

# Policy Brief on: *Substance Abuse & Welfare Reform*

**Authored by:** Lisa Metsch, Ph.D., University of Miami School of Medicine and Harold Pollack, Ph.D., University of Chicago

**Reviewed By:** Sheldon Danziger, Ph.D., University of Michigan; Peter Reuter, Ph.D., University of Maryland; Laura Schmidt, Ph.D., University of California at San Francisco

## **Introduction:**

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) changed the nature, purpose, and financing of public aid. PRWORA ended a 60-year-old federal entitlement, Aid to Families with Dependent Children (AFDC), replacing it with the transitional program, Temporary Assistance to Needy Families (TANF) (Weaver, 2000). The goals and implementation of TANF are now being re-explored in the process of reauthorization and the 2006 release of TANF interim final regulations.

PRWORA brought many uncertainties about its potential impact on low-income mothers who misuse alcohol, prescription medication, or illicit drugs. At welfare reform's passage, the prevalence of substance use, abuse, and dependence among recipients was largely unknown. Many advocates, administrators, and researchers feared that substance use disorders were widespread and that such disorders would prevent many recipients from complying with TANF requirements. As described below, substance abuse and dependence proved less common among TANF recipients than was initially feared, but the identification, assessment, and treatment of recipients with these disorders raises complex issues for policymakers. These issues continue to be debated in the aftermath of the 2005 TANF reauthorization and the 2006 release of TANF interim final regulations.

## **Policy Implications:**

Substance abuse and dependence are relatively uncommon but raise important problems for some TANF recipients.

For policymakers, a key challenge is to balance the need to encourage self-sufficiency with the need to address complex circumstances facing those TANF recipients with substance use disorders. Recipients facing the most serious barriers are unlikely to quickly obtain and retain employment. Many require multiple services. Treatment outcomes should address substance use, other health and personal problems, employability, welfare recidivism and family and housing stability. Some will face sanctions due to non-compliance with work requirements or other TANF obligations.

Policymakers must consider how best to combine work requirements and other obligations with the need to provide TANF recipients with access to an appropriate range of services. Although work and treatment are sometimes considered in opposition to each other in policy discussion, the development of work skills is an important goal of many treatment interventions. Some treatment interventions also provide support and monitoring to help clients be successful in subsequent job roles begun during the latter stages of treatment. Such services are likely to be especially important for TANF recipients, although the peer-review research base is limited regarding the effectiveness and cost-effectiveness of such efforts.

For state and local TANF administrators, the most pressing challenges concern the effective execution of broadly supported but administratively difficult interventions: screening, assessment, referral, and case management. Local welfare offices need the resources and expertise to screen, assess and refer individuals experiencing substance use disorders. Best-practice models are emerging to accomplish these tasks. Many TANF programs do not now effectively identify and serve TANF recipients with substance use disorders.

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Finally, the changing nature of public aid requires policymakers to consider needs of low-income families who do not receive TANF cash aid. In the wake of welfare reform, TANF receipt has declined among all low-income families, including those headed by parents with substance use disorders. States and localities must therefore strengthen outreach and treatment referral services for low-income families who do not receive TANF cash aid.

## Key Results

- Over different years, in many different surveys, approximately 20 percent of TANF recipients report that they have used an illicit drug at least once in the past year. (Pollack et al., 2002); (Jayakody et al., 2000); (Metsch and Pollack, 2005); (Jayakody et al., 2000); (Phinney et al., forthcoming)
- The prevalence of self-reported illicit drug use among welfare recipients has remained relatively stable post-reform, and remains below observed prevalences of the early 1990s. (Pollack and Reuter, 2006)
- Approximately 5 percent of TANF recipients report illicit substance abuse or dependence. Approximately 6.5 percent of TANF recipients report alcohol abuse or dependence. (APA, 1994); (Metsch and Pollack 2005); (Pollack and Reuter, 2006); (Jayakody et al., 2000), (Grant and Dawson, 1996)
- AFDC/TANF receipt has declined as rapidly among low-income mothers who report recent substance use as among the broader population of low-income mothers. (PL104-193); (Pollack and Reuter, 2006); (Schmidt et al, 2006)
- Low-income women who are not working, are TANF-sanctioned, or are experiencing housing instability are more likely than others to report substance use disorders. (Morgenstern et al., 2006); (Morgenstern et al., 2001); (Phinney et al, forthcoming)
- Substance use is associated with increased duration (and cycling) of TANF receipt. (Pollack et al, 2002); (Seefeldt and Orzol, 2003); (Williams et al., 2004); (Schmidt et al, 2002)
- Substance use is only one of many barriers to well-being and social performance among low-income mothers and often co-occurs with other significant barriers such as psychiatric disorders. (Pollack et al., 2002); (Danziger et al., 2000); (Danziger and Seefeldt, 2002); (Montoya et al., 2001); (Gutman et al, 2003); (Pollack et al., 2002); (Lown et al., 2006)
- Screening and assessment of substance use disorders remain central administrative challenges, with great variation across service sites. (Danziger and Seefeldt, 2002); (Morgenstern et al., 2003); (Morgenstern et al., 2001); (McCrary and Langenbucher, 1996); (Weisner and Schmidt, 1995); (LAC, 2002)
- Specialized screening and case management appears promising in identifying substance use disorders in welfare offices and integrating them into substance abuse treatment. (Morgenstern et al., 2006)
- Work conditions, relationships between welfare workers and clients, and the stigma surrounding substance use influence the success of screening, assessment, and intervention. (Dohan et al, 2005); (Schmidt et al., 2006)
- TANF receipt may facilitate treatment entry among women with substance use disorders. (Pollack and Reuter, 2006)
- Comprehensive services for women and children may improve treatment outcomes. (Metsch et al., 2003); (Wickizer et al., 2000); (Gutman et al., 2003); (Morgenstern et al., 2003); (McLellan et al., 2003); (Lower-Basch et al., 2007)

Metsch, L., and Pollack, H.; Substance Abuse and Welfare Reform Knowledge Asset, Web site created by the Robert Wood Johnson Foundation's Substance Abuse Policy Research Program; May 2007.

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