

On his website, [Stephen Goldsmith](#) reviews current academic research that is most relevant to practitioners, policy advisors and policy makers.

This document summarizes: Lewin, Alisa C. and Eric Maurin. “The Effect of Family Size on Incentive Effects of Welfare Transfers in Two-Parent Families.” *Evaluation Review* December 2005: 507-529.

*Many state officials continue to struggle with optimizing their welfare-to-work programs—and to keep up with federal benchmarks—particularly in their search for understanding how conditions such as family size affect work participation policies.*

In this article, Lewin and Maurin look at the role of family size on the incentives or disincentives of a welfare-to-work policy known as the 100-hour rule. The main argument *for* the 100-hour rule is that it decreases welfare caseloads. The main argument *against* the rule—and the focus of this study—is the work-disincentive effect that may ultimately increase both welfare caseloads and unemployment rates. The authors found that family size does influence the work-incentive effect of the 100-hour rule.

Families were eligible for the federal Aid to Families with Dependent Children (AFDC) program if they had at least one minor child and sufficiently low income and asset levels. One parent must have been eligible for unemployment compensation within the last year and is restricted to working no more than 100 hours per month.

The authors examine whether the impact of a waiver from the 100-hour-rule (on welfare participation, employment, and earnings) differed by family size. They use the Link-Up demonstration project conducted in California between 1992 and 1994, which pulled data from county administrative offices, the California Employment Development Department, and the Medi-Cal Eligibility Data System. The study follows over 3,200 families randomly assigned to the control group (100-hour rule for eligibility remains) and the experiment group (100-hour rule is waived); factors such as demographics and welfare histories are similar between the two groups. The outcomes studied include: odds of being on welfare after 1 or 2 years, earned income of primary wage earner, and total earned income.

Lewin and Maurin find that while policy makers consider family size when determining tax deductions and welfare benefits, employers calculating wages do not. As a result, work incentives are different for larger families. The larger the family size, the greater the benefits of the 100-hour-rule waiver. The work-incentive effect of the waiver did vary by family size. Larger families responded to the waiver by increasing their work efforts, whereas the same was not necessarily true for smaller families.

While the study was conducted before Temporary Assistance to Needy Families (TANF) replaced AFDC, the 100-hour rule and other eligibility criteria for TANF remained the same in California. The authors recommend adopting the 100-hour rule waiver as a policy that will assist children in low-income working families without increasing overall unemployment.