <tr><td>2001</td><td>28.4%</td></tr> <tr><td>2002</td><td>28.0%</td></tr> <tr><td>2003</td><td>27.6%</td></tr> <tr><td>2004</td><td>27.1%</td></tr> <tr><td>2005</td><td>26.7%</td></tr> </tbody> </table>	1996	28.9%	1997	28.6%	1998	28.4%	1999	29.3%	2000	28.8%	2001	28.4%	2002	28.0%	2003	27.6%	2004	27.1%	2005	26.7%
1996	28.9%																				
1997	28.6%																				
1998	28.4%																				
1999	29.3%																				
2000	28.8%																				
2001	28.4%																				
2002	28.0%																				
2003	27.6%																				
2004	27.1%																				
2005	26.7%																				
Washington	The Department of Social and Health Service/Medical Assistance Administration, the Department of Health, and the Office of the Superintendent of Public Instruction will establish goals and continue to take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies. Numerical goals for reducing the state's illegitimacy birth ratio will be established.																				
West Virginia	Prevent subsequent teen pregnancies and/or illegitimate pregnancies by 2% of the total births from 1996-2005 is the goal of the Right from the Start project. Goal of family planning program is to increase the availability of contraceptive services and pregnancy prevention education to adolescents by 5% from 1996 to 2005.																				
Wisconsin	By the year 2001, the goal is a 15% decline from the 1995 pregnancy rate for females age 19 and under.																				
Wyoming	Reduce out-of-wedlock pregnancies by 1% each year.																				

Source: Congressional Research Service (CRS) based on data from TANF state plans.

“Illegitimacy Ratio” Reduction Bonus

The 1996 welfare reform law authorizes a performance bonus as an incentive for states to decrease their “illegitimacy ratio.” For each of FY1999-FY2002, \$100 million was appropriated for this bonus. As stated earlier, although TANF’s explicit goal is to reduce the incidence of out-of-wedlock *pregnancies*, the award of these bonus funds is determined by measuring out-of-wedlock *births*. The bonus is divided equally between the five states with the greatest decline in their “illegitimacy ratio,” defined in the law as the number of children born out-of-wedlock divided by the total number of children born in that state (over a given 2-year period).¹⁰ However, to qualify for a bonus payment, states also must have abortion rates lower than their 1995 base-year levels. Awards are based on the most recent 2-year data from the National Center for Health Statistics, compared with that of the previous 2-year period. Special provisions come into effect if fewer than five states qualify, or if Guam, the Virgin Islands, or American Samoa qualifies.

HHS has awarded three rounds of bonus payments. In September 1999 and September 2000, HHS awarded \$20 million each to five jurisdictions. However, in September 2001, only three states qualified for the bonus (the same three that received payments the previous 2 years), and each received \$25 million. **Table 3** lists bonus-qualifying states for FY1999, FY2000, and FY2001, along with their nonmarital birth ratios in the relevant years and the percentage decline from previous ratios.

In FY2000 and FY2001, all states receiving these performance bonuses had nonmarital birth ratios that exceeded the national average at the time. In FY1999, three of the five states receiving the bonus had higher than average nonmarital birth ratios. This means that more children were born out-of-wedlock (proportionately) in states receiving bonuses than in the average state. This result is possible because a state’s overall ranking in nonmarital birth ratio does not determine qualification for the bonus award. Rather, the *change* in ratio determines which states are rewarded and which are not. The bonus is given for a percentage of a percentage. Specifically, funds are awarded on the basis of the percent decline in the total percentage of children born out-of-wedlock.

This method increases the likelihood that bonus funds will go to states with high nonmarital birth ratios, because such states are more likely to experience significant declines than states with lower or average nonmarital birth ratios. This effect is due to a statistical phenomenon called “regression to the mean.” Simply put, regression to the mean implies that statistical change will tend toward the average rather than away from the average. Thus, over time, states with high nonmarital birth ratios are more likely than others to see those ratios fall, and therefore, more likely to be rewarded.

¹⁰Section 403(a)(C)(i)(I)(aa) of P.L. 104-193.

Table 3. Nonmarital Birth Ratios for States that Received TANF “Illegitimacy” Bonus in FY1999, FY2000, and FY2001

Bonus recipients in FY1999	% of births to unmarried women 1994-1995	% of births to unmarried women 1996-1997	% change in nonmarital birth ratio
California	32.248	30.422	-5.665
District of Columbia	67.388	64.889	-3.708
Michigan	34.676	33.510	-3.361
Alabama	34.470	33.773	-2.022
Massachusetts	26.095	25.706	-1.493
U.S. Average	32.392	32.394	0.003
Bonus recipients in FY2000	% of births to unmarried women 1995-1996	% of births to unmarried women 1997-1998	% change in nonmarital birth ratio
District of Columbia	65.973	63.249	-4.130
Arizona	38.537	38.005	-1.380
Michigan	34.050	33.595	-1.336
Alabama	34.071	33.972	-0.290
Illinois	33.760	33.753	-0.022
U.S. Average	32.271	32.611	1.054
Bonus recipients in FY2001	% of births to unmarried women 1996-1997	% of births to unmarried women 1998-1999	% change in nonmarital birth ratio
District of Columbia	64.889	62.309	-3.976
Michigan	33.510	33.507	-0.009
Alabama	33.773	33.689	-0.249
U.S. Average	32.394	32.934	1.669

Source: Table prepared by the Congressional Research Service (CRS) based on published data from the U.S. Department of Health and Human Services (HHS). Percentage change may not correspond exactly with percentages shown in table, due to rounding.

The “illegitimacy” bonus has raised some concern because it rewards states for a statewide outcome – reduction in nonmarital birth ratios with no concurrent increase in abortion – which may not necessarily reflect the impact of state policies or programs that are targeted on specific populations within the state. On September 21, Representative Wally Herger, Chairman of the House Ways and Means Subcommittee on Human Resources, introduced H.R. 2982, which would suspend the award of this bonus for FY2002. The bonus, along with the rest of the TANF block grant program, is scheduled to expire after FY2002 and will be reevaluated in the context of the reauthorization debate.

HHS Reporting on State Activities

TANF law requires the Secretary of HHS to make annual reports to Congress. In these reports, HHS is to rank states in order of success in reducing out-of-wedlock pregnancies and also to review programs of the five most successful and the five least successful states. The Secretary is to conduct cost benefit analyses of state TANF programs, including nonmarital pregnancy

programs. Additionally, the 1996 law required HHS to establish and implement (by January 1, 1997) nonmarital teen pregnancy prevention programs in at least 25% of U.S. communities.

In its annual report to Congress, HHS reports the number, rate and percentage of births to unmarried women.¹¹ HHS reports these data on a state-by-state basis, as well as for the United States as a whole. The annual reports include longitudinal data, tracking changes on the state level over time. As required by TANF law, the report also ranks states by decline in the percent of children born out-of-wedlock. The annual reports, however, do not include information on nonmarital pregnancy.

In connection with the TANF mandate to assure that at least 25% of American communities have teen pregnancy prevention programs, HHS established the National Strategy to Prevent Teen Pregnancy. This Strategy is based on five key principles. These are: 1) Parents and adult mentors must play key roles in encouraging young adults to avoid pregnancy and stay in school; 2) Abstinence and personal responsibility must be the primary messages of prevention programs; 3) Young people must be given clear pathways to college or jobs that give them reason to stay in school and avoid pregnancy; 4) Public and private sector community partners must develop comprehensive strategies; 5) Real success requires sustained commitment to the young person over time. In its last report on the National Strategy, HHS reported a “conservative estimate” that at least 35% of communities had teen pregnancy prevention programs in place in FY1999.¹² Most recently, an HHS official told the House Ways and Means Subcommittee on Human Resources that 47% of American communities had such programs in 2001.¹³

Data Issues

Pregnancy versus Childbirth. Though reduction of nonmarital pregnancy is a stated goal of the law, in practice the TANF program relies heavily on nonmarital *childbirth* data. For various purposes at both the state and federal levels, birth data have been substituted for pregnancy data. As discussed earlier, for example, many states set numerical goals to reduce out-of-wedlock childbirth rather than pregnancy. Likewise, federal performance bonuses are awarded for reductions in births, not pregnancies. Concern about the availability, accuracy, and timeliness of pregnancy data largely contributes to the use of childbirth data instead. Childbirth statistics are easier to obtain than pregnancy statistics. Further, pregnancy rates are estimates, derived from formulas involving miscarriage and induced abortion rates. Childbirth statistics are also more recent than pregnancy statistics. The last year for which pregnancy data are available is 1997, while preliminary childbirth data are available through 2000.

¹¹See: [<http://www.acf.dhhs.gov/programs/opre/director.htm>] for HHS annual reports on TANF.

¹²HHS, *A National Strategy to Prevent Teen Pregnancy, Annual Report 1999-2000*, available at: [<http://aspe.hhs.gov/hsp/teenp/ann-rpt00/index.htm>]

¹³Testimony of Bobby Jindal, Assistant HHS Secretary for Planning and Evaluation, November 15, 2001.

Despite these limitations of data, the welfare reform law explicitly targets reduction of nonmarital pregnancy, rather than nonmarital childbearing. TANF seeks to reduce both abortion *and* the total number of children born out-of-wedlock. Mandating reductions in nonmarital pregnancy accommodates both goals, while focusing solely on nonmarital childbearing could place upward pressure on the abortion rate.¹⁴ Indeed, reductions in nonmarital childbearing alone could reflect increased abortion. Because of this concern, bonus funds are awarded only to states that have decreased abortion rates, as well as decreased nonmarital birth ratios.

Incidence Rates versus Percentages. As discussed earlier, nonmarital pregnancy or childbirth statistics can be reported as a rate, percentage, or percentage decline, as well as other less common measures. Rates gauge *absolute* change in the trend, and depend only on the behavior of unmarried women. In contrast, percentages of out-of-wedlock pregnancy measure *relative* change in the trend; they quantify how the behavior of unmarried women compares to the behavior of married women. Thus, percentages, percentage declines, ratios, and other types of comparative statistics all depend on the activities of both married and unmarried women. Rates and percentages can provide very different pictures.

For example, the birth rate among unmarried women in 1990 was 43.8 per 1,000 unmarried women aged 15-44, which was almost identical to the rate in 1999 of 43.9 (although the rate had peaked in the interim years at 46.9 in 1994). Meanwhile, the nonmarital *pregnancy* rate dropped, from 102.3 in 1990 to 92.8 in 1997, the most recent year for which data are available. At the same time, however, nonmarital births as a percentage of all births increased, from 28% in 1990 to 33% in 1999. The difference may be explained by the behavior of married women, whose birth rate dropped from 93.2 per 1,000 married women aged 15-44 in 1990, to 87.3 in 1999. Thus, any attempt to examine these relative trends – especially on a long-term basis – must also consider trends in marriage, as well as pregnancy and childbirth.¹⁵

The distinction between rate and percentage has implications for the award of federal bonus funds, which are awarded on the basis of a ratio (a type of percentage statistic). While these bonus funds depend on the activities of both married and unmarried women, only unmarried women are the target population of TANF policies to reduce pregnancy.¹⁶

¹⁴Klerman, Jacob A. *Welfare Reform and Abortion*. [In] *Welfare, the Family, and Reproductive Behavior: Research Perspectives*. Moffitt, Robert A., ed., Washington, DC, National Academy Press, 1998.

¹⁵For more information on nonmarital birth trends, see *Nonmarital Births* in the CRS electronic briefing book on welfare reform, at: [<http://www.congress.gov/brbk/html/ebwlf38.html>]. For information specifically on teenage birth and pregnancy trends, see CRS Report RS20301, *Teenage Pregnancy Prevention: Statistics and Programs*, or *Teenage Pregnancy Prevention* in the electronic briefing book, at: [<http://www.congress.gov/brbk/html/ebwlf39.html>], all by Carmen Solomon-Fears.

¹⁶Incidentally, however, the decision to marry is a concern of TANF policy, since the law also is intended to promote the formation and maintenance of two-parent families, and to reduce public dependence of parents through job preparation, work and marriage.

Appendix A: Nonmarital Birth Provisions in the Temporary Assistance for Needy Families (TANF) Program¹⁷

Findings. The findings section of P.L. 104-193 notes the increase in out-of-wedlock pregnancies and births during the 1976-1991 period, asserts that an effective strategy to combat teenage pregnancy must address the issue of male responsibility, and lists some of the negative consequences of out-of-wedlock births on the mother, child, family, and society. This section of the law states that it is the “Sense of the Congress” that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important government interests and that the policy contained in the TANF program is intended to address the problem.

Purpose. The purpose statement in the law with respect to the TANF program stipulates that states should design their TANF program to prevent and reduce the incidence of out-of-wedlock pregnancies and that states should establish annual numerical goals for preventing and reducing the incidence of such pregnancies.

State Plan. P.L. 104-193 requires that the TANF state plan include an outline of how the state intends to establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies. States should also establish numerical goals for reducing the nonmarital birth ration of the state for calendar years 1996-2005. Finally, the state is required to outline how it intends to conduct a program that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded to include men.

Bonus for Decline in Out-of-Wedlock Births. For FY1999-FY2002, TANF provides that bonus funds be awarded to five states that have lower out-of-wedlock birth ratios and lower abortion rates than in FY1995. Under the law, the five states with the greatest decline in the out-of-wedlock birth ratio (with abortion rates lower than the 1995 level) are to receive a bonus of \$20 million. If fewer than five states qualify for this bonus, the bonus is to increase to \$25 million. If Guam, the Virgin Islands, or American Samoa qualify for these bonus funds, they would be paid \$1.172 million, \$889,000, and \$250,000, respectively. This would not affect the number of other jurisdictions that could receive the bonus. The \$20 million or \$25 million paid to other qualifying states (including the District of Columbia and Puerto Rico) would be reduced pro-rata.

Bonus to Reward High Performance States. For FY1999-FY2002, a bonus grant is provided to states that are successful in meeting the goals of the TANF program. A total of \$1 billion is appropriated for these bonuses, which are to average \$200 million annually. As mentioned earlier, one of the goals of the TANF program is to prevent and reduce the incidence of out-of-wedlock pregnancies. However, the Department of Health and Human Services (HHS) announced that the performance awards for FY1999 through FY2001 would be

¹⁷This appendix is excerpted from archived CRS Report RS20240, *Welfare Reform: Provisions Related to Nonmarital Births*, by Carmen Solomon-Fears, June 21, 1999.

based only on measures related to promoting work. Beginning in FY2002, a new measure will be added to the high performance bonus related to the percent of married couple families with children in the state. Also beginning in FY2002, some of the high performance bonus will be paid based on states' effort to support the working poor, as measured by participation in food stamps and Medicaid/State Childrens' Health Insurance programs (SCHIP), as well as certain features of state child care programs.

Persons Ineligible for TANF Assistance. P.L. 104-193 specifies that a state may not use any part of the federal TANF grant to provide assistance to unwed mothers under age 18 without a high school diploma (or its equivalent) unless they attend school (or other equivalent educational or training program) once their youngest child is 12 weeks old.

The law also specifies that a state may not use any part of the federal TANF grant to provide assistance to unwed mothers under age 18 (and their children) unless they live in the home of an adult relative or in another adult-supervised arrangement.

Family Planning. Although a state is prohibited from using any part of the federal TANF grant to provide medical services, "prepregnancy" family planning is specifically mentioned as an allowable expense under the TANF program.

Family Cap. Although there is no explicit provision, P.L. 104-193 allows states to deny TANF benefits for a new baby in a family already receiving cash welfare (TANF) rather than to provide the traditional incremental benefit increase for a newborn.

Abstinence Education. P.L. 104-193 provides appropriations of \$50 million for each of FY1998-FY2002 for grants to states for abstinence education programs, with a focus on groups most likely to bear children out-of-wedlock.

Ranking and Review of States Regarding Out-of-Wedlock Births. P.L. 104-193 directs the HHS Secretary to rank states in order of success in reducing the proportion of out-of-wedlock births and review the programs of the five states most recently ranking highest and the five state most recently ranked the lowest.

Research on TANF Programs. P.L. 104-193 requires the HHS Secretary to conduct research on the benefits, effects, and costs of operating state TANF programs. The research is to include the effects and operation of various programs on nonmarital births and teen pregnancy.

Census Bureau Report. The Census Bureau is directed to expand the survey of Income and Program Participation (SIPP) to obtain data with which to evaluate TANF's impact on a random sample of recipients. One of the areas the Census Bureau is directed to focus on is out-of-wedlock births. The law authorizes an appropriation of \$10 million for each of FY1996-FY2002.

Report on Circumstances of Certain Individuals. P.L. 104-193 requires the HHS Secretary to report to four committees of Congress annually beginning August 22, 1999, on specified matters about three groups: children

whose families lost TANF eligibility because of a time limit, children born after enactment (i.e., August 22, 1996) to teen parents, and persons who became teen parents after enactment. Among the specified matters is the rate at which the members of each group are born, or have children, out-of-wedlock, and the percentage of teens that are married.

National Goals to Prevent Teen Pregnancies. P.L. 104-193 requires the HHS Secretary to establish and implement, no later than January 1, 1997, a strategy for preventing out-of-wedlock teenage pregnancies and assuring that at least 25% of the Nation's communities have teenage pregnancy prevention programs. The Secretary is required to annually report to Congress with respect to the progress that has been made in meeting the aforementioned strategies.