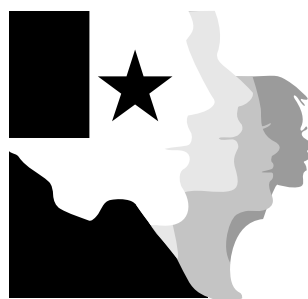


# REPORT



## TEXAS Families in Transition

Surviving without TANF:  
*An Analysis of Families  
Diverted From or Leaving TANF*



January 2002



# REPORT

## Surviving without TANF: *An Analysis of Families Diverted From or Leaving TANF*

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January 2002

Texas Department of Human Services

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# EXECUTIVE SUMMARY

## Background

In the post-welfare-reform era, many states have begun conducting research to determine how the new policies affect the families they serve. In particular, states need to understand if former welfare recipients are employed or receiving other types of economic supports, how many have returned to welfare, and reasons for families' success or failure.

In 1999, the state of Texas received federal funding from the U. S. Department of Health and Human Services (HHS) to study outcomes for families diverted from TANF at application. The Texas Department of Human Services (DHS), which was already sponsoring research on families who had been redirected from or left TANF after welfare reform, combined the resources and research approaches of the HHS grant with those of the state-funded research already in progress. The resulting project, Texas Families in Transition/Surviving Without TANF, provides the most comprehensive look to date at Texas families who have left or been diverted from TANF. While no one approach can fully assess the effects of welfare reform on poor families, the multiple approaches used in this project provide a more complete picture of how low-income families in Texas are responding to changes enacted as a result of various welfare reform initiatives.

DHS contracted with the Ray Marshall Center for the Study of Human Resources (UTRMC) and the Center for Social Work Research (UTCSWR) at The University of Texas at Austin to conduct this combined research. UTCSWR sub-contracted with the Center for Innovative Projects for Economic Development at Prairie View A&M University, another partner in this project.

## Policy Context

In 1995, the Texas legislature passed its major welfare reform legislation, HB 1863, which established time limits, modified eligibility requirements, and enacted a personal responsibility agreement for recipients of Aid to Families with Dependent Children (AFDC). The bill also authorized the receipt of a one-time lump sum payment in lieu of receiving monthly welfare cash grants. As required by federal law at that time, Texas received a waiver from existing federal regulations in order to implement HB 1863. This waiver, known as Achieving Change for Texans (ACT), remains in effect through March 2002. HB 1863 also consolidated a number of workforce programs under a new agency, the Texas Workforce Commission (TWC) and devolved the responsibility for management of these programs to 28 local workforce boards.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed by Congress in 1996, replaced the AFDC program with a new cash assistance program, Temporary Assistance for Needy Families (TANF). This legislation includes mandates regarding the TANF program, including a lifetime limit of 60 months on TANF. States also are required to meet higher work participation rates than were previously required, and fewer exemptions may be granted. Because Texas already had federal approval to implement ACT before PRWORA went into effect, some federal welfare provisions will not apply to Texas until the state's waiver expires in March 2002.

Since the implementation of PRWORA, welfare reform in Texas has continued to evolve. The following key initiatives, enacted either by the Texas Legislature or agency policy, are relevant to the time period covered by the current research:

- ★ Texas Works, implemented by DHS on November 1, 1997, which communicates to TANF applicants and recipients that employment is both the goal and the expectation for families receiving TANF, and includes informal diversion (redirection) activities prior to TANF application.
- ★ Work First, implemented by TWC and DHS on December 1, 1997. As part of this program, most TANF applicants must attend a workforce orientation session prior to approval of their TANF application.
- ★ Expansion of the Earned Income Disregard for TANF recipients, enacted by the Texas Legislature in its 1999 session.
- ★ Restriction of the ‘age of child’ exemption to ACT waiver workforce services participation requirements (and also to Texas time limits) for TANF caretakers with young children, also enacted by the Texas Legislature in 1999.

## Research Questions and Populations Being Studied

The research addresses the following research questions:

- ★ What are the characteristics of families who left or were diverted from TANF?
- ★ To what extent are these families participating in other government programs, especially Medicaid and food stamps?
- ★ To what extent are these families employed and/or receiving other economic supports, such as child support and child care subsidies?
- ★ Over time, how do these families manage and what hardships do they face?
- ★ How do potential applicants view the diversion/application process?
- ★ Are there particular points after leaving TANF at which people are the most vulnerable to returning?
- ★ Which factors are associated with leaving TANF, being employed, or returning to TANF?

This report examines these research questions for two populations of low-income families: those diverted from TANF prior to enrollment and those who have left TANF. Among ‘diverted’ families, three types are being studied: families redirected prior to TANF application, those denied TANF for non-financial reasons, and approved TANF applicants opting to receive a one-time payment in lieu of TANF benefits.

‘TANF leavers’ include both single-parent and two-parent families whose TANF cash grant has ended for the entire family and who have not returned to TANF for at least two months. TANF leavers are drawn from two different time periods for this study. Subgroups of both TANF divertees and leavers are defined further in Table ES-1.<sup>1</sup>

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<sup>1</sup> Some families who left TANF during the study period and attempted to re-apply for benefits may be counted as both leavers and divertees.

**TABLE ES-1:**  
**POPULATIONS INCLUDED IN THE ADMINISTRATIVE DATA ANALYSIS**

Population Type	Subgroup Name	Share of Total	Definition
Divertees	Redirects n = 43,476	33.2%	Potential applicants who were redirected (informally diverted) from TANF and did not apply for cash benefits in the same month from April 1998 through June 1999.
	Non-financial denials n= 85,854	65.5%	Applicants who completed an application for TANF from April 1998 through June 1999, but whose application was denied for a reason unrelated to earnings or assets, such as failure to attend appointments.
	One-time recipients n= 1,791	1.4%	TANF applicants who opted to receive a \$1,000 one-time payment from April 1998 through June 1999 in lieu of TANF for the following year.
Leavers	Cohort 1 (April 1998-June 1999) n= 143,491	86.1%	Families composed of 2-parent caretakers and children or single-parent caretakers and children whose TANF cases were closed in April 1998 through June 1999, and who remained off the rolls for at least 2 months.
	Cohort 2 (July 2000-Sept. 2000) n= 23,113	13.9%	Families composed of 2-parent caretakers and children or single-parent caretakers and children whose TANF cases were closed in July 2000 through September 2000, and who remained off the rolls for at least 2 months.

Source: Individual-level agency administrative data records from DHS.

## Research Methods

This research project includes monitoring, qualitative, and econometric research methods to answer the research questions listed above. The methods used for each population and time period are summarized in Table ES-2 and described briefly below. The table also displays the geographic coverage for each of these methods.

### Monitoring/Descriptive Approaches

Monitoring and descriptive research approaches allow researchers to track certain populations over time or summarize statistical information about such populations at various points in time. This study uses two descriptive approaches:

- ★ Demographic and longitudinal analyses of divertees and TANF leavers using individual-level administrative program data maintained by various Texas state agencies, and

**TABLE ES-2:**  
**SUMMARY OF RESEARCH APPROACHES AND TIME PERIODS USED IN THIS STUDY**

Population	Time Period of Cohort Entry	Research Approaches / Data Sources Used	Geographic Coverage
Diverted Applicants	April 1998 – June 1999 (Cohort 1)	<ul style="list-style-type: none"> <li>• Descriptive analysis using administrative data 2 years prior through 18 months after event</li> <li>• Qualitative analysis using intensive interviews occurring sometime in the 15 months after event</li> </ul>	Statewide universe  Sub-state sample
TANF Leavers	April 1998 – June 1999 (Cohort 1)	<ul style="list-style-type: none"> <li>• Descriptive analysis using administrative data 2 years prior through 18 months after event</li> <li>• Qualitative analysis using intensive interviews occurring sometime in the 15 months after event</li> <li>• Econometric analysis using administrative data only</li> </ul>	Statewide universe  Sub-state sample  Statewide universe
TANF Leavers	July – September 2000 (Cohort 2)	<ul style="list-style-type: none"> <li>• Descriptive analyses               <ol style="list-style-type: none"> <li>a. administrative data 2 years prior through 6 months after exit</li> <li>b. telephone/mail survey within 6 months after exit</li> </ol> </li> <li>• Econometric analysis               <ol style="list-style-type: none"> <li>a. administrative data only</li> <li>b. combination of administrative and survey data</li> </ol> </li> </ul>	Statewide universe  Statewide sample  Statewide universe Statewide sample

★ A telephone/mail survey of a random statewide sample of TANF leavers (statewide survey) conducted approximately six months following TANF exit.

**Demographic and Longitudinal Analyses.** A number of individual-level administrative data files from programs that serve Texas low-income families were linked to determine the demographic characteristics of families within each population and to follow families' program participation and economic well-being over time. The statewide universe of each population being studied is included in this analysis.

**Statewide Survey of TANF Leavers.** A statewide, randomly selected sample of 1,596 families leaving TANF in July through September 2000 and remaining off of TANF for at least two months was surveyed approximately six months after leaving TANF. Of this group, 45

percent of the original sample (723) and 70 percent of those actually receiving the survey responded to it. Researchers documented that 581 of the original 1,596 families had moved and verified from administrative data that respondents closely resembled the universe from which they were drawn.

### **Qualitative Analysis/Intensive Interviews**

UTCSWR conducted intensive in-person interviews with samples of leavers, redirects, applicants denied for non-financial reasons and recipients of one-time payments. In-depth interviews were conducted with 461 persons in eight different research sites at some point during the fifteen months after their diversion or TANF exit.<sup>2</sup> These interviews provide examples of families' experiences that more fully explain the results from the statewide statistical analyses conducted from other data sources.

### **Econometric Analysis**

To determine the factors associated with leaving TANF, being employed and returning to TANF, several regressions were developed for two cohorts of TANF leavers to measure factors influencing the probability of TANF exit, the probability of employment, and the probability of returning to TANF. Independent variables included a number of demographic, program-specific, employment, and county-level economic variables.

## **SUMMARY OF RESEARCH FINDINGS**

### **Demographic Characteristics of the Research Populations**

Demographic characteristics of divertees and leavers were determined from administrative data files. These files were also used to check the comparability of the samples of survey and interview respondents to the larger populations from which the samples were drawn.

**Divertees.** From April 1998 through June 1999, 131,121 families were diverted from TANF (25-40 percent of all applications received). One third were redirected from TANF prior to filing an application. Sixty-five percent applied for TANF but were denied for non-financial reasons, and only 1.4 percent were approved for TANF but opted to receive a lump-sum payment. (See Table ES-1 for definitions of each group.) All TANF divertees averaged 30-32 years old with two children. Members of each subgroup differed in their prior employment experience and the size of the counties in which they lived. Two-parent families comprised over half of the one-time recipients (compared to eight percent of TANF entrants), a trend that continued throughout the study period.

**Leavers.** From April 1998 through June 1999 (Cohort 1), 143,500 caretaker-headed TANF cases were closed, while 23,113 similar families left TANF from July through September 2000 (Cohort 2). Ninety-four percent of Texas families leaving TANF

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<sup>2</sup> Research sites included Bexar County (San Antonio), Harris County (Houston), Jasper County (Jasper), McLennan County (Waco), Hale County (Plainview), the two-county Valley area comprised of Cameron and Hidalgo counties, and single offices in Austin and El Paso. These sites were selected to provide variation in urbanization, racial and ethnic demographics, and labor markets.



were headed by single females. Nearly 40 percent of these parents were less than 25 years old, while another third were between 26 and 34 years old. Nearly half (45 percent) were Hispanic, with the remainder divided somewhat evenly between Black and White caretakers. Most families had two children, with the youngest child being less than five years old. Half of the caretakers in families leaving TANF had completed high school. The characteristics of TANF leavers did not vary much between the two cohorts identified for this study.

## Participation in Government Programs

Administrative and survey data were used to analyze the degree to which divertees and leavers used TANF, Medicaid, and food stamps, while examples drawn from the interviews more fully described the nature of families' experiences.

### Use of TANF after Diversion or Departure from TANF

**Divertees.** Twelve percent of redirected families and 26 percent of those denied for non-financial reasons received TANF at some time during the year following diversion. The rates of TANF usage after the diversion activity quickly returned to prior levels of usage for these two groups. As set by policy, persons receiving the one-time payment did not re-enter TANF for twelve months following the payment. By 18 months after the payment, ten percent of those families were receiving TANF, a figure confirmed from both administrative data and qualitative interviews.

**Leavers.** After leaving TANF, 63 percent of Cohort 1 families remained off TANF for the entire year after exit. Most returns occurred within the first six months. Although Cohort 2 leavers could only be tracked for six months after exit from administrative data, patterns of return to TANF were similar.

### Use of Medicaid

**Divertees.** The use of Medicaid varied among different groups of divertees. Only one fourth of redirected caretakers received Medicaid at some time in the year following diversion, compared to 38 percent for families denied for non-financial reasons, and 54 percent of one-time recipients. Approximately ten percent of redirected adults were enrolled in Medicaid in all months of the observed period. For the other two groups, Medicaid usage dipped at the time of the diversion, then increased to levels as high or higher than before the diversion. Data limitations prevented the computation of Medicaid usage for children of diverted populations.

**Leavers.** Sixty percent of adult caretakers and 77 percent of children received Medicaid at some time in the year after leaving TANF. While only 20 percent of adults and children continued their Medicaid receipt when their TANF case was closed, 62 percent of children and 46 percent of caretakers received Medicaid in the following quarter. Qualitative interviews found that some prior recipients still believed that their Medicaid coverage was linked to TANF and assumed that they and, to a lesser extent, their children were no longer eligible for Medicaid after departing TANF.

### Use of Food Stamps

**Divertees.** Sixty-three percent of redirected families, 56 percent of those denied for non-financial reasons, and 87 percent of families accepting one-time payments

received food stamps at some point in the year following TANF diversion. All families diverted from TANF increased Food Stamp participation in the period immediately following the diversion. A year after the diversion, all groups of families had settled at rates of use similar to those prior to the diversion.

**Leavers.** Food Stamp participation dropped substantially for families after they left TANF. Most of these families still appeared to be financially eligible for food stamps, and 68 percent of them used food stamps at some time in the year following their exit from TANF, a rate confirmed by the statewide survey. However, while three-fourths of these families received food stamps two months prior to TANF exit, that figure dropped to 37 percent at TANF exit and continued to decline to 30 percent by the end of the 18-month follow-up period. Qualitative interviews indicated that some leavers had difficulty understanding and responding to the eligibility criteria for the Food Stamp and the Food Stamp Employment and Training programs.

## Employment and Other Economic Supports

Employment status and access to other economic supports – including child support, child care subsidies, and the Earned Income Tax Credit – among TANF divertees and leavers were examined using all data sources.

### Employment after Diversion or Departure from TANF

**Divertees.** Among divertees, redirected applicants had the highest rates of employment (55 percent) and earnings (\$2,096) in the quarter of diversion. Those denied for non-financial reasons and recipients of the one-time payments had employment rates (28 - 31 percent) and quarterly earnings (\$1,255 - \$1,490) lower than or similar to those of approved TANF applicants. Earnings for all of those employed, across all three groups, dipped in the quarter prior to their application for TANF benefits, and then rebounded in the 18 months following application.

Qualitative interviews indicated that recipients of one-time payments were more likely to engage in seasonal work than other diverted groups and requested the one-time payment when facing a period of unemployment. These seasonal occupations included farm labor, work for school districts, and work in the tourist industry.

**Leavers.** The employment and earnings of TANF leavers increased in the months immediately prior to TANF exit, with approximately 55 - 57 percent employed in the quarter of exit. Seventy percent of leavers were employed at some time in the year following their exit but only one-third held jobs in all four quarters after leaving TANF. Eighteen months after leaving TANF, half of Cohort 1 leavers were employed. Earnings increased during the six quarters following exit, with employed Cohort 1 leavers reaching average quarterly earnings of \$2,500 by the end of the study period.

The statewide survey provided additional information about the nature of the jobs held by TANF leavers. At the time of the survey completion (approximately six months after TANF exit), 46 percent of all respondents reported employment with an average hourly wage of \$7.20. Approximately 29 percent of those employed received some employee benefits connected with their jobs. Among those employed, 25 percent considered themselves in temporary or seasonal work. Respondents were heavily represented in clerical work, retail work, food services, and health care.

Respondents to qualitative interviews who entered higher paid occupations such as teaching and nursing explained their success in part by access to education. Overall, respondents valued employment and described themselves as employed even if they were underemployed or planning to start a new job.

### Child Support

**Divertees.** Only between three to eight percent of caretakers diverted from TANF received formal child support payment in the month of the diversion activity, with payments averaging \$227-\$314 per month. Although these percentages increased over time, only ten percent were receiving child support 18 months following diversion.

**Leavers.** Families leaving TANF received child support more often than divertees, but the average monthly payments were smaller. Nine percent of Cohort 1 TANF leavers (12.5 percent for Cohort 2) received child support at exit, with monthly payments averaging \$207 and \$232 for the two time periods. Both the rates and average amounts of child support increased steadily over time, with 21 percent of Cohort 1 leavers receiving at least one payment in the year following exit. While the statewide survey of TANF leavers reports 19 percent of respondents receiving child support in the four to eight month period after leaving TANF, some of this reported support was undoubtedly informal assistance obtained outside the formal child support system. Such informal payments could be sizeable, but were often irregular.

### Subsidized Child Care

**Divertees.** Fewer than five percent of persons diverted from TANF (and five to nine percent of employed divertees) received subsidized child care prior to diversion, a figure that remained relatively constant throughout the study period. The qualitative interviews found that only a small proportion of diverted families used formal child care arrangements, typically the same families that received subsidies. One-time payment recipients, who were more likely to be members of two-parent families, used the other parent as a source of child care more often than other groups did.

**Leavers.** Eleven percent of Cohort 1 leavers (17 percent of employed leavers) received subsidized child care in the month of exit. Cohort 2 leavers were more likely to receive child care subsidies, with 16 percent of all caretakers (24 percent of employed caretakers) receiving such care at TANF exit. Both administrative and survey data found lower rates of subsidized child care usage six months after TANF exit. As with divertees, the proportion of those receiving subsidies was almost identical to those using formal day care centers and registered family homes for care.

Qualitative interviews found that both leavers and divertees rely heavily on informal child care arrangements. According to the statewide survey, about ten percent of households (usually those with older children) depended on children caring for themselves.

### Total Family Income

Most families in this study relied on a combination of earnings by adult family members and/or TANF payments as their primary sources of income. While many families are eligible for child care subsidies and formal child support to supplement their income, less than one in five families received income from these sources at any time during the period of study. Although the 1999 National Survey of America's Families (NSAF) estimates that 33 percent

of current and 69 percent of past Texas TANF recipients had ever received the Earned Income Tax Credit (EITC), only 3.3 percent of respondents in the statewide survey of recent TANF leavers reported using the EITC in the recent past.<sup>3</sup> (The timing of the survey may have influenced this finding.)

## Hardships and How Families Manage

Data from the statewide survey of TANF leavers and the qualitative interviews with both leavers and divertees provided elaboration on the hardships and barriers to employment faced by families and their strategies for meeting these problems. Strategies used were similar for TANF divertees and leavers, with any differences identified.

### Barriers and Hardships

Unemployed survey participants cited an average of 2.3 different barriers to their employment, with 33 percent reporting multiple (three or more) barriers. Qualitative interviews revealed that one barrier may make it more difficult to respond to another barrier.

The most prominent barriers mentioned were:

**Child Care.** Thirty-three percent of all survey respondents reported problems with child care in the preceding six months. Thirty-one percent of unemployed respondents reported child care as a contributing factor. According to the respondents of qualitative interviews, formal sector child care was unaffordable by most families without child care subsidies. Informal child care was often unreliable.

**Transportation.** Twenty-three percent of all survey respondents and 26 percent of unemployed respondents reported employment-related problems caused by poor transportation in the preceding six months. Qualitative interviews indicated that difficulties with transportation not only affected employment, but also access to other services and supports, including food stamps and Medicaid.

**Health Problems.** Unemployed survey respondents reported health problems as a cause both of loss of employment (18 percent) and of return to TANF (15 percent). Twenty percent of all respondents reported a health problem or injury that interfered with usual activities, and 18 percent reported health problems among other family members. Qualitative interviews indicated that health problems also affected their employment options.

Although difficulties with housing and food were not included in the survey questions on specific barriers to employment, many respondents also reported having problems in those areas. Thirty-eight percent of survey respondents reported that, at some time in the previous six months, they could not afford housing costs. Thirty-seven percent also reported that they had had at least one occasion in the past six months when they needed food but could not afford to purchase it. Qualitative interviews indicated that housing and food problems affected employment options. Without stable sources of housing and food, respondents could not become or remain reliable employees.

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<sup>3</sup> Unpublished tabulations from the 1999 National Survey of America's Families performed by The Urban Institute (2001).

## How Families Manage

Strategies used by families to gather resources and sustain employment included: 1) gaining assistance from family and friends for help with transportation, child care, food, housing, and other items; 2) finding irregular jobs or second jobs; and 3) gaining assistance from local agencies.

Contrary to some early predictions that welfare reform would result in the increased use of child protective services, little evidence was found to support this view for Texas TANF leavers. Substantiated investigations of child abuse or neglect were reported for less than two percent of families, and children were placed in foster care for less than one percent of families leaving TANF. Similar measures could not be calculated for diverted populations due to data limitations.

## Experiences in the Welfare Office and Views of the Application Process

Data from the statewide survey and accounts from the qualitative interviews gave further insight into the nature of people's experiences in the welfare office.

**Views about Work Requirements.** Clients were eager to work, and valued services and supports they perceived as helpful to them in entering the labor force. In particular, they cited case management activities that provided access to both training and job search assistance.

**Difficulties with TANF.** Clients distinguished between difficulties in dealing with caseworkers and difficulties with TANF policies, exhibiting a range of attitudes and responses. Many expressed support for TANF policies that encouraged employment and accepted the eligibility requirements and the need to re-certify for benefits periodically. Complaints of difficulties emphasized poor office management and the actions of selected caseworkers.

## Points at Which Families are Most Vulnerable to TANF Recidivism

A longitudinal analysis of administrative data found that families are most likely to return to TANF in the first few months after leaving the program, with 28 percent returning to the rolls in the first six months after exit. Over the 18-month follow-up period, 41 percent of families returned to TANF at some time, although many left again during the observed period. Families returning to TANF were disproportionately Black, young, or with several children. Short-term leavers (i.e., those returning to TANF within six months after exit) used more government services than others. They also had less income and less reliable employment than other leavers.

## Factors Associated with Leaving TANF, Employment, and Returning to TANF

Regression analyses using both administrative and survey data explored the factors associated with leaving TANF, employment, and returning to TANF. (Readers should note that statistical association does not always equal causality.) Detailed case studies drawn from the qualitative interviews were used to better illustrate the statistical findings.

**Factors Associated with Leaving TANF.** About 16 percent of TANF families left TANF each month during the study period. The major factors associated with increased probability of exit were: current employment of caretaker, a caretaker's refusal to register for employment

services, or being in a two-parent family. Respondents to the statewide survey also cited employment as the primary reason for departure from TANF and also reported receipt of income from other sources and failure to comply with TANF regulations as common reasons for exit.

To a lesser degree, these other factors were also associated with TANF exits: receipt of any TANF penalty, exemption due to caring for a young child, employment for a larger percent of time, or larger average monthly child support payments.

**Factors Associated with Employment for TANF Leavers.** Several regressions were run for this measure (see Table ES-2) to take advantage of the total universe of administrative data and additional variables available for persons sampled in the statewide survey. From the regressions using only administrative data, the greatest predictor of current employment was the percent of time a caretaker had been employed in the prior two years. Other major factors associated with current employment included: receipt of subsidized child care after leaving TANF, participation in the Choices program during the most recent period on TANF, receipt of children's Medicaid after leaving TANF, or being a Black caretaker. Regressions that included survey data revealed that having a youngest child cared for by non-relative, having looked for a job in the past six months, or access to reliable transportation also were associated with higher employment rates.

In the administrative data regressions, the strongest predictor of lower employment rates was being a caretaker in a two-parent family. The statewide survey revealed that, in these families, one parent cared for their children while the other worked. Other factors associated with lower employment included: an eighth grade education or less, receipt of a non-workforce penalty, refusal to register for employment services, or receipt of larger amounts of child support. Regressions using the additional variables from the statewide survey found that widows, persons who had entered TANF after a divorce, and respondents who cared for their youngest child themselves, relied on family or friends to help with transportation in prior six months, lived with family or friends in the past six months, or experienced multiple barriers to employment were also less likely to be employed than other TANF leavers.

**Factors Associated with TANF Reentry.** Regressions using both administrative and survey data found that caretakers were less likely to return to TANF if they were currently employed, had higher wages at TANF exit, left TANF because of marriage, received financial contributions from another adult, collected larger amounts of child support, or had stable transportation. Those who needed assistance with food or housing costs, received subsidized child care while on TANF, or had their youngest child cared for by a non-relative were more likely to return to TANF. Persons with a history of prior employment also were more likely to return to TANF, which suggests that the employment of some TANF leavers was not very stable.

## Conclusions and Policy Implications

**Conclusions.** Families diverted from TANF quickly resumed their prior levels of TANF, Medicaid, and Food Stamp participation and their prior level of earnings. This suggests that Texas' diversion policies have few long-term effects on diverted families. The experiences of Texas TANF leavers in the post-welfare-reform era fall within the ranges found in other states in their use of government benefits, employment and earnings. However, Texas families are somewhat more likely to return to TANF than those in other states, which could be caused either by fewer post-TANF economic supports or less restrictive Texas time limits and diversion policies.

Within Texas, far fewer families are using TANF than used AFDC in the pre-welfare reform period, some due to increased employment and other economic supports but others because the welfare rules seem onerous or confusing to them. There are fewer long-term cash welfare recipients now than in the early 1990s and a somewhat larger share of families who cycle between work and welfare. Except for those families leaving TANF due to welfare reform requirements, reasons for exits from and returns to welfare (employment and change in family structure) have not changed, nor have the factors influencing the success or failure of welfare exits. A clearer view of the lives of non-employed TANF leavers can be gleaned from the current study than was possible from the pre-welfare reform studies that used only administrative data.

***Policy Implications.*** Some existing TANF and related policies aid families' employment and overall economic well-being while others merely confuse them or add to the challenges of managing their work and family responsibilities. In general, subsidized child care, post-TANF Medicaid benefits and Choices services enhanced families' income or employability and were viewed positively by recipients. However, the limited availability of such services (due to funding) and program restrictions favoring TANF families mean that many former TANF families could not access these services.

Both the statistical and qualitative analyses identified other policies that hamper families' efforts to both work and care for their families. In particular, the paperwork and confusing requirements of TANF eligibility and re-certification procedures, the personal responsibility agreement, and associated programs (e.g., Food Stamp E&T) should be reviewed and simplified wherever possible. Families also cited eligibility restrictions for family members who co-signed for car loans and limited options for the development of stable transportation as other impediments to their employment.

Some existing policies that can help families – such as children's Medicaid and food stamps for non-TANF recipients and the Earned Income Tax Credit – were not used by many of the families who appeared to be eligible for these services because many families did not realize that they were eligible for them. Other new initiatives – including the expanded earned income disregard and publicity efforts to inform families about availability of children's Medicaid and family Food Stamp eligibility – could not be properly assessed during the time period of this study.



# CHAPTER 1

## OVERVIEW OF RESEARCH STUDY





# I. BACKGROUND

Since the early 1990s, many states have experimented with various types of welfare reform. In 1995, the Texas legislature passed major welfare reform legislation, HB 1863, which established time limits, modified eligibility requirements, and enacted a personal responsibility agreement for recipients of Aid to Families with Dependent Children (AFDC). The bill also authorized the receipt of a one-time lump sum payment in lieu of receiving monthly welfare cash grants. As required by federal law at that time, Texas applied for and received a waiver from existing federal regulations in order to implement HB 1863. This waiver, known as Achieving Change for Texans (ACT), remains in effect through March 2002. In addition to those provisions requiring a waiver from welfare rules, HB 1863 consolidated a number of workforce programs under a new agency, the Texas Workforce Commission (TWC) and called for the devolution of responsibility for management of these programs to 28 local workforce boards.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), passed by Congress in 1996, replaced the AFDC program with a new cash assistance program for needy families, Temporary Assistance for Needy Families (TANF). The federal legislation includes mandates regarding the TANF program, including a lifetime limit of 60 months on TANF. States also are required to meet higher work participation rates than were previously required, and fewer exemptions may be granted. Because Texas already had federal approval to implement ACT before PRWORA went into effect, some federal welfare provisions will not apply to Texas until the state's waiver expires in March 2002.

In contrast with federal time limits policy, the Texas ACT time limits policy states that TANF adults who reach state time limits can receive TANF again after a five-year 'freeze-out' period. During this period, the dependent children of adults who have reached their time limits may continue to receive cash benefits as long as there is still time left on the federal clock and the case otherwise meets eligibility requirements.

Since the implementation of PRWORA, welfare reform in Texas has continued to evolve. The following key initiatives, enacted either by the legislature or agency policy, are relevant to this research:

- ★ On November 1, 1997, the Texas Department of Human Services (DHS) implemented Texas Works. This welfare reform initiative communicates to individuals as early as possible that employment is both the goal and the expectation for families receiving TANF. Texas Works helps individuals who contact DHS for TANF assistance identify obstacles to employment and locate resources in their communities that can help them get jobs. Informal diversion (redirection) is a component of Texas Works.
- ★ The Texas Workforce Commission and DHS implemented the Work First program on December 1, 1997. The message of Work First is that welfare recipients should access the benefits and opportunities derived from employment. Through the Choices program, the Work First model includes both job readiness activities and immediate directed job search, including job referrals and job development services.<sup>4</sup> Work First includes a workforce orientation session that TANF applicants must attend as a condition of TANF eligibility prior to approval of their TANF application (unless they qualify for an exception).

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<sup>4</sup> Choices, the workforce development program for adult Texas welfare recipients, officially replaced the Texas Job Opportunities and Basic Skills (JOBS) program in April 1998.

- ★ The Texas Legislature expanded the Earned Income Disregard for TANF recipients in its 1999 session. As a result of this legislation, which became effective on September 1 of that year, employed TANF recipients were able to disregard 90 percent of up to \$1400 of earnings for four months of their employment when determining their continued financial eligibility for TANF benefits. Under the previous law, only one third of TANF recipients' earnings during this period were disregarded.
- ★ In the same session, the Texas legislature modified a key exemption to ACT waiver workforce services participation for TANF recipients. From September 1997 through December 1999, TANF recipients were exempt from participating in the Choices program (and thus free from Texas time limits) if they were caring for a child less than four years old. From January through August 2000, caretakers with children under three years old were exempt. To better prepare recipients and service providers for the expiration of the welfare waiver in March 2002, this exemption was lowered to caretakers with children under the age of two in September 2000.<sup>5</sup>

## II. RESEARCH CONTEXT

In the post-welfare-reform era, many states have begun conducting studies to determine how the new policies affect the families they serve. In particular, states need to understand if former welfare recipients are employed or receiving other types of economic supports, how many have returned to welfare, and reasons for families' success or failure. The U.S. Department of Health and Human Services (HHS) has supported these efforts through the use of competitive grants to states to conduct studies on TANF leavers. A recent synthesis of the findings from the first round of leavers grants found that:<sup>6</sup>

- ★ Three out of five families leaving welfare are employed at any given point after exiting welfare. While three-quarters of leavers have worked within a year of leaving welfare, their incomes cluster around the poverty level.
- ★ A significant minority of TANF leavers return to welfare.
- ★ Over one-third of leavers receive food stamps, and approximately 40 percent have Medicaid coverage in the fourth quarter following exit.
- ★ Child care findings are rather inconclusive, with little data available on this topic.
- ★ Leavers still experience hardship, such as not having enough food, but evidence is mixed as to whether these events are more frequent before or after exit from TANF.

In FFY1999, HHS awarded additional grants to encourage states to study outcomes for applicants who applied for cash assistance but never enrolled because of non-financial eligibility requirements and diversion programs. Seven states and counties (including Texas) received these competitive grants.

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<sup>5</sup> Although the 'age of child' exemption was lowered again to age one in September 2001, that change occurred after the end of the study period.

<sup>6</sup> See ACS and Loprest (2001) for full report on the findings from the first round of leavers grants.

Over the past several years, the Texas Department of Human Services (DHS) has sponsored research to determine the status of families who were redirected from or left TANF after the implementation of welfare reform. The project reported on in this report combines the resources and research approaches of this state-funded research with those of the HHS grant to provide the most comprehensive look to date at Texas families who have left or been diverted from TANF. While no one approach can fully assess the effects of welfare reform on poor families, the use of multiple approaches can provide a more complete picture of how low-income families in Texas are responding to changes enacted as a result of various welfare reform initiatives.

DHS contracted with the Ray Marshall Center for the Study of Human Resources (UTRMC) and the Center for Social Work Research (UTCSWR) at The University of Texas at Austin to conduct this combined research. UTCSWR sub-contracted with the Center for Innovative Projects for Economic Development at Prairie View A&M University, another partner in this project. This project is supported both through grant funds from the U.S. Department of Health and Human Services and state-appropriated revenue.

### III. RESEARCH QUESTIONS AND POPULATIONS BEING STUDIED

The research addresses the following questions:

- ★ What are the characteristics of families who left or were diverted from TANF?
- ★ To what extent are these families participating in other government programs, especially the Medicaid and Food Stamp programs?
- ★ To what extent are these families employed and/or receiving other economic supports, such as child support and child care subsidies?
- ★ Over time, how do these families manage and what hardships do they face?
- ★ How do potential applicants view the diversion/application process?
- ★ Are there particular points after leaving TANF at which people are the most vulnerable to returning?
- ★ Which factors are associated with leaving TANF, being employed, or returning to TANF?

This report examines these questions for two populations of low-income families: those diverted from TANF prior to enrollment and those who have left TANF. Among ‘diverted’ families, three types are analyzed: families redirected prior to TANF application, those denied TANF for non-financial reasons, and approved TANF applicants opting to receive a one-time payment in lieu of TANF benefits. Outcomes for diverted families are sometimes compared to the outcomes for approved TANF applicants to give the reader a frame of reference.

‘TANF leavers’ include both single-parent and two-parent families whose TANF cash grant has ended for the entire family and who did not return to TANF for at least two months.<sup>7</sup> TANF leavers are studied during two different time periods, which allows outcomes to be

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<sup>7</sup> HHS recommends this ‘two-month’ definition for use in studies of welfare leavers.

**TABLE 1:**  
**POPULATIONS INCLUDED IN THE ADMINISTRATIVE DATA ANALYSIS**

Population Type	Subgroup Name	Share of Total	Definition
Divertees	Redirects n = 43,476	33.2%	Potential applicants who were redirected (informally diverted) from TANF and did not apply for cash benefits in the same month from April 1998 through June 1999.
	Non-financial denials n= 85,854	65.5%	Applicants who completed an application for TANF from April 1998 through June 1999, but whose application was denied for a reason unrelated to earnings or assets, such as failure to attend appointments.
	One-time recipients n= 1,791	1.4%	TANF applicants who opted to receive a \$1,000 one-time payment from April 1998 through June 1999 in lieu of TANF for the following year.
Leavers	Cohort 1 (April 1998-June 1999) n= 143,491	86.1%	Families composed of 2-parent caretakers and children or single-parent caretakers and children whose TANF cases were closed in April 1998 through June 1999, and who remained off the rolls for at least 2 months.
	Cohort 2 (July 2000-Sept. 2000) n= 23,113	13.9%	Families composed of 2-parent caretakers and children or single-parent caretakers and children whose TANF cases were closed in July 2000 through September 2000, and who remained off the rolls for at least 2 months.

Source: Individual-level agency administrative data records from DHS.

measured both before and after the latest Texas welfare reform measures were implemented.<sup>8</sup> Because the latest set of policy changes only affects families receiving TANF, it was not necessary to study a later cohort of the diverted populations. Subgroups of both TANF divertees and leavers are defined further in Table 1.<sup>9</sup>

<sup>8</sup> These caretaker-headed cases leaving TANF during the study period account for 82.5 percent of TANF leavers from April 1998 and June 1999 (Cohort 1) and 78.1 percent of leavers from July through September 2000 (Cohort 2). Leavers from other cases, commonly known as ‘child-only’ cases, are not included in this study.

<sup>9</sup> Some families who left TANF during the study period and attempted to re-apply for benefits may be counted as both leavers and divertees.

## IV. RESEARCH METHODS

### Description of Research Approaches Used in This Study

Researchers throughout the U.S. have been studying many welfare reform initiatives to determine the effectiveness of these policy changes and the experiences of poor families to whom these policies apply. Types of studies currently underway include:

- ★ formal program evaluations, which measure the net impact of a policy change through the use of randomized experiments or quasi-experimental statistical techniques, and generally include a process evaluation to document the implementation of these policy changes. The ACT waiver evaluation is an example of this type of study;<sup>10</sup>
- ★ monitoring or descriptive studies, which follow subgroups of persons affected by these policy changes over time or capture information about some population at a point in time, but do not measure the impact of particular policy provisions;
- ★ qualitative studies, which provide in-depth information about families affected by policy changes, often through the use of detailed structured interviews; and
- ★ econometric studies, which incorporate caseload, demographic, and economic variables into statistical models, then determine factors associated with various behaviors, such as exit from welfare or entry into employment.

This research project includes monitoring, qualitative, and econometric components to answer the research questions listed above.<sup>11</sup> While none of these approaches measures the impact of specific welfare reform policies on Texas families, the use of a combination of these approaches can provide a more complete picture of how low-income families are responding to the total package of changes enacted as a result of these reforms. The varied approaches also provide a richer context from which to determine how the well-being of affected families in Texas may have changed over time and to identify subgroups of families with differing needs. These research approaches are described briefly in Table 2. Appendix A includes a more detailed description.

#### Monitoring/Descriptive Approaches

As mentioned above, monitoring and descriptive research approaches allow researchers to track certain populations over time or summarize statistical information about such populations at various points in time. This study uses two descriptive approaches: 1) demographic and longitudinal analyses of divertees and TANF leavers using individual-level administrative program data maintained by various Texas state agencies, and 2) a telephone/mail survey of a random statewide sample of TANF leavers (statewide survey) conducted in the 6-8 months following TANF exit. Table 2 summarizes how the various approaches were used with each population being studied.

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<sup>10</sup> The first report from this evaluation (Texas Department of Human Services, 1998) was completed in December 1998, the second report is awaiting approval for release from the U.S. Department of Health and Human Services, and the final report will be completed in the summer of 2002.

<sup>11</sup> See National Research Council (2001) for appropriate uses and interpretations of each approach.

**TABLE 2:**  
**SUMMARY OF RESEARCH APPROACHES AND TIME PERIODS USED IN THIS STUDY**

Population	Time Period of Cohort Entry	Research Approaches / Data Sources Used	Geographic Coverage
Diverted Applicants	April 1998 – June 1999 (Cohort 1)	<ul style="list-style-type: none"> <li>• Descriptive analysis using administrative data 2 years prior through 18 months after event</li> <li>• Qualitative analysis using intensive interviews occurring sometime in the 15 months after event</li> </ul>	<p>Statewide universe</p> <p>Sub-state sample*</p>
TANF Leavers	April 1998 – June 1999 (Cohort 1)	<ul style="list-style-type: none"> <li>• Descriptive analysis using administrative data 2 years prior through 18 months after event</li> <li>• Qualitative analysis using intensive interviews occurring sometime in the 15 months after event</li> <li>• Econometric analysis using administrative data only</li> </ul>	<p>Statewide universe</p> <p>Sub-state sample</p> <p>Statewide universe</p>
TANF Leavers	July – September 2000 (Cohort 2)	<ul style="list-style-type: none"> <li>• Descriptive analyses               <ol style="list-style-type: none"> <li>a. administrative data 2 years prior through 6 months after exit</li> <li>b. telephone/mail survey within 6 months after exit</li> </ol> </li> <li>• Econometric analysis               <ol style="list-style-type: none"> <li>a. administrative data only</li> <li>b. combination of administrative and survey data</li> </ol> </li> </ul>	<p>Statewide universe</p> <p>Statewide sample</p> <p>Statewide universe</p> <p>Statewide sample</p>

\* See Table A-1 in Appendix A for details about the geographic coverage and sizes of sub-state samples used for the intensive interviews.

***Administrative Data Demographic and Longitudinal Analysis***

This report utilizes data sets developed from the combination of a number of individual-level administrative data files from programs that serve Texas low-income families. Data files were linked to determine the demographic characteristics of families within each population being studied and to follow their program participation and economic well-being over time. The entire statewide universe of each population being studied is included in this analysis.

Of the 131,121 families diverted from TANF from April 1998 through June 1999, 33 percent were redirected from TANF prior to filing an application and 65 percent filed a TANF application but were later denied for non-financial reasons.<sup>12</sup> A very small share of these families, 1.4 percent of the total, were approved for TANF but opted to receive a lump-sum payment instead of monthly TANF benefits.

During the same time period, known as Cohort 1, 143,500 caretaker-headed cases left TANF. A second group of 23,111 families leaving TANF from July through September 2000, known as Cohort 2, was analyzed so as to identify any differences in the demographics or participation patterns between the earlier and later groups of TANF leavers.

Longitudinal descriptive statistics were calculated in several ways:

1. Graphs display the percentage of target families in a particular status each month for the year prior to the key event (either diversion or TANF exit) through the time period available following the event. For Cohort 1 families, tracking was available for 18 months following the event, while six months of follow-up data were available for Cohort 2 families,<sup>13</sup>
2. Appendix B, Section I tables contain additional information summarizing families' experiences over the total time period available; and
3. Additional tables (both in the main report and Appendix B, Section II) present some statistics on a quarterly basis for the year following exit and measure the extent to which some events ever occurred in the year following exit or diversion.

### ***Statewide Survey of TANF Leavers***

A statewide, randomly selected sample of families leaving TANF in July through September 2000 and remaining off of TANF for at least two months was surveyed between January and July 2001. A survey (text included in Appendix A, Section IV) was mailed to 1,596 welfare leavers in January 2001. After six weeks, a second mailing went out to all non-responders, and multiple efforts were made to reach all non-responders by telephone. Although telephone efforts continued through July, most responses were received in January and February. Responses were received from 723 TANF leavers out of the 1,015 households that actually received the surveys. In other words, surveys were completed for 45 percent of the original sample and 70 percent of those who actually received the survey. Researchers documented that 581 of the original 1,596 families had moved.<sup>14</sup> All responses were entered into a single database for further analysis. Appendix A, Section IV includes a detailed report of categories of non-response.

### **Qualitative Analysis/Intensive Interviews**

For the qualitative analysis, researchers conducted intensive in-person interviews with leavers and redirects in six research sites: the counties of Bexar, Harris, Jasper, McLennan, Hale, and the two-county Valley area comprised of Cameron and Hidalgo counties. Applicants denied for non-financial reasons at single offices in Austin and El Paso were interviewed in their own homes. Recipients of the one-time payment also were studied in two of the six research sites listed above: Cameron/Hidalgo and Bexar counties. Thus, researchers studied four different groups in eight sites, although each group was not studied in each site. While random samples from a number of varied sites were selected, the combined samples may not be representative of the entire state of Texas. In this report, these

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<sup>12</sup> However, the primary subgroup of interest includes persons who were required to participate in Work First as part of the TANF application process and never returned to complete their TANF application.

<sup>13</sup> Although administrative data for most measures are available for two years prior to the event, the graphs only display information for one year prior to exit or diversion because most changes occurred during that time period.

<sup>14</sup> Their addresses and/or telephone numbers had changed and no current listings could be found for them in the same geographic area, nor was forwarding information available.

interviews will provide examples of families' experiences that better explain the results from the statewide statistical analyses conducted from other data sources.

Field researchers worked with a random sample from each site, making a series of efforts to locate and interview the respondent. Once located, each potential respondent was asked to participate in an extensive open-ended interview that covered such topics as household demographics, sources and amounts of household income, barriers to employment, types of household expenditures, experience of material hardship, recent experiences with TANF, and plans for the future.

Across the eight research sites in which leavers and diverted applicants were studied, a sample of 679 persons was contacted for interviews. Interviews were completed with 439 respondents. Researchers learned about recent mobility (moving from one address to another) and institutionalization (in prison, the hospital, or a shelter) for an additional 123 respondents. In ten instances, respondents had not moved but were out of town for an extended period. Appendix A, Section V includes a more complete description of the qualitative research methods used to conduct the interviews.

### **Econometric Analysis**

To determine the factors associated with leaving TANF, becoming employed and returning to TANF, several regressions were developed for both Cohort 1 and Cohort 2 TANF leavers. Cohort 1 regressions utilized the statewide universe of administrative data available for TANF recipients or leavers. Dependent variables measured included: 1) probability of TANF exit; 2) probability of employment; and, 3) probability of returning to TANF. Independent variables included a number of demographic, program-specific, employment, and county-level economic variables.

Similar regressions were developed for Cohort 2 TANF recipients and leavers, using the same variables whenever possible.<sup>15</sup> Additional regressions for a statewide sample of TANF leavers were created by using variables from both the administrative and statewide survey data. This approach produced a richer set of variables from which to analyze the factors influencing the probability of employment for TANF leavers and the probability of TANF recidivism.

A number of diagnostic regressions were conducted to control for correlation between variables, seasonality resulting from the differing lengths of the two cohort periods, and other technical issues. Both ordinary least squares (OLS) and logistic regressions were run, with stepwise procedures used to select the final set of variables to be included in the regressions. A discussion of these procedures, complete lists of the regressions that were run and the variables available for each regression are all included in Appendix A, Section III.

## **Geographic Coverage and Time Periods for Each Research Approach**

The research approaches used in this study varied somewhat within the time periods during which they were conducted and the geographical coverage that they represent. In general, all research on diverted TANF applicants was conducted for families diverted from April 1998-June 1999 (Cohort 1). Administrative data analysis and intensive interviews were used to study this population.

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<sup>15</sup> For the Cohort 2 regressions, variables constructed from Unemployment Insurance (UI) quarterly wage data were only available for the quarter of TANF exit and the first quarter following exit.



TANF leavers were studied during two time periods: April 1998-June 1999 (Cohort 1) and July-September 2000 (Cohort 2). A demographic and longitudinal analysis using administrative data files, intensive interviews, and econometric regressions were used to study Cohort 1 TANF leavers. For Cohort 2 TANF leavers, administrative data demographic and longitudinal analysis, a statewide survey, and econometric regressions were used to analyze results. Table 2, in the previous section, summarizes the different approaches used for each population and time period, and displays the geographic coverage for each of these methods.

## V. ORGANIZATION OF THIS REPORT

One of the challenges of producing a research report with as complex a research design as this one is to organize its findings in a manner that is easy for non-technical readers to understand. So as to concentrate the reader's attention on each research question, Chapters 2 through 8 each answer one research question and discuss all findings that contribute to answering that question. Within each chapter, a summary of findings that draws conclusions from all sections is presented first, followed by specific findings from each research approach. Differences between populations (divertees vs. TANF leavers), time periods or changes in policies are discussed in the context of their influence on that particular research question. In general, statistical information is drawn from statewide data sources (administrative and survey data) while the qualitative data from the intensive interviews illustrate and provide further details about the lives of typical families who contribute to the summary statistics. Chapter 9, the final chapter of this report, draws conclusions from the research findings for each research question and points out the policy implications of research findings for low-income Texas families.

A series of appendices also are provided for those readers who would like more information about the technical aspects of this study or those interested in additional statistical results organized by research method. Appendix A gives an overview of the research methods utilized throughout the report and is followed by three appendices that present detailed results. Appendix B examines the detailed statistics obtained through statistical analysis of administrative data, while Appendix C further addresses the results and analysis of the statewide survey. Finally, Appendix D provides further results from the qualitative research using intensive interviews.



## Demographics of Research Populations

This chapter presents findings for the research question: “What are the characteristics of families who left or were diverted from TANF?” To the extent possible, this question was answered from variables in the statewide administrative data files available for this research project. This information is supplemented with data from the statewide survey of TANF leavers, when appropriate. Characteristics of sub-state samples used to conduct the detailed interviews are discussed in general terms in this chapter. For those readers interested in the demographic characteristics of persons interviewed, detailed statistics are included in Appendix A, Section II.



## I. SUMMARY OF FINDINGS

Demographic characteristics of divertees and leavers were determined from administrative data files. These files were also used to check the comparability of the samples of survey and interview respondents to the larger populations from which the samples were drawn.

**Divertees.** From April 1998 through June 1999, 131,121 families were diverted from TANF (25-40 percent of total applications received). One third were redirected from TANF prior to filing an application, 65 percent applied for TANF but were denied for non-financial reasons, and only 1.4 percent were approved for TANF but opted to receive a lump-sum payment. All TANF divertees averaged 30-32 years old with two children. Members of each subgroup differed in their prior employment experience and the size of the counties in which they lived. Two-parent families comprised over half of the one-time recipients (compared to eight percent of TANF entrants), a trend that continued throughout the study period.

**Leavers.** From April 1998 through June 1999 (Cohort 1), 143,491 caretaker-headed TANF cases were closed, while 23,113 similar families left TANF from July through September 2000 (Cohort 2). Ninety-four percent of Texas families leaving TANF were headed by single females. Nearly 40 percent of these parents were less than 25 years old, while another third were between 26 and 34 years old. Nearly half (45 percent) were Hispanic, with the remainder divided somewhat evenly between Black and White caretakers. Most families had two children, with the youngest child being less than five years old. Half of the caretakers in families leaving TANF had completed high school. The characteristics of TANF leavers did not vary much between the two cohorts identified for this study.

## II. TANF DIVERTEES

### Administrative Data

Of the 131,121 families diverted from TANF from April 1998 through June 1999, 43,476 were redirected from TANF prior to filing an application and 85,854 filed a TANF application but were later denied for non-financial reasons. Only 1,791 of these families were approved for TANF but opted to receive a lump-sum payment instead of monthly TANF benefits. Excluding start-up months, the total number of divertees averaged 25-40 percent of total TANF applications received. Table 3 describes the demographic characteristics of each subgroup of diverted applicants included in this study. The average age of caretakers in all groups ranged from 30 to 32 years of age, and most groups of families averaged two children each.

The members in each subgroup differed in their prior employment experience and the size of the communities in which they lived. Caretakers in redirected families had been employed over half the time in the two years prior to diversion, compared to only one fourth of the time for persons denied for non-financial reasons and those approved for one-time payments. Over 55 percent of families denied for non-financial reasons lived in MSAs surrounding the largest cities in Texas (Houston, Dallas, San Antonio, Austin, Fort Worth) compared to only 20 percent for families approved for the one-time payment.<sup>16</sup>

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<sup>16</sup> This statistic could not be computed for redirected applicants due to missing data.

**TABLE 3:**  
**DEMOGRAPHIC**  
**CHARACTERISTICS OF**  
**DIVERTED APPLICANTS**

	Redirected (no application filed) <sup>2</sup>	Application filed		
		Denied for Non-financial Reasons <sup>2</sup>	Approved: One-Time Payment	Approved: Entry into TANF Caseload
<b>Number of families</b>				
	43,476	85,854	1,791	127,170
<b>Gender of primary caretaker<sup>1</sup></b>				
Percent male	1.1%	5.7%	16.2%	6.5%
Percent female	98.9%	94.3%	83.8%	93.5%
<b>Age of primary caretaker<sup>1</sup></b>				
Average age	31.8		30.4	30.7
Percent 18-25	31.9%		32.3%	38.0%
Percent 26-34	31.1%		38.5%	31.7%
Percent 35-44	24.5%		22.2%	19.3%
Percent 45 and over	12.5%		7.0%	11.1%
<b>Race of primary caretaker<sup>1</sup></b>				
Percent Black			5.4%	29.6%
Percent Hispanic			73.5%	44.7%
Percent White			20.7%	24.9%
Percent other			0.4%	0.9%
<b>Primary caretaker education level<sup>1</sup></b>				
No high school education			19.0%	17.0%
Some high school education			26.9%	33.6%
High school graduate (or GED)			54.1%	49.4%
<b>Geography<sup>1</sup></b>				
Urban - county with large MSA		55.3%	20.5%	51.0%
Suburban - county with other MSA		26.3%	60.5%	27.8%
Rural - county with no MSA		18.5%	19.0%	21.2%
<b>Primary caretaker work history<sup>1</sup></b>				
Percent time employed - prior 2 years	51.2%	27.1%	24.9%	38.9%
<b>Type of family<sup>1</sup></b>				
Percent single-parent families			49.8%	92.0%
Percent two-parent families			50.2%	8.0%
<b>Number of children<sup>1</sup></b>				
Average number of children		1.9	2.2	1.9
Percent with one child		43.7%	31.6%	45.2%
Percent with two children		31.0%	36.6%	29.7%
Percent with three or more children		25.4%	31.8%	25.1%

Source: Administrative data on those applying or diverted from TANF between April 1998 and June 1999.

<sup>1</sup> Only non-missing values are included in calculation of percentages. Measures for which more than 10% of values are missing have been blanked (see Table A-2 for percent missing).

<sup>2</sup> Due to space constraints, little demographic information was collected on the redirect form. Because of this and pervasive missing data on denied applications, demographic information available for these two groups is sparse.

Due to limited administrative data collected for redirected and denied applicants, other demographic characteristics of diverted caretakers could be computed only for persons choosing a one-time payment.<sup>17</sup> Over half of those receiving a one-time payment from April 1998 through June 1999 were two-parent families, while only eight percent of families entering TANF during this time period were headed by two parents. Hispanic families were the most likely and Black families the least likely to use this option.<sup>18</sup> Over half of the caretakers in these families had completed high school, a slightly higher figure than for those families entering TANF.

### **Additional Information from Intensive Interviews**

Qualitative data were not used to generate demographic descriptions. As indicated in Appendix A, Section II, respondents to qualitative interviews were, in general, similar to the larger populations from which they were drawn. A few anomalies bear mention. Qualitative interviews with redirected clients occurred during a period when this diversion program was undergoing considerable transition. As a result, several groups of people emerged from those interviews. All of the redirected clients had come to the welfare office and left without applying for TANF; however, their reasons for not applying varied greatly. Some people on the redirect list had not intended to apply for welfare at all and had come to the office for another service or another reason. Others explained that they had learned, in the process of meeting with staff at the office, that they were ineligible for TANF. A third group reported what appeared to be misinformation about eligibility requirements for TANF; they believed they were ineligible, but they may have been in error. Only a small number of interviews were completed with non-financial denials and in only two sites. These interviews serve primarily as examples. Because the one-time payment program opened first in the lower Rio Grande Valley area, an unusually large proportion of one-time payment recipients were Hispanic.

### **Comparison of Interview Samples to Entire Population**

The demographic characteristics and outcomes for the persons interviewed were compared to the entire universe of diverted applicants from the counties from which the samples were drawn. Due to technical reasons that are explained more fully in Appendix A, Section II, it was only possible to conduct these comparisons for those families accepting one-time payments.

## **III. TANF LEAVERS**

### **Administrative Data**

From April 1998 through June 1999 (Cohort 1), 143,491 caretaker-headed TANF cases were closed; 23,113 similar families left TANF from July through September 2000 (Cohort 2). The demographics of these families were calculated from administrative data collected for the operation of the TANF program in Texas.

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<sup>17</sup> See Appendix A, Section III for a discussion of missing demographic data for these populations.

<sup>18</sup> These demographics may be affected somewhat by the manner in which this initiative was implemented. Prior to August 1998, one-time payments were only available in DHS Region 11, which includes heavily Hispanic areas in the Rio Grande Valley. However, the high share of two-parent families using this option continued throughout the study period.

**TABLE 4:**  
**DEMOGRAPHICS OF TANF LEAVERS:**  
**COMPARING FIRST VS. SECOND COHORTS**

	First Cohorts of Leavers	Second Cohorts of Leavers
<b>Number of families</b>		
	143,491	23,113
<b>Gender of primary caretaker</b>		
Percent male	6.6%	6.3%
Percent female	93.4%	93.7%
<b>Age of primary caretaker</b>		
Average age	29.9	29.6
Percent 18-25	38.1%	40.0%
Percent 26-34	34.4%	34.1%
Percent 35-44	20.0%	18.9%
Percent 45 and over	7.5%	7.0%
<b>Race of primary caretaker</b>		
Percent Black	29.4%	28.8%
Percent Hispanic	45.2%	45.4%
Percent White	24.5%	24.9%
Percent other	0.9%	0.9%
<b>Primary caretaker education level</b>		
No high school education	16.4%	15.7%
Some high school education	33.3%	35.5%
High school graduate (or GED)	50.3%	48.8%
<b>Geography</b>		
Urban - county with large MSA	52.4%	49.7%
Suburban - county with other MSA	27.4%	27.4%
Rural - county with no MSA	20.2%	22.8%
<b>Primary caretaker work history</b>		
Percent time employed - prior 2 years	38.1%	44.5%
<b>Type of family</b>		
Percent single-parent families	91.1%	90.7%
Percent two-parent families	8.9%	9.3%
<b>Number of children</b>		
Average number of children	2.0	2.0
Percent with one child	41.0%	43.6%
Percent with two children	31.3%	30.3%
Percent with three or more children	27.6%	26.1%
<b>Ages of children</b>		
Average age of youngest child	4.7	4.5
Average age of all children	6.2	6.0

Source: Administrative data on those leaving TANF between April 1998 and June 1999 (Cohort 1) or between July and September 2000 (Cohort 2).

As shown in Table 4, 94 percent of Texas families leaving TANF were headed by single females. Nearly 40 percent of these parents were less than 25 years old, while another third were between 26-34 years old. Nearly half (45 percent) were Hispanic, with the remainder divided somewhat evenly between Black and White caretakers. Most families had two children, with the youngest child being less than five years old. Half of the caretakers in families leaving TANF had completed high school.

Although most characteristics of TANF leavers did not vary much between the two time periods measured, two differences should be noted. First, the geographic distribution of leavers shifted between the two time periods, with families in large MSA counties constituting a higher share of all leavers in the Cohort 1 time period (52.4 percent) than in the later time period (49.7 percent). Also, forty-five percent of Cohort 2 leavers had been employed some time in the prior two years, a higher share than the 38 percent of Cohort 1 leavers with some employment experience.

The demographic characteristics of families leaving TANF differed somewhat from the pre-welfare reform era. In that time period, Black families, those who were not high school graduates, having no prior work experience, or more than one child were all less likely to leave TANF. Also, the average age of the youngest child among TANF leavers was seven years of age, compared to five years old for the caseload as a whole.<sup>19</sup>

## Statewide Survey of TANF Leavers

Overall, 723 respondents completed the mail-telephone survey. The demographics of the mail-telephone survey paralleled those of the administrative data set, in gender, age and ethnic distribution (Table 5). The average years of education for the survey respondents was 10.1. Fourteen percent of the participants reported eight or fewer years of formal schooling; 38 percent between nine and 11 years of schooling; 22 percent 12 years of schooling; and, 24 percent some post-high school education.

At the time of the survey, 21 percent of the survey participants were married, 30 percent separated, divorced, or widowed, and 36 percent had never been married. The number of children per respondent ranged from 0 to 10 with the average number of children being 2.2. The average age of the youngest child of the respondent was 7.8 years but ranged anywhere from 1 to 42 years of age.<sup>20</sup> As expected with a more stable population, the survey recipients were somewhat older and more likely to be married than the population as a whole.

## Comparison of Statewide Survey and Interviews to Entire Population

Statistical comparisons were conducted to determine the similarities between the TANF leavers who responded to the statewide survey and the universe of Cohort 2 TANF leavers

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<sup>19</sup> See University of Texas Center for the Study of Human Resources (1995) for a discussion of Texas welfare dynamics prior to reform. Strict comparisons cannot be made because earlier studies measure caretaker exits while this study measure exits by the entire case.

<sup>20</sup> The age of youngest child is higher than calculated from administrative data due to both the presence of respondents whose own children were adults and differences in the definition of this measure between the two data sources. Administrative data only include those children on the TANF grant while the survey includes all children of the respondent.

**TABLE 5:**  
**DEMOGRAPHICS OF STATEWIDE SURVEY RESPONDENTS**

	Percentages
<b>Number of respondents</b>	
	723
<b>Gender</b>	
Female	93.6%
Male	5.9%
<b>Age of respondents</b>	
18-25	36.0%
26-35	36.9%
36+	27.0%
Average age	30.3
<b>Race/ethnicity of respondents</b>	
Hispanic or Latino	45.1%
African-American/Black	27.5%
White/Caucasian	26.8%
Asian or Pacific Islander	1.7%
Other	2.2%
<b>Marital status of respondents</b>	
Never been married	35.7%
Married and living with spouse	21.3%
Separated from spouse	16.6%
Divorced	11.9%
Married and living apart from spouse (in the military, on a job or in prison)	4.6%
Widowed	1.5%
Other	7.6%
<b>Respondents education level</b>	
≤ 8 years	14.0%
9 – 11 years	37.6%
12 years	31.3%
Some post-high school	24.2%

Source: Statewide TANF leavers survey July-September 2000



from administrative data. Surveyed TANF leavers bear a striking resemblance to the statewide populations from which they were randomly selected. Minor differences between the sample and the statewide population included smaller shares of leavers aged 18-25 and those in single-parent families among survey respondents than were present in the entire population. Surveyed leavers also received government benefits more often in the year prior to exit, which may have made them a bit easier to locate. The details of this analysis are included in Appendix A, Section II.

Among interviewed TANF leavers from the earlier time period, two-parent families were slightly over-represented. Otherwise, their demographics were quite similar to those calculated from administrative data files. Observed differences in outcomes also appear consistent with the finding that persons interviewed were less mobile than the population from which they were drawn.<sup>21</sup>

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<sup>21</sup> See Appendix A, Section V, for a discussion of the effect of mobility on the interview sample and for a more complete discussion of the characteristics of the interview sample.



## Participation in Government Programs

This chapter presents findings for the research question: “To what extent are families who were diverted from or left TANF participating in other government programs, especially the Medicaid and Food Stamp programs?” This question has been addressed from several perspectives.

First, the universe of administrative data for all divertees and TANF leavers was examined to determine TANF, Medicaid and Food Stamp participation rates for the period two years prior to the occurrence of the relevant event (diversion or TANF exit) through eighteen months following the event. Graphs depicting monthly patterns of receipt are displayed in the body of the report, with additional statistics included in Appendix B, Section I.

Secondly, additional information about participation in government programs was available from the statewide survey of families who left TANF from July through September 2000. In particular, additional information gleaned from the survey focused on the types of questions that could not be answered very effectively from administrative data, such as the reasons for TANF exit and families’ perceptions about their continuing eligibility for non-cash benefits after leaving TANF.

Finally, some examples of families’ experiences with government programs were drawn from detailed interviews conducted both with families diverted from TANF in the June 1998 through September 1999 time period and those who left TANF over the same time period. Interviews usually occurred some time in the six months following diversion or exit.

While not the primary focus of this report, participation in Choices, the Texas employment preparation program for TANF recipients, was also measured. Selected statistics from that analysis are included in this chapter.



# I. SUMMARY OF FINDINGS

Administrative and survey data were used to analyze the degree to which divertees and leavers used TANF, Medicaid, and food stamps, while examples drawn from the interviews more fully described the nature of families' experiences.

## Use of TANF After Diversion or Departure from TANF

**Divertees.** Twelve percent of redirected families and 26 percent of those denied for non-financial reasons received TANF at some time during the year following diversion. The rates of TANF usage after the diversion activity quickly returned to prior levels of usage for these two groups. As set by policy, persons receiving the one-time payment did not reenter TANF for twelve months following the payment. By 18 months after the payment, ten percent of those families were receiving TANF, a figure confirmed from both administrative data and qualitative interviews.

**Leavers.** After leaving TANF, 63 percent of Cohort 1 families remained off TANF for the entire year after exit. Most returns occurred within the first six months. Although Cohort 2 leavers could only be tracked for six months after exit from administrative data, patterns of return to TANF were similar.

## Use of Medicaid

**Divertees.** The use of Medicaid varied among different groups of divertees. Only one fourth of redirected caretakers received Medicaid at some time in the year following diversion, compared to 38 percent for families denied for non-financial reasons, and 54 percent of one-time recipients. Approximately ten percent of redirected adults were enrolled in Medicaid in all months of the observed period. For the other two groups, Medicaid usage dipped at the time of the diversion, then increased to levels as high or higher than before the diversion. Data limitations prevented the computation of Medicaid usage for children of diverted populations.

**Leavers.** Sixty percent of adult caretakers and 77 percent of children received Medicaid at some time in the year after leaving TANF. While only 20 percent of adults and children continued their Medicaid receipt when their TANF case was closed, 62 percent of children and 46 percent of caretakers received Medicaid in the following quarter. Qualitative interviews found that some prior recipients still believed that their Medicaid coverage was linked to TANF and assumed that they and, to a lesser extent, their children were no longer eligible for Medicaid after departing TANF.

## Use of Food Stamps

**Divertees.** Sixty-three percent of redirected families, 56 percent of those denied for non-financial reasons, and 87 percent of families accepting one-time payments received food stamps at some point in the year following TANF diversion. All families diverted from TANF increased Food Stamp participation in the period immediately following the diversion. A year after the diversion, all groups of families had settled at rates of use similar to those prior to the diversion.

**Leavers.** Food Stamp participation dropped substantially for families after they left TANF. Most of these families still appeared to be financially eligible for food stamps, and 68 percent of them used food stamps at some time in the year following their exit

from TANF, a rate confirmed by the statewide survey. However, while three-fourths of these families received food stamps two months prior to TANF exit, that figure dropped to 37 percent at TANF exit and continued to decline to 30 percent by the end of the 18-month follow-up period. Qualitative interviews indicated that some leavers had difficulty understanding and responding to the eligibility criteria for the Food Stamp and the Food Stamp Employment and Training programs.

## II. USE OF TANF AFTER DIVERSION OR EXIT

Table 6 reports the share of divertees and TANF leavers who received TANF, Medicaid and food stamps at any time in the year following diversion or exit while Figure 1 displays the share of divertees or leavers receiving TANF at various points in time for all of the groups being studied. For diverted populations, the charts display rates of TANF usage for each month from one year prior to visiting the DHS office to apply for benefits through the eighteen months following diversion. It includes all families diverted from TANF from April 1998 through June 1999.

Figure 1 for TANF leavers displays rates of TANF use for two time periods. TANF cases were closed for Cohort 1 leavers from April 1998 through June 1999. For these leavers, TANF usage is reported in the year prior to TANF exit and through the eighteen months following TANF exit. Another group of families who left TANF from July through September 2000 (Cohort 2) also was tracked so as to observe any differences resulting from later welfare reform initiatives. Only six months of follow-up data were available for this group of leavers.

### Divertees

By definition, none of the cases considered 'diverted' were current TANF clients at the time they were diverted. However, some were former TANF clients who had received TANF for some time in the 12 months before diversion. All subgroups diverted from TANF had used TANF less frequently in the prior year than did the comparison group of applicants who ultimately entered the TANF rolls.

As shown in Table 6, 12 percent of redirected families and 26 percent of those denied for non-financial reasons received TANF at some time during the year following diversion. In accordance with policy, persons receiving one-time payments did not re-enter TANF for twelve months following acceptance of the payment.<sup>22</sup> The monthly patterns of receipt in Figure 1 indicate that the rates of TANF usage after the diversion activity quickly returned to prior levels of usage for redirected clients and those denied for non-financial reasons. Eighteen months after receiving the one-time payment, ten percent of those families were receiving TANF. This rate was comparable to the share of these families who were receiving TANF one year prior to getting the one-time payment.

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<sup>22</sup> The 3.5 percent figure from Table 6 is an artifact of the manner in which administrative data files were linked, which sometimes produces minor differences in the timing of events.

**TABLE 6:**  
**ANY ENROLLMENT IN GOVERNMENT PROGRAMS IN YEAR FOLLOWING**  
**DIVERSION OR TANF EXIT**

<b>Diverted Populations</b>	<b>Redirects</b>	<b>Denied for Non-financial Reasons</b>	<b>One-time Recipients</b>
<b>TANF and other program participation:</b>			
Receiving TANF (caretaker)	11.6%	26.0%	3.5%
Receiving Medicaid (caretaker)	24.7%	37.7%	54.1%
Receiving food stamps (caretaker)	62.6%	56.2%	86.5%

Source: Administrative data for persons applying to or diverted from TANF from April 1998 through June 1999.

<b>TANF Leavers</b>	<b>All Leaver Families</b>	<b>Single-Parent Leaver Families</b>	<b>Two-parent Leaver Families</b>
<b>TANF and other program participation:</b>			
Receiving TANF (caretaker)	36.6%	36.6%	36.0%
Receiving Medicaid (caretaker)	60.1%	59.8%	63.7%
Receiving Medicaid (any child)	77.4%	76.6%	85.0%
Receiving food stamps (caretaker)	68.2%	67.6%	74.6%

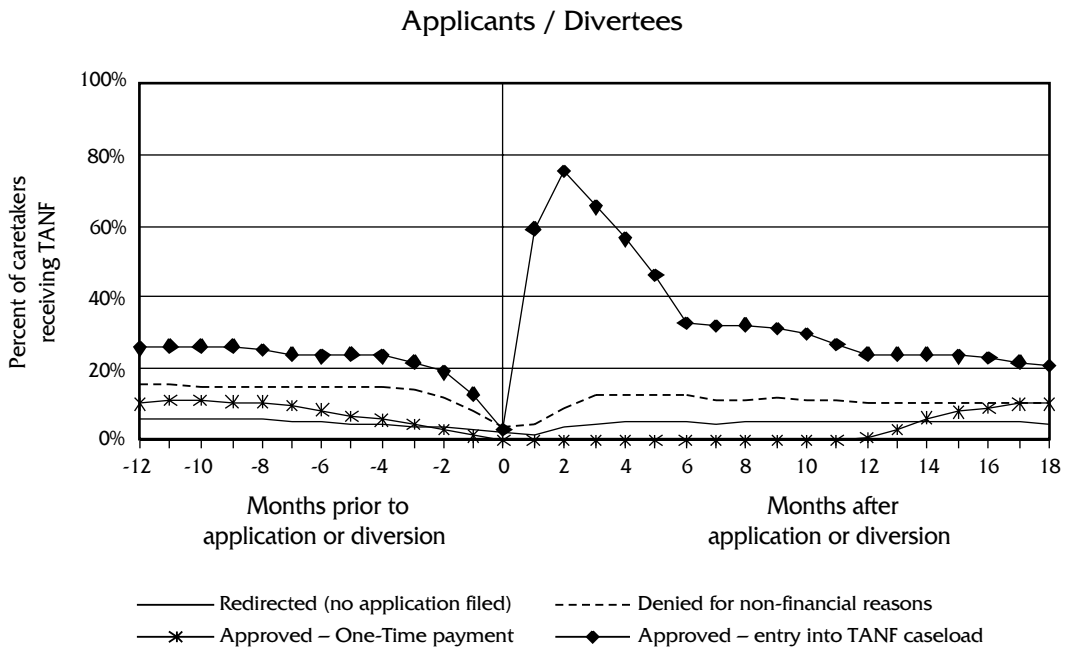
Source: Administrative data for cases leaving TANF from April 1998 through June 1999 (Cohort 1) or from July through September 2000 (Cohort 2).

## Leavers

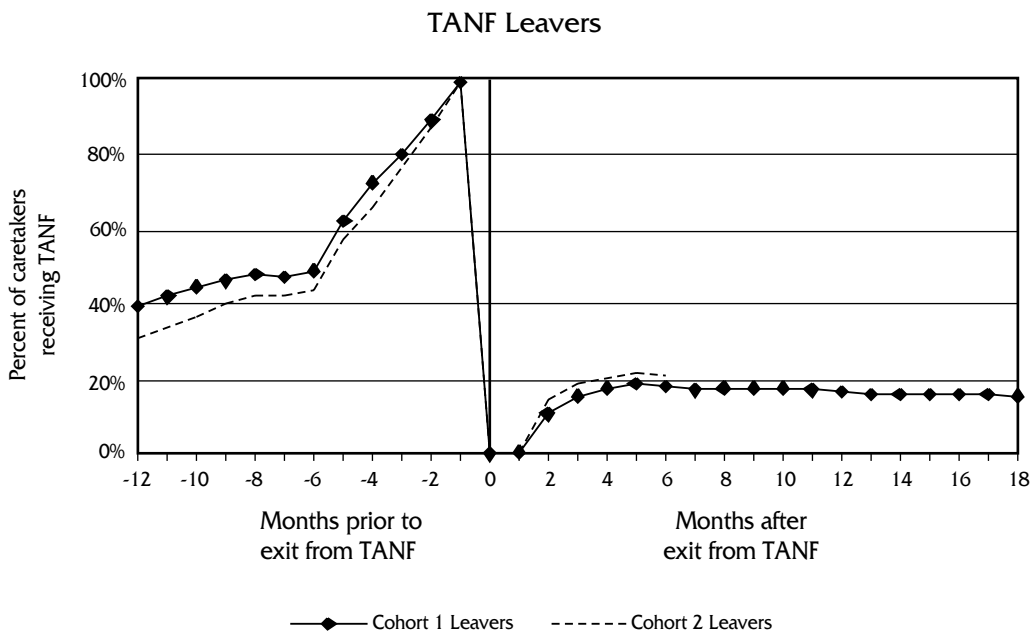
TANF receipt was tracked for both Cohort 1 and Cohort 2 leavers for the year prior to TANF exit, with similar patterns noted for both groups. Over half of TANF leavers from both cohorts had received TANF for less than six months prior to leaving the rolls.

After leaving TANF, 63 percent of Cohort 1 families remained off TANF for the entire year after exit. In any given month in the eighteen months following exit, less than 20 percent of families were again receiving TANF (Figure 1). Most families who returned to TANF did so in the first six months following exit. In Chapter 7, the differences between families who returned to TANF and those who successfully left the rolls are explored in greater detail. Although Cohort 2 families could only be tracked for six months after exit, their patterns of TANF receipt are similar to those for the earlier cohort.

FIGURE 1:  
CARETAKER TANF RECEIPT OVER TIME



Source: Administrative data for persons applying to or diverted from TANF from April 1998 through June 1999.



Source: Administrative data for cases leaving TANF from April 1998 through June 1999 (Cohort 1) or from July through September 2000 (Cohort 2).

### III. MEDICAID RECEIPT

Eligibility for Medicaid insurance in Texas varies for adults and children. Adults on TANF automatically receive Medicaid coverage; however, adults not receiving TANF typically can only receive Medicaid for one of the following reasons:

- ★ 12-18 months following TANF for employed former recipients and those reaching TANF time limits (known as transitional Medicaid);
- ★ Those whose medical expenses reduce their income below the allowed limit (approximately 24 percent of poverty); and
- ★ Pregnant women whose income is less than 185 percent of poverty.

The eligibility requirements for Medicaid coverage are less restrictive for children than adults. Children whose families meet asset limitations can continue to receive Medicaid if their families meet the following income guidelines:

- ★ Children under one year old – Less than 185 percent of poverty;
- ★ Children ages 1-5 – Less than 133 percent of poverty; and
- ★ Children ages 6-18 – Less than 100 percent of the Federal poverty level.

Given the income levels of the families in this study, almost all children in these families should meet the income guidelines for Medicaid even when their families are not receiving TANF.

#### Longitudinal Analysis of Administrative Data

##### Divertees

The three diverted groups of caretakers participated in Medicaid at different rates following diversion.<sup>23</sup> As shown in Table 6, only 25 percent of redirected caretakers received Medicaid at some time in the year following diversion, compared to 38 percent for families denied for non-financial reasons, and 54 percent of one-time recipients.

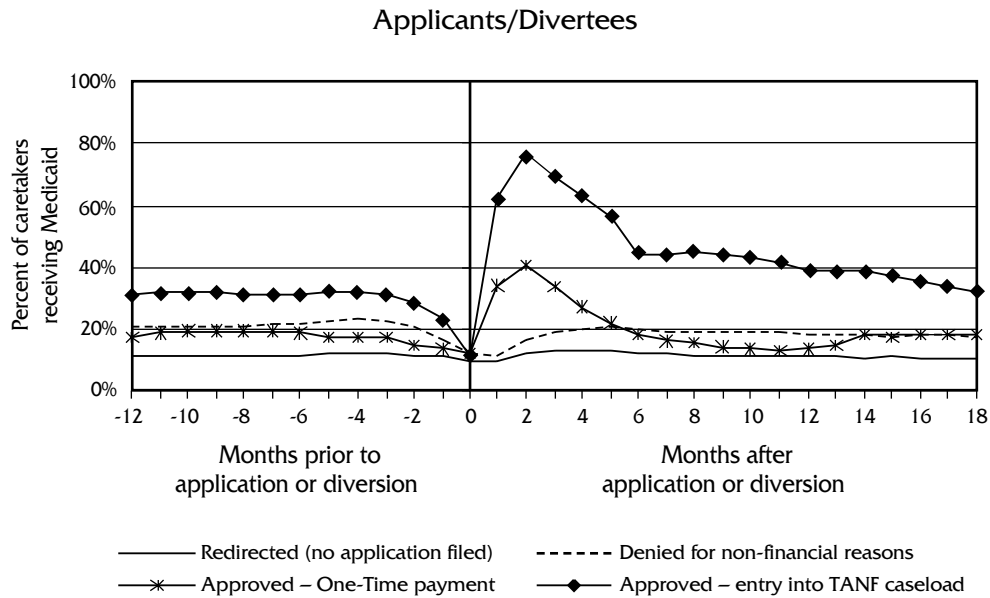
Figure 2 indicates that approximately ten percent of redirected adults were enrolled in Medicaid immediately prior to and following TANF diversion, with the redirection activity appearing to have little influence on this pattern. For adult applicants denied for non-financial reasons, Medicaid enrollment dipped in the period immediately prior to the denial and stayed low for several months following the denial. After that time, the rate of Medicaid enrollment for this group increased to 20 percent, then dropped slightly. Eighteen months after diversion, 18 percent of denied applicants were receiving Medicaid.

A higher proportion of one-time recipients received Medicaid than other diverted groups, probably because they remained eligible for Medicaid after receiving their one-time payment. Even so, only 54 percent of these families were enrolled in Medicaid at any time in the year during which they received a one-time payment. The monthly rate of Medicaid receipt fluctuated up and down, reaching a high of 40 percent two months after first receiving the one-time payment, dropping to 15 percent twelve months later, then increasing to 18 percent several months later. These variations in Medicaid receipt are probably related to changes in these families' TANF and employment status during this time period.

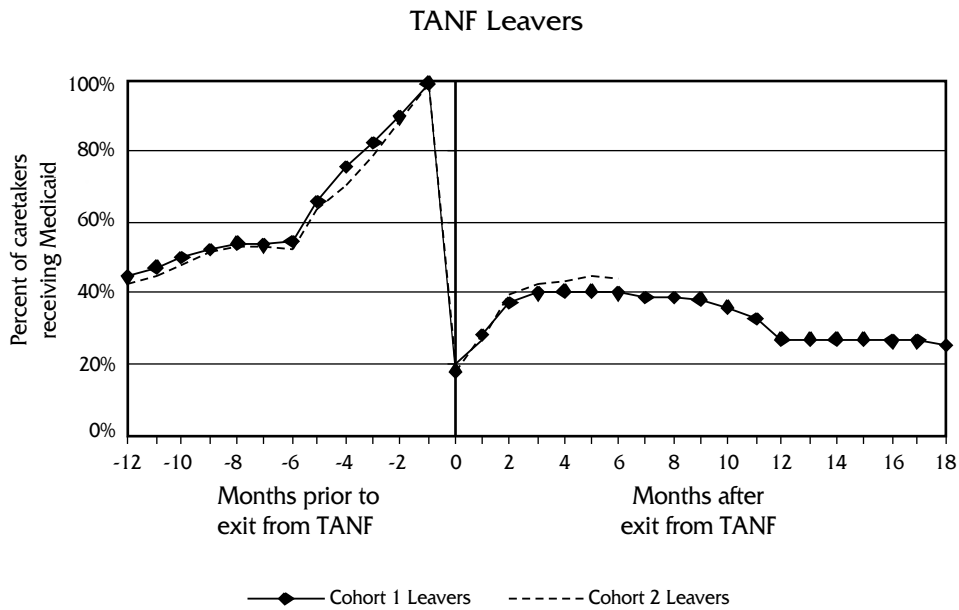
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<sup>23</sup> Due to the limited nature of family information collected for TANF applicants, the determination of Medicaid receipt for divertees could not be measured for children by using administrative data.

FIGURE 2:  
CARETAKER MEDICAID RECEIPT OVER TIME



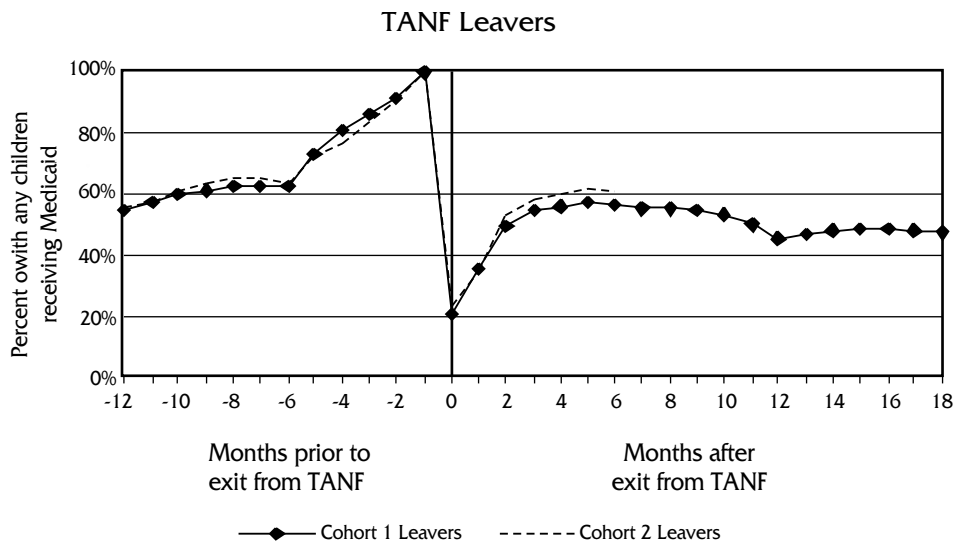
Source: Administrative data for persons applying to or diverted from TANF from April 1998 through June 1999.



Source: Administrative data for cases leaving TANF from April 1998 through June 1999 (Cohort 1) or from July through September 2000 (Cohort 2).



**FIGURE 3:**  
**CHILDREN'S MEDICAID RECEIPT OVER TIME**



Source: Administrative data for cases leaving TANF from April 1998 through June 1999 (Cohort 1) or from July through September 2000 (Cohort 2).

### Leavers

Both adult and children's Medicaid receipt were tracked for Cohort 1 and Cohort 2 TANF leavers. At some time in the year following exit, 60 percent of adult caretakers and 77 percent of children received Medicaid. As shown in Figure 2, only 20 percent of adults continued their Medicaid receipt when their TANF cases were closed. Over the next several months, this rate doubled to 40 percent for Cohort 1 leavers and remained at that level for most of the year after TANF exit. At that time, the share of former TANF caretakers who were still receiving TANF dropped to 30 percent and remained at that level for the remainder of the observation period. The increase in Medicaid receipt in the first few months after exit probably occurred when some former caretakers returned to TANF. The dip in Medicaid receipt twelve months after exit probably occurred because of the expiration of transitional Medicaid for employed caretakers.

At the point of exit from TANF, only 20 percent of children continued to receive Medicaid, a rate almost identical to the one for adults. However, in the first quarter after TANF exit, this figure jumped to 62 percent for children compared to 43 percent for former caretakers themselves. This difference probably resulted as children were transferred to the forms of children's Medicaid for which they were still eligible. After the first quarter following exit, increases and decreases in Medicaid receipt for children mirrored the patterns observed for their parents. While 77 percent of children received Medicaid at some point in the year following TANF exit, less than 50 percent of them were receiving Medicaid 18 months after exit.

For Cohort 2 leavers, children's Medicaid receipt was five percentage points higher in the second quarter after exit than was observed for Cohort 1 (Figure 3). This increased Medicaid usage for children of Cohort 2 leavers could possibly be related to the passage of HB 820 during the 1999 Texas legislative session, which requires DHS to automatically review children's eligibility for medical assistance before denying TANF eligibility. Additional follow-up data would be needed to determine if this trend continues over time.

## Statewide Survey of TANF Leavers

Results from the statewide survey were similar to those of the administrative data. About 39 percent of adults had Medicaid in the preceding six months. (Some respondents were less than six months from their departure from TANF and Medicaid.) Fifty percent had received Medicaid for at least one child (Table 7).

**TABLE 7:**  
**PROGRAMS ASSISTING WITH HEALTH IN PAST SIX MONTHS**

In the past 6 months have you used any programs that helped you with health?	
Total number of survey respondents	723
Percent of respondents answering 'yes' to one or more items (n=556)	73.6%
Types of health programs used (as share of total respondents)	
Medicaid for children	49.5%
Medicaid for self	39.1%
CHIP	2.2%
MHMR	2.1%
Social Security Disability	1.8%
Texas Rehabilitation	0.6%
Other	4.3%

Source: Statewide survey of families leaving TANF in July – September 2000.

## Intensive Interviews

Qualitative interviews indicated that, in addition to lack of eligibility for Medicaid, particularly among adults, respondents also had some misunderstanding of Medicaid eligibility policy.

Many respondents reported a link between TANF and Medicaid eligibility for both themselves and their children. They reported that when they left TANF, they also left Medicaid.

**Respondent:** *I thought since TANF ended, then that's why Medicaid ended. And I couldn't get medical benefits from my job yet, because I had to be there six months and I hadn't been.*

**Interviewer:** *Did you ever get Medicaid again, for you or your kids?*

**Respondent:** *No, no.*

★ ★ ★ ★ ★

*I had all of them [Medicaid, food stamps, TANF] but when they cut me off of TANF they cut me [and my children] off Medicaid.*

Respondents who had made a reapplication were often confused about what they had reapplied for, whether it was for TANF, Medicaid, and/or food stamps, understanding only after the fact that their reapplication was for one service rather than another.

*We had Medicaid since the last time I applied for food stamps. I only had the Medicaid but then I reapplied again but [apparently] not for Medicaid. Recently they told me that my Medicaid had run out and I needed to reapply. No one has Medicaid right now and I'm not receiving food stamps either.*

Thus, many respondents did not understand they or, more likely, their children were still possibly eligible for Medicaid after a departure or diversion from TANF. A smaller number understood they were potentially eligible but did not understand the application system. Many leavers commented on the problems they faced without health insurance when their Medicaid participation ended.

## IV. FOOD STAMP RECEIPT

Low-income families typically are eligible to receive food stamps if their households earn less than 130 percent of the Federal poverty level and are able to comply with some other asset and income provisions. Given the income levels of the families in this study, almost all of them should have met the financial eligibility requirements regardless of their TANF status. While the state of Texas has begun some outreach activities to inform low-income families of their eligibility for food stamps, these activities only began in August 2000.<sup>24</sup> Thus, most of the families included in this study were not affected by these outreach efforts.

In addition to income and asset eligibility requirements, some caretaker-headed families not on TANF must participate in the Food Stamp Employment and Training program (FSE&T) in order to receive food stamps. Generally, caretakers subject to these requirements must either be working 30 hours per week, participating in work-related activities for 20 hours per week, or enrolled in an education or training program for 16-20 hours per week. Persons are exempt from these requirements if they are caring for children less than six years old, are disabled or caring for someone who is disabled, or live in one of the 164 rural counties in Texas that do not operate a FSE&T program, among other reasons.<sup>25</sup>

### Longitudinal Analysis of Administrative Data

#### Divertees

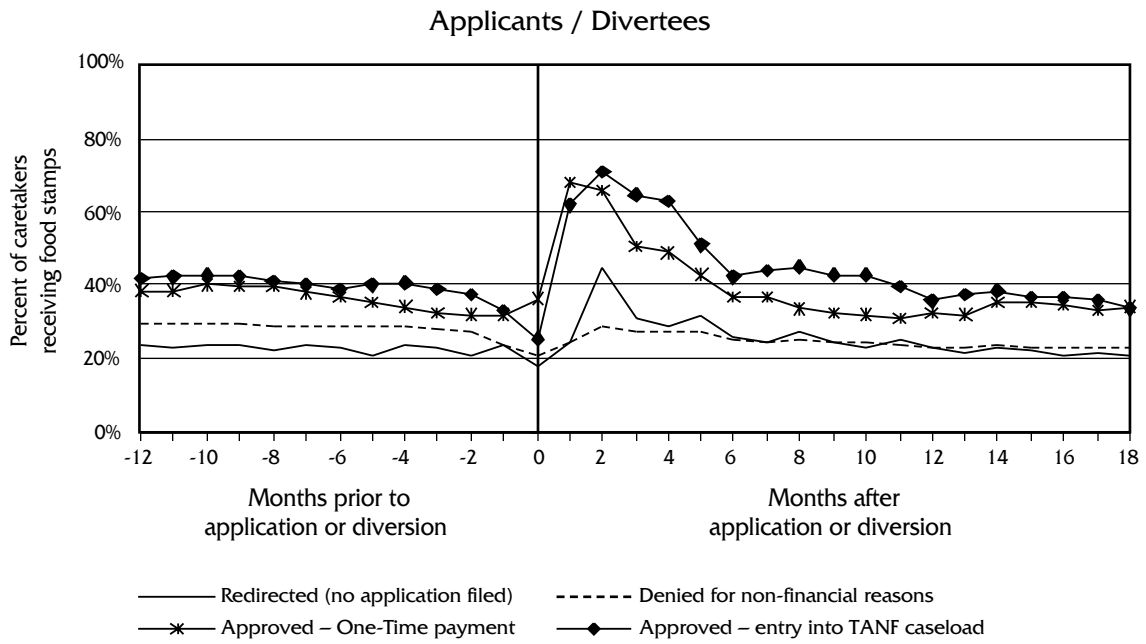
All families diverted from TANF increased their Food Stamp participation in the period immediately following the diversion activity, perhaps as a result of their contact with the DHS office while applying for TANF benefits (Figure 4). However, both the overall participation rates and the lag time between the diversion activity and increased use of food stamps varied among the groups. Sixty-three percent of redirected families, 56 percent of those denied for non-financial reasons, and 87 percent of families accepting one-time payments received food stamps at some point in the year following TANF diversion (Table 6).

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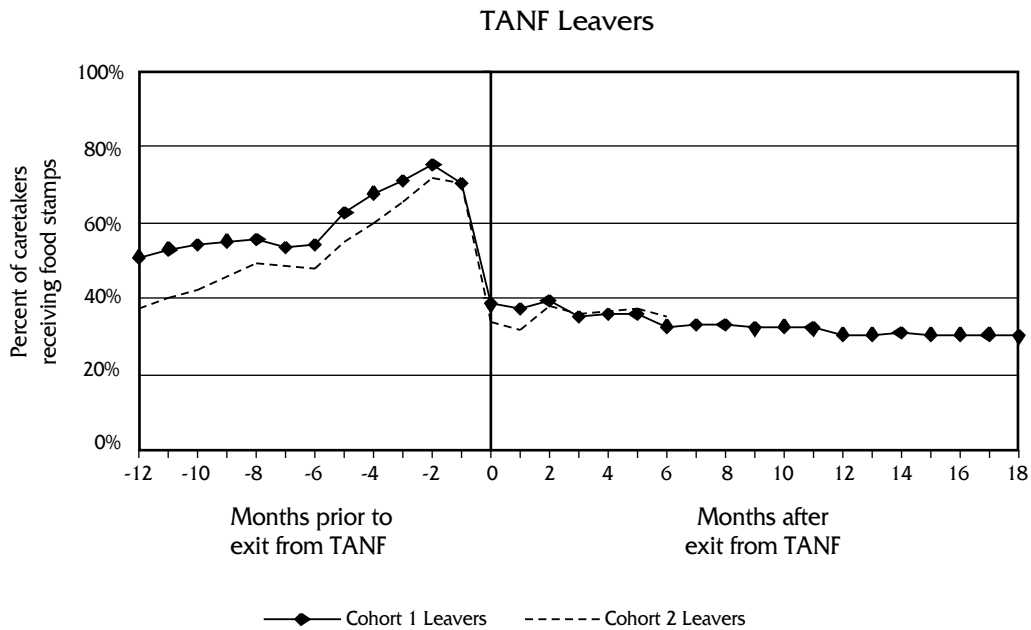
<sup>24</sup> See Texas Association of Community Action Agencies, Inc (2001) for a discussion of the Food Stamp Education Campaign.

<sup>25</sup> Although other rules also apply to the FSE&T program, the ones reported above are those most likely to apply to the study population.

**FIGURE 4:**  
**FOOD STAMP RECEIPT OVER TIME**



Source: Administrative data for persons applying to or diverted from TANF from April 1998 through June 1999.



Source: Administrative data for cases leaving TANF from April 1998 through June 1999 (Cohort 1) or from July through September 2000 (Cohort 2).

For persons redirected, Food Stamp participation dropped from 24 percent one month prior to diversion to 18 percent at the point of diversion, then increased to 45 percent two months later. This suggests that redirected families reapplied and received food stamps shortly after being diverted. Over time, Food Stamp enrollment slowly dropped for these families. By one year following diversion, the rates of food stamp usage were similar to the rates a year prior to the event.

Families denied for non-financial reasons decreased their Food Stamp participation in the two months prior to and following their denial. However, after that time, Food Stamp participation rates returned to the levels observed earlier in the study period and remained at that level throughout the rest of the 18-month observation period.

For families accepting one-time payments, use of food stamps jumped from 32 percent at the point of application to 68 percent the next month. After a couple of months, participation in food stamps began dropping steadily for these families. By the end of the observation period, only one third of these families still received food stamps, the same share of families who used this benefit at the point of application. While the long-term food stamp usage trends show that only a third of these families regularly use food stamps, over 85 percent of them used food stamps at some time in the year following acceptance of the one-time payment. This suggests that most of these families experienced a temporary event that precipitated their application for TANF, and they then took advantage of their Food Stamp eligibility for at least a short period of time.

### **Leavers**

In contrast to the initial jump in food stamp use among diverted families, Food Stamp participation dropped substantially for both Cohort 1 and Cohort 2 families when they left TANF (Figure 4). Most of these families still appeared to be financially eligible for food stamps after leaving TANF, and 68 percent of them used food stamps at some time in the year following their exit from TANF. However, while three fourths of these families received food stamps two months prior to TANF exit, that figure dropped to 37 percent at TANF exit and continued to decline to 30 percent by the end of the study period. Possible reasons for this low usage are explored in the qualitative interviews.

Although the patterns for Cohort 1 and Cohort 2 are generally similar, Cohort 2 TANF leavers received food stamps less often in the year prior to TANF exit than did the Cohort 1 leavers. While this partially reflects the somewhat lower rates of TANF receipt in the year prior to TANF exit for the Cohort 2 group, other possible reasons for lower rates of food stamp receipt among the second group of leavers are unclear.

## **Statewide Survey**

Eighty-five percent of survey respondents used at least one food program after leaving TANF, with food stamps used by 68 percent of the respondents. WIC and the School Lunch Program were used by about one third of respondents (Table 8).

**TABLE 8:**  
**PROGRAMS ASSISTING WITH FOOD IN PAST SIX MONTHS**

In the past 6 months have you used any programs that helped you with food?	
Total number of survey respondents	723
Percent of respondents answering 'yes' to one or more items (n=617)	85.3%
Types of food programs used (as share of total respondents)	
Food stamps	68.0%
WIC	36.0%
School lunch program	32.5%
Food pantries	13.3%
Summer food for children	2.6%
Commodities/cheese	2.1%
Other	4.0%

Source: Statewide survey of families leaving TANF in July – September 2000.

### Intensive Interviews

While misunderstandings about the Food Stamp program regulations and difficulties with them were not as frequent as misunderstandings of Medicaid, respondents to the qualitative interviews indicated problems with the application process after diversion or departure from TANF.

Some respondents believed there was a link between TANF and Food Stamp eligibility.

*I was pretty sure that if we did not qualify for TANF, that we wouldn't qualify for food stamps.*

Some respondents did not understand how the application process worked for their food stamps, apart from their TANF application.

*I never got an application for food stamps, and I didn't know that April was the last month.*

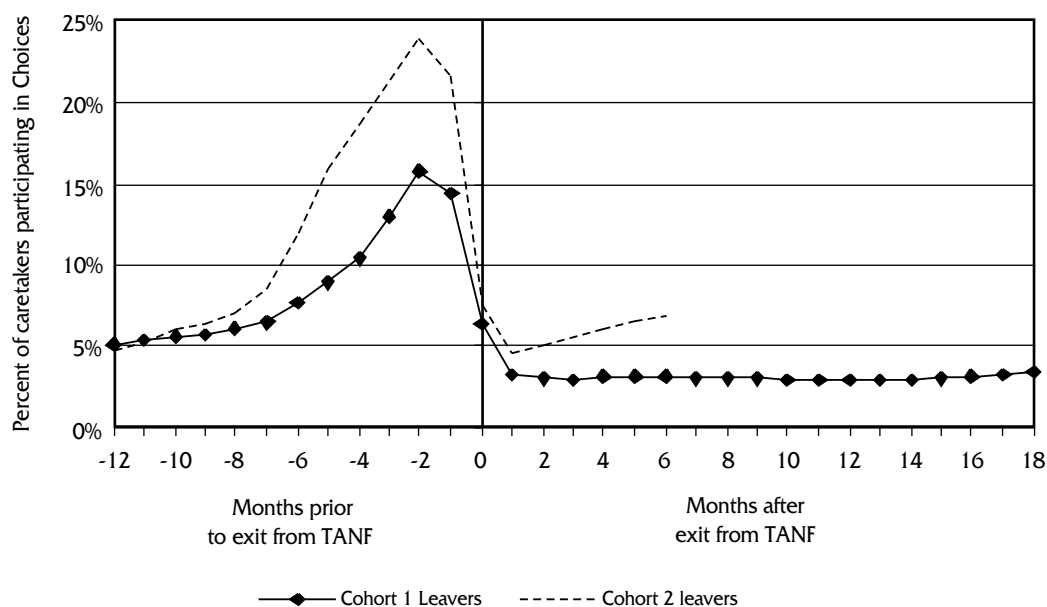
Respondents to the qualitative interviews received information about food stamps in many different ways. They received information from staff at DHS and TWC offices, from the offices of other agencies they visited, and from other community members – neighbors, friends and relatives. While they could almost always point to a source for their information and reasons to believe it was accurate, they often appeared to have misunderstandings about the Food Stamp program.

## V CHOICES PARTICIPATION

Choices is the primary workforce development program for Texas TANF recipients. Unless exempt for some reason, all TANF caretakers must register with and participate in Choices. The offer of a Choices slot also starts the clock for Texas time limits.

While the primary purpose of including Choices data in this study was to use it as an explanatory variable in the regression analyses to be discussed in Chapter 8, some descriptive statistics also were computed for this variable. In doing so, a major increase in the rates of Choices participation was noted for Cohort 2 TANF leavers prior to their exit (Figure 5). This increase could be related to several policy changes that occurred between the two time periods being studied. Lowering the 'age of child' exemption increased the share of TANF recipients who were required to participate in Choices while adoption of Federal time limits may have encouraged some exempt caretakers to seek employment rather than face the stricter Federal limits on TANF usage.

FIGURE 5:  
CHOICES PARTICIPATION OVER TIME



Source: Administrative data for cases leaving TANF from April 1998 through June 1999 (Cohort 1) or from July through September 2000 (Cohort 2).



## Employment and Other Economic Supports

This chapter addresses the following research question: “To what extent are families who left or were diverted from TANF employed and/or receiving other economic supports, such as child support and child care subsidies?” In addition to the government benefits discussed in the previous section of this paper, several types of economic support are available to families in this study. Although families’ primary support typically comes from employment, a family also may receive child support from a noncustodial parent, financial subsidies to help pay for child care costs or cash from the Earned Income Tax Credit (EITC).

Because knowledge about the financial well-being of TANF divertees and leavers is so central to this study, each research method addressed this research question in some way. First, a summary across all approaches is presented. Then, findings from each approach within each major sub-topic – employment and earnings, other economic supports – are discussed. Finally, a section discusses the total family income that families in this study are likely to obtain.





# I. SUMMARY OF FINDINGS

Employment status and access to other economic supports – including child support, child care subsidies, and the Earned Income Tax Credit – among TANF divertees and leavers were examined using all data sources and methods.

## Employment After Diversion or Departure from TANF

**Divertees.** Among divertees, redirected applicants had the highest rates of employment (44 percent) and earnings (\$2,096) in the quarter of diversion. Those denied for non-financial reasons and recipients of the one-time payments had employment rates (19-22 percent) and quarterly earnings (\$1,255-\$1,490) similar to those of approved TANF applicants. Earnings for all of those employed, across all three groups, dipped in the quarter prior to their application for TANF benefits, and then rebounded in the 18 months following application.

Qualitative interviews indicated that recipients of one-time payments were more likely to engage in seasonal work than other diverted groups and requested the one-time payment when facing a period of unemployment. These seasonal occupations included farm labor, work for school districts, and work in the tourist industry.

**Leavers.** The employment and earnings of TANF leavers increased in the months immediately prior to TANF exit, with approximately 55 - 57 percent employed in the quarter of exit. Seventy percent of leavers were employed at some time in the year following their exit but only one-third held jobs in all four quarters after leaving TANF. Eighteen months after leaving TANF, half of Cohort 1 leavers were employed. Earnings increased during the six quarters following exit, with employed Cohort 1 leavers reaching average quarterly earnings of \$2,500 by the end of the study period.

The statewide survey provided additional information about the nature of the jobs held by TANF leavers. At the time of the survey completion (approximately six months after TANF exit), 46 percent of all respondents reported employment with an average hourly wage of \$7.20. Approximately 29 percent of those employed received some employee benefits connected with their jobs. Among those employed, 25 percent considered themselves in temporary or seasonal work. Respondents were heavily represented in clerical work, retail work, food services, and health care.

Respondents to qualitative interviews who entered higher paid occupations such as teaching and nursing explained their success in part by access to education. Overall, respondents valued employment and described themselves as employed even if they were underemployed or planning to start a new job.

## Child Support

**Divertees.** Only between three and eight percent of caretakers diverted from TANF received formal child support payment in the month of the diversion activity, with payments averaging \$227-\$314 per month. Although these percentages increased over time, only ten percent were receiving child support 18 months following diversion.

**Leavers.** Families leaving TANF received child support more often than divertees but the average monthly payments were smaller. Nine percent of Cohort 1 TANF leavers (12.5 percent for Cohort 2) received child support at exit, with monthly payments averaging \$207 and \$232 for the two time periods. Both the rates and average amounts of child support increased steadily over time, with 21 percent of Cohort 1 leavers receiving at least one payment in the year following exit. While the statewide survey of TANF leavers reported 19 percent of respondents receiving child support in the four-to-eight-month period after leaving TANF, some of this reported support was undoubtedly informal assistance obtained outside the formal child support system. Such informal payments could be sizeable, but were often irregular.

## Subsidized Child Care

**Divertees.** Fewer than five percent of persons diverted from TANF (and five to nine percent of employed divertees) received subsidized child care prior to diversion, a figure that remained relatively constant throughout the study period. The qualitative interviews found that only a small proportion of diverted families used formal child care arrangements, typically the same families that received subsidies. One-time payment recipients, who were more likely to be members of two-parent families, used the other parent as a source of child care more often than other groups did.

**Leavers.** Eleven percent of Cohort 1 leavers (17 percent of employed leavers) received subsidized child care in the month of exit. Cohort 2 leavers were more likely to receive child care subsidies, with 16 percent of all caretakers (24 percent of employed caretakers) receiving such care at TANF exit. Both administrative and survey data found lower rates of subsidized child care usage six months after TANF exit. As with divertees, the proportion of those receiving subsidies was almost identical to those using formal day care centers and registered family homes for care.

Qualitative interviews found that both leavers and divertees relied heavily on informal child care arrangements. According to the statewide survey, about ten percent of households (usually those with older children) depended on children caring for themselves.

## Total Family Income

Most families in this study relied on a combination of earnings by adult family members and/or TANF payments as their primary sources of income. While many families were eligible for child care subsidies and formal child support to supplement their income, less than one in five families received income from these sources at any time during the period of study. Although the 1999 National Survey of America's Families (NSAF) estimates that 33 percent of current and 69 percent of past Texas TANF recipients had ever received the Earned Income Tax Credit, only 3.3 percent of respondents in the statewide survey of recent TANF leavers reported using the EITC.<sup>26</sup> (The timing of the survey may have influenced this finding.)

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<sup>26</sup> Unpublished tabulations from the 1999 National Survey of America's Families performed by The Urban Institute (2001).

## II. EMPLOYMENT AND EARNINGS

Employment and earnings are addressed by all elements of the research study. The longitudinal analysis of administrative data from Unemployment Insurance wage records establishes levels of earnings over time through the formal wage system for divertees and two cohorts of TANF leavers. The statewide survey data provide a more detailed snapshot of the employment conditions of leavers sometime within the six months after leaving TANF. Stories from the qualitative interviews allow for a more detailed examination of the earnings and barriers to earnings for both divertees and leavers in the year following the key event. In Chapter 8, the econometric analysis assesses the factors that are associated with employment for TANF leavers and suggests the extent to which caretaker employment contributes to TANF exits and recidivism.

### Longitudinal Analysis of Administrative Data

#### Divertees

Figures 6 and 7 display the employment rates and earnings of those employed for diverted populations over time, as computed from Unemployment Insurance (UI) quarterly wage data.<sup>27</sup> Among divertees, redirected applicants displayed the highest rates of employment and earnings throughout the period of observation.<sup>28</sup> In the quarter of diversion, 55 percent of redirected applicants were employed, with average earnings of \$2,096. Other diverted groups had employment rates (28-31 percent) and earnings (\$1,255-\$1,490) lower than or similar to those of approved TANF applicants.<sup>29</sup> Although employment rates dipped slightly for applicants who entered TANF in the quarter of their application, employment rates remained stable for all diverted groups.

As shown in Figure 7, earnings of those employed dipped substantially for all diverted groups in the quarter prior to application for TANF benefits.<sup>30</sup> Earnings for all diverted groups rebounded in the eighteen months following application. By the end of the observation period, quarterly earnings for these groups ranged from \$2,396 to \$2,835. Although still below the poverty level for a three-person family, these earnings were higher than at any prior point in the study period.

#### Leavers

Employment and earnings for leavers were calculated for two different cohorts so as to capture any differences resulting from a change in the TANF earned income disregard policy that was implemented in January 2000.<sup>31</sup> Due to the limited time that has elapsed since Cohort 2 families left TANF, employment and earnings for these families could only be observed for three months following their exit from the TANF rolls.

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<sup>27</sup> UI wage data cover more than 98 percent of all wage and salary employment in Texas. Not included are military employment, self-employment, and some agricultural employment.

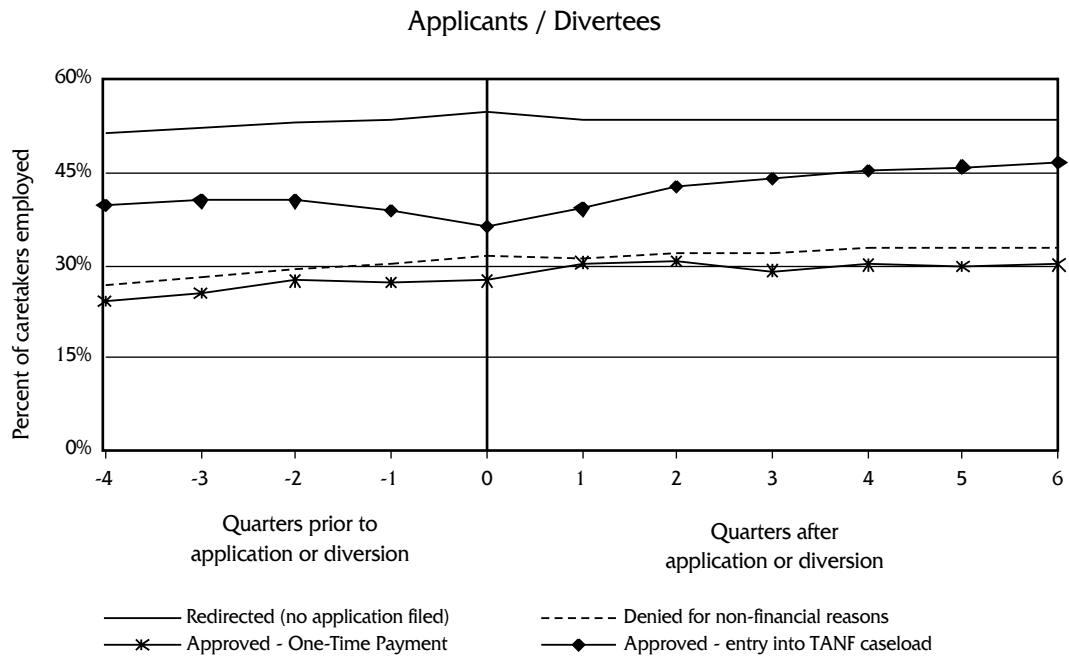
<sup>28</sup> Because the administrative data span several years, all UI wage, child support collection, and subsidized child care dollar amounts were converted to constant Year 2000 dollars.

<sup>29</sup> For the purpose of this study, 'employment' is defined as the presence of any wages in the Unemployment Insurance wage database for a calendar quarter.

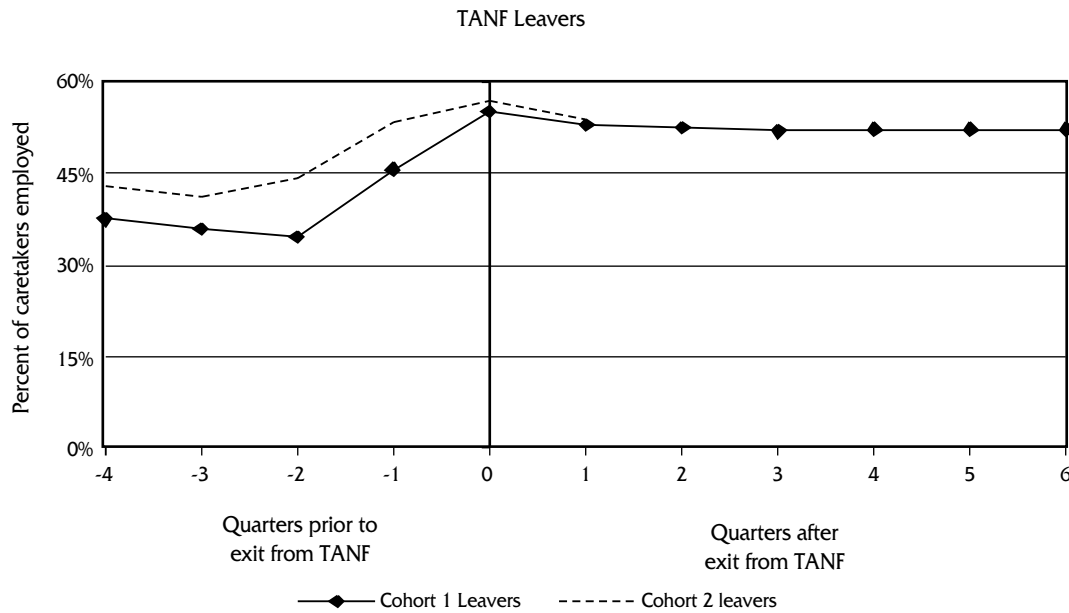
<sup>30</sup> This phenomenon, known as 'pre-program earnings dip,' is well-documented in the research literature on employment and training programs serving low-income individuals.

<sup>31</sup> The amount of earnings that were disregarded for employed TANF recipients increased from 33.3 percent of earnings to 90 percent of earnings for four months of employment.

**FIGURE 6:**  
**CARETAKER EMPLOYMENT OVER TIME**



Source: Administrative data for persons applying to or diverted from TANF from April 1998 through June 1999.



Source: Administrative data for cases leaving TANF from April 1998 through June 1999 (Cohort 1) or from July through September 2000 (Cohort 2).

Seventy percent of leavers were employed at some time in the year following their exit. Employment for a significant share of Cohort 1 leavers appeared relatively stable over time, with 33 percent of this group employed in all four quarters following their TANF exit. For those with stable employment, quarterly earnings averaged from \$2,500 to \$2,800 over the period, while average annual earnings totaled more than \$10,800.

Employment rates for all TANF leavers increased in the months immediately prior to their TANF exit for members of both cohorts (Figure 6). As expected from the expanded earned income disregard policy, a higher proportion of Cohort 2 leavers were employed prior to exit than Cohort 1 leavers. Approximately 55 percent of Cohort 1 TANF leavers and 57 percent of Cohort 2 leavers were employed in the quarter of exit. Eighteen months after leaving TANF, 52 percent of Cohort 1 leavers were still employed.

Earnings of all employed TANF leavers increased prior to exit from TANF, which probably caused these families to become financially ineligible for continued TANF benefits. Consistent with the increase in the earned income disregard for four months of employment, Cohort 2 leavers earned more in the two quarters prior to exit than Cohort 1 leavers did (Figure 7). In the quarter of exit, employed Cohort 1 leavers earned \$1,950 and Cohort 2 averaged \$2,083, when measured in constant dollars. Earnings continued to increase during the six quarters following exit. By the end of the study period, employed Cohort 1 leavers averaged quarterly earnings of \$2,500, which is nearly 75 percent of the official poverty level for a family of three.

## Statewide Survey of TANF Leavers

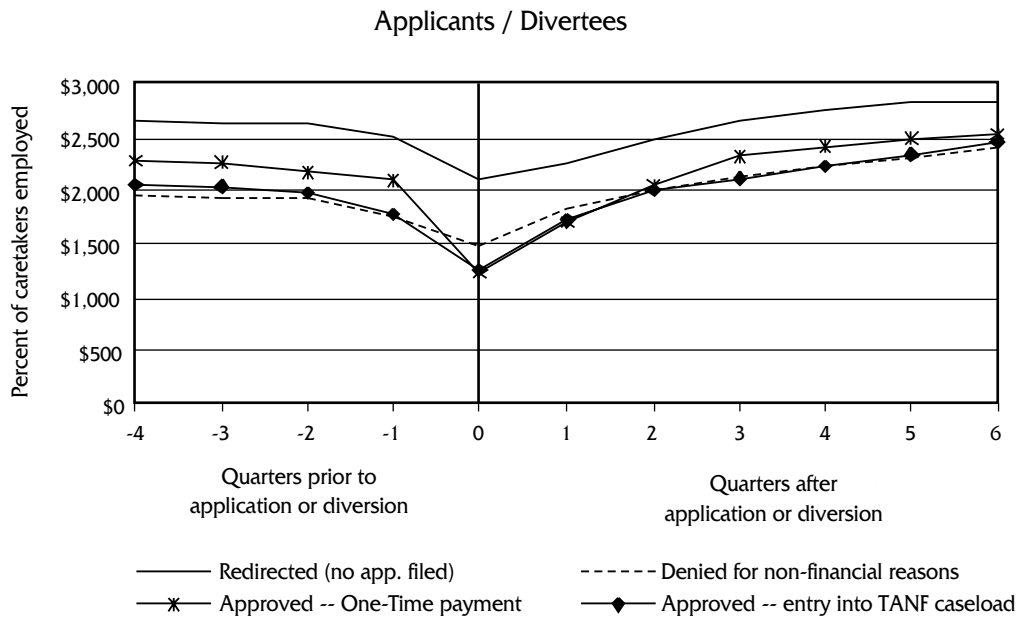
Results from the statewide survey generally mirrored the administrative data but also provided additional information about the nature of the employment. Of the 723 leavers who participated in the statewide mail-telephone survey (having left TANF summer of 2000), 46 percent reported that they were employed at the time of survey completion. Among those employed, the average hourly wage was \$7.20. However, because the mean tends to be skewed by extreme values, a more meaningful assessment of the hourly wage might be provided by the median value, which demarcates that value at which half the distribution falls above and half below – in this case, \$6.25. Judging from the average length of time on the job, most of the employed respondents were fairly new to their current jobs, having been employed there for approximately five months.

Almost half (49 percent) of all survey participants reported earnings from paid work in the previous month – which is slightly higher than the number who reported current employment and may indicate that some were between jobs. Indeed, 60 percent of all survey respondents had actively sought work in the past six months. Not surprising, unemployed respondents were more likely to report having actively sought work over the past six months than those employed – 65 percent versus 40 percent. Further, about 33 percent of unemployed respondents reported having worked for pay in the past six months.

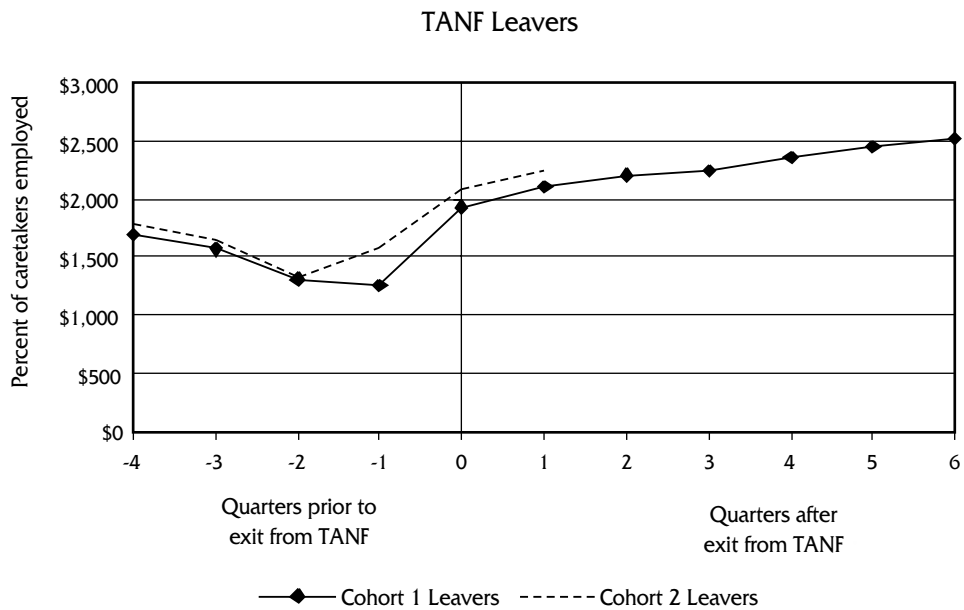
### Employee Benefits

Approximately 29 percent of employed respondents reported some type of additional benefits, most typically vacation time (21 percent) followed by some form of health insurance subsidy (17 percent) and/or sick days (18 percent). An additional 17 percent said that they couldn't afford their contribution or co-payments for employer-provided benefits.

FIGURE 7:  
CARETAKER EARNINGS OVER TIME FOR CARETAKERS WITH ANY EARNINGS



Source: Administrative data for persons applying to or diverted from TANF from April 1998 through June 1999.



Source: Administrative data for cases leaving TANF from April 1998 through June 1999 (Cohort 1) or from July through September 2000 (Cohort 2).

Note: All dollars are reported in Year 2000 constant dollars.

## Occupations

Respondents were heavily represented in retail work and health care.

Clerical/secretarial/clerk jobs were mentioned most often by survey participants followed by cashier and cook/waitress/restaurant work. Following those in frequency came home health care workers and nursing assistants.

Differences in average, median and modal pay, as well as availability of benefits emerged along several important dimensions, including age, education, and race and ethnicity. The cross-tabulations reporting these findings are available in Appendix C, Section II.

The highest paying jobs – those jobs cited by respondents earning more than \$8.50 per hour – include clerical/secretarial/clerk (32 percent), customer service (14 percent) and industrial/manufacturing (12 percent). The types of jobs in which respondents were employed varied by education level. Those with higher levels of education tended to be located in the higher paying jobs such as clerical and secretarial. Thirty-three percent of those with some college experience reported being employed in clerical/secretarial type jobs compared to 12 percent of those with eight or fewer years of education, eight percent of those with 9-12 years of formal schooling. Those with the lowest level of formal education were concentrated in the restaurant/fast food work – 39 percent compared to only four percent of those in this job category among those with some college. Table 9 depicts the most frequently mentioned jobs categorized by education level.

**TABLE 9:**  
**OCCUPATION BY EDUCATIONAL ATTAINMENT**

	All	Grade <9	Grades 9-12	Grade >12
Total number of employed respondents in each educational attainment category	333	32	191	110
	Percent (rank)			
1. Clerical/secretary/clerk	16.6% (1)	11.5% (3)	7.6% (6)	32.7% (1)
2. Cashier	12.5% (2)	0%	17.8% (1)	5.6% (3)
3. Cook/waitress/worker	11.9% (3)	38.5% (1)	13.0% (2)	3.7% (4)
4. Health care provider	8.8% (4)	0%	11.9% (3)	5.6% (3)
5. Industrial/manufacturing	8.4% (5)	15.4% (2)	9.2% (4)	5.6% (3)
6. Sales/retail	7.2% (6)	7.7% (4)	6.5% (7)	8.4% (2)
7. Housekeeping/custodial	6.9% (7)	11.5% (3)	8.6% (5)	2.8% (5)

Note: Ranks are listed in parentheses.

Source: Statewide survey of TANF leavers in July – September 2000

## Job Duration

Among those employed, one quarter (25 percent) reported their employment as either temporary or seasonal. However, there are race/ethnic differences among those reporting temporary/seasonal employment, with Whites less likely to be temporarily employed (18 percent) than either Blacks (29 percent) or Hispanics (28 percent). Further distinctions by race are included in Appendix C, Section II.

The typical employment for the respondents to the TANF leavers' survey, measured six to eight months after leaving TANF, was a job of under a year's tenure (the short tenure expected from a population that left TANF less than a year previously) without benefits, and with wages somewhat above minimum wage. Some differences in employment patterns occurred by race and ethnicity. These differences are reported in detail in Appendix C, Section II.

## Qualitative Data From Intensive Interviews

Findings from the statewide survey tracked closely with findings from the intensive, site-specific, qualitative in-depth interviews. These data were collected from respondents who had left TANF or had been redirected at the time of application from April 1998 through June 1999. A more detailed overview of this eight-site study is included in Appendix A, Section V.

Respondents' descriptions of their jobs illustrated the range of current employment experienced after welfare. The stories below typify the range of experiences described by interviewees.

### Doing Well

Approximately 20 respondents had completed substantial educational programs and entered such occupations as teaching and nursing.

*"I get up and go to school. Now that I'm working, I mean I work as a teacher so I go to school..." is how one respondent described a typical day in her life. When asked about her pay, she replied, "I think the starting salary for teachers is \$29,000 to \$30,000. You get more because you're bilingual. In Texas you get a \$3,000 raise – so about \$33,000. That is not bad for a single mom with one child..."*

Several additional respondents reported a comfortable lifestyle due to other changes than employment. Several women had developed relationships with stably employed men. One younger woman, who had been on welfare as a run-away, had returned to parents who were economically comfortable and prepared to support both her and her child.

### Underemployment

Most respondents wanted to be employed and therefore described themselves as employed even though they had earned no income in the previous month. Detailed stories from low-income respondents illustrate not only the desire to work among low-income respondents but also how tenuous many of their jobs were. Several respondents were registered with temporary agencies, substitute teacher systems, or other on-call services. Although they described themselves as employed, many had not been placed in any position nor earned any income in the preceding month. Respondents who had been laid off from jobs in the preceding several months also often described themselves as still employed.



*Oh, boy. I still have my job...But I haven't worked since August (interview takes place in November).*

Some respondents referred to occasional day jobs as employment.

*...Ummm, I have been floppin' around on different jobs here lately that's good in pay and also that I enjoy doing, which I just got a new one today. So, umm, hopefully it will work out...I'm doing housecleaning for ...residential homes and people that move out of homes and they need it cleaned up...*

Thus, aggregate self-reported employment figures may in fact be slightly overstated as respondents had a tendency to consider themselves employed (and report themselves employed) even when they were not actually working or were only minimally employed.

### **Low Security Employment**

Among those employed, many were fairly recent entrants into the paid workforce, or were engaged in work that was irregularly scheduled. They felt they had only limited job security.

★ ★ ★ ★ ★

**Interviewer:** *You mentioned that you just got a job? Was that today?*

**Respondent:** *Today. I'll start on Monday...I'll be making \$8.00 an hour; that's good for here.*

★ ★ ★ ★ ★

*I got a temporary full-time position as an aide for a child at a hospital. So it's going to last maybe up to Thanksgiving, maybe Christmas if I'm lucky... (Interview takes place in early November).*

★ ★ ★ ★ ★

**Respondent:** *I go in at seven in the morning and I get off at six, everyday. And I only have one day off which is Sunday...*

**Interviewer:** *How long have you been working with this company?*

**Respondent:** *Uhh, I started umm, actually, they laid me off. I just got another job with the same company. I was there nine months and they laid me off. But, you know, I'm a hustler. I'm not gonna come home and sit and cry because they fired me or they laid me off. So the first thing I did was I went and called my agency again. And I told them the situation...So they offered me another job with the same company...Right now I'm with a temp but next month they're gonna make me full-time.*

★ ★ ★ ★ ★

### **Low-Income Jobs**

Respondents often disguised their low level of income. Self-reported income may be somewhat inflated. For instance, there was a tendency for respondents who were anticipating a raise in the near future to report their current pay at the higher rate, even though they had not yet received the raise. One respondent, when asked about her pay, explains:

...I have an evaluation so I will be getting a raise. I'll be making about eleven hundred a month...

Other respondents reported relatively high rates of hourly pay, but very few hours per week.

### Special Case of the One-Time Payment Recipients

Employment rates among recipients of the one-time payment were low in general and in fact most respondents sought assistance because of a recent episode of unemployment. Since the interviews with one-time recipients were completed shortly after the receipt of the payment, they were likely to still be in the period of unemployment that had precipitated their problems. Therefore, interviewers seeking them out in the months after receipt of the check were likely to find them jobless. However, some recipients who worked nine-month terms for school districts or who engaged in agricultural labor used the one-time payment to provide support during expected periods of unemployment.

...I mean, you know, because I started working driving the school bus, like, I think it was the end of April and then school was out before I knew it and I really didn't have anything to make it through the summer with...

### Off-the-Books Employment

Data from face-to-face interviews allowed researchers to learn about 'off-the-books' employment. Such jobs included babysitting, house cleaning, and gardening work that was reimbursed in cash. They also included some short-term agricultural work. The hourly rates and the number of hours worked per week varied considerably among such jobs and, in some situations, this made it difficult to compute an hourly wage. For example, one household reported full-time employment because they had a contract to hoe ten acres of cotton for \$10/acre, a task that would take them over a week. And yet another was employed picking peppers for \$2.40 per sack of peppers without stems or \$2.00 per sack with stems averaging anywhere from \$300 to \$450 per week during the few weeks of harvest.

## III. OTHER ECONOMIC SUPPORTS

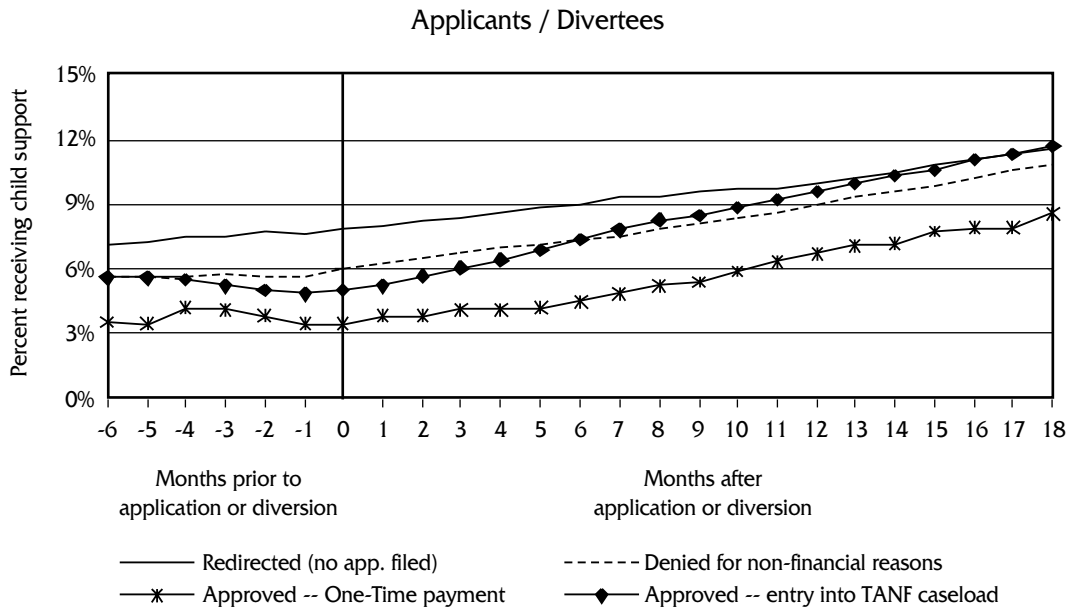
### Child Support

The Texas Office of the Attorney General (OAG) collects child support on behalf of low-income families. When custodial parents are receiving TANF benefits, they typically receive only the first \$50 of child support collected each month unless the amount of child support is greater than the amount of the TANF grant plus \$50. Continued collection of this level of child support can disqualify families from TANF. Once custodial parents no longer receive TANF, all of the current child support collected is distributed to the family.<sup>32</sup>

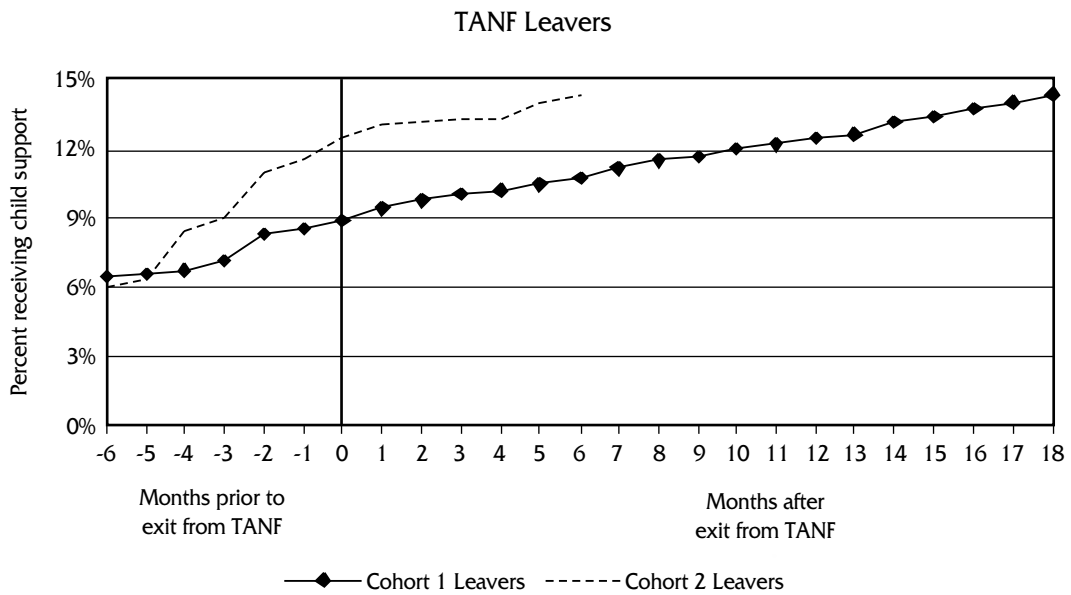
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<sup>32</sup> Prior to April 2000, any child support arrears collected after families left TANF were used to reimburse the state for past TANF payments prior to being distributed to custodial parents.

**FIGURE 8:**  
**CHILD SUPPORT RECEIPT OVER TIME**



Source: Administrative data for persons applying to or diverted from TANF from April 1998 through June 1999.



Source: Administrative data for cases leaving TANF from April 1998 through June 1999 (Cohort 1) or from July through September 2000 (Cohort 2).

**TABLE 10:**  
**CHILD SUPPORT OUTCOMES FOR DIVERTEES**

	Redirected (no application filed)	Application filed		
		Denied for Non-financial Reasons	Approved: One-Time Payment	Approved: Entry into TANF Caseload
<b>Percent of time receiving child support payments</b>				
In 18 months after application	9.7%	8.4%	5.9%	8.6%
At time of application	7.9%	5.9%	3.5%	5.0%
In 6 months prior to application	6.8%	5.3%	3.4%	5.4%
<b>Mean of monthly child support payments received</b>				
In 18 months after application	\$331	\$286	\$309	\$210
At time of application	\$314	\$276	\$227	\$176
In 6 months prior to application	\$282	\$232	\$179	\$182

Source: Administrative data on those applying to or diverted from TANF between April 1998 and June 1999.

Note: All dollars reported in Year 2000 constant dollars.

### Longitudinal Analysis of Administrative Data

**Divertees.** As shown in Figure 8, few of the caretakers diverted from TANF from April 1998 through June 1999 received child support through the formal collection system, with only three percent to eight percent of these caretakers receiving child support in the month they were diverted from TANF. Fifteen percent of redirected and denied families received at least some child support in the twelve months following diversion. Although the percentage receiving child support increased for all groups over the study period, only about ten percent of diverted caretakers were receiving child support eighteen months following their diversion. Families redirected from TANF were the most likely to receive child support while families accepting the one-time payment were least likely to receive child support.<sup>33</sup> As shown in Table 10, the monthly amounts of child support received by the families who did get child support through the formal collection system ranged from \$179-\$282 six months prior to diversion to \$286-\$331 one and a half years after the event (measured in constant dollars).

Several factors contribute to the small number of diverted families receiving child support through the formal collection system each month. First, although cooperation with the collection of child support is a condition of TANF receipt, similar restrictions do not apply to TANF applicants who have not previously received

<sup>33</sup> Over half of the families receiving one-time payments are two-parent families and thus less likely to be owed child support.

TANF. Second, the process by which a family actually receives formal child support can be a long one. A child support order must be established and for some families, paternity may need to be established prior to seeking a formal order. Finally, child support collections from low-income noncustodial parents are often erratic and may not be made on a regular monthly basis.<sup>34</sup>

**Leavers.** Among TANF leavers from April 1998 through June 1999 (Cohort 1), seven percent received child support six months prior to exit, nine percent in the month of exit, and 14 percent 18 months after exit<sup>35</sup> (Table 11). Families leaving TANF were more likely to receive child support than those diverted from TANF and Cohort 2 TANF families leaving TANF were far more likely to receive child support when they exited TANF than the earlier group of leavers. Although the percentage receiving child support six months prior to exit was similar to the earlier patterns, this figure jumped to 13 percent at exit and continued to climb thereafter. Possible reasons for this jump in the share of families receiving child support for Cohort 2 leavers are automation improvements in the wage-withholding collection procedures and the inception of the National Directory of New Hires data system, which helped to increase out-of-state child support collections. Also, collections for Cohort 1 leavers could have been lower than normal due to disruptions related to the installation of a new computer system to administer OAG child support collections.<sup>36</sup>

For families receiving income from formal child support, the amount of child support received in the month of exit ranged from \$207 for Cohort 1 leavers to \$232 for those leaving a year later, when measured in constant dollars.<sup>37</sup> These numbers increased modestly over time. Twenty-one percent of all Cohort 1 families received at least one child support payment during the year after their exit from TANF.

### Statewide Survey of TANF Leavers

The statewide survey found that 134 of 723 (19 percent) responding leavers received child support in the 4-to-8 month period after they left TANF. Considering that some of the self-reported child support was not orchestrated through the state system, this is consistent with the administrative data analysis.

### Qualitative Interviews

The qualitative research indicated that low-income mothers receive child support in several different guises. In addition to receiving state-supervised support, some mothers received cash payments (although often irregularly) from absent fathers, or, in a few cases, from relatives of the absent fathers. Others, while not receiving cash payments, received substantial other kinds of assistance from absent fathers and those fathers' families. Such assistance included the purchase of needed goods such as diapers and formula, the provision of assistance with child care, and assistance with other needs, such as transportation.

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<sup>34</sup> See Schexnayder et al. (2001) and Schexnayder et al. (1998.)

<sup>35</sup> Unlike other measures, child support could only be tracked six months prior to diversion or exit due to the implementation of a new child support data system in the fall of 1997.

<sup>36</sup> Communication with Will Rogers of the Texas OAG, October 2001.

<sup>37</sup> Because the average child support received by TANF families is greater than \$50 per month, it is possible that the amount of child support collected for these families may have contributed to their TANF exit. The relationship between collected child support and TANF exits is explored further in the econometric analysis.

**TABLE 11:**  
**CHILD SUPPORT OUTCOMES FOR TANF LEAVERS:**  
**COMPARING FIRST VS. SECOND COHORTS**

	First Cohort of Leavers	Second Cohort of Leavers
<b>Percent of time receiving child support payments</b>		
In 6 months after exit	10.1%	13.5%
At time of exit	8.9%	12.5%
In 6 months years prior to exit	6.9%	6.7%
<b>Mean of monthly child support payments received*</b>		
In 6 months after exit	\$218	\$228
At time of exit	\$207	\$232
In 6 months prior to exit	\$138	\$164

\*All dollar amounts are reported in constant Year 2000 dollars.

Source: Administrative data on those leaving TANF between April 1998 and June 1999 (Cohort 1) or between July and September 2000 (Cohort 2).

For many of the low income mothers, child support payments, while important, rarely, if ever, made the difference between being in poverty or not. First, because of the irregular nature of many fathers' employment, child support payments were often irregular from one month to the next. Second, they were rarely large enough to make a qualitative difference in the nature of household budgeting.

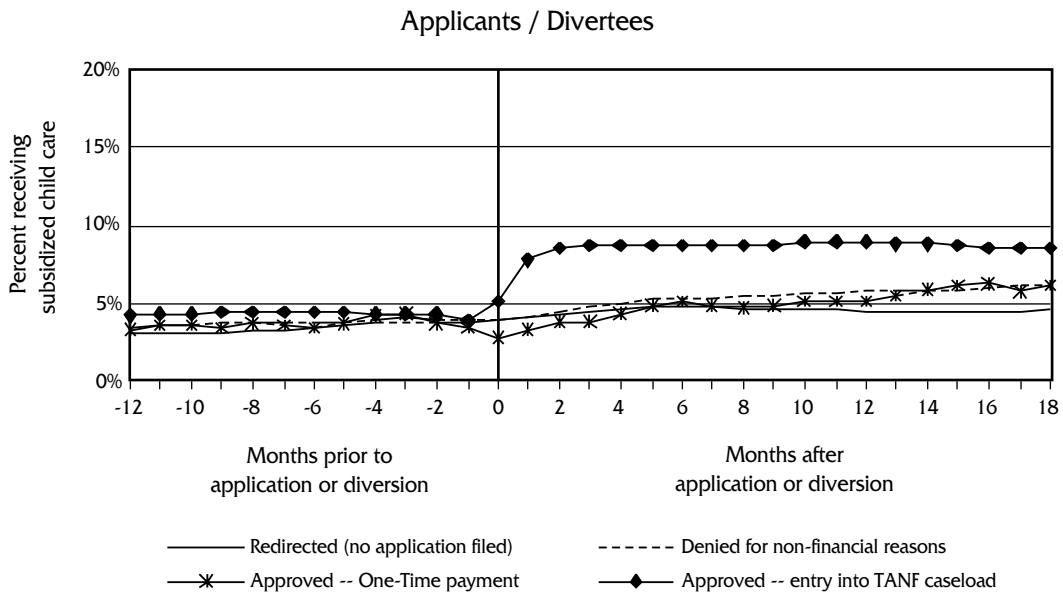
## Subsidized Child Care

Subsidized child care for Texas low-income families is provided via vouchers to local providers from local child care contractors (formerly known as Child Care Management Services or CCMS) in each local workforce area. Priority for receipt of subsidized child care is given to TANF recipients who participate in Choices, those leaving welfare for work, persons who have reached TANF time limits, and selected other locally determined groups. While other low-income families are eligible for subsidized child care, waiting lists for these families are often very long.

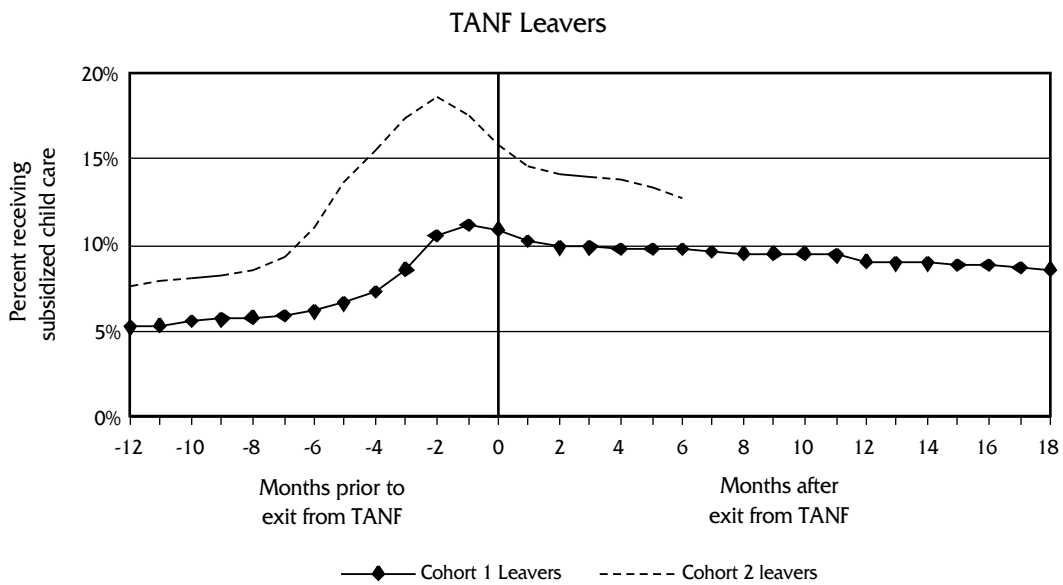
### Longitudinal Analysis of Administrative Data

**Divertees.** As shown in Figure 9, less than five percent of persons diverted from TANF (five to nine percent of employed divertees) received subsidized child care prior to diversion, a figure that changed little throughout the period of observation. In comparison, applicants who entered TANF increased their rates of subsidized child care use to nine percent. These patterns occurred because of service priorities in favor of TANF families that are required under Texas' welfare reform waiver. For diverted families who did receive subsidies, the monthly value of the subsidy averaged \$183-\$248.

FIGURE 9:  
SUBSIDIZED CHILD CARE RECEIPT OVER TIME



Source: Administrative data for persons applying to or diverted from TANF from April 1998 through June 1999.



Source: Administrative data for persons applying to or diverted from TANF from April 1998 through June 1999.

**Leavers.** Among families leaving TANF between April 1998 and June 1999, eleven percent received subsidized child care in the month of exit. Approximately six percent of these families had received child care subsidies six months earlier, with the rapid increase probably due to participation in the Choices program, one of the ways to get priority for subsidized child care. Following exit, even though employed families should have been eligible for transitional child care subsidies for at least another 12 months, the percentage of families receiving care slowly declined over time. By 12 months after exit, nine percent of families were still receiving subsidized care.

Cohort 2 leavers were more likely to receive child care subsidies than the earlier group. Like the earlier cohort, the share of families receiving care increased in the six months prior to exit. However, the share of families receiving care peaked at 18 percent in the two months prior to exit and then began to decline, with 16 percent receiving care at exit. Six months after exit, 12 percent of families still received child care subsidies.

When measured in constant dollars, the monthly value of these subsidies for families receiving care averaged \$251 for Cohort 1 families and \$274 for Cohort 2 families. The value of child care subsidies changed very little over time.

Among employed TANF leavers (the population most likely to need subsidized child care), 17 percent of Cohort 1 caretakers and 24 percent of Cohort 2 caretakers were receiving child care subsidies when they left TANF (Figure 10). These figures increased to 22 percent (Cohort 1) and 30 percent (Cohort 2) for employed leavers with children age six and under (not shown). Because a relatively small share of families with young children received child care subsidies, it is reasonable to ask how other families were meeting their child care needs.

### Statewide Survey of TANF Leavers

Parallel to the findings of the administrative data analysis, a small minority of respondents (15 percent) received CCMS support for their child care (Table 12).

As might be expected among low-income families, the number of families using formal child care closely matched the number drawing on CCMS assistance. Most families used informal care and 9.5 percent relied on children caring for themselves.

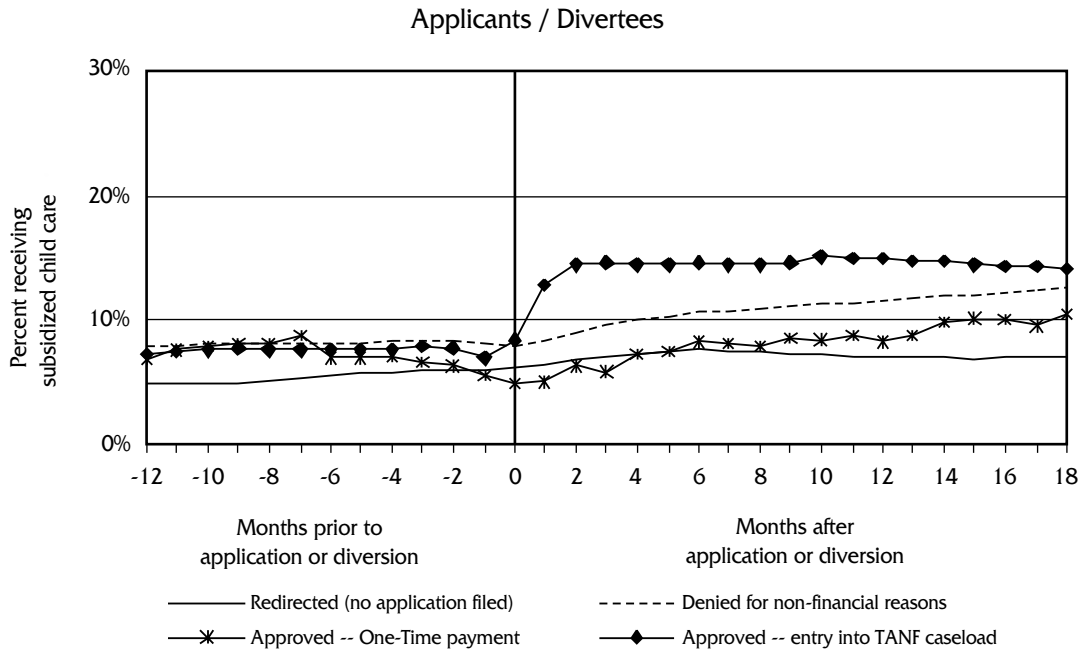
**TABLE 12:**  
**FINANCIAL ASSISTANCE WITH CHILD CARE**

Total number of survey respondents	723
Types of financial assistance with child care received (as share of total respondents)	
CCMS	14.7%
Church	0.6%
Community Group	1.5%
Other	0.8%

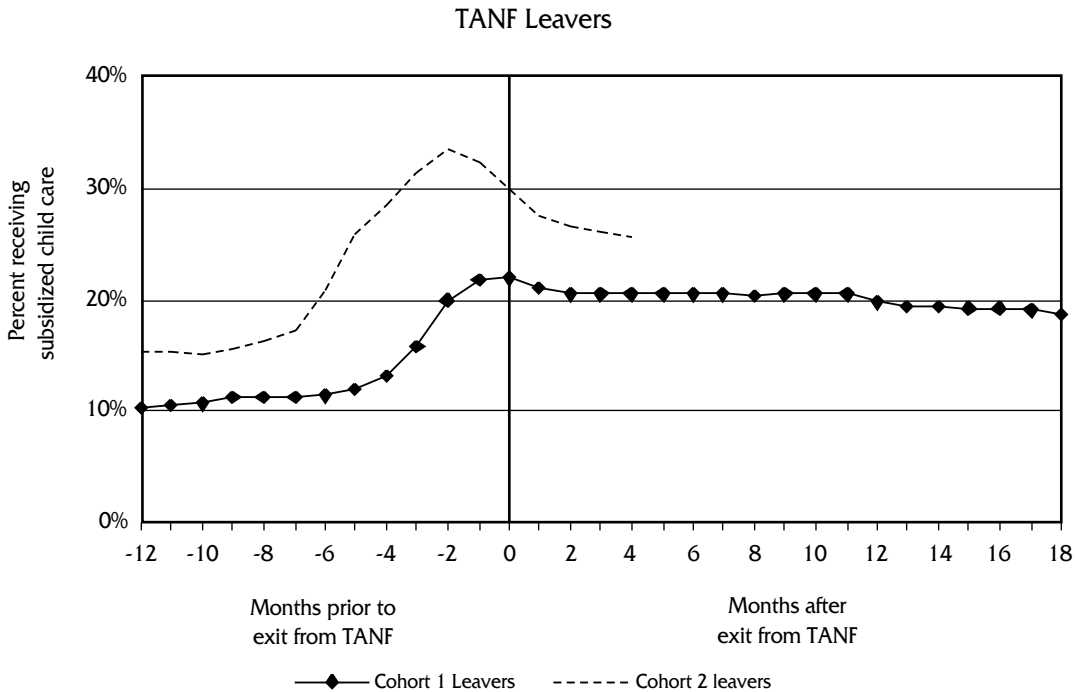
Source: Statewide survey of families leaving TANF in July – September 2000.



FIGURE 10:  
SUBSIDIZED CHILD CARE RECEIPT OVER TIME FOR EMPLOYED CARETAKERS



Source: Administrative data for persons applying to or diverted from TANF from April 1998 through June 1999.



Source: Administrative data for cases leaving TANF from April 1998 through June 1999 (Cohort 1) or from July through September 2000 (Cohort 2).

## Qualitative Research Detailed Accounts

Only a small fraction of the families in the intensive study, as in the phone/mail survey, used formal child care arrangements, and an almost identical fraction received support from the CCMS system. Thus, child care arrangements were heavily weighted toward informal care. Less than 20 percent of the employed respondents among the leavers and redirects used non-relative care at all, and a small minority of families (10 percent) depended on the child's self care, usually for children over nine or ten years of age. Respondents were most likely to care for their children themselves or to enlist relatives to help with child care. A more detailed account of the ways in which parents managed child care is presented in Chapter 5, and a discussion of the ways in which child care influences employment is presented in Chapter 8.

## Earned Income Tax Credit

Since the expansion of the Earned Income Tax Credit (EITC) in 1996, the potential value of earnings for working poor families has been enhanced substantially. Families do not have to owe taxes to receive this credit but must file a federal tax return. For the 2000 tax year, people working full-time at minimum wage (\$10,300) were eligible for \$3,888 from the EITC. A family of three earning at the poverty level could receive \$3,684.

According to the Urban Institute's National Survey of America's Families (NSAF) conducted in 1999, 74 percent of current and 84 percent of past Texas welfare recipients had heard of the EITC although only 33 percent of current and 69 percent of past recipients reported ever receiving the EITC.<sup>38</sup> While the definition of these populations in the NSAF differs from that used in this report, the NSAF percentages create an upper and lower boundary describing potential TANF recipients of this benefit. Almost all families receive this amount in a lump sum when they file their taxes rather than as a monthly income supplement.

The statewide survey of TANF leavers found that only 3.3 percent of respondents reported using the EITC (24 out of 723 leavers) in the previous six months. The authors of this report believe this percentage underreports the number of leavers receiving the EITC. Most survey responses occurred more than six months after the previous tax-filing deadline and before the post-TANF tax filing date. Most EITC recipients received the credit as a lump sum in the months after filing tax papers. However these findings suggest that only a small portion of recent TANF leavers in Texas benefit from the EITC.

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<sup>38</sup> See Urban Institute (2001). The NSAF includes those who have ever received AFDC/TANF in their definition of former TANF recipients while this report focuses on *recent* TANF leavers and redirected TANF applicants.

## IV. TOTAL FAMILY INCOME

The total income available to low-income families in Texas can come from a number of sources. While earnings typically make up the greatest share of this income, even earnings can be contributed by both adult family members and teenage children. In addition to earnings, family income can include payments from other government benefits, child support, payments for child care and funds from the EITC.

Although some sources of family income for TANF divertees and leavers can be measured quite accurately from administrative data, others cannot be estimated from this source. Thus, administrative data could not be used to estimate total family income. Another issue affecting the calculation of total family income is the fact that, although TANF divertees and/or leavers may appear to be eligible for a number of different income sources, they are not necessarily receiving them. The families in this study that do not receive additional financial support through subsidized child care payments, child support, or the EITC typically did not leave poverty through earnings alone in the 18 months following diversion or exit.

**TABLE 13:**  
**SOURCES OF INCOME AND ECONOMIC SUPPORTS IN PAST MONTH**

Last month, did your household get income from...		
Total number of survey respondents	723	
Types of income received (as share of total respondents) and average monthly value of each income source		
Earnings from paid work	49.1%	\$767
TANF	25.4%	\$220
Child support	18.5%	\$219
SSI Disability	10.0%	\$552
Unemployment Benefits Insurance	4.7%	\$451
Social Security Survivors	4.6%	\$537

Source: Statewide survey of families leaving TANF in July – September 2000.

The best evidence of total family income that could be obtained for this study was from the statewide survey of TANF leavers. Respondents were asked about their sources of income and other economic supports both in the past month and over the past six months. As shown in Table 13, nearly half of respondents reported earnings from paid work, while one fourth received TANF. Nearly 19 percent received income from child support, while smaller groups received Social Security, Supplemental Security Income, and unemployment payments.

As might be expected, these percentages increased when respondents reflected on their last six months of possible income sources. Still, earned income and TANF constituted the major income sources for most respondents, with only a few receiving income from unemployment insurance, supplemental security income, worker’s compensation, or the EITC. TANF use is

higher in part because some respondents returned to TANF sometime in the prior six months but may have left the rolls again for another job.

From these results, it appears that former TANF recipients were either combining work and TANF benefits or cycling between TANF and employment for their primary income sources. Further analysis of these data would be needed to estimate the shares of TANF leavers falling into each of these categories.

**TABLE 14:**  
**SOURCES OF INCOME AND ECONOMIC SUPPORTS IN PAST SIX MONTHS**

Have you used any of the following programs that helped you with income?	
Total number of survey respondents	723
Percent of respondents answering 'yes' to one or more items (n=352)	48.7%
Types of income and economic supports (as share of total respondents)	
TANF/AFDC	34.7%
Other	8.4%
Supplemental Security Income	4.1%
EITC	3.3%
Unemployment Insurance	3.2%
Social Security	2.6%
Worker's Compensation	0.8%

Source: Statewide survey of families leaving TANF in July – September 2000.





Hardships and  
How Families *Manage*

CHAPTER 5



# I. SUMMARY OF FINDINGS

Data from the statewide survey of TANF leavers and the qualitative interviews with both leavers and divertees were used to answer the research question, “Over time, how do these families manage and what hardships do they face?” Strategies used were similar for TANF divertees and leavers.

## Barriers and Hardships.

Unemployed survey participants cited an average of 2.3 different barriers to their employment, with 33 percent reporting multiple (three or more) barriers. Qualitative interviews revealed that one barrier may make it more difficult to respond to another barrier. The most prominent barriers mentioned were:

- ★ **Child Care.** Thirty-three percent of all survey respondents reported problems affording child care in the preceding six months. According to the respondents of qualitative interviews, formal sector child care was unaffordable by most families without child care subsidies. Informal child care was often unreliable.
- ★ **Transportation.** Twenty-three percent of all survey respondents and 26 percent of unemployed respondents reported employment-related problems caused by poor transportation in the preceding six months. Qualitative interviews indicated that difficulties with transportation not only affected employment, but also access to other services and supports, including food stamps and Medicaid.
- ★ **Health Problems.** Unemployed survey respondents reported health problems as a cause both of loss of employment (18 percent) and of return to TANF (15 percent). Twenty percent of all respondents reported a health problem or injury that interfered with usual activities, and 18 percent reported health problems among other family members. Qualitative interviews indicated that health problems also affected their employment options.

Although difficulties with housing and food were not included in the survey questions on specific barriers to employment, many respondents also reported having problems in those areas. Thirty-eight percent of survey respondents reported that, at some time in the previous six months, they could not afford housing costs. Thirty-seven percent also reported that they had had at least one occasion in the past six months when they needed food but could not afford to purchase it. Qualitative interviews indicated that housing and food problems affected employment options. Without stable sources of housing and food, respondents could not remain reliable employees.

## How Families Manage.

Strategies used by families to gather resources and sustain employment included: 1) gaining assistance from family and friends for help with transportation, child care, food, housing, and other items, 2) finding irregular jobs or second jobs, and 3) gaining assistance from local agencies.

Contrary to some early predictions that welfare reform would result in the increased use of child protective services, little evidence was found to support this view for Texas TANF leavers. Substantiated investigations of child abuse or neglect were reported for less than two percent of families, and children were placed in foster care for less than one percent of families leaving TANF. Similar measures could not be calculated for diverted populations due to data limitations.

## II. BARRIERS FACED BY FAMILIES IN SUSTAINING EMPLOYMENT

Families were affected by both the multiplicity of hardships or barriers they faced, and by the nature of those hardships, as described below. The survey asked respondents to choose from a list of hardships (for all respondents) and barriers to employment (for those who were unemployed). This section includes material from unemployed respondents but draws on responses from all respondents where such data further illuminate problems faced in sustaining employment. For each point discussed below, a report from the statewide survey is followed, where available, by a more detailed account from the qualitative data. The qualitative data presented in this report is selected to represent typical members of the population both in terms of demographics and the nature of their accounts.

### Multiplicity of Barriers

#### Statewide Survey of TANF Leavers

On average, unemployed survey participants cited 2.3 different barriers to their employment, and 33 percent mentioned three or more barriers.

#### Qualitative Data from Intensive Interviews

Accounts from respondents to the qualitative interviews indicated that one barrier may make it more difficult to respond effectively to another barrier. For example, a respondent who has no reliable transportation to get to work may also be unable to get children to child care. In fact, long-term difficulties finding and sustaining employment usually resulted from a multiplicity of barriers. Respondents had the greatest difficulty overcoming combinations of barriers. As the following excerpt reveals, over the course of describing her lack of employment, a respondent mentions three different barriers: lack of necessary skills, lack of child care, and lack of adequate transportation.

*...The self sufficiency program...my caseworker told me like I had to make an application for office work, you know, to work in an office but I had to type 45 words a minute. I can only type 35. And then, they have a school there...so you can practice everyday, but I don't have anyone to watch my kids. So it's holding me back. I know there's a job right there waiting for me, but it keeps holding me back...I want to get me a job where I can afford my kids, my shoes, good shoes, good clothes...I want someone to get me a good car because my car is falling apart already. I can't drive my car at night because there ain't no lights....So I want a car, and I buy a new car then they take away my food stamps...And I can't be on a bus, I've got five kids. And the bus is expensive...I don't feel like nothing is going my way.*

Another woman detailed child care problems as she attempted to secure employment.

*...I'm looking for jobs. I went through the paper, I went to four or five places a day putting in job applications. But everywhere I went, they told me the hours we're looking for is this time. But I needed day hours. I needed maybe eight to two. That way I could take my son to school about seven thirty and then pick him up after school. A lot of places, they aren't hiring for that. They were hiring for early morning or evening...*



When asked about transportation, she continued:

*I've been asking their father [the father of her children] if I can use his mother's credit. Because I know as soon as I get a car and I find day care, I can have a job. But you need one thing to do another thing.*

Another respondent also reported complicated reasons for not working.

*The day care, the transportation, the hours. I need to make sure that I'm within my boundaries that I can work...If I was at [company], but I can't work there because usually what they're hiring right now is second shift from three to twelve. I don't have nobody to take care of my kids. I just don't leave them with anybody...So what can I do? I can't find a job that will get me during the day time, so...And even if I did, it would only be thirty hours a week. I can live off of it but they take that bit away that I need every month just to help pay two or three bills. They raise my rent, they lower my stamps, they take everything off...*

## Specific Barriers

The most commonly cited reasons for unemployment among unemployed respondents, other than not being able to find a job, were problems stemming from no child care (31 percent) and from unreliable or no transportation (26 percent). Rounding out the top five reasons for unemployment were: the respondent's own health problems (18 percent), the respondent's own physical/mental disabilities (11 percent); and, the respondent's care of others with health problems (10 percent). Table 15 depicts, in descending order, respondents' barriers to employment.

**TABLE 15:**  
**BARRIERS TO EMPLOYMENT**

What are the main reasons why you are not working?		
Total number of unemployed respondents		n = 385
Child care problems	119	31.0
Currently looking for work	103	26.8
Transportation problems	98	25.5
Own health problems	69	17.9
Own physical or mental disabilities	44	11.4
Could not find a job	43	11.2
Other family members' health problems	38	9.9

Source: Statewide survey of families leaving TANF in July – September 2000.

## Child care

### *Statewide Survey of TANF Leavers*

Affordable child care was one of the most common concerns among respondents to the statewide survey. While, as mentioned above, 31 percent of unemployed respondents reported child care as a barrier to employment, one third of all study respondents (33 percent) reported having needed child care over the past six months prior to the interview, but being unable to afford it. Twelve percent of the 155 respondents who returned to TANF reported that the loss of child care was a contributing factor to their return to TANF. (As reported in Chapter 4, only a small minority of households have access to child care subsidies.) Younger respondents were more likely to report difficulties surrounding child care than older respondents. Forty-four percent of all respondents between 18 and 25 years of age reported needing child care but unable to afford it, compared to 34 percent of respondents between the ages of 26 and 35, and 19 percent of respondents over 35. More White (39 percent) and Black (39 percent) respondents had difficulties securing child care than did Hispanic participants (28 percent).

### *Qualitative Data from Intensive Interviews*

According to the respondents to qualitative interviews, formal sector child care was unaffordable by almost all families without child care subsidies, and informal child care was often unreliable. Informal child care depended on the health, availability, and good will of other people in a respondent's network. A child caregiver could become ill, get a job, lose their own housing, or become angry with the respondent, in each case becoming unwilling or unable to provide child care.

## Transportation

### *Statewide Survey of TANF Leavers*

As indicated in Table 15, 26 percent of those respondents who were unemployed cited transportation problems as a contributing factor. Furthermore, 23 percent of all survey respondents reported that employment-related problems over the preceding six months were caused, at least in part, by poor or unreliable transportation.

Younger respondents were more likely to experience job problems due to poor and/or inadequate transportation than were older respondents. Twenty-eight percent of respondents between the ages of 18 and 25 reported having lost a job or not taken work in the past six months due to poor transportation compared to 20 percent of respondents between 26 and 35 years of age and 20 percent over 35 years of age. Only 32 percent of all respondents reported that their transportation was reliable. The remainder described their transportation as somewhat reliable, not very reliable, or not at all reliable.

Transportation problems affected racial and ethnic groups differently. Black respondents (30 percent) were more vulnerable to job losses due to poor transportation than either Hispanic (19 percent) or White respondents (22 percent). White and Hispanic respondents were almost twice as likely to own or have access to a vehicle as Black respondents. Seventy percent of White respondents and 59 percent of Hispanic respondents reported having the use of a vehicle compared to only 32 percent of Black respondents.

### *Qualitative Data from Intensive Interviews*

Transportation issues loomed large in respondents' stories of difficulties finding and holding a job, as well as difficulties in accessing support services such as food stamps and Medicaid.

In rural areas, lack of transportation also made it difficult for some households to get health care, even if they had Medicaid coverage. Just over half of the respondents who were employed reported using their own car to get to work. Other respondents borrowed cars, drove with other people, used public transportation, or walked.

In more rural areas, there was often little transportation available except for personal automobiles. For instance, Jasper County had no public transportation system and, as respondents pointed out, only one taxi cab. Respondents traveled up to 50 miles round trip to jobs and potential jobs. They traveled similar distances to welfare offices where they needed to apply for and re-certify their Food Stamps and Medicaid eligibility. Families with children, particularly those dealing with health problems, worried about their isolation if they did not own cars.

*My oldest son has started having epileptic seizures again. It has been three years since his last seizure. The doctor told us that he has a spot on his brain that gets bigger every time he has a seizure. Today, the school took my son to the hospital, since I didn't have the transportation to pick him up from school.*

Rural respondents could not keep appointments with the welfare office, attend job training and placement, apply for jobs, or sustain employment without access to a reliable car. Furthermore, they felt they needed cars in the event of a family emergency. However, they reported that they were discouraged from applying for public services if they owned a car, and they understood that owning a car of a certain value made them ineligible. The two urban sites, on the other hand, reported the lowest level of car ownership.

Because automobiles were so important to family well-being, some family members co-signed loans and ownership papers for those who were having difficulty financing a car. According to respondents, when such an individual applied for public services, he or she was on record as owning multiple cars (including those co-signed for), and thus ineligible for services. In one household, an employed father with a relatively stable job had co-signed for several cars. When this information surfaced during a DHS application, he was told that he could not be considered eligible.

## **Health**

### ***Statewide Survey of TANF Leavers***

Unemployed survey respondents reported that their own health problems were a cause both of their loss of employment (18 percent) and of a subsequent return to TANF (15 percent). Ten percent reported health problems of other family members as reasons for unemployment. In addition, 12 percent of those who returned to TANF reported that poor health of a family member caused their return to TANF. Twenty percent of all respondents reported a health problem or injury that interfered with usual activities, and 18 percent reported health problems among other family members as a factor in their work and family life.

### ***Qualitative Data from Intensive Interviews***

Respondents to qualitative interviews indicated that health problems also affected the options available for employment; that is, if a respondent had health problems, he or she may not have been able to secure a job, given that existing health condition. Others were laid off because of excessive absences due to health-related problems. Health conditions often precipitated a return to TANF. Some leavers returned because health conditions prevented them from performing well on the job. Other respondents returned to TANF because they lost their jobs due to health problems. The health problems of other family members also affected workers' abilities to find and keep a job and to keep off of TANF.

*I cannot work sitting down, which is telemarketing. I learned my computers, I was all excited. I graduated, I was there on time every day, I took the bus, I asked for rides, but I did it. I graduated. They even gave me bonuses on my checks, cause I was doing so well, and all of a sudden this just, you know it just came back and I got sick again. So that is the reason I'm in and out of TANF again, you know.*

Even those who struggled with illness in order to stay on the job often found they could not meet the demands of their employment:

*I'm anemic. And I helped them out a lot like they would go... "Oh, Dorothy so and so didn't come in can you cover for them." I'm like, sure. So I was like, throwing in like doubles daily and like, I usually eat but since they had called me early in the morning, they're like, can you come in because they like, didn't come in. So, I like, woke up took a shower and left and I wasn't able to eat. So, since I'm a anemic, I was working on an empty stomach. I started getting sick and started blacking-out. ... I like, told them can I have a ten minute break and they're like, no. I said I'm not asking to smoke a cigarette. I not asking to go get on the phone. I asking to eat a taco sitting down without running back and forth to customers because I was a waitress... just want to sit down for ten minutes eating a taco so this can pass. And they're like, "Who in the hell told you that you can have a ten minute break?" And I was like ... "I need a ten minute break. I told you my condition." I just like, said I'm sorry and just walked out. I called my aunt. She said, "I know that condition you get. I know how sick you are when you do get sick. I will come to pick you up in five minutes." I was like, "I am going to lose my job." She's like, "Losing your job is better than your son losing you."*

Health problems were often exacerbated when respondents or other family members could not readily acquire the health care they needed. In order to meet family needs, respondents often went without services or found them outside the regular system. Households along the border area often purchased medical services and medications in Mexico and negotiated for low cost services.

*I finally received word about the Texas Healthy Kids program. They put my kids on a waiting list. They said that funds for this area were not available at this time. So my kids, except the baby, are still uninsured. My son is sick right now. He has a very high fever. I just put him to bed. One of my girls got sick last week; she had swollen tonsils. I had to take her to the doctor. I paid \$40.00 dollars for the visit. The doctor prescribed an antibiotic for her but when he found out that I didn't have any insurance he changed the antibiotic to a cheaper one. The first one would have cost me \$60.00. Now my oldest daughter is sick. She stayed home from school today. She has a fever and other symptoms. I bought some medicine from Mexico for her that my sister told me about. I think I might have to start buying them medicine in Mexico when they get sick. I think I going to get my son's antibiotics from there. Last time we went through several antibiotics until we finally found one that would cure his ear infection.*

## **Housing**

In addition to barriers that are often related directly to employment, respondents to both the survey and the more qualitative interviews discussed hardships they faced in maintaining adequate housing and food. In some cases, respondents with inadequate housing and irregular food supplies could not appear at work well-groomed and well-fed. When respondents shared housing or experienced episodes of homelessness, employers and prospective employers had trouble reaching them to offer or negotiate jobs.

### *Statewide Survey of TANF Leavers*

Stable housing is an acute problem for a significant minority of welfare leavers. In fact, 38 percent of survey respondents reported that at some time over the past six months they could not afford a place to stay or could not pay their rent (Table 16). Thirty-nine percent of survey respondents also reported having lived with family or friends over the past six months until they could get a place of their own. Smaller proportions of respondents were evicted, lived in emergency housing, or were completely homeless.

**TABLE 16:**  
**INCIDENCE OF HOUSING PROBLEMS IN PAST SIX MONTHS**

Over the past 6 months, has there been a time when you...	
Total number of unemployed respondents	n = 723
Types of housing problems (as share of total respondents)	
-Lived with family or friends until you could get your own place?	38.5%
-Could not afford a place to stay or when you could not pay your rent?	37.5%
-Have been without heat because you could not afford it?	16.0%
-Have been without electricity because you could not afford it?	15.2%
-Were evicted from any residence?	8.0%
-Were homeless or living on the street or in a car?	4.7%
-Lived in emergency housing shelter or domestic violence shelter?	3.5%

Source: Statewide survey of TANF leavers in July – September 2000.

### *Qualitative Data from Intensive Interviews*

The qualitative interviews elicited an array of housing issues, including the following:

- ★ Families were mobile, with frequent stories of changes from one relative's house to another;
- ★ Families faced sudden evictions, occasionally leaving them homeless;
- ★ Families shared housing with other families, creating extremely crowded conditions in some cases;
- ★ Some families inhabited substandard housing, including housing with no internal kitchen facilities, no plumbing and no flooring; and
- ★ Emergencies connected with housing, such as the one described below, sometimes kept people home from work to correct the problem or safeguard their families from the dangers presented by housing.

*The sewers backed up some time last year. And there was a hepatitis outbreak in the apartment complex because they took forever to fix it. And I'm not trying to be mean, but those, some of those, some of the people that live there do not take care of their kids right. Their children were playing in sewage. That's sickening.... We reported it to the apartment complex. And it was*

*theirs, they had to fix it because it was on their property. It wasn't the city's thing. But the city did come out to try to help them. They had it like that for so long there was a hepatitis outbreak.*

## **Food**

### ***Statewide Survey of TANF Leavers***

Thirty-seven percent of survey respondents reported that they had at least one occasion over the past six months where they needed food but could not afford to purchase it. Further, 20 percent of respondents reported having gone hungry as well. The oldest and youngest survey respondents were less likely to be able to afford food in the past six months than those in the middle age group. Indeed, 42 percent of respondents 36 years of age or older and 38 percent of 18 to 25 year olds reported having occasions over the past six months in which they could not afford to buy food compared to 31 percent of respondents between 26 and 35 years of age. Correspondingly, higher incidences of hunger were reported both by the older and younger respondents.

### ***Qualitative Data from Intensive Interviews***

Many respondents in the face-to-face interviews described occasions when they went hungry so that their children could eat. Some reported that when resources were scarce, free school breakfasts and lunches were sometimes the only sustenance their children received during a given day. If resources continued to be scarce during the summer, families relied upon summer lunch programs and increased their use of emergency food sources.

## **III. GETTING BY: HOW FAMILIES MAKE IT**

In meeting the problems described above, families depended on relatives and friends, on help from agencies, and on additional – and often irregular – employment. (This reflects findings in Edin and Lein, 1997.) As in the section above, each kind of assistance is measured through the survey data and further illuminated by data from the qualitative interviews.

### **Assistance from Family and Friends**

Overall, family and friends provided help with transportation, child care, food, housing, and other items, as indicated in Table 17.

#### **Assistance from Family and Friends for Child Care**

##### ***Statewide Survey of TANF Leavers***

As reported in the preceding chapter, only a small proportion of respondents received child care subsidies. Therefore, the majority of respondents managed their child care more informally, since few, if any, could afford to pay market rates for child care. In some cases they worked out hours on the job that allowed them to take almost total charge of their own children. In other cases, they relied on family and friends. In some cases, usually with older children, they depended on their children caring for themselves (Table 18).

##### ***Qualitative Data from Intensive Interviews***

The qualitative interviews also indicated that families depended on family members primarily, and, to a lesser degree, child self-care and others, to provide informal child care.

**TABLE 17:**  
**ASSISTANCE FROM FAMILY AND FRIENDS**

In the past six months, have family or friends helped you with....	
Total number of unemployed respondents	n = 723
Types of assistance from family and friends if responded "Frequently" or "Sometimes"	
Transportation	43.7%
Child care	34.1%
Food	28.2%
Housing	26.3%
Bills	26.0%
Household items	23.0%
Clothing	20.1%

Source: Statewide survey of families leaving TANF in July – September 2000.

**TABLE 18:**  
**CHILD CARE STRATEGIES**

How do you take care of your youngest child when you are working/at school/have to be away from home? ("✓" all that apply)	
Total number of unemployed respondents	n = 723
I take care of my child myself	25.2%
Other relative takes care of child in my home	17.2%
Other relative takes care of child somewhere else	15.8%
Child in day care at a child care center or family day care home	13.8%
Other parent takes care of child	11.5%
Child old enough to care for self	9.5%
Older sibling takes care of child	7.9%
Child at babysitter/non-relative cares for child at that person's home	7.5%
Child in after school program	4.1%
Other	12.2%

Source: Statewide survey of families leaving TANF in July – September 2000.

**Parents and Relatives.** A substantial proportion of respondents assumed all care of their children (25 percent). Most of these parents were either married, unemployed, or with older children. Except in emergencies, many took their children with them on errands and social visits.

When children were too young to care for themselves and mothers could not absorb all of the child care, they often turned to relatives. Many parents depended, in turn, on their parents. Their parents made themselves available, and they were trusted to love and adequately care for their grandchildren.

*At first I had a lot of problems finding a baby sitter, but my mom was always there. My mom always helped me. She always helped me. Up until this point she has helped me with my daughter. So I guess I could say she was a person I could fall back on. She was the only person because other than her – I mean if I didn't have my mother I guess I couldn't, you know I couldn't count on nobody else. Because I mean there's so many things that you hear in the news that men molest children and so forth – so and then a lot of things happen in daycares too, you know, that the child care takers that they hurt the kids and stuff, so I never put my daughter in a day-care. I never did. My mom always helped me with that. So I guess I'm lucky in that part.*

Mothers, grandmothers, aunts, and other relatives, usually female, were an invaluable resource. However, as many parents discovered, dependence on relatives was not always easy. Some parents experienced considerable difficulty when they needed to turn to their own parents for assistance.

*Especially if you never get along with them. Well, my dad, he's easy to get along with. My mom, ever since I remember, I've never gotten along with her. And, then brothers, sometimes...It's me, then him, then my baby brother. The one in the middle, sometimes he tries to, like, tell my kids, you know, yell at them or whatever, something like that. And I don't like it. I don't like nobody getting after my kids. I think I get after them, you know, enough. It's hard.*

Parents had to juggle their own work hours around not only their children's needs but the availability of care from relatives.

*I used to work graveyard so my mom used to take care of them at night, and during the day I was at home for them. So I really didn't have... but right now one's 12 and one's 10 so I go in at 7 o'clock in the morning, get out at 3:30 so they only stay here about an hour. By themselves but they're big enough. They know you don't supposed to open the door. So I just come and they're inside, you know. They don't even go outside. And I have a phone and I call them up and check up on them.*

Some parents lost their child care when grandparents or great-aunts became too ill to take care of their children. Some parents found that the relatives they depended upon found new employment themselves and were no longer available to care for their children.

**Self Care.** Mothers who distrusted the child care system, could not afford to enter the child care market, or had few informal support resources, often began training their children at relatively early ages to take care of themselves. While relatively few parents left their children unattended, a larger group assumed that their children would have to show considerable independence when their parents had to sleep, shop, or care for other children. They left children alone, depending on them to remain in the house, keep themselves safe, and not get into trouble. This was often combined with other kinds of care or oversight. Children, particularly in the low-income neighborhoods where many of them live, were instructed to stay in the house and keep the windows closed and the doors locked.



One respondent explained how she had to train her children so that they would be safe and remain home while she slept during the only time available to her, between work and home responsibilities.

*But you know what though? I can go to sleep and come back, and they'll just be laying here looking at T.V. They don't get into anything. Like you would think little kids would mess with this or that, what I started doing was putting tape over something, and when they go by it, they knew it was a no-no, they knew it was a no-no, so I never had any problem with them getting into anything. Now kids are going to make a mess, true, but I don't worry about you know, them getting hurt or anything because – well they did break my glass table – that's why the chairs are just sitting there, they broke my glass table. You know they'll play by themselves, and sometimes they'll fight like little boys do, and that's it.*

**Others Who Care for Children.** When mothers did not have strong family networks and were responsible for young children, they turned to others for assistance. However, such assistance was usually short in duration because friends and neighbors had their own children and their own jobs. They helped out, but they could not usually provide full-time, reliable child care.

*I have a girlfriend of mine, her daughter is 16. She'll come over and sit with them you know, something like that. Or I'll get a friend to sometimes, but usually I take them everywhere with me. It gets real stressful.*

## **Assistance from Family and Friends for Transportation**

### ***Statewide Survey of TANF Leavers***

Respondents to the statewide survey indicated that family and friends often helped them with transportation. Forty-three percent received frequent assistance at some point in the preceding six months. However, more than one third of the population (38.2 percent) said that they had not received help with transportation from family or friends.

### ***Qualitative Data from Intensive Interviews***

As indicated earlier, respondents who did not own cars and lived in areas without access to other means of transportation often depended on others for rides. Such dependence often led to unreliable transportation. As in the case of child care, transportation then depended on the health of the person providing transportation, the condition of his or her car, and the continuation of a good relationship with the respondent. Problems in any of these areas put the transportation at risk.

## **Assistance from Family and Friends for Housing**

### ***Statewide Survey of TANF Leavers***

Thirty-four percent of respondents received some assistance in the preceding six months. Seventeen percent of the surveyed respondents state that they frequently receive help with housing from family and friends.

### ***Qualitative Data from Intensive Interviews***

While respondents were often grateful for the assistance with housing, shared housing with friends and relatives often led to considerable crowding as two households occupied housing

appropriate for one. It occasionally meant that families occupied very substandard housing as when they lived in a shed or garage attached or on the same lot as the house belonging to relatives or friends. Except in the case where adult children moved back with their parents, it was rarely a long-term solution to housing problems. Furthermore, the shortage of bathroom facilities made it difficult to get everyone out to jobs and school on time. Lack of access to a telephone made it difficult for employers and potential employers to contact respondents.

## **Assistance from Family and Friends for Food**

### ***Statewide Survey of TANF Leavers***

Family and friends assisted about 28 percent of the respondents with food frequently or some of the time.

### ***Qualitative Data from Intensive Interviews***

Patterns of assistance with food varied considerably among respondents to qualitative interviews. Some respondents received regular food assistance, such as one respondent who reported that on most weekends she went to her mother's home for food. Other households receive assistance in emergencies, getting help for instance during a month when the food stamps didn't arrive.

## **Irregular Employment**

### ***Statewide Survey of TANF Leavers***

According to the mail-phone survey, 228 (32 percent) of the 723 respondents had worked a second job during the last six months. Of the employed respondents, 25 percent said that their job was a temporary one.

### ***Qualitative Data from Intensive Interviews***

The qualitative interviews indicated that both leavers and divertees often engage in temporary work. This includes such jobs as migratory farm labor, work for a school district, seasonal gardening or plant nursery work, and work in the tourist industry. The seasonal nature of their work clearly affected their relationship with the TANF program. In particular, one-time recipients often used the one-time payment to help them through predictable periods of unemployment. Irregular employment often led people to move off and on welfare, contributing to the cycling that has been documented in this and many other studies. With the exception of school district employment, most irregular employment left employees with few, if any benefits, and wages that were too low and irregular to allow for saving for the future. Jobs in construction might last only a matter of days. Domestic work often stopped when employers went on vacation or moved.

## **Assistance from Local Agencies**

### ***Statewide Survey of TANF leavers***

In addition to the government assistance reported in Chapter 3, a minority of respondents used locally based programs for assistance with food, as indicated in Table 19.

As indicated in Table 20, some respondents also used local assistance programs, in addition to Section 8 (15 percent) and HUD (8 percent) housing, to help with housing issues.

**TABLE 19:**  
**USE OF FOOD PROGRAMS**

In the last six months did you use any programs that helped you with food?	
Total number of unemployed respondents	n = 723
Types of programs used (as share of total respondents)	
School lunch program	32.5%
Food pantries	13.3%
Summer food program	2.6%
Commodities program	2.1%
Other	4.0%

Source: Statewide survey of TANF leavers in July – September 2000.

**TABLE 20:**  
**USE OF HOUSING ASSISTANCE**

In the last six months have any programs helped your household with housing	
Total number of unemployed respondents	n = 723
Types of assistance received (as share of total respondents)	
Utilities assistance	12.9%
Rent subsidies	3.5%
Telephone assistance	3.3%
Fuel assistance	2.5%
Other	6.2%

Source: Statewide survey of TANF leavers in July – September 2000.

***Qualitative Data from Intensive Interviews***

Respondents reported very different degrees of reluctance to use programs, although these perceptions are not necessarily reflected in use patterns. Using the school lunch and summer food programs was regarded as more normal and less indicative of desperate need than the use of the commodities program and food pantries. Food pantries, which often restrict clients to only a few uses each year, were used in times of emergency. Other programs allowed regular use and were part of ongoing plans for feeding the household.

## Families' Use of Child Protective Services

As the barriers that families face have been documented, researchers have begun to examine the role of child protective services (CPS) in families' lives. Some observers expressed concern that the more stringent requirements being placed on TANF families could place such a burden on these families that they would be forced to place their children in foster care or take out their increased stress on their children. To measure the extent to which this has occurred in Texas, rates of foster care placements and substantiated incidences of child abuse and neglect were measured for all TANF leavers using administrative data from these programs.<sup>39</sup>

Substantiated reports of child abuse or neglect were reported for less than two percent of TANF leavers in the year following exit while less than one percent of TANF leavers had any children placed in foster care during the same period. Although the reports of child abuse or neglect were slightly higher for those families that returned to TANF within the first six months after exit, less than three percent of this subgroup of families were reported to child protective services in the year following TANF exit. Thus, the analysis of administrative data for the child protective services program produced little evidence that rates of child abuse or foster care placements are increasing for this population.<sup>40</sup> This finding was corroborated in the qualitative interviews. While families feared the prospect of CPS involvement, only a handful of families had active cases.

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<sup>39</sup> A similar analysis could not be conducted for divertees because the limited information collected at the initial point of application was not sufficient to link the applicant data with the child protective services data.

<sup>40</sup> Appendix tables B-15 through B-16 contain detailed statistics for these measures for various subgroups of TANF leavers.





## Experiences in the Welfare Office

This chapter answers the research question: “How do potential applicants view the diversion/application process?” This issue was addressed through the detailed interviews with both divertees and TANF leavers.



## I. SUMMARY OF FINDINGS

Accounts from the qualitative interviews gave further insight into the nature of people's experiences in the welfare office.

### *Views About Work Requirements.*

Clients were eager to work and valued services and supports they perceived as helpful to them in entering the labor force. In particular, they cited case management activities that provided access to both training and job search assistance.

### *Difficulties with TANF.*

Clients distinguished between difficulties in dealing with caseworkers and difficulties with TANF policies, exhibiting a range of attitudes and responses. Many expressed support for TANF policies that encouraged employment. Complaints of difficulties emphasized poor office management and the actions of selected caseworkers.

## II. CLIENTS' EXPERIENCES WITH WELFARE OFFICES

### Importance of Government Benefits and Work

The qualitative interviews showed that people place a high value on the benefits gained from TANF, Medicaid and food stamps. In both their praise and complaints concerning welfare, it is important to keep in mind that while some clients knew the names of some agencies they used, few kept track of whether they were dealing, at any particular time, with the Texas Department of Human Services or the Texas Workforce Commission.

In addition to the perceived value of welfare assistance, many leavers addressed the benefits of working.

*I think you are better off working because you can depend on yourself, your kids are proud of you, and you can buy what you need.*

Respondents to the qualitative interviews showed the value they put on employment in their attitude towards the services they were able to access for job training and placement. Complaints about job training and placement activities tended to focus on their absence. Where they were available, they tended to be valued. One respondent, discussing the advantages of TANF, commented:

*One advantage is that they help you when you don't have a job or the necessary resources. They also help you find a job and that's a big advantage.*

Where computers were available to them, they accessed job notices.

*I used to go, I used to get on the computers and look for jobs. They have that computer stuff there.*

Respondents who had access to case management usually spoke very positively about it.

*And the training program that I was in, it helped me to go through anger management and self-control. I was very angry. And how to get along with your co-workers and family. I learned a lot out of the program. My counselor that I had when I was going there she helped me a lot. I enjoyed the training program. I was in there for eleven months and then I got placed in job placement. I went on job search and everything to look for work and I finally got hired in January.*

In some cases clients had access to long-term, multi-support programs, and they spoke glowingly about them.

*I went through a week of class, and they encouraged me. They do a lot of encouraging. And the ladies are real friendly. They like to have fun with what they do. And they encourage you to get your GED, to go to college. I mean they just fill your head up. And it is things you can do if you just put mind to it. It's all about what you want to do. And they sat me down and talked to me cause I think that I was the youngest one in there. All the other women were older than me. And they talked to me, and they were asking me what I wanted to do. And they kept telling me that I was intelligent and all this and it got to my head. So, I went out and I applied for me a job and I got it.*

While they found visits to the welfare office difficult, many clients also thought it was reasonable for staff people to screen them for eligibility and other factors.

*I guess I could see a lot of questions they ask may make some people feel like that. But if you don't have anything to hide then, what's the difference you know? The only reason you would feel like that is if you were trying to hide something - you know that's the way I see it. If you're telling the truth then there's nothing they can do, you know. And they do check up on everything and maybe that's why because they ask so many questions - but they have to, you know. That's just part of it.*

They also valued the benefits they received when on welfare. For those just beginning to work, TANF assistance helped them get what they needed for their families. In addition to the cash benefits of TANF, leavers, often persons using associated services talked about the importance of food stamps.

*The best thing about having any type of assistance is that my kids always had food. I never had to worry about that.*

## **Value of Programs and Casework**

People recognize the importance of a number of services that they associate with welfare – even though these services are distinct from TANF.

*They have a lot of good programs out there which I, you know a lot of them I've heard of because of my friends who I babysit for. Some mothers, you know, they go through all these different programs. They have WIC and you know all that kind of stuff, but...where did we go? What was that place called? Right after I had Danielle, we went to a clinic, free clinic, independent clinic, that's where I went and got my check-up after I had her, and I think all that stuff is great, you know.*



Clients made specific mention of those programs where they had access to a caseworker who followed their case.

*I've been in the Choices Program and I have a caseworker at the Workforce. I'm in the Choices Program, and Dorothy's wonderful. She helps me out a lot. She tells me things and she just helps me out a lot. She gives me ideas and she does what she can to help me because she understands the situation.*

In some cases they recalled casework systems they'd known in other states.

*But I know in Oklahoma I had a caseworker where if I was having a problem or if I needed something or whatever I could call and speak to that particular caseworker.*

In some cases, clients talked about the opportunities they learned about through the application process.

*No actually that's the reason that why I went to school because after I applied for it they sent me a form like a flier. It was about a program that they had at Community College for women receiving TANF that if they wanted to go take the classes they could go free of charge. It was because we were receiving TANF and food stamps. So I went and got information and then I started going to the classes. The only thing that I had to do was receive my GED which I did before I went to the classes.*

## Dealing with Caseworkers

Many leavers and divertees had specific complaints about caseworkers. They reported that caseworkers demanded the same documentation over and over again, kept clients waiting a long time, and they discouraged application for services. While many clients, as indicated above, described polite and effective assistance from welfare staff, about half of the respondents to qualitative interviews reported difficulties with welfare staff. In particular, clients perceived that welfare workers had stereotyped views of them.

*Not everybody that comes through the welfare doors, it's not like everybody has never worked. We have had jobs. Situations have just happened or whatever circumstances. And it's like when you go in there, all of the workers are like robots. They are programmed to look down on you.*

The long waits reported by respondents were especially problematic when respondents had planned around a scheduled appointment time. Descriptions of a two-hour wait were not uncommon among respondents with appointments. Some respondents who went to the office without an appointment reported all-day waits. Respondents felt these waits interfered with their employment, particularly if they had to take time off from a new job to meet the demands of the welfare office.

*... the hardest thing about it is the amount of time that you have to take off [work] in order to get in. And I mean even if you have an appointment, it still takes about five hours.*

★ ★ ★ ★ ★

*If you're working and you've got to take that time off, it's a real strain on your job.... If you're on a job less than 30, I mean less than 90 days, then you're not supposed to miss any days.*

Some clients felt that their own appearance, behavior, and educational level improved the treatment they received at the welfare office.

*I am educated. And they have always treated me well. I've noticed that what they perceive from you is how they are going to treat you. If I come in, and I'm smacking gum and slapping my kids, telling them to shut up and sit down, and I have rollers in my head and my whole attitude is messed up, then they're going to have an attitude with you. What they [caseworkers] are saying to themselves is "Oh, god, here comes another one – another person who just doesn't want to work." Well, everybody is not like that. A lot of people sit in the waiting room with the attitude like welfare owes them something. No, they are trying to assist you. If you want their help, act like you need their help. And have the right attitude and the caseworkers will treat you the way you want to be treated.... People are judged, they get labeled by their appearance a lot. And it makes a big difference.*

A respondent who is a school teacher agrees.

*In the waiting room, most people are dressed poorly and you can question what they are doing with their lives. And that is reflected back through the caseworkers.*

## Difficulties with Policies

Respondents identified double-binds created by welfare regulations. Most of these involved child care, with respondents stating that they could not receive subsidized child care until they were employed or in an appropriate training program, but could not seek out jobs or the best programs without child care.

*But the classes you know, I thought that once your exemption came in that you could choose to go, or like I had been exempt when I found a job, and you know they said they'll give me child care and I was going to get it for her, but ah I had to work twenty hours first in order to get the child care, and I was like well I'm not going to get the twenty hours first. I've got to have child care in order to go.*

Respondents reported a number of anomalies in the policies as they understood them. One respondent had been informed that her welfare benefit was being docked because of a discovery that she had been overpaid three years previously. Another respondent was warned to stay off TANF because any time which accrued to her young daughter would be counted against her daughter when the daughter was an adult. Respondents were puzzled by the ruling that they were ineligible for food stamps if they were not working at least 20 hours/week.<sup>41</sup> Other respondents were disturbed that they could not own a reliable car when a car was necessary to get to the job training they were required to take. In one case, a respondent was offered ten dollars a week as transportation money, while the program required a daily 90-mile round trip in an area with no public transportation.

People denied for non-financial reasons gave confusing accounts of what had happened and rarely understood the reasons for a denial.

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<sup>41</sup> As the majority of the research sites were FSE&T active sites, with services available, respondents who were not exempt from FSE&T program requirements would indeed have to be employed or engaged in other eligible activities.

*My husband had stayed in Mexico at that time for a couple of days and he was going to come later and I went to apply for Medicaid and food stamps and they told me that they were going to give them to me. They gave me the food stamps on, well I went in February 16, and I got them Feb 17... they gave them to me for the last days of February and then for March and they said that they were going to give them to me in April but then they told me that my case was denied and they didn't give them to me.*

The areas of penalties, over-issuances, and paybacks were perhaps the least understood by study participants. While many acknowledged receiving varying amounts of assistance (TANF and food stamps), few, if any, understood why the amounts fluctuated. For example, one respondent acknowledged that her TANF check routinely had \$70 withheld, although she could not provide an explanation for why this was happening. Another client believed that any income at all disqualified her for TANF.

*The only thing with TANF is that you have to be really without any income. You have to have zero income in order to qualify and at the time I was, I had, I was having some kind of income coming in. They said, "You don't qualify because you have an income."*

In the following example, after being asked if her welfare benefits had varied from month to month, the respondent replied that TANF went down, and food stamps varied.

*A little bit. TANF, it went down. And on the food stamps, it just goes like, it goes a little bit higher, sometimes a little bit lower. It just depends on, I don't know, I guess the worker, or whenever I go back, or what they do give me... Sometimes it's a little bit more, sometimes a little bit less.*



## Points at Which Families are Most Vulnerable to TANF Recidivism

This chapter presents findings for the research question: “Are there particular points after leaving TANF at which people are the most vulnerable to returning?” This question is addressed primarily through the longitudinal analysis of administrative data. In Chapter 8, regression analyses explore the factors associated with families’ returns to TANF.



# I. SUMMARY OF FINDINGS

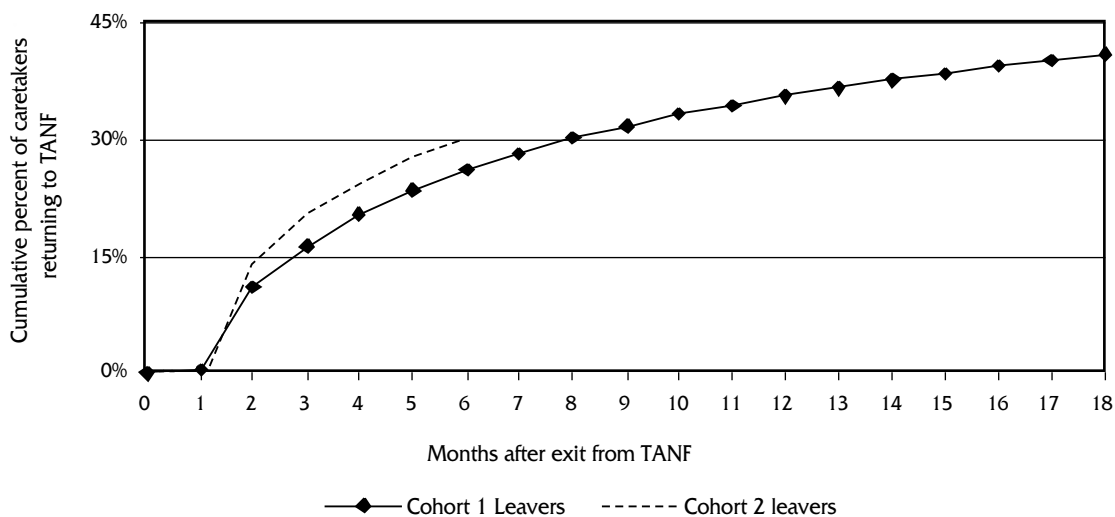
A longitudinal analysis of administrative data found that families are most likely to return to TANF in the first few months after they have left the program, with 28 percent returning to the rolls in the first six months after exit. Over the 18-month follow-up period, 41 percent of families returned to TANF at some time, although many left again during the observed period. In their first six months after exit, a larger share of Cohort 2 leavers returned to TANF than the earlier cohort of leavers. Families returning to TANF were disproportionately Black, young, or with several children. Short-term leavers (i.e., those returning to TANF within six months after exit) used more government services than others. They also had less income and less reliable employment than other leavers.

# II. RETURNS TO TANF OVER TIME

All TANF leavers in Cohorts 1 and 2 were tracked over time to determine if they returned to TANF. Figure 11 displays the extent to which TANF leavers during these time periods ever returned to the TANF rolls during the time period available for follow-up. From this analysis, it is clear that families are most vulnerable to returning to TANF within the first few months after they leave the program. Sixteen percent of Cohort 1 leavers returned to TANF within three months of exit, with an additional 12 percent returning in the following three months. Although 41 percent of families who left TANF returned to the rolls at some point during the follow-up period, the rate of return drops substantially after the first six months.

While it is only possible to track Cohort 2 leavers for six months, the rates of returns to TANF for these families were actually higher for these families than for the earlier cohort. If it continues, this trend could lead to higher TANF caseloads in the future.

FIGURE 11:  
TANF LEAVERS: CUMULATIVE PERCENT RETURNING TO TANF OVER TIME



Source: Administrative data on those leaving TANF between April 1998 and June 1999 (Cohort 1) or between July and September 2000 (Cohort 2).

### III. COMPARISON OF SHORT-TERM AND LONG-TERM TANF LEAVERS

To gain a better understanding of families who were likely to return to TANF, the demographic characteristics and program participation patterns of Cohort 1 TANF leavers were compared for families who returned to TANF within six months and those who managed to remain off TANF for that same period of time.

#### Demographic Characteristics

Families returning to TANF within the first six months of exit were disproportionately headed by Black caretakers, those less than 25 years old, or those with three or more children. Families headed by White caretakers, those 35-44 years old, or those with only one child were less likely to return to TANF than other families (Table 21). Caretakers who had not completed high school also were more likely to return to TANF within the first six months after exit.

#### Differences in Program Participation

Program participation patterns over time were also examined to identify differences between short-term and long-term leavers. This analysis revealed that short-term leavers had used TANF, caretaker Medicaid, children's Medicaid, and food stamps more often in the two years prior to TANF exit than other leavers. They also used all of these benefits to a greater degree in the eighteen months following their exit. This suggests that these leavers have a history of cycling on and off TANF and other benefits for low-income families over time.

#### Differences in Employment and Earnings

Forty-five percent of short-term leavers had some earnings in the quarter in which they left TANF (Figure 12). Their employment appeared to be less stable than employment for other leavers. In the first quarter after exiting TANF, the employment rate for short-term leavers dropped from 46 percent to 38 percent. However, these leavers did reengage in the labor market and increased their employment rate over the remaining follow-up period. Even with this steady increase, however, the rate of employment for this group of leavers remained lower than the employment rates for other leavers throughout the follow-up period (Figure 12).

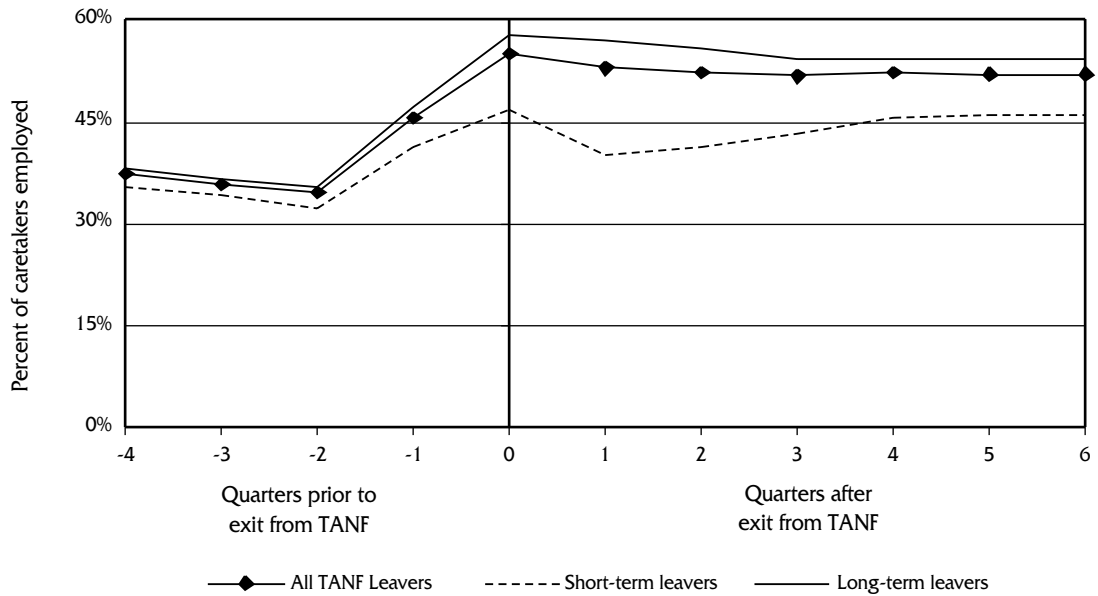
Successful TANF leavers who were employed earned \$2,097 in the quarter of their exit compared to only \$1,258 for leavers who returned to TANF within the first six months of exit. Unlike the longer-term leavers, caretakers who returned to TANF quickly experienced a dip in earnings in the quarter after exit. While both groups increased their average quarterly earnings over time, the earnings levels of short-term leavers remained well below those of more successful leavers by approximately \$800 per quarter. Although earnings of nearly all leavers remained below the poverty level, this earnings differential could contribute in a major way to families' differing abilities to remain off the TANF rolls.

**TABLE 21:**  
**DEMOGRAPHICS OF SHORT-TERM AND**  
**LONG-TERM TANF LEAVERS:**

	Total Sample (First Cohorts)	Short-term Leavers: Returned to TANF within 6 months	Long-term Leavers: Still off TANF after 6 months
<b>Number of families</b>			
	143,500	34,510	108,990
<b>Age of caretaker</b>			
Average age	29.9	29.3	30.1
Percent 18-25	38.1%	41.7%	37.0%
Percent 26-34	34.4%	33.7%	34.6%
Percent 35-44	20.0%	17.9%	20.7%
Percent 45 and over	7.5%	6.8%	7.7%
<b>Race of caretaker</b>			
Percent Black	29.4%	34.3%	27.9%
Percent Hispanic	45.2%	44.4%	45.4%
Percent White	24.5%	20.6%	25.7%
Percent other	0.9%	0.7%	1.0%
<b>Caretaker education level</b>			
No high school education	16.4%	17.8%	15.9%
Some high school education	33.4%	37.8%	32.0%
High school graduate (or GED)	50.3%	44.5%	52.1%
<b>Geography</b>			
Urban - county with large MSA	52.4%	51.4%	52.7%
Suburban - county with other MSA	27.4%	26.9%	27.5%
Rural - county with no MSA	20.2%	21.7%	19.8%
<b>Caretaker work history</b>			
Percent time employed - prior 2 years	38.8%	35.9%	39.7%
<b>Type of family</b>			
Percent single-parent families	91.1%	92.4%	90.6%
Percent two-parent families	8.9%	7.6%	9.4%
<b>Number of children</b>			
Average number of children	2.0	2.1	2.0
Percent with one child	41.0%	37.6%	42.1%
Percent with two children	31.3%	31.2%	31.4%
Percent with three or more children	27.6%	31.2%	26.5%
<b>Ages of children</b>			
Average age of youngest child	4.7	4.3	4.9
Average age of all children	6.2	5.9	6.3

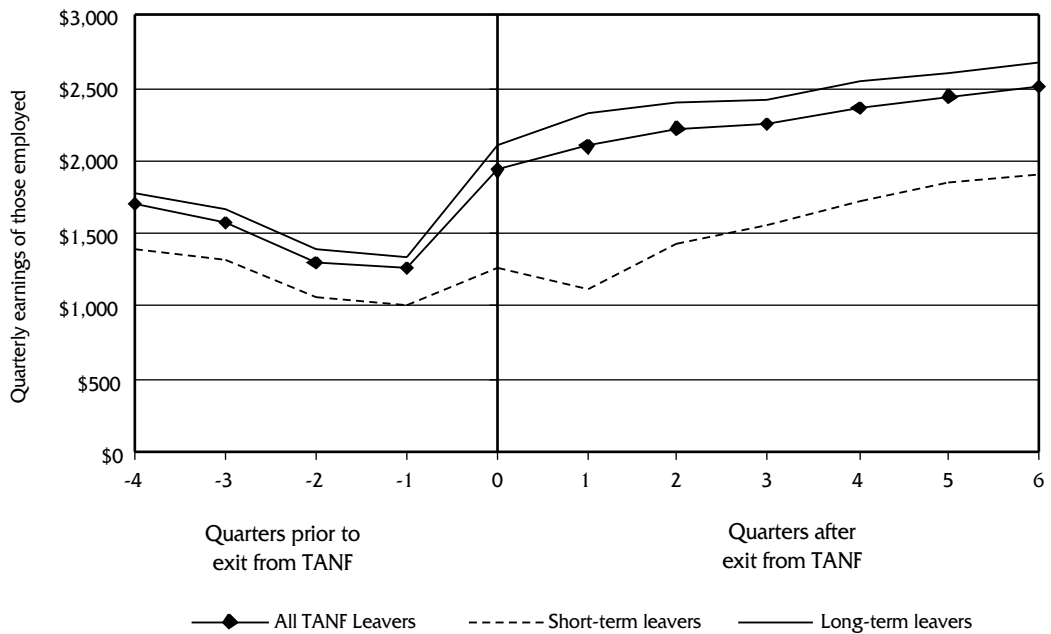
Source: Administrative data on those leaving TANF between April 1998 and June 1999.

**FIGURE 12:**  
**TANF LEAVERS: PERCENT EMPLOYED OVER TIME**



Source: Administrative data on those leaving TANF between April 1998 and June 1999.

**FIGURE 13:**  
**TANF LEAVERS: QUARTERLY EARNINGS OVER TIME**



Source: Administrative data on those leaving TANF between April 1998 and June 1999.







## Factors Associated with Leaving TANF, Employment, and Returning to TANF

This chapter presents research findings addressing the research question: “Which factors are associated with leaving TANF, being employed, or returning to TANF?” It is addressed for families who left TANF from April 1998 through June 1999 or from July through September 2000.

Each part of this research question is answered in separate econometric regressions utilizing both administrative and survey data and descriptive statistics from the statewide survey of TANF leavers. Real-life stories of the families behind these statistics illustrate the complexity of the relationship among the variables measured in the statistical analyses.

Due to technical considerations governing the research design, slight variations occur in the particular population for whom each part of the research question was answered and the methods used for each. These variations are summarized at the beginning of each section and explained more fully throughout Appendix A.



# I. SUMMARY OF FINDINGS

Regression analyses using both administrative and survey data explore the factors associated with leaving TANF, employment, and returning to TANF. (Readers should note that statistical association does not always equal causality.) Detailed case studies drawn from the qualitative interviews illustrate the statistical findings.

## **Factors Associated with Leaving TANF**

About 16 percent of TANF families left TANF each month during the study period. The major factors associated with increased probability of exit were current employment of caretaker, a caretaker's refusal to register for employment services, or being in a two-parent family. Respondents to the statewide survey also cited employment as the primary reason for departure from TANF and reported failure to comply with TANF regulations as a common reason for exit.

To a lesser degree, these other factors were also associated with TANF exits: receipt of any TANF penalty, exemption due to caring for a young child, employment for a larger percent of time, or larger average monthly child support payments.

## **Factors Associated with Employment for TANF Leavers**

Several regressions were run for this measure to take advantage of the total universe of administrative data and additional variables available for persons sampled in the statewide survey. From the regressions using only administrative data, the greatest predictor of current employment was the percent of time a caretaker was employed in the prior two years. Other major factors associated with current employment included: receipt of subsidized child care after leaving TANF, participation in the Choices program during most recent TANF spell, receipt of children's Medicaid after leaving TANF, or being a Black caretaker. Regressions that included survey data revealed that having a youngest child cared for by a non-relative, having looked for a job in the past six months, or access to reliable transportation also were associated with higher employment rates.

In the administrative data regressions, the strongest predictor of lower employment rates was being a caretaker in a two-parent family. The statewide survey revealed that, in these families, one parent cared for their children while the other worked. Other factors associated with lower employment included having an eighth grade education or less, receipt of a non-workforce penalty, refusal to register for employment services, or receipt of larger amounts of child support. Regressions using the additional variables from the statewide survey found that widows, persons who had entered TANF after a divorce, caretakers who cared for their youngest child themselves, relied on family or friends to help with transportation in the past six months, lived with family or friends in the past six months, or experienced multiple barriers to employment also were less likely to be employed than other TANF leavers.

## **Factors Associated with TANF Reentry**

Regressions using both administrative and survey data found that caretakers were less likely to return to TANF if they were currently employed, had higher wages at TANF exit, left TANF because of marriage, received financial contributions from another adult, collected larger amounts of child support, or had stable transportation. Those who needed assistance with food or housing costs, received subsidized child care while on TANF, or had their youngest child cared for by a non-relative were more likely to return to TANF. Persons with a history of prior employment also were more likely to return to TANF, which suggests that the employment of some TANF leavers was not very stable.

## II. FACTORS ASSOCIATED WITH LEAVING TANF

The earlier chapters of this document reported on government program participation, employment and other economic supports, and barriers faced by families in the period following their exit from TANF. In this chapter, several research methods are used to explore why these families left TANF and to give examples of families' perceptions of these events.

Two approaches were used to determine the most common reasons why families left TANF:

- ★ Regressions in which the monthly probability of TANF exit was measured for all families receiving TANF benefits from April 1998 through June 1999 and July through September 2000, using administrative data files; and
- ★ Responses to the question: "Why did you leave TANF?" on the statewide survey of families who left TANF from July through September 2000.

Once the reasons for TANF exit were determined, case descriptions of families typical of these experiences were pulled from the database of intensive interviews to give the reader a better sense of the day-to-day experiences of such families.

### Regressions Using Administrative Data for All TANF Recipients

#### How to Interpret Regression Results

This regression measures the statistical relationship between the probability of leaving TANF in a given month (dependent variable) and a number of independent variables, including the demographic characteristics of TANF recipients, characteristics of their TANF experience, participation in other programs, employment and earnings, and economic conditions in TANF recipients' counties of residence.

Table 22 lists those independent variables that are significantly associated with an increased or decreased chance of leaving TANF each month, while all other variables are held constant.<sup>42</sup> This regression was computed for the entire universe of TANF recipients within the relevant time periods, and produced a very large data set that measured statistical significance at an extraordinarily detailed level. Thus, although some variables may be statistically significant, they may not have much practical significance. The discussion focuses on those variables with the largest parameter estimates (i.e., the variables with the greatest influence). In a few cases, a particular condition may not occur very often but is strongly associated with TANF exit (thus producing a large parameter estimate) when it does occur. These circumstances will be noted in the text.

Because results for Cohort 1 and Cohort 2 leavers are generally very similar, the primary discussion in this section focuses on Cohort 1 leavers. When results vary in a major way for the later group of leavers, possible reasons for those differences are discussed.<sup>43</sup> In a few instances, different results between the two cohorts occur because of seasonal differences due to the

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<sup>42</sup> A complete list of the variables used in these regressions and the means of those variables is included in Appendix A, Section III.

<sup>43</sup> Differences worthy of note include changes in the significance and direction of a variable between the time periods or a major change in the power of a variable. Generally, instances in which a variable is significant in one time period but not the other will not be mentioned.

TABLE : 22

## STATEWIDE TANF RECIPIENTS: STEPWISE REGRESSIONS PREDICTING EXIT FROM TANF

Cohort 1 (April 1998-June 1999): Dependent mean = .16; N = 971,176; R-squared = .04 Cohort 2 (July-September 2000): Dependent mean = .16; N = 132,720; R-squared = .04		Cohort 1 parameter estimate	Cohort 2 parameter estimate
Category	Variable Description		
	Model intercept	.173	.237
Demographics	Caretaker race is Black	-.022	-.028
	Caretaker race is Hispanic	-.020	-.024
	Caretaker race is Asian, Pacific Islander, American Indian, Alaskan Native, or unknown	-.018	
	Caretaker gender is male	.005	
	Two-parent family (TANF-UP)	.052	.057
	Caretaker education and work history indicate readiness for employment (tier 1)	-.007	
	Caretaker education and work history indicate serious impediments to employment (tier 3)		.016
	Average age of children on case	.001	
TANF experience	Percent of time receiving TANF in prior 12 months	.016	-.032
	Any non-workforce penalty received in last 3 months	.016	.024
	Current workforce-related penalty	.019	
	Any workforce-related penalty received in last 3 months	.019	.023
	Caretaker near TANF time limit (within 3 mos.)	.017	
	Caretaker somewhat near TANF time limit (4-6 mos.)		-.019
Employment services	Choices participation beyond assessment during current TANF spell	.006	.025
	Choices participation, but only assessment, during current TANF spell	-.017	-.017
	Non-Choices employment services received during current TANF spell	-.047	.016
	Caretaker exempt from registration for employment services, due to caring for child	.012	.034
	Caretaker exempt from registration for employment services, due to other reasons		.032
	Caretaker refused to register for employment services	.044	.058
Employment	Currently employed (any earnings; monthly figure estimated from quarterly earnings)	.099	.067
	Current monthly earnings (monthly figure estimated from quarterly earnings)	.009	.007
	Percent of time employed (any earnings) in prior 24 months	.022	.025
	Average monthly earnings over prior 24 months	-.003	-.003
Other benefits	Percent of time any children receiving Medicaid in prior 12 months	-.021	-.120
	Percent of time receiving food stamps in prior 12 months	-.018	-.037
	Any subsidized child care received during current TANF spell	.021	
Other programs	Percent of time child support payments received in prior 12 months	-.016	
	Monthly average child support receipt for prior 12 months	.021	.010
	Substantiated investigations of abuse or neglect for any children in prior 3 months	.048	.053
	Foster care placement made for any children in prior 3 months	.306	.464
County-level economic variables	High population-density county (large MSA)	-.007	
	Population growth rate from 1990-2000 (%)	.00022	
	Employment growth rate from 2000-2001 (%)	-.003	-.003
	Unemployment rate 2000 (%)	-.002	-.001

Source: UTRMC regressions using administrative data for all TANF recipients from April 1998 – June 1999 and July – September 2000

differing lengths of the two time periods in which to observe exits (15 months for Cohort 1 vs. only three months for Cohort 2). Other regressions (not shown) were run for a three-month truncated Cohort 1 dataset so as to identify any differences resulting from seasonal factors affecting the two cohorts. Relevant findings from this analysis are noted in the discussion.

### **Findings from Regression Analysis**

Approximately 16 percent of TANF families left TANF each month during the study period, a somewhat higher rate than in the pre-welfare reform era.<sup>44</sup>

#### ***Factors Related to Leaving TANF***

Major factors associated with families' increased probability of TANF exit were:

- ★ Current employment of caretaker,
- ★ A caretaker's refusal to register for employment services,<sup>45</sup>
- ★ Being in a two-parent family.

Having one of these characteristics increased the likelihood that a family would leave TANF by five to ten percentage points each month. While recent placement of a child in foster care or the incidence of child abuse or neglect also increased a family's chances of exit (most likely because the family no longer had a dependent child in the household), such situations occurred for less than one percent of all TANF recipients.

To a lesser degree, the following factors also increased the monthly probability that a family would leave TANF:

- ★ Receipt of any TANF penalty (both workforce and non-workforce) in the past three months,
- ★ Caretaker exemption from employment due to caring for a young child,
- ★ Employment for a larger percent of time in the past 24 months, and
- ★ Larger monthly average amount of child support received in the past 12 months.

Many of these factors suggest that families left TANF because their financial situation improved (employment, amount of child support received) or that they had another adult to rely upon (two-parent families). However, other factors related to increased exits indicate that some features of the TANF program rules caused families to leave TANF (refusal to register for employment services, receipt of TANF penalties, or exemption due to caring for a young child). While none of those conditions would automatically make an entire family ineligible for TANF benefits, it appears that a larger number of families left TANF when faced with these welfare reform requirements.

#### ***Time Period and Seasonal Differences***

Several differences between the time periods are worthy of mention. First, the significance of one variable (percent of time receiving TANF in the past twelve months) changed from a positive association with exits for Cohort 1 recipients to a negative association with exits for

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<sup>44</sup> See Schexnayder et. al. (1998) which measured an exit rate of 12 percent per month for AFDC caretakers. Differences in definition of leavers (caretakers instead of cases) may have accounted for some of the differences.

<sup>45</sup> This is a coded category from administrative data base. Qualitative interviews document complex reasons why caretakers are not registered with employment services.

later recipients. Similar changes occurred in two other variables measuring historical connection with DHS benefit systems, including percent of time receiving children's Medicaid and food stamps in the prior twelve months. The coefficients for both of these indicators became more negative, which combined with the reversal noted above suggests that those with histories of benefit receipt are becoming less likely to leave TANF.<sup>46</sup> While it is not entirely clear what this trend means, it could be an indication of a growing contingent of welfare 'cyclers' among the TANF caseload.<sup>47</sup>

Another notable difference between cohorts is that the strength of the current employment variable as a predictor of exit lessened in the Cohort 2 time period. For Cohort 1 recipients, being employed increased exit probability by ten percentage points each month compared to an increase of only seven percentage points for Cohort 2 recipients. The reduction in influence of this variable is probably related to the change in the Earned Income Disregard policy between the two periods that allows TANF recipients to keep a higher amount of their earnings prior to becoming financially ineligible for TANF.

Finally, the change in the 'age of child' exemption between the two periods is reflected in the 'caretaker exempt for other reasons' variable becoming significant during the Cohort 2 period. As can be seen from the regressor means (Appendix A, Section III), the share of caretakers exempt due to caring for a young child dropped greatly between the two time periods (from 36 percent to 19 percent). However, rather than becoming mandatory employment services registrants, most of these caretakers became exempt for another reason, with the share of those caretakers increasing from 14 percent for Cohort 1 recipients to 27 percent for Cohort 2 recipients. This supports the qualitative and survey findings that many of these recipients faced multiple barriers to employment. It is not clear from the administrative data analysis why such exemptions were related to an increased probability of exit.<sup>48</sup>

## Statewide Survey of TANF Leavers

Employment is the primary reason that survey respondents reported for their decisions to go off or come back on TANF. However, the rules and administration of TANF and related systems also affected respondents' actions. The impact of the TANF systems' regulations and administration was visible in the survey responses. They also were cited frequently in the accounts provided by respondents in the course of the qualitative interviews.

As Table 23 indicates, 41 percent of all survey respondents reported leaving TANF at least in part because of new employment and higher income. However, receipt of income from others and difficulty with welfare rules and administration also were cited as reasons for leaving the TANF system.

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<sup>46</sup> An additional regression restricting analysis of Cohort 1 to exits occurring in July through September produced similar patterns, indicating that these cohort differences are not likely due to seasonal factors.

<sup>47</sup> Further evidence for this interpretation can be seen in the regressor means (see Appendix A, Section III) showing that Cohort 2 recipients received TANF and food stamps less often in the prior year.

<sup>48</sup> These shifts in the effects of exemptions do not appear to have been due to seasonal factors.

**TABLE 23:**  
**REASONS FOR LEAVING TANF**

For Everyone: Why did you go off TANF the last time that happened? (“✓” all that apply):	
n = 723	
Found a job/income too high	41.4%
Another adult contributed money	10.0%
Began receiving child support	8.9%
Couldn't meet TANF requirements	7.5%
Reached TANF/welfare time limit	6.6%
Could not get to required meetings/appointments	6.5%
Did not like TANF	4.8%
Too much paperwork or hassle	4.3%
Obtained reliable transportation	3.7%
Got married	3.7%
Health improved	3.0%
Could not provide all the needed documentation	3.0%
Applied for TANF, application pending	3.0%
Youngest child turned 18 years of age	2.2%
Other	10.1%

Source: Statewide survey of families leaving TANF in July – September 2000

### III. FACTORS ASSOCIATED WITH EMPLOYMENT FOR TANF LEAVERS

The factors associated with employment for TANF leavers were measured in the following ways:

- ★ Regressions in which the monthly probability of employment was measured for all families who left TANF from April 1998 through June 1999 and July through September 2000, using only administrative data; and
- ★ Regressions in which the probability of employment sometime in the three months after TANF exit was measured for a sample of families who left TANF from July through September 2000, using a combination of administrative data and data from the statewide survey of TANF leavers.

Each of these approaches has its advantages and disadvantages. The administrative data regressions can measure employment for both cohorts of leavers and, by using the entire universe of all TANF leavers, produce more stable estimates than the smaller sample used for the



combined regressions. Also, by accounting for conditions that change each month (or quarter), these regressions are better able to account for changes in family status than the regressions that only measure employment some time within a three-month period. Conversely, the combined regressions include variables that cannot be measured from administrative data (e.g., health, transportation, child care outside the subsidized system) that could be important factors in families' ability to get and retain employment.

## Definition of Employment

Prior to exploring which factors helped to predict employment for TANF leavers, it is useful to discuss briefly the varying definitions of employment that are used by studies of this sort. For all of the analyses that rely upon administrative data, the presence of any UI wages in a given quarter counts as employment in that quarter. HHS recommends that researchers conducting leavers' studies also use a definition of more meaningful employment – the presence of \$500 of UI wages in a given quarter. Use of this definition would reduce the level of employment and could change some of the factors associated with employment.<sup>49</sup> Because most prior work in Texas has used the first definition (any wages in a given quarter), that measure is discussed in the main part of this paper.<sup>50</sup>

Another definition of employment – self-perception of employment – emerges from the statewide survey and the intensive interviews with TANF leavers. As discussed in Chapter 4, many former TANF recipients describe themselves as employed even though they do not currently earn any income. Conversely, they are able to report informal or agricultural employment that is not captured through the UI wage system. Given these differences in the definition of the employment measure, complete agreement between the different ways of measuring employment is unlikely.

In the following regressions, employment is measured as the presence of any UI earnings in a given quarter. So as to take advantage of changes in the monthly circumstances among other variables, these quarterly wages have been divided by three to determine monthly employment figures. Thus, if someone earns any UI wages in a quarter, she is considered employed in all months of that quarter.

## Regression Results

### Administrative Data Only

Table 24 presents results from the statewide regressions of TANF leavers during the Cohort 1 and Cohort 2 time periods. As with the earlier regressions, major patterns observed for both cohorts are discussed for Cohort 1, with only key differences between the cohorts discussed for the later group of leavers. It should also be noted that, in these regressions, the findings for the first cohort are more generalizable because a longer period of UI earnings data were available in which to measure longer-term employment. For Cohort 2 leavers, employment could only be measured in the first three months after exiting TANF.

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<sup>49</sup> For example, 56 percent of TANF leavers were employed under the first definition compared to only 48 percent when using the stricter definition.

<sup>50</sup> Few major differences were observed in the results from the regressions using the stricter definition of employment.

### ***Factors Associated with Increased Employment***

By far the greatest predictor of current employment was the percent of time that a caretaker had been employed in the prior two years, with 100 percent employment in the past increasing the likelihood of current employment by 57 percentage points over those not previously employed. While the relationship of prior employment to current employment may appear somewhat obvious, it does support the contention that supporting TANF recipients' continuous work efforts until they are stable should result in more continuous periods of employment for these individuals.

Other major factors positively associated with employment among TANF leavers and the increase in employment rates associated with each of these factors were:

- ★ Receipt of subsidized child care after leaving TANF (13 percentage points),<sup>51</sup>
- ★ Having participated in the Choices program in the last TANF spell (9 percentage points),
- ★ Receipt of children's Medicaid after leaving TANF (9 percentage points),
- ★ Caretaker race is Black (6 percentage points).

In addition to these major influences on employment, other variables associated with higher rates of employment included: greater earnings history (beyond the employment history effect), being Hispanic, receipt of caretaker Medicaid when not on TANF, having completed high school or living in a rural area.<sup>52</sup>

All of these findings suggest that the services for TANF recipients (Choices, transitional Medicaid, transitional child care) that are designed to help former TANF families with employment actually are accomplishing their goals for those families who gain access to such services. They also reinforce earlier findings from a number of studies that Black and Hispanic TANF caretakers are more likely to leave TANF for employment reasons than are White caretakers.

### ***Factors Associated with Lower Employment Rates***

The strongest predictor of lower employment rates for TANF leavers was being a caretaker in a two-parent family. This suggests that one of the parents may have become employed while the other cared for the couple's children.

Other factors consistently associated with lower rates of employment were:

- ★ Caretaker having only an eighth grade education or less,
- ★ Recent receipt of non-workforce penalty,
- ★ Refusal to register for employment services, or
- ★ Having received larger amounts of child support.

These suggest that families either do not have human capital characteristics attractive to employers, do not want to or are unable to adhere to the welfare rules governing personal responsibility and employment preparation, or are using child support payments as an alternative to employment.

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<sup>51</sup> This finding should be interpreted cautiously because for some, employment is a necessary condition for receipt of subsidized child care. It is likely that to some extent the causality goes in both directions.

<sup>52</sup> While the effect of living in a rural area on employment may seem puzzling, it should be noted that the effect of the local unemployment rate is controlled for.

**TABLE 24:**  
**STATEWIDE TANF LEAVERS: STEPWISE REGRESSIONS PREDICTING UI EMPLOYMENT**  
**USING ADMINISTRATIVE DATA**

Cohort 1 (April 1998-June 1999): Dependent mean = .56; N = 1,777,878; R-squared = .20 Cohort 2 (July-September 2000): Dependent mean = .56; N = 132,211; R-squared = .23		Cohort 1 parameter estimate	Cohort 2 parameter estimate
Category	Variable Description		
	Model intercept	.318	.369
Demographics	Caretaker age in years	-.003	-.007
	Caretaker age squared		.00005
	Caretaker race is Black	.064	.028
	Caretaker race is Hispanic	.047	.041
	Caretaker race is Asian, Pacific Islander, American Indian, Alaskan Native, or unknown	-.017	
	Caretaker gender is male	-.004	-.016
	Two-parent family (TANF-UP)	-.072	-.048
	Caretaker education of eighth grade or less	-.020	-.033
	Caretaker has graduated from high school	.013	.021
	Caretaker education and work history indicate readiness for employment (tier 1)	-.034	
	Caretaker education and work history indicate serious impediments to employment (tier 3)	.017	
	Age of youngest child on case	-.002	
	Average age of children on case	.001	
	Number of children on case	-.004	
TANF experience	Number of months since last TANF receipt (log transformed)	.024	-.022
	As of last month on TANF, percent of time receiving TANF in prior 12 months		.075
	As of last month on TANF, any non-workforce penalty received in prior 3 months	-.020	-.010
	As of last month on TANF, any workforce-related penalty received in prior 3 months	-.027	
	Caretaker somewhat near TANF time limit (4-6 mos.)	-.006	
Employment services	Choices participation beyond assessment during prior TANF spell	.092	.123
	Choices participation, but only assessment, during prior TANF spell	-.006	-.022
	Non-Choices employment services received during prior TANF spell	.027	
	Caretaker exempt from registration for employment services, due to caring for child	-.028	.021
	Caretaker exempt from registration for employment services, due to other reasons	-.075	
	Caretaker refused to register for employment services	-.014	-.016
Employment	Percent of time employed (any earnings) in prior 24 months	.572	.579
	Average monthly earnings over prior 24 months	.004	.002

**TABLE 24 (CONTINUED):  
STATEWIDE TANF LEAVERS: STEPWISE REGRESSIONS PREDICTING UI EMPLOYMENT  
USING ADMINISTRATIVE DATA**

Cohort 1 (April 1998-June 1999): Dependent mean = .56; N = 1,777,878; R-squared = .20 Cohort 2 (July-September 2000): Dependent mean = .56; N = 132,211; R-squared = .23		Cohort 1 parameter estimate	Cohort 2 parameter estimate
Category	Variable Description		
Other benefits	Any Medicaid receipt during off-TANF spell	.040	.030
	Medicaid receipt for any children during off-TANF spell	.088	.065
	Any food stamps receipt during off-TANF spell	.004	-.015
	Any subsidized child care receipt during off-TANF spell	.130	.085
	As of last month on TANF, percent of time receiving Medicaid in prior 12 months	.047	
	As of last month on TANF, percent of time any children receiving Medicaid in prior 12 months	.037	
	As of last month on TANF, percent of time receiving food stamps in prior 12 months	.009	
	Any subsidized child care received during prior TANF spell		.045
Other programs	Percent of time child support payments received in prior 12 months	.009	
	Monthly average child support receipt for prior 12 months	-.011	-.011
	Substantiated investigations of abuse or neglect for any children in prior 3 months	-.037	
County-level economic variables	High population-density county (large MSA)	.015	
	Low population-density county (no MSA)	.022	.018
	Employment growth rate from 2000-2001 (%)		-.002
	Unemployment rate 2000 (%)	-.006	-.005

Source: UTRMC regression analysis using administrative data for all TANF recipients April 1998-June 1999 and July-September 2000

### *Time Period and Seasonal Differences*

The major differences between Cohort 1 and Cohort 2 leavers occurred among the exemption variables for employment services. In the first cohort, as expected, those leavers who had been exempt from employment services were less likely to be employed after exit. For the second group of leavers, however, former TANF caretakers who had been exempted due to caring for young children were more likely to be employed. Although the reasons for this change are not clear, they could be associated with the change in the composition of caretakers who were able to use the 'age of child' exemption when this exemption was tightened or, possibly, a change in the message given to all TANF caretakers (regardless of exemption status) when the Federal time limits were implemented in Texas in the fall of 1999.<sup>53</sup>

<sup>53</sup> An additional regression, not shown, was conducted to determine whether these cohort differences were due to the longer follow-up interval for Cohort 1. They were not, as restriction of the Cohort 1 regression to only predict employment within three months of exit produced little change in the exemption status or any other noted parameters.

**TABLE 25:**  
**SURVEYED TANF LEAVERS: STEPWISE REGRESSIONS PREDICTING UI-EMPLOYMENT USING BOTH ADMINISTRATIVE AND SURVEY DATA**

Statewide sample, admin. data: Dependent mean = .55; N = 39,019; R-squared = .27 Survey sample, admin. data: Dependent mean = .57; N = 682; R-squared = .34 Admin. plus survey data: Dependent mean = .57; N = 678; R-squared = .43		State-wide: Admin. Only "parameter estimate"	Survey sample: Admin. Only "parameter estimate"	Admin. plus survey "parameter estimate"
Category	Variable Description			
	Model intercept	.306	.254	.321
Demographics	Caretaker age in years	-.006		
	Caretaker age squared	.00004		
	Caretaker race is Black	.023		
	Caretaker race is Hispanic	.032		
	Two-parent family (TANF-UP)	-.062	-.111	
	Caretaker education of eighth grade or less	-.025		
	Caretaker has graduated from high school	.018		
TANF experience	As of last month on TANE, percent of time receiving TANF in prior 12 months	.050		
Employment services	Choices participation beyond assessment during prior TANF spell	.111	.120	
	Non-Choices employment services received during prior TANF spell		.140	.105
	Caretaker exempt from registration for employment services, due to caring for child	.029		
Employment	As of last month on TANE, percent of time employed (any earnings) in prior 24 months	.541	.596	.515
	As of last month on TANE, average monthly earnings over prior 24 months	.002		
Other benefits	Any Medicaid receipt during off-TANF spell	.021		
	Medicaid receipt for any children during off-TANF spell	.097	.131	.129
	Any subsidized child care receipt during off-TANF spell	.136	.229	.240
	As of last month on TANE, percent of time any children receiving Medicaid in prior 12 months		-.306	
Other programs	Percent of time child support payments received in 6 months following TANF exit	-.029		
County-level economic variables	Low population-density county (no MSA)	.016		
	Unemployment rate 2000 (%)	-.004		-.008
Survey: demographics	Married and living with spouse			-.124
	Widowed			-.270
Survey: income	Looked for work in the past 6 months			.090
	Income assistance from TANF in the past six months			-.082

**TABLE 25 (CONTINUED):  
SURVEYED TANF LEAVERS: STEPWISE REGRESSIONS PREDICTING UI-EMPLOYMENT USING BOTH  
ADMINISTRATIVE AND SURVEY DATA**

Statewide sample, admin. data: Dependent mean = .55; N = 39,019; R-squared = .27 Survey sample, admin. data: Dependent mean = .57; N = 682; R-squared = .34 Admin. plus survey data: Dependent mean = .57; N = 678; R-squared = .43		State-wide: Admin. Only "parameter estimate"	Survey sample: Admin. Only "parameter estimate"	Admin. plus survey "parameter estimate"
Category	Variable Description			
Survey: TANF	Exited TANF because of child support receipt			-.133
	Exited TANF because could not provide necessary documentation			-.227
	Returned to TANF because of divorce or separation			-.171
Survey: health	Children needed to see a doctor but couldn't afford to			.100
Survey: transportation	Reliability of usual transportation			.090
Survey: child care	Care for youngest child myself			-.123
	Youngest child cared for by babysitter or other nonrelative at that person's home			.117
Survey: dealing with problems	Family or friends have helped with transportation in past 6 months			-.089
	Over past 6 months, have lived with family or friends			-.073
Survey: Multiple areas	Experienced barriers to employment in two or more areas (child care, health, transportation)			-.092

Source: UTRMC regression analysis using administrative and survey data for families leaving TANF from July-September 2000.

### Combined Administrative and Survey Data

In order to combine administrative data with the data from the statewide survey of TANF leavers, the structure of the regression equation had to be changed to measure any employment occurring within a three-month period after TANF exit. Results from this analysis are presented in Table 25 and displayed for the following versions of this regression model:

- ★ Statewide universe of administrative data,
- ★ Statewide sample for which survey data were available but using only administrative data, and
- ★ Statewide sample using both administrative and survey data.

As discussed earlier, the universe of statewide data allows for an extraordinarily precise measurement of the relationship among variables. Comparison of results from that regression (column 1) with those of the surveyed sample using only administrative data (column 2) allows the reader to observe changes produced by sampling as well as this reduction in statistical power.<sup>54</sup> Most importantly, comparison of the last two columns reveals additional information from the survey that could not be measured by administrative data.

<sup>54</sup> Note that a smaller alpha level of .005 was used for column 1 and other statewide universe regressions in order to partially attenuate the power differential. See Appendix A, Section III for further discussion.

### ***Factors Associated with Increased Employment***

Regardless of the regression model used, over 55 percent of TANF leavers were employed after exit.<sup>55</sup> As found in the earlier model measuring employment, percent of time employed in the past two years was the strongest predictor of continued employment. Other major factors associated with higher rates of employment in the combined regressions were:

- ★ Use of subsidized child care after TANF exit,
- ★ Youngest child cared for by non-relative in that person's home,
- ★ Having participated in Choices while on TANF (administrative data only) or having looked for a job in the past six months (combined data),
- ★ Participation in non-Choices employment services while on TANF,
- ★ Having reliable transportation,
- ★ Medicaid receipt for children while not on TANF, and
- ★ Children needing to see a doctor but not being able to afford to.

Except for the last variable, all of these results support findings from earlier research and suggest that non-cash benefits for low-income families (child care, medical insurance, and transportation) all facilitate employment.

### ***Factors Associated with Lower Employment Rates***

Most of the variables associated with lower rates of employment came from the survey of these families and could not be measured solely from an analysis of administrative data. These additional variables increase the understanding of what is happening in the lives of the nearly 45 percent of TANF leavers who are not employed after leaving TANF.

Some of the factors associated with reduced probability of employment imply that former TANF caretakers were relying on a spouse or ex-spouse to contribute to the family's income through earnings, Social Security benefits or child support:

- ★ Being part of a two-parent family (administrative data), or more specifically, being married and living with spouse (combined data),<sup>56</sup>
- ★ Being widowed,
- ★ Having exited TANF because of receiving child support, or
- ★ Returned to TANF because of divorce or separation.

Some caretakers appeared to lack the necessary reliable supports needed to be consistently employed. The significant variables in this group included:

- ★ Cared for youngest child myself,
- ★ Family or friends helped with transportation in past six months,
- ★ Have lived with family or friends in past six months, or
- ★ Experienced multiple barriers to employment.

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<sup>55</sup> Because UI earnings data were only available through December 2000, employment could only be measured for the first quarter after exit. However, all other variables are either averaged across the six months after exit (administrative data) or recorded at some point in the six months after exit (survey data). These results could be improved with the addition of another six months of UI wage data when it becomes available.

<sup>56</sup> These two predictors are highly correlated ( $r=0.56$ ,  $N=678$ ) in the combined sample.

The significance of this last variable indicated that some barriers to employment, especially in the areas of child care, health, and transportation, can be much more detrimental to one's employment prospects when more than one such barrier is experienced. The resulting nine percentage point reduction in employment probability was due to a combination of barriers, which was measured separately from the effects of the individual barriers that contribute to this measure (see Appendix A, Section III for further discussion of this measure).

Finally, a small group of caretakers indicated difficulty meeting the requirements of the welfare program. Those caretakers who said that they exited TANF because they could not provide the necessary documentation also were less likely to be employed. While this condition was strongly associated with lower levels of employment, only three percent of surveyed leavers fell into this category.

## IV. FACTORS ASSOCIATED WITH TANF REENTRY

Two approaches were used to determine the major reasons why the families of former TANF recipients returned to TANF:

- ★ Regressions in which: 1) the probability of returning to TANF within six months of exit was measured for all families who had left TANF from July through September 2000, using both administrative and survey data; and 2) the monthly probability of returning to TANF was measured for all families who left TANF from April 1998 through June 1999 and July through September 2000, using only administrative data files; and
- ★ Responses to the question: "Why did you return to TANF" on the statewide survey of families who left TANF from July through September 2000 (asked of those families who actually had returned to the TANF rolls prior to being interviewed).

### Regression Results

Approximately 24-30 percent of TANF leavers returned to TANF within six months after leaving the rolls. To determine the factors that increased or decreased former recipients' chances of returning to TANF, regressions were run to predict probability of return within a six-month period.

#### Probability of TANF Reentry Within Six Months

Table 26 presents results from the regression model used to measure the probability of returns to TANF within six months following exit. This model was measured for both the statewide universe of TANF leavers using only administrative data and the sample of surveyed TANF leavers. Two versions of this regression were run on the sample dataset, one using only administrative data and another using both administrative and survey data.

#### *Factors Associated with Lower TANF Recidivism*

A number of the major factors associated with lower returns to TANF within six months after exit indicate that leavers with either stable employment or alternative sources of income are more likely to remain off TANF after leaving the rolls:

- ★ Current employment (measured by a survey item, not UI employment) (-25 percentage points),



- ★ Higher wages at TANF exit ( -1.4 percentage points for every \$100 per month),
- ★ Exited TANF because of getting married or another adult contributed money ( -23 and -15 percentage points),
- ★ Received larger amounts of child support in the six months following TANF exit (-6 percentage points for every \$100 per month).

Stability of transportation also allowed families to more successfully remain off the TANF rolls after leaving. Owning or sharing a car or truck reduced the probability of returning to TANF by ten percentage points in a six-month period.

Receipt of food stamps was found to have an interesting relationship to TANF recidivism because its effect depended on when the food stamps were received. Having a history of food stamps receipt before exiting TANF was positively related to recidivism (12 percentage points for those receiving food stamps in all of the prior 12 months). However, for those who received food stamps after exiting TANF (but before any potential return to TANF), an eleven percentage point reduction in likelihood of TANF reentry was observed. This suggests that at least some leavers are successfully using food stamps to prevent their having to return to the TANF rolls.

Two other factors associated with lower rates of return to TANF are a bit harder to interpret:

- ★ Caretaker education and work history indicate impediments to employment (-9 percentage points),
- ★ Caretaker refused to register for employment services (-13 percentage points).

It is likely that such caretakers did not leave because of employment and/or had no intention of becoming employed, even while on TANF.

Several other variables associated with lower rates of return to TANF (income from Unemployment Insurance in the prior month, assistance with telephone costs, exited TANF because obtained reliable transportation) occurred for less than five percent of all sampled leavers. Therefore, little attention should be given to the large regression coefficients for these variables.

### ***Factors Associated with Higher TANF Recidivism***

Those caretakers who were employed for a greater share of time in the two years prior to TANF exit were more likely to return to TANF than other caretakers (+22 percentage points). While this may at first seem counterintuitive, it should be noted that having current earnings and higher levels of earnings significantly reduced the chances of TANF recidivism (see above). Thus, controlling for current employment, the puzzling employment history effects could be interpreted as an indication that some people mix employment and welfare, and these higher reentry rates are a result of their frequent cycling between the two states.

Families who needed assistance with food or housing costs also appeared more likely to return to TANF:

- ★ Having received food assistance through the school lunch program (7 percentage points, but see Food Stamp effects below),
- ★ Assistance with housing costs in the past six months (11 percentage points).

**TABLE 26:**  
**SURVEY TANF LEAVERS: STEPWISE REGRESSIONS PREDICTING REENTRY TO TANF USING**  
**ADMINISTRATIVE AND SURVEY DATA COMBINED**

Statewide sample, admin. data: Dependent mean = .30; N = 38,746; R-squared = .11 Survey sample, admin. data: Dependent mean = .24; N = 681; R-squared = .13 Admin. plus survey data: Dependent mean = .24; N = 677; R-squared = .32		State-wide: Admin. Only "parameter estimate"	Survey sample: Admin. Only "parameter estimate"	Admin. plus survey "parameter estimate"
Category	Variable Description			
	Model intercept	.468	.251	.390
Demographics	Caretaker age in years	-.007		
	Caretaker age squared	.00007		
	Caretaker race is Black	.086	.094	
	Caretaker race is Hispanic	.016		
	Two-parent family (TANF-UP)	-.063		
	Caretaker education and work history indicate readiness for employment (tier 1)	.026		
	Caretaker education and work history indicate serious impediments to employment (tier 3)	-.042	-.096	-.087
	Age of youngest child on case	-.005		
	Number of children on case	.013		.028
TANF experience	As of last month on TANF, percent of time receiving TANF in prior 12 months	.040		
	As of last month on TANF, any workforce-related penalty received in prior 3 months	.026		
	Caretaker near TANF time limit (within 3 months)	-.040		
Employment services	Choices participation beyond assessment during prior TANF spell	-.037		
	Caretaker exempt from registration for employment services, due to caring for child	-.126		
	Caretaker exempt from registration for employment services, due to other reasons	-.091		-.104
	Caretaker refused to register for employment services	-.080	-.087	-.131
Employment	Earnings in exit month (monthly figure estimated from quarterly earnings)	-.012	-.020	-.014
	As of last month on TANF, percent of time employed (any earnings) in prior 24 months	.040	.227	.225
	As of last month on TANF, average monthly earnings over prior 24 months	.005		
Other benefits	Any Medicaid receipt during off-TANF spell	.190		
	Medicaid receipt for any children during off-TANF spell	-.191		
	Any food stamps receipt during off-TANF spell	-.018	-.131	-.109
	Any subsidized child care receipt during off-TANF spell	-.027		
	As of last month on TANF, percent of time receiving Medicaid in prior 12 months	.044		
	As of last month on TANF, percent of time receiving food stamps in prior 12 months	.104	.167	.118
	Any subsidized child care received during prior TANF spell	.036	.078	.083

**TABLE 26 (CONTINUED):  
SURVEY TANF LEAVERS: STEPWISE REGRESSIONS PREDICTING REENTRY TO TANF USING  
ADMINISTRATIVE AND SURVEY DATA COMBINED**

Statewide sample, admin. data: Dependent mean = .30; N = 38,746; R-squared = .11 Survey sample, admin. data: Dependent mean = .24; N = 681; R-squared = .13 Admin. plus survey data: Dependent mean = .24; N = 677; R-squared = .32		State-wide: Admin. Only "parameter estimate"	Survey sample: Admin. Only "parameter estimate"	Admin. plus survey "parameter estimate"
Category	Variable Description			
Other programs	Percent of time child support payments received in 6 months following TANF exit	-.056		
	Monthly average child support receipt for 6 months following TANF exit	-.040	-.069	-.060
	Substantiated investigations of abuse or neglect for any children	.682		
County-level economic variables	Low population-density county (no MSA)	.037		
Survey: demographics	Widowed			-.248
Survey: employment	Currently employed			-.252
Survey: income	Any income from Unemployment Insurance last month			-.198
Survey TANF	Exited TANF because got married			-.233
	Exited TANF because another adult contributed money			-.152
	Exited TANF because obtained reliable transportation			-.160
Survey: health	Needed to see a doctor but couldn't afford to			-.134
Survey: transportation	Own or share a car or truck			-.095
Survey: food	Received food assistance from school lunch program in past 6 months			.074
Survey: housing	Received any assistance with housing costs in past 6 months			.113
	Received assistance with fuel costs in past 6 months			.339
	Received assistance with telephone costs in past 6 months			-.183
Survey: child care	Youngest child cared for by babysitter or other nonrelative at that person's home			.138
Survey: dealing with problems	Over past 6 months, have been unable to afford rent			.081

Source: RMC regression analysis using administrative and survey data for families leaving TANF from July – September 2000.

Finally, certain types of child care situations also were associated with higher rates of TANF returns:

- ★ Having received subsidized child care during the prior TANF spell (8 percentage points),
- ★ Youngest child being cared for by nonrelative in that person's home (14 percentage points).

The child care findings suggest that the subsidized child care used for employment purposes is related to keeping families from returning (as shown in the regression run on the statewide universe) but that child care used for job search activities (a primary component of the Choices program) cannot be expected to produce similar effects. It is also interesting

**TABLE 27:**  
**REASONS FOR RETURNING TO TANF**

If you are now receiving TANF: Why did you go back on TANF? (“✓” all that apply):	
n = 155	
Lost job/laid-off job/stopped working	41.3 %
Needed Medicaid for self or children	36.1 %
Lost housing	20.7 %
Income dropped	18.7 %
Lost transportation/car broke down	16.8 %
Became pregnant/just gave birth	14.8 %
Became ill	14.8 %
Divorce/separation	12.3 %
Lost child support/stopped receiving child support	12.3 %
Needed to care for another household member	11.6 %
Lost child care	11.6 %
Other	29.0 %

Source: Statewide survey of families leaving TANF in July – September 2000

to note that having a child cared for in a non-relative’s home was associated with both increased employment and increased recidivism. This suggests that such care may not be stable over time.

Having received assistance with fuel costs also was related to higher rates of TANF recidivism but occurred for less than five percent of all caretakers. Families with more children were also more likely to recidivate (3 percentage points per child).

### Monthly Probability of TANF Reentry

The monthly regressions were run using only statewide administrative data because the statewide survey of TANF leavers only contacted former TANF recipients once in the six months following TANF. The results of this regression model were less than satisfactory and revealed little about the reasons that families returned to TANF. Most likely, this occurred because the factors that lead one to return to TANF require a longer period of time for their effects to accumulate. The model measuring returns to TANF within a six-month period is a better approach for answering the research question than a monthly model.

### Statewide Survey of TANF Leavers

Forty-one percent of the respondents who returned to TANF (155 of the mail-phone survey respondents altogether) reported that they returned, at least in part, due to job loss (Table 27). However, nearly as many (36 percent) said that they returned, at least in part, because they needed the associated services of Medicaid for themselves or their children. Qualitative interviews also suggested that some people returned to welfare in order to gain access to subsidized child care.

## V. REAL-LIFE STORIES OF FAMILIES BEHIND THE STATISTICS

The cases below are designed to highlight some of the issues that arise for families, as indicated by the preceding analysis. They also illustrate the complex situations many families face.

### Case 1: Making It on Low Wage Work – Doubling Up with Family

Ann's case illustrates some of the complex factors affecting welfare leavers. With a low level of education and no current access to services, she is still making it on a steady, low-wage job with some associated benefits. However, she can do so only because of a web of supports provided by family members. Because she pays no rent or utilities she is able to meet her other financial responsibilities. In this case, her strategy is only as stable as her sister's housing and financial stability. Ann herself has been on the job for a relatively short time.

Ann is a 22-year old woman who has been off of TANF for more than six months. She quit school after the 8th grade and has not pursued a GED. She has two children and is currently married although her husband is not the father of the children. Ann does not presently receive any type of government assistance.

Ann has lived in her current residence (her sister's apartment) for two months. She is employed full-time as an assembly-line worker making \$6.40 an hour with some medical and dental insurance provided through her job. She has been working at this job for six months. She owns a car (which is not insured) and drives daily to and from work.

Ann originally applied for government assistance when she was a teenager, pregnant and the children's father incarcerated. "I was struggling. I didn't have any financial help and I wasn't working," she explains. In addition to TANF, Ann received food stamps and Medicaid.

Because Ann lives with her sister (who herself lives in rent-free government subsidized housing), she does not pay rent or utilities. She has access to a telephone which her sister pays for. Her main monthly bills consist of a car payment (\$266/month), gasoline (\$20/week), a storage unit, and groceries (\$50/month). In the past month she has spent almost \$400 in car repairs.

Like many of the study participants, Ann has neither a checking nor a savings account. Also, not unlike many respondents, she is familiar with the loan function of pawn shops, having used them in the past as a source of immediate income. With most of the month's bills paid, Ann reports having a residual of around \$15 left at the end of the month.

Ann's prior job history, which includes short-term positions at temporary jobs, is sketchy at best. With her current financial responsibilities (no household bills such as rent and utilities), Ann barely makes ends meet. A change in just one aspect of her present condition (e.g., divorce, eviction, repossession of vehicle, loss of job, illness) would drastically upset the careful balance that characterizes Ann's present situation.

### Case 2: Making It on Low Wage Work – Family-Provided Child Care

For Lucia, on a limited income, child care costs for two preschool boys would make it impossible for her to maintain her family on a low-wage job. However, Lucia's family helps her by contributing to her expenses, forgiving her rent, and providing low-cost child care, and assistance with transportation. With this help, she is still subject to frequent emergencies.

Lucia lives in a house owned by her parents next to the house she grew up in. The rent would be \$200/month if she paid it, but she seldom does. She is 25 years old, divorced, and has two boys, aged two and five years old. Lucia graduated from high school and started college, with an interest in teaching and a desire for certification. However, she dropped out of college during her first year when she became pregnant. She went on TANF when her husband left her. He took their car, and left her with a number of unpaid bills. Since then, she has received a couple of months of child support (at about \$250/month). After her spell on TANF, she worked for a direct mail order service, making \$6.00 an hour. During the first six months on the job, she was in a probationary period with no benefits. Just as she was scheduled for permanent status and a raise, she was laid off and collected unemployment.

Now she works for a day care center. She works full time at a salary rate of \$5.75 an hour. She is able to make this work out because of a variety of kinds of assistance she receives. A local community organization helped her with utilities for one month. Her mother and sister help her with child care, and she pays her mother fifty dollars a week in turn. If her mother cannot take care of her children, other family members will help out and take them.

She hasn't owned her own car since her husband's departure. However, she uses her brother's car to get to work. Even with her own transportation, work is 30 minutes away. She is responsible for repairs to the car. When it breaks down, her brother or parents pay for the repairs, and she pays them back. Right now, she owes them \$1,300 in repairs. One of her other brothers or sisters or her parents will let her use a car when her regular one is under repair. She was on Medicaid, but now gets a free annual physical from a local Planned Parenthood. Her children are on Medicaid.

When a major emergency occurs, her family helps out. For instance, last year during the storm season, the roof of the house fell in. Her family repaired it. Sometimes, bills do get ahead of her. In the past six months, she has run out of food, had her utilities and phone turned off, and been unable to get medical assistance she felt she needed.

### **Case 3: Cycling On and Off TANF – Finding Other Sources of Support**

Dee, working as a nurse's assistant, has cycled on and then off TANF. She sees herself as at risk of another cycle on. While she concentrates on trying to make her rent and maintain her truck, she is unable to get the health care she and her children need, and she is currently without regular public or employment-based benefits. While Dee receives some help from her family, unlike Ann and Lucia, such assistance is primarily limited to emergencies and one-time help. Dee uses services from agencies such as food banks, a clothing program, and a local clinic to get what she and her children need. She has cycled on and off TANF once and anticipates having to do so again, since even a minor emergency might overturn her precarious financial situation.

Dee is 33 years old with some college – she has an associate's degree as a certified nurse's assistant. She has four children, ages 5, 7, 9, and 12. She would like to get more education, but she doesn't have the time – any time when she's not working is devoted to her children, "If I'm not there to make sure they're doing their stuff, then I'm cheating them. I had my chance to do my stuff, and I didn't do it right. I'm cheating them by not making them do theirs right. I don't have the time to go to school." Her children are all in school, and a long-term friend helps her by watching the children after school.

Dee has worked most of her life; however, “I had a bad year with my job, so I went on TANF.” While it was hard to make it through the bad patch even on TANF, Dee was on only a matter of months before she found a new job. She enjoys this job, which involves medical care for people with mental retardation, but has to work a rotating shift. The job also demands a great deal of overtime work. The overtime pay is welcome, but the shifting and variable hours are difficult for a mother who depends on friends for child care assistance.

She just started her current job a few months prior to the interview. She believes that she has to be at work for three months and then her children will be eligible to go on Medicaid. She did receive one payment of emergency food stamps, but was then told she was ineligible for further food stamps. She also has been told that she owes the TANF system money. She had turned in her pay stub when she first started work, but the correct amount of her earnings had not been typed into the computer, and she received too much TANF. She expected to be eligible for job-related employee benefits in another month. She was uncertain exactly what the benefits were, but her employer demands an employee contribution from her of \$80/month.

She receives assistance from family members. An aunt buys school clothes and supplies for some of the children. Family also takes over the children in an emergency. She also receives assistance from other organizations. In the last six months, she has been to two different food banks. She has also received local agency help for children’s school clothes. She has pawned many of her possessions, including most of her electrical appliances.

She is having trouble getting the health care her children need. No one in the household is on Medicaid, and the free clinic she used to use has a new co-payment policy which demands at least a five dollar co-payment from everyone.

She has been focused on keeping her house, and keeping her truck. Her house rental costs her \$500/month. Her truck, including insurance and upkeep comes to almost \$100/month. These two, together, are more than half of her take-home pay. She worries that her children cannot participate in sports because she cannot pay for any equipment, dues, or other fees connected with their sports activities and she does not have time to be a real parent-participant. She also worries that an emergency could lose her the apartment lease, her truck, or her job.

#### **Case 4: Cycling On and Off TANF – Problems with Child Care**

Many of Judy’s problems revolve around her child care needs. With three young children, her child care situation is always complicated. She has difficulty accessing the CCMS system effectively, and she is in and out of employment depending on her ability to match the child care she can arrange to the hours of work offered her.

Judy, in her twenties, and with three children, left TANF when she got a new job at a hospital food service. She started working a late shift from three in the afternoon until seven in the evening. She was able to work these hours because the children’s father, still involved with them, picked up her son at day care (which closed at 6:00) and met the girls after school. However, very recently, she has run into difficulties. The children’s father himself got a new job, and he can no longer provide child care during Judy’s working hours. She had to resign her position, since they had no morning positions, except one that started at 5:00 a.m., before the buses begin running in her neighborhood.

Meanwhile, the children’s father has loaned Judy a car for work, and she is waiting to see if her supervisor will take her back for a 6:00 a.m. – 2:00 p.m. position. The supervisor is on vacation right now, so Judy is waiting for him to come back to learn whether she has a job.

Judy's relationship with CCMS, the program that pays for her son's child care, is also confusing to her right now. While she receives support for her son's child care, she has been found in arrears of nearly \$600 in overpayments she received some time ago when her daughters were in child care. She had changed jobs a couple of years ago and had not realized she had to report the job change to the CCMS system. She is now on a payment plan with CCMS paying back \$20/month.

Before she had access to a car, her travel for household errands was constrained by the need to manage her three children. "Usually when I take them with me, I'm just going to go get a few things like some milk... I would take the girls with me to help me because they are a big help. They would carry the light bags and I would carry the heavy bags. We'll take my son's stroller, put him in the stroller, have groceries in the stroller and go on down the street. We'll make it on to the bus stop, get on the bus and you know, that's how we make it home. [A large] grocery shopping, I would wait until my mother's off and she'll take me grocery shopping or I'll use her car."

In an emergency, Judy can take her children over to her sister's house. "She'll keep them for me. She has a nine year old that just loves my son so she's a big help too." However, in spite of the highly valued assistance from CCMS, Judy's child care arrangements are stretched by the demands her job and her household responsibilities put on them.

## Case 5: Embedded in Family – and Finding Formal Sector Child Care

Rita left TANF when she got a job. Like many other recipients, Rita's ability to leave TANF depended on getting a job, but keeping the job means arranging for child care, transportation, and additional supports to allow her to support her family. She located a job that provides low cost child care and lives with her parents, who offer her a great deal of assistance in addition to low rent. Several women like Rita combined extensive support from family with at least one additional source of strong support, in her case, access to formal child care at a low cost. This combination provides greater levels of support but also multiple points of vulnerability. If Rita has trouble on the job, she also puts her child care at risk. She is also dependent on her parents' good health and financial stability.

Rita is 30 years old and has three girls, a four-year-old, a two-year-old and a baby of eight months. They live with Rita's parents, and she pays \$200 in rent. She left TANF about a year previously when she began working at a day care center. She can manage the job with her three children, in large part because the center offers a large discount for her child care for all three of them. She pays \$115/month. None of the children are in Rita's own group right now (18-24 months), but they all go to the same facility. She is at work by 7:30 in the morning and works until 5:30 or 6:00 in the evening.

Her job is near her father's workplace, so he drives everyone over to the child care center. Rita has no independent transportation and does not know how to drive. At the end of the day, she walks home with the children, or calls her parents for a ride home. The two older children are only in a half-day program most of the time. Rita's parents bring them over to their house, or else Rita uses her lunch hour to walk them the 13 blocks. Her baby presents a problem at the day care center, because she cries whenever she spots her mother.

Rita receives a lot of additional support from her parents. Sometimes, when she comes home, her mother has already prepared dinner for herself, her husband, and Rita's sixteen-year-old brother. She often includes Rita and her children in the meal plans. Rita's mom, however, works as a cook at a restaurant, and is not always available to help out.



Rita had originally gone on TANF when she was trying to complete her schooling. Once she was on TANF, her check was reduced by \$78. Rita never understood why the money had been taken out, but she suspected it might be related to the information she provided about child support. She had sent what she had, and, indeed, the father of her middle child is paying child support erratically. Furthermore, Rita had trouble making an appointment at the office to report her new job, and, as a result, received an extra month of TANF, which she is now being asked to re-pay. While she was eligible for TANF and Medicaid, she understood that she was not eligible for food stamps.

## **Case 6: Unemployed and Married After TANF**

Carla, age 35, has four children, all under seven years old. She is married and living with her husband, who is the father of her youngest child. He has a regular full-time job. Her husband's job has made it possible for Carla to stay home with her young children by providing a stable income. She stopped receiving welfare at the time of her marriage.

In spite of her husband's stable income at just under nine dollars per hour, Carla is concerned about how to manage. She is concerned because none of the fathers of her other children are contributing child support. She has approached the Attorney General's office for assistance, and she has been to obtain a court order for one of the fathers, but she has, as yet, received no payments.

Her husband's employer will provide access to health insurance for her, her husband, and her husband's child, but not the other children. However, her Medicaid coverage for these children has stopped, and she is accumulating some medical debt. She does not understand why the Medicaid coverage stopped or what she should do about it.

She has received food stamps and she has talked to neighbors about other services. As a result, she is getting assistance with school supplies and school clothes, as well as with utility payments.



## Conclusions and Policy Implications

The purpose of this research was to determine how low-income Texas families are faring in the wake of a series of welfare reform initiatives initiated over the past six years. While not a formal evaluation of any specific welfare reform policies, the use of a variety of research methods, data sources, and time periods allowed the research team to form a clearer picture of families' conditions and reactions to the new policy environment than was possible from earlier research.

This chapter first presents overall conclusions developed from all of the research questions included in this study that are supported by one or more of the research methods employed. Then, the relevance of these research findings to current policies is explored. Finally, an assessment of the value of current welfare reform policies for low-income families is discussed, along with implications for future changes in the TANF program in Texas.



# I. CONCLUSIONS

These conclusions are drawn from the research questions answered by this study. While they roughly follow the research questions, some of them are drawn from across several of the research questions.

## Comparison of Divertees and Leavers

Differences in the characteristics, participation patterns, and employment of divertees and leavers could be observed from the month-to-month analysis of administrative data at the time of the event. However, a closer look at the long-term program participation patterns for these families, supported by findings from the statewide survey of leavers and the qualitative interviews, revealed that many of these families move back and forth between applying for, receiving, or leaving TANF as their family economic situations improved or declined. In all cases, persons who came to the DHS office to apply for welfare benefits had experienced a reduction in earnings in the quarter of their application, regardless of the subgroup to which they belonged. Although it would be possible to focus on small differences among subgroups of divertees or TANF leavers, all of these families belong to a larger group of low-income families at risk of needing assistance from TANF when their family or economic conditions worsen.

One major difference between applicants – whether they ultimately are diverted from TANF or enter the TANF rolls – and TANF leavers was the differences in their participation in other programs for low-income families. In all cases, TANF recipients were more likely to participate in assistance programs (e.g., food stamps, Medicaid, child care) than were families not enrolled in the program. In some cases, (e.g., child care, caretaker Medicaid) this was due to policies that give priority to TANF recipients or those who have recently left TANF. In other cases, (e.g., children’s Medicaid), families did not realize that they are eligible for those programs when they are not receiving TANF cash benefits.

Typically, within six months of the diversion activity, families resumed similar levels of TANF, Medicaid, Food Stamp participation, and earnings they had experienced six months prior to diversion.<sup>57</sup> These patterns suggest that diversion policies had little long-term effect on the lives of the affected families.

Aside from the differences noted above, other conclusions to be drawn from this analysis apply equally to both divertees and TANF leavers at different times in the study period. Thus, the following conclusions will focus on all populations either at risk of going onto TANF or those who actually have used TANF and left the rolls.

## Participation in Government Programs

Families’ participation in programs for which families apply at the DHS office – TANF, Medicaid, and food stamps – rose and fell roughly in proportion to the periods in which families applied for or received TANF. Even though most families should have remained eligible for food stamps or children’s Medicaid while not on TANF, enrollment in those programs declined substantially for significant numbers of families when they were not on TANF. While small numbers of families said they didn’t want food stamps or simply found the paper-

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<sup>57</sup> Due to program restrictions, this trend took a little longer to occur for one-time recipients.

work and bureaucratic demands of application too high, a far larger number of households reported their beliefs that they were ineligible or that food stamps had just stopped. While recent initiatives to publicize families' eligibility for those benefits may remedy this situation, these initiatives did not take effect in time to be measured by this study except in a minor way.

Participation in other programs designed to assist with the employment of TANF recipients (such as Choices and subsidized child care) increased for the later group of TANF leavers. However, families diverted from TANF prior to entry found it far more difficult to gain access to subsidized child care, which could have helped those families avoid entry onto the TANF rolls at all.

## Economic Well-being of Families

The most typical job for TANF leavers and for those recently employed and now on TANF was characterized by a relatively low wage (between minimum wage and \$8/hour), relatively short job tenure (on the order of 6 months), and with few available benefits. In those cases where household income was substantially above that provided by such a job, interview respondents described one of two scenarios:

- ★ Respondents were likely to have some education beyond high school, either some college or participation in a technical program,
- ★ Respondents were likely to have married or were cohabiting with a partner who provided a higher and more stable income.

For all families, earnings generally increased over time but still remained at or near the poverty level eighteen months after TANF exit or diversion.

When available to these families, some other economic supports – such as subsidized child care, child support, or tax rebates from the Earned Income Tax Credit – substantially enhanced the value of a TANF caretaker's earnings. However, less than 20 percent of all caretakers received any income from subsidized child care or child support and only three percent of surveyed leavers indicated that they had received payments from the Earned Income Tax Credit in the preceding six months. (Another group may have received such payments in the preceding year.)

Many low-income workers also received assistance from family and friends, as well as some local programs. However, informal assistance was not necessarily stable, and the short-term assistance of the local programs did not necessarily meet all needs not provided by the job.

## How Families Manage

One third of the interviewed families reported multiple barriers, which made it more difficult for this group to remain off TANF. The presence of any one barrier (such as problems with transportation) often hampered families' efforts to access services (such as medical care or child care) that would assist in meeting other barriers.

Families relied upon several types of resources. For most low-income families, a job was the primary economic resource. When jobs failed, the earners often returned to TANF. However, a number of families combined low-wage employment with government supports, such as public housing, food stamps and Medicaid for their children. They also used community-based services for emergency services such as assistance with rent and utility bills, emergency food, emergency health care and regular check-ups. A substantial share depended on relatives and

friends for assistance with housing, food, and child care. Relatives took care of their children, provided meals, and provided transportation. Many families doubled-up in their housing or received assistance with rent. Workers who depended on informal networks or emergency services had a harder time maintaining employment.

## How Families Feel About the Government Programs

While respondents in the eight interview sites reported a range of feelings towards welfare workers and regulations, overall, they valued the services highly. They spoke with appreciation, particularly about Medicaid and food stamps. While the cash benefits of TANF were also valued, families saw TANF as less comprehensible and reliable than non-cash benefits.

Both leavers and divertees were confused about many aspects of the welfare system. They were not clear about differences in eligibility for TANF and Medicaid, and, to a lesser extent, food stamps. They also did not fully understand the reasons for TANF denials or reductions in payments.

## Reasons Families Leave and Return to TANF

The primary reason that families left TANF was employment. The other most frequent reasons that families ended their TANF participation were either an increase in other sources of income – primarily from marriage or child support – or the inability or refusal to adhere to the welfare reform program rules. A clearer view of the lives of non-employed TANF leavers was possible from the current study than from earlier studies that relied solely upon administrative data.

The likelihood of employment for TANF leavers was highest for those persons with prior work history. The services designed to increase employment for TANF recipients – subsidized child care, having participated in Choices, or having looked for a job – also increased adults' chances for employment, as did reliable transportation and children's Medicaid receipt. Families who received welfare reform penalties or did not participate in employment services (when viewed from administrative data only) or those who could not provide the necessary documentation (when viewed from families' perspectives) were far less likely to become employed than other TANF leavers.

A significant share of TANF leavers (26-30 percent, depending on the cohort) returned to TANF within six months after exit, the most vulnerable time period during which former TANF recipients return to the welfare rolls. Those families with a prior history of employment were more likely to return to TANF than those whose income increased for other reasons or those who could not or would not comply with the TANF program rules. Many of the same factors that increased TANF leavers' chances of employment were also positively related to their returns to TANF.

When taken as a whole, these findings suggest an array of things that work or do not work in getting families to leave TANF successfully. Things that work include:

- ★ A stable job with higher (or increasing) earnings,
- ★ Access to stable child care and transportation, or
- ★ Other means of financial support (e.g., from marriage or child support).

Other conditions may help TANF recipients temporarily leave TANF but do not appear to

enable these families to stay off TANF for more than a few months. These include:

- ★ A low-paying job without additional services that support employment,
- ★ Reliance on informal child care, or
- ★ Reliance on others for assistance with food or housing.

## II. POLICY IMPLICATIONS

From this detailed analysis, the importance of a number of current policy initiatives could be felt in families' lives, in both positive and negative ways. Many of these policies resulted from welfare reform but others have been in place for many years.

Throughout this study, both differences and similarities to the pre-welfare reform period were observed. Far fewer families are using TANF than used AFDC in the pre-welfare reform period, some due to increased employment and other economic supports but others because the welfare rules seem onerous to them. There are fewer long-term cash welfare recipients now than in the early 1990s and a somewhat larger share of families who cycle between work and welfare.

Except for those families leaving TANF due to welfare reform requirements, reasons for exits from and returns to welfare (employment and change in family structure) have not changed, nor have the factors influencing the success or failure of welfare exits. A number of policies hold the prospect for higher family incomes than in the earlier time period but limited funding or limited knowledge of their availability by former recipients has not allowed these initiatives to reach their full potential in helping all former welfare recipients to improve their economic well-being.

Specific welfare-related policies affected families in both positive and negative ways. These are highlighted below, along with a brief discussion on each concerning issues that arose during this research. Because prior employment was the most powerful predictor of leaving and staying off TANF, those policies that successfully supported employment had significant influence in when families left TANF and how long they stayed off of TANF.

### Policies That Aided Families' Income or Employability

- ★ **Availability of Subsidized Child Care.** Child care subsidies were highly valued by families, and the availability of regular child care was a predictor of continued employment. The need for a subsidy sometimes caused a return to TANF. Families without access to subsidies rarely used formal child care arrangements. Informal care, often offered by relatives, was highly valued, but could fail due to the caretakers' ill health, new employment, or disability. Families without informal resources and lacking child care subsidy were restricted in their employment and occasionally depended on the children's self care.
- ★ **Medicaid Benefits When Not on TANF.** Caretakers who could access health benefits for themselves and their children were more likely to sustain employment. The need for health insurance, particularly for the treatment of newly diagnosed chronic conditions, was one cause for return to TANF. Furthermore, health problems were a major factor in loss of employment and return to TANF. Only in some cases could caretakers access transitional Medicaid benefits for themselves.
- ★ **Services Through the Choices Program.** Participation in the Choices program was a predictor of post-TANF employment. Caretakers acknowledged the importance of training and job search services.

## Policies That Hampered Efforts

- ★ ***Families' Reports of Eligibility Restrictions on Anyone who Co-signed for Car Loans.*** In some counties, caretakers who assist family members by co-signing notes for car loans were counted as car owners, and that ownership made them ineligible not only for TANF, but also for food stamps. Access to food stamps can assist families in maintaining employment and staying off of TANF.
- ★ ***Limited Options for the Development of Stable Transportation.*** In general, problems with transportation were significant predictors of job loss. According to respondents, problems with transportation also made it harder to access other support services. Larger allowances for car ownership, as well as allowances for travel costs, could be useful to low income families.
- ★ ***Paperwork Requirements of the Eligibility Procedure, Re-certification, and Personal Responsibility Agreement.*** TANF leavers and divertees receiving support services, such as Medicaid and food stamps reported that requirements for re-certification often interfered with their work requirements.

## Existing Policies or Programs Need More Public Awareness

The following policies have the potential to assist families leaving or diverted from TANF. However, families often had limited information in these areas and were not utilizing services for which they may well be eligible.

- ★ Children's Medicaid and food stamps not linked to TANF receipt,
- ★ Availability of Earned Income Tax Credit.

## New Initiatives That Could Not be Fully Assessed in this Analysis

Several new initiatives were initiated after the beginning of the study. Based on the research findings, they are worthy of further study at some future date.

- ★ Earned income disregard that allows families to keep a greater share of earnings in their first months of employment,
- ★ Publicity efforts to inform families that children's Medicaid and food stamps are not linked to TANF receipt. Many caretakers assumed a link between TANF, on the one hand, and Medicaid and food stamps, on the other hand.

## III. FUTURE DIRECTIONS

Within the coming year, two key events will affect the Texas TANF program: 1) the expiration of Texas' welfare waiver in March 2002; and 2) the re-authorization of TANF legislation by the U.S. Congress. These occurrences both provide an excellent opportunity to assess which of the various welfare reform initiatives implemented over the past six years have worked and which have not. This study provides ample evidence for such an analysis and points to future changes that could support families in their quest for economic security while removing some provisions that have not achieved their intended objectives.

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# APPENDICES



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# APPENDIX A



# **Appendix A:**

## **Research Methods**

This first section of this appendix provides more detailed information on the study components and time periods covered. Additional sections, included below, detail the research methods used in the administrative data, mail/phone survey, and the intensive interview portions of this study.

### **I. Overview of Study Components and Time Periods**

Table A-1 summarizes the study components and the time frames relevant to each component.

### **II. Administrative Data Research Methods**

This section of the appendix provides more detailed information on the administrative data analysis component of this study. Included are descriptions of data sources, techniques used to create research datasets, variable definitions, and details of certain analyses that supplement those reported in the main paper.

#### **Data Sources**

This section provides details of the source data collected from each supplying agency.

**Table A-1:  
Texas Families In Transition: Surviving Without TANF Study Components**

<b>Population</b>	<b>Time Period of Event</b>	<b>Research Approaches / Data Sources Used</b>	<b>Geographic Coverage</b>	<b>Total Number</b>
<b>Divertees:</b> Redirects	April 1998 - June 1999 (Cohort 1)	Descriptive analysis using administrative data 2 years prior through 18 months after event	Statewide universe	43,476
		Qualitative analysis using intensive interviews occurring sometime in 15 months after event	Sub-state sample in Bexar, Cameron/Hidalgo, Hale, Harris, Jasper, and McLennan counties	158
<b>Divertees:</b> Applicants denied for non-financial reasons	April 1998 - June 1999 (Cohort 1)	Descriptive analysis using administrative data 2 years prior through 18 months after event	Statewide universe	85,854
		Qualitative analysis using intensive interviews occurring sometime in 15 months after event	Austin and El Paso	34
<b>Divertees:</b> One-time lump sum recipients (from ACT evaluation) <sup>†</sup>	April 1998 - June 1999 (Cohort 1)	Descriptive analysis using administrative data 2 years prior through 18 months after event	Statewide universe	1,791
		Qualitative analysis using intensive interviews occurring sometime in 15 months after event	Sub-state sample in: Bexar and Cameron/Hidalgo counties	58
<b>TANF Leavers</b>	April 1998 - June 1999 (Cohort 1)	Descriptive analysis using administrative data 2 years prior through 18 months after event	Statewide universe	143,491
		Qualitative analysis using intensive interviews occurring sometime in 15 months after event	Sub-state sample in Bexar, Cameron/Hidalgo, Hale, Harris, Jasper, McLennan	189
		Econometric analysis using administrative data only	Statewide universe	
<b>TANF Leavers</b>	July – September 2000 (Cohort 2)	Descriptive analyses		
		a. administrative data 2 years prior through 6 months after exit	Statewide universe	23,113
		b. telephone/mail survey within 6 months after exit	Statewide sample	723
		Econometric analysis		
a. administrative data only	Statewide universe			
b. combination of administrative and survey data	Statewide sample			

<sup>†</sup>Achieving Change for Texans (ACT) is Texas' welfare reform program.

## **Department of Human Services (DHS) Data**

The primary data source for this study was the DHS SAVERR data system, the main repository of client and case information over time. Periodic and transaction-based extracts from this system were used to define the research groups as well as a number of outcome measures. These data sources included:

- TANF, Food Stamp, and Medicaid client strip tapes, serving as monthly snapshots of the case and client loads of these programs;
- Cumulative warrant files containing historical records of actual cash assistance paid to cases, whether by check or by electronic benefits transfer (EBT);
- Transaction files describing the disposition of TANF applications and recertifications, as well as other case changes;
- Texas Works (form 1181) files, containing information completed by everyone entering a DHS office with the intent of applying for benefits to aid in the support of their children; and
- One-time files, containing information on all clients who have received one-time benefits since the inception of this program.

With few exceptions, the effective dates of these DHS data sources covered the time period from April 1996 through at least March 2001.

## **Texas Workforce Commission (TWC) Data**

As the administrator for the Unemployment Insurance (UI) program, TWC maintains a wage database system that contains reported employee wages by employer by calendar quarter. The data identify employees by social security number (SSN). RMC researchers used these data to measure employment and earnings.

TWC has also been responsible for the administration of subsidized child care (SCC) since September 1996. In order to model the use of SCC, RMC requested child care payment administrative data from TWC. Case and individual level data requested regarding SCC included, but was not limited to: (1) spells of SCC receipt, (2) number of children receiving SCC, and (3) costs of subsidized care.



TWC is also the source of Choices<sup>1</sup> participation administrative data. These client-level data include monthly tallies of actual hours of participation in each Choices component activity. However, the Choices program is not the only source of education, training and job search services that are available to indigent unemployed persons. Other programs administered by TWC offer similar services. The TWC programs for which workforce participation data were collected included: 1) Job Training Partnership Act (JTPA) data (through June 1999), which was then replaced by Workforce Investment Act (WIA) data from July 1999 onward; and 2) Welfare-to-Work (WtW) program data.

The effective dates of these TWC data sources covered the time period from April 1996 through December 2000 (UI wages), or through March 2001 (SCC, Choices and other workforce data).

#### **Office of the Attorney General Data**

In Texas, the Office of the Attorney General (OAG) has been assigned the responsibility for helping the custodial parents collect child support from the non-custodial parents of their children. The OAG has developed automated data systems to facilitate the administration of this program. Data extracted from these systems include detail on case status and demographics, amounts of support paid by non-custodial parents monthly, and share of the support collected that is disbursed to the state and custodial parent. The data are keyed to both SSN and TANF client number when applicable.

The effective dates of these OAG data sources covered the time period from September 1997 through March 2001.

#### **Department of Protective and Regulatory Services (DPRS) Data**

The Department of Protective and Regulatory Services (DPRS) provided data concerning 1) substantiated instances of child abuse and/or neglect, and 2) foster care placements made for children of study participants. The data are keyed to child SSN and TANF client number when available.

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<sup>1</sup> The Choices program replaced the Texas JOBS program.

The effective dates of these DPRS data sources covered the time period from September 1997 through February 2001.

## **Creation of Research Data Sets**

To conduct the analysis of most outcomes, RMC researchers linked and merged data files from the disparate data sources noted here. The first step in pulling these data together was to use TANF monthly case/client files, together with transactions, one-time files, and Texas Works data, to define the groups of interest. A listing of the identifiers (SSNs and client numbers) of all statewide members of these groups was compiled. This identifying information was then used to create subsets of data from each source to be used by the relational data engine.

## **Definition of Research Groups**

### ***Diverted Groups***

Those diverted from TANF consisted of redirects, those denied for non-financial reasons, and one-time recipients. These subgroups, as well as their comparison group (TANF entrants), were defined in relation to the month in which clients entered a DHS office and/or applied for benefits. This month is referred to as the ‘focal month.’<sup>2</sup> The aggregate applicant population, from which the subgroups were drawn, was created by combining the Texas Works data (completed by nearly all entering the office) and one-time client data together with all new applications for TANF or TANF-UP cases. For every client who walked into an office or filed a new application, group membership was determined by his or her presence and/or absence in one or more of these files as well as the monthly client files.

In the definition of the diverted groups, individual clients were allowed to be members of more than one diverted group, provided they met all other criteria for group membership. Thus, for example, a person who was designated a redirect in month one

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<sup>2</sup> The fact that divertees’ focal month was defined around the point of filing an application, and not the month the application was acted upon, explains seemingly strange results in some charts whereby, for example, TANF entrants do not approach 100 percent TANF receipt in the month after application.

for not having filed an application could be an applicant denied for non-financial reasons in month three, and a TANF entrant (comparison group) in month six. Of course, by definition, one could not be a member of multiple groups for the same focal month of application/redirection. Thus, clients are only potentially duplicated at different points in time. This does not pose an interpretational problem when one considers the highly cyclical nature of TANF receipt in Texas. Because the unit of analysis is the person-month, and members of this population can vary greatly in their characteristics from one month to the next, most members *should* be included in more than one group. On the other hand, it is not appropriate for a client to be included multiple times in any one group, so only the first instance per person of redirection, non-financial denial, one-time receipt, or TANF entry was counted.

### *Redirects*

Membership in the group of *redirects* was determined first by selecting all who entered a DHS office, completed a Texas Works form (1181), and responded to the first question: “I came to the office today because I need help,” by selecting the box for “supporting my children.” Also included were a small number of clients who gave free-form responses to this question and included some form of the word support within their response.<sup>3</sup> This screen was applied to minimize the possibility that the redirect group contained those who were principally concerned with employment, food, or medical expenses. This list was then linked to transaction records to remove anyone who filed an application for TANF, TANF-UP, or one-time benefits in the same month. All who remained were designated as TANF redirects.

### *Non-financial Denials*

Another form of diversion consisted of those who completed a TANF application but were denied for non-financial reasons. Identifying and other information on these individuals was sparse (see ‘missing data’ below).

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<sup>3</sup> In the earliest versions of this form, this question allowed only a free-form response, and in later versions, free-form responses were allowed next to a box marked other. In either case, the existence of the word “support” was deemed an indicator that a client was likely to apply for TANF.

### *One-time Recipients*

Those applicants who elected to receive a \$1,000 payment in exchange for remaining TANF ineligible for one year were included in the group of divertees known as one-time recipients. Since they did not enter the active TANF caseload and were not necessarily on food stamps or Medicaid, demographic data were sparse on this group as well.

### *Comparison Group - TANF Entrants*

The final group, included for comparison purposes, consisted of the primary caretakers on new applications that were approved for entry into the TANF or TANF-UP caseload.

### *TANF Leavers and Recipients*

Unlike the diverted research groups, TANF leavers and recipients were defined in terms of two cohorts. The larger first cohort of leavers, of primary interest to this study, consisted of those whose last month in a spell of TANF receipt fell between April 1998 and June 1999, inclusive. Members of the second cohort of leavers last received TANF between July and September 2000. This second cohort, meant to capture leavers who would also be targeted for sampling in the statewide phone/mail survey, was included in the study design primarily for purposes of combining the survey and administrative data. An added benefit of a second cohort is that it enabled researchers to assess how the dynamics of welfare receipt had changed following several important policy revisions that occurred in late 1999. First and second cohorts of recipients consisted of those who received TANF at anytime within these same date ranges.

### *TANF Leavers*

TANF leavers were defined as the primary caretakers of TANF-basic or TANF-UP cases that were denied or otherwise became inactive for two consecutive months. Those cases that did not have a caretaker, known as child-only cases, were excluded from the definition of leavers. This resulted in 17.5% of the first cohort and 21.9% of the second cohort of leavers being dropped from analysis. Although this is a substantial

reduction, these child-only cases present a special problem for analysis, and arguably deserve a study unto themselves. As in the definition of divertees, only the first instance per person of leaving TANF was counted within a cohort, but leavers were allowed to contribute data to both cohorts. For all leavers, the focal month, or month of exit, was designated as the first of two consecutive months without TANF receipt.

### *TANF Recipients*

TANF recipients were defined as the primary caretakers of active TANF-basic or TANF-UP cases. They were included in the study solely for purposes of exploring factors associated with exiting from TANF. Thus, they did not have a focal month about which their outcomes could be organized, and were not included in any of the descriptive tables. As with leavers, child-only cases were also excluded from the definition of recipients.

### **Key Identifiers**

Due to the fact that members of several groups of divertees were not necessarily ever on active cases, they may not have had DHS client numbers assigned. Instead, the social security number (SSN) was chosen as the key variable, both for creation of person-month datasets as well as for linking to UI wage and other non-DHS data. While this necessitated the removal of a number of clients who never provided a valid SSN, it carried multiple benefits from improving the linkage to external data sources to eliminating duplication caused by issuance of multiple client numbers to the same person. The topic of missing SSNs is discussed more fully in the ‘Analysis Details: Missing Data’ section below.

### **Use of Relational Data Engine**

RMC researchers created a relational data engine that tied together several individual and case-level datasets to produce flat person-month and person-quarter files for analysis. As suggested above, the unit of analysis was SSN-month. A one-to-many relationship was thus maintained between SSN and client number for DHS data sources,

with safeguards added to verify that multiple clients using the same SSN were the same person.

One unintended side-effect of using SSN as the key caused a handful of seemingly inexplicable findings for certain groups, particularly in the charts showing receipt of TANF or Medicaid over time. For example, a small percentage of those categorized as denied for non-financial reasons are shown as receiving TANF in the same month. This and other results that one would expect to approach 100 percent or 0 percent are likely due to the fact that one person (with only one SSN) occasionally has records under multiple client numbers simultaneously.

## **Variable Information and Definitions**

### **Types of Outcome Variables**

#### ***Percent-of-Time Measures***

Various outcomes were summarized by computing the percent of time spent in a given state (e.g. employed). This was done by computing a variable at the person-month level that takes the value of ‘one’ for months in which the person is in the state, and zero otherwise. The mean of this variable over an interval (e.g., the 24 months before a leaver exits), provides an estimate of the percent of time spent in this state. A number of outcomes were summarized in this manner, including employment, TANF, Medicaid, food stamps, subsidized child care, child support, and Choices participation.

It should also be noted that outcomes reported ‘at the time of exit (or application)’ are a special case of these percent-of-time measures. They are calculated in the same manner. The main difference here is that for each applicant/divertee or leaver, only the focal month is included in this analysis, so they could just as easily be interpreted, for example, as ‘percent of leavers employed in their month of exit.’

#### ***Over-Time Measures***

While the percent-of-time measures work very well for summarizing a large volume of data into a few easy to interpret numbers, they also tend to obscure much of the

month-to-month variability that occurs on these measures for these populations. For this reason, the same data were summarized a little differently by taking the mean per month relative to the focal month and displaying each graphically. The resulting charts, many examples of which are in the main paper, suggest compelling stories about the conditions leading up to and following the focal events (diversion or exit) by which the groups have been defined.

### ***Measures Expressed in Dollar Amounts***

For the outcomes tables, all measures that report mean dollar amounts, including wages, child support received, and child care subsidy amounts, are computed by first excluding zero values.<sup>4</sup> This was done to give a more accurate estimate of average amounts received by *those who received anything at all*. The effect is to maintain the independence, for example, of the two questions: what percent of the people were employed, and how much did those who were employed earn? A more accurate representation of each question can be made by keeping these two questions independent. This is particularly true when analyzing populations of individuals for whom a substantial percentage is, at any given time, unemployed or not receiving child support payments. To present a mean with zeroes included would severely distort the picture. The only exception to this rule is in the variables used in regressions, for which zeroes were not excluded in the summary tables (see regression section below).

### **Specific Measures**

#### ***Welfare and Other Benefit Receipt***

The percent-of-time approach, as described above, was used to measure receipt of TANF, Medicaid, and food stamps. This approach reduces a great deal of information about divertees or leavers into just a few numbers. The combined effects of changes in entries, exits, and recidivism are all summarized in this single statistic. The only real

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<sup>4</sup> Zero values are also excluded from the measure of mean number of children receiving subsidized child care for the same reasons.

drawback to this approach is that it is relatively insensitive to ‘churning,’ or frequent exit and reentry, that would be evidenced by elevations in both the exit and reentry rates.

### ***Employment and Other Economic Supports***

#### *Employment*

Some limited data on income of TANF recipients are available through the administrative records of DHS. However, these data cover only current recipients, are reported only at application or recertification, and are based on self-reported income. Previous work in the area of welfare and employment has shown that UI wage data are superior to self-reported data from administrative welfare records; therefore, these data were used to measure employment. UI wage data cover over 98 percent of all reported wage and salary employment in the state of Texas. Some jobs are not covered, including out-of-state employment, self-employment, federal government employment, and some agricultural employment.

In measuring employment outcomes, RMC researchers created a variable that takes the value of ‘one’ if the recipient earned money and the value of ‘zero’ otherwise. Taking the mean of this variable for a given subgroup gave the percent employed for that group. Although in most instances employment is reported for quarterly intervals, at times a monthly approximation was necessary, so any employment in a quarter was assumed to represent employment in each of the three months comprising the quarter.

#### *Earnings*

Previous work with UI wage data has shown that a large percentage of the welfare population earns wages. However, the distribution of wages earned is skewed with a large proportion of the earners at the low end of the wage scale and very few at the high end of the wage scale. Furthermore, there are many participants with zero wages. Mean earnings were analyzed, as described above, by excluding zero values. As with employment, quarterly wage amounts were for some purposes assumed to have been earned in equal amounts in each of the three months comprising that quarter.



### *Workforce Services*

Receipt of workforce services from TWC were measured using indicators for Choices (which provides the bulk of such services to current and former TANF clients), and for other workforce services (which could include JTPA, WIA, WtW, or other employment services). Further, participation in Choices was subdivided into categories of assessment-only, and participation beyond assessment, based on the component codes for activities in which clients had actual hours recorded.

### *Child Support Collections Retained by Family*

Child support collections retained by the family (as opposed to all collections) were reported due to the way that the OAG disburses funds collected from noncustodial parents (NCPs). When child support is collected for a current welfare recipient, the state keeps the proceeds (except for a \$50 disregard) unless the amount collected exceeds the amount of the welfare grant plus \$50. When child support is collected by the OAG for *former* welfare recipients, however, the entire amount of the ongoing current support portion of the payment is forwarded to the recipient. Since the portion of child support payments retained by the OAG cannot affect a client's self-sufficiency, only the portion of payments that are forwarded to the clients is counted.

### *Subsidized Child Care*

Subsidized child care (SCC) services are offered to eligible, current, and former TANF-recipient families under a number of different programs including Choices, transitional, and at-risk (income-eligible) child care. Welfare reform legislation has changed some of the regulations governing the eligibility for and receipt of transitional child care services. Child care payment data were thus analyzed to determine whether the subgroups of divertees or leavers differed in their patterns of subsidized child care receipt. Differences among subgroups could be expected in the number of children in SCC, the amount of subsidy received, and the number of families that availed themselves of this benefit. Thus, SCC receipt was modeled as the percentage of cases using SCC each month, and the average number of subsidized children and subsidy amount per subsidized family.

### *Child-level Measures*

Several constructs, including child Medicaid receipt, child abuse/neglect, and foster care placements, were by necessity measured at the level of the individual child and then summarized to the case level. This summary was done using one of two approaches: some variables measured whether *all* children in a family had been affected, and others measured whether the outcome had affected *any* children. For this purpose, the family structure was assumed to correspond to that of the TANF case while the family was receiving TANF. This family structure was also projected forward in time, for leavers after their exit, as well as backward in time to measure benefit receipt prior to TANF entry, with the forward projection predominating in the case of TANF cyclers who were between spells. Because of this requirement of regular TANF receipt to establish a family structure, these child-level measures were not computed for the diverted populations, many of whom never formally entered the TANF caseload.

### *Child Medicaid*

Children's receipt of Medicaid was measured using the percent of time approach as described in the 'other benefits' section above. It was then summarized to the family level using both the *any child* and *all child* approaches. In addition, precautions were taken to ensure that individual children would not be counted as members of the family for these Medicaid measures in time periods before they were born nor after they turned 18 years of age.

### *Child Abuse/Neglect*

Incidence of child abuse and/or neglect, because of its very low frequency, was summarized using the *any child* approach. Only substantiated instances of abuse or neglect, as determined by DPRS investigators, were counted for this measure, so only the results of closed investigations were included. Because the administrative data extract gave no indication as to when a given incident had occurred, the date the investigation was opened was used as a proxy for the date of the incident.

### *Foster Care Placements*

Placement of children into foster care was tabulated so that instances of placement were counted only once, regardless of how many months or years the arrangement may have lasted, and regardless of how many times a child was subsequently placed into a different home during the same spell in foster care. However, a child was counted as having been placed multiple times if s/he was returned home in the interim, and if such placements occurred in different calendar months. Foster care placement was also measured using the *any child* approach because of its very low frequency of occurrence.

## **Analysis Details**

### **Missing Data**

#### *Demographics*

As mentioned previously, for several of the subgroups of redirects, there were problems with missing values for a number of the demographic variables. Table A-2 lists the percent of missing values for each of the diverted subgroups on each of the demographic variables. Because of the possibility that those with missing values comprise a biased subset of these groups, demographic data have not been reported in instances where more than 10 percent of the observations had missing values.

As can be seen in Table A-2, redirects and those denied for non-financial reasons show the highest levels of missing values. The values are missing primarily because of the nature of data collection on these individuals. Redirects, for example, show extensive missing values on race/ethnicity, type of family, and number of children because this information is not collected on the Texas Works form. Demographics have been filled in from other sources (e.g., Medicaid and food stamps client files); however, if redirects have not participated in these programs, then their data are unavailable. For applicants denied for non-financial reasons, the relevant data elements are present on the transaction record, but the values in these fields are quite frequently missing when the application is denied.

**Table A-2:  
Missing Data Analysis: Demographics of Divertees**

	Redirected (no application filed)	Application filed		
		Denied for Non- financial Reasons	Approved -- One-Time Payment	Approved -- Entry into TANF Caseload
<b>Number of families</b>				
	43,476	85,854	1,791	127,170
<b>Gender of primary caretaker</b>				
Percent missing	0.0%	0.0%	0.0%	0.0%
<b>Age of primary caretaker</b>				
Percent missing	0.5%	<b>42.0%</b>	0.0%	0.3%
<b>Race of primary caretaker</b>				
Percent missing	<b>80.8%</b>	<b>43.5%</b>	0.0%	0.4%
<b>Education of primary caretaker</b>				
Percent missing	<b>16.9%</b>	<b>17.9%</b>	0.8%	3.0%
<b>Geography</b>				
Percent missing	<b>72.2%</b>	0.0%	1.1%	0.0%
<b>Type of family</b>				
Percent missing	<b>84.6%</b>	<b>63.5%</b>	1.9%	0.0%
<b>Number of children</b>				
Percent missing	<b>72.2%</b>	0.0%	0.0%	0.0%

Source: Administrative data on those applying to or diverted from TANF between April 1998 and June 1999.

NOTE: Cells in bold indicate unacceptable levels of missing values (> 10%). These cells will not be reported in the demographics tables. There were no missing values on any of these measures for any of the groups of TANF leavers.

### *Missing SSNs*

Due to the selection of SSN as the key variable, as discussed above, those whose SSNs were missing or invalid had to be dropped from all analyses. For most subgroups, the percent dropped was very small, and thus the impact on the results is likely to be negligible. For example, less than one percent of redirects, one-time recipients, and all leavers groups had missing or invalid SSNs. For other groups, however, greater numbers had to be dropped. Thirty-five percent of applicants denied for non-financial reasons and six percent of TANF entrants had missing or invalid SSNs.

## **Resemblance of Interviewed Samples to their Respective Populations**

An important question for interpreting the interview data concerns how closely the interviewed samples resemble the populations from which they were randomly sampled. For this purpose, the characteristics and outcomes of persons interviewed who could be identified in the administrative data were compared to those of the respective populations. Two levels of comparison were done. First, each group of persons interviewed was compared against the respective population of the local area from which it was sampled. Second, although the samples are not technically representative of the entire state due to geographic restriction of the sampling frame, a similar comparison was made against the respective population of the entire state so that the nature of the divergence from statewide norms could be assessed.

Table A-3 lists the demographics and other characteristics of one-time recipients. An examination of the demographics portion reveals that the one-time interviewees closely resemble the one-time populations of the selected areas and of the entire state in terms of age and percentage of two-parent families. The interviewed one-time sample appears to be almost entirely Hispanic very much like the one-time population of the selected areas but more heavily representative of Hispanics than is the statewide population of one-time recipients. The only unexpected difference is that interviewed one-times have, on average, more children. Examination of the employment, child support, and benefit receipt histories of these groups also reveals great similarity with only a few puzzling differences. Interviewed one-times, for example, were more likely to be employed but at lower wages and more likely to be receiving child support but in smaller amounts. The interviewees also appear to be slightly more likely to have received Medicaid, food stamps, or subsidized child care, and to have more children in SCC. Many of these differences seem consistent with the interviewees being a slightly more stable subset of the populations they were meant to represent. Overall, however, the similarities are striking.

**Table A-3:  
One-times Interviewed: Comparison of Sample to Area and Statewide Populations**

	<b>One-times Interviewed</b>	<b>All One-times in Selected Areas<sup>1</sup></b>	<b>All One-times Statewide</b>
<b>Number of families</b>			
	30	901	1,791
<b>Gender of primary caretaker</b>			
Percent male	6.7%	18.1%	16.2%
Percent female	93.3%	81.9%	83.8%
<b>Age of primary caretaker</b>			
Average age	31.0	30.6	30.4
Percent 18-25	36.7%	34.0%	32.3%
Percent 26-34	23.3%	34.6%	38.5%
Percent 35-44	33.3%	22.7%	22.2%
Percent 45 and over	6.7%	8.7%	7.0%
<b>Race of primary caretaker</b>			
Percent Black	0.0%	1.3%	5.4%
Percent Hispanic	96.7%	93.8%	73.5%
Percent White	3.3%	4.6%	20.7%
Percent other	0.0%	0.3%	0.4%
<b>Primary caretaker education level</b>			
No high school education	26.7%	26.3%	19.0%
Some high school education	26.7%	26.0%	26.9%
Graduated from high school (or GED)	46.7%	47.8%	54.1%
<b>Geography</b>			
Urban - county with large MSA	16.7%	8.1%	20.5%
Suburban - county with other MSA	83.3%	91.9%	60.5%
Rural - county with no MSA	0.0%	0.0%	19.0%
<b>Type of family</b>			
Percent single-parent families	46.7%	38.5%	49.8%
Percent two-parent families	53.3%	61.5%	50.2%
<b>Number of children</b>			
Average number of children	2.7	2.2	2.2
Percent with one child	24.1%	30.8%	31.6%
Percent with two children	27.6%	34.9%	36.6%
Percent with three or more children	48.3%	34.3%	31.8%
<b>Employment and benefit receipt in year prior to application</b>			
Percent of time employed	27.0%	21.3%	26.4%
Monthly earnings of those employed	\$551	\$611	\$656
Percent of time receiving TANF	15.3%	8.5%	7.7%
Percent of time caretaker receiving Medicaid	26.9%	18.7%	17.8%
Percent of time receiving food stamps	55.8%	42.5%	36.6%
Percent of time receiving subsidized child care	3.3%	3.3%	3.7%

<sup>1</sup> Includes all One-time recipients in Bexar, Cameron, and Hidalgo counties from April 1998 through June 1999.

A similar pattern is seen (Table A-4) when comparing the characteristics of the TANF leavers who were interviewed against leavers in the selected areas and statewide. Two-parent families are slightly over-represented among the interviewees, but otherwise their demographics are remarkably similar. Like their one-time counterparts, interviewed leavers also appear to be slightly more likely to be employed and receiving child support but not necessarily more likely to receive more money. Those interviewed also seem more likely to have received benefits other than TANF in the year prior to their exit. Again, this is consistent with the interviewees being slightly more stable than the populations from which they were drawn but still very similar.

This analysis of resemblance of interviewed samples was only possible for one-time recipients and TANF leavers. The interview samples of applicants denied for non-financial reasons and those redirected were not compared to their statewide populations due to numerous problems including differing or missing identifiers, lack of appropriate geographic variables, and other missing data in the available administrative data file.

In summary, for those comparisons that could be made, the interviewed samples appear to be remarkably similar to the populations of the areas from which they were drawn as well as to their respective statewide populations. The only differences that consistently emerged suggest that the persons interviewed were slightly more stable or easier to locate. Such a result should be expected when attempting to interview a sample drawn from a highly mobile population.

**Table A-4:  
Leavers Interviewed: Comparison of Sample to Area and Statewide Populations**

	<b>Leavers Interviewed</b>	<b>All Leavers in Selected Areas<sup>1</sup></b>	<b>All Leavers Statewide</b>
<b>Number of families</b>			
	134	47,974	143,491
<b>Gender of primary caretaker</b>			
Percent male	9.0%	7.8%	6.6%
Percent female	91.0%	92.2%	93.4%
<b>Age of primary caretaker</b>			
Average Age	30.6	30.3	29.9
Percent 18-25	35.1%	36.9%	38.1%
Percent 26-34	32.8%	34.1%	34.4%
Percent 35-44	23.9%	20.5%	20.0%
Percent 45 and over	8.2%	8.5%	7.5%
<b>Race of primary caretaker</b>			
Percent Black	27.6%	29.1%	29.4%
Percent Hispanic	53.0%	57.7%	45.2%
Percent White	18.7%	12.2%	24.5%
Percent other	0.7%	0.9%	0.9%
<b>Primary caretaker education level</b>			
No high school education	17.9%	20.3%	16.4%
Some high school education	33.6%	33.3%	33.3%
Graduated from high school (or GED)	48.5%	46.4%	50.3%
<b>Geography</b>			
Urban - county with large MSA	32.1%	64.8%	52.4%
Suburban - county with other MSA	12.7%	29.5%	27.4%
Rural - county with no MSA	55.2%	5.6%	20.2%
<b>Type of family</b>			
Percent single-parent families	86.6%	88.3%	91.1%
Percent two-parent families	13.4%	11.7%	8.9%
<b>Number of children</b>			
Average number of children	2.1	2.1	2.0
Percent with one child	33.8%	39.7%	41.0%
Percent with two children	36.1%	29.9%	31.3%
Percent with three or more children	30.1%	30.4%	27.6%
<b>Employment, child support, and benefit receipt in year prior to exit</b>			
Percent of time employed	40.3%	34.9%	38.4%
Monthly earnings of those employed	\$437	\$403	\$416
Percent of time receiving child support	10.8%	6.2%	6.2%
Monthly average of payments received	\$156	\$152	\$157
Percent of time receiving TANF	61.3%	58.3%	55.2%
Percent of time caretaker receiving Medicaid	66.7%	62.4%	59.7%
Percent of time receiving food stamps	64.8%	59.1%	58.6%
Received any subsidized child care during last TANF spell	20.1%	16.1%	14.9%

<sup>1</sup> Includes all TANF Leavers in Bexar, Cameron, Hidalgo, Hale, Harris, Jasper, and McClellan counties from April 1998 through June 1999.



## **Resemblance of Surveyed Leavers to the Statewide Population**

Similar comparisons were also done to check on the similarities between the TANF leavers who were surveyed in the statewide mail/telephone survey and the statewide population of Cohort 2 TANF leavers. Results of this comparison are presented in Table A-5. As with the comparisons done above, surveyed TANF leavers bear a striking resemblance to the statewide population from which they were randomly sampled. Minor differences emerged, and once again these were consistent with surveyed leavers being a slightly more stable subset of the statewide leaver population.

## **Computation of ASPE Common Administrative Measures**

A number of statistical summaries of the leavers' data were computed in a common format for ASPE to facilitate comparison among results for different states.<sup>5</sup> This included summary of a number of outcomes to the quarterly level, and presentation by quarter relative to the quarter of exit. Also included were yearly summaries that were meant to indicate whether an event happened or benefit was received *ever* in the year following exit, and for employment only, indicating whether one was employed in *all 4 quarters* after exit. Detailed results of this summary are included in Appendix B, Section II.

These measures were calculated as specified by ASPE by summarizing most measures to the level of the calendar quarter. Items requiring further clarification are noted here. The measure of employment was primarily based on earning *any* UI wages in the quarter, though an additional measure was included based on earning at least \$500 per quarter. Benefit receipt was measured for the caretaker unless otherwise noted. Benefit receipt in one or more months in a calendar quarter was assumed to represent benefit receipt for the entire quarter. Of the 'Additional Administrative Data Outcomes,' TANF reentry was computed for the recidivism measure by counting only the *first* reentry to TANF (i.e., later reentries of frequent cyclers were not counted). Additionally, the 'Continuous Leavers' measures were computed *after* the summary from monthly to

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<sup>5</sup> See the Office of the Assistant Secretary for Planning and Evaluation (2000) for a discussion of commonly reported administrative outcomes for leavers.

quarterly outcomes, so that some outcomes occurring in the same calendar quarter as exit but before a recidivism event may not get counted. Furthermore, the ‘ever received in 4 quarters’ column was interpreted as ‘never in 4 quarters’ for the ‘No benefits’ and ‘No earnings nor benefits’ measures. Finally, of the ‘other programs’ reported here, child support was measured using the criterion of any child support receipt through the formal system, rather than participation in child support enforcement. All of these measures were reported for numerous subgroups of both leavers and divertees (e.g., single parents only, two parent families only, etc.) and were not limited to the groups for which ASPE indicated interest.

### **III. Econometric Analysis**

#### **Overview**

##### **Regressions Estimated**

A number of regressions were estimated in order to determine the factors associated with exit from TANF among recipients, and employment and reentry to TANF among TANF leavers. Similar regressions were developed for the statewide universe of Cohort 1 and Cohort 2 TANF leavers and recipients, including the same dependent and predictor variable definitions whenever possible (differences will be noted below). Predictor variables included a number of demographic, programmatic, employment, and county-level economic indicator variables.

In addition to the three statewide administrative data regressions described above, additional regressions were conducted by combining administrative data with the sample of TANF leavers who participated in the telephone/mail survey. These combined regressions drew from a richer set of variables, many of which are difficult to estimate using only administrative data, to arrive at a more comprehensive set of factors influencing the probability of employment for TANF leavers and the probability of TANF recidivism.

**Table A-5:  
Leavers Surveyed: Comparison of Sample to Statewide Population**

	<b>Leavers Surveyed</b>	<b>All Leavers Statewide</b>
<b>Number of families</b>		
	691	23,113
<b>Gender of primary caretaker</b>		
Percent male	6.5%	6.3%
Percent female	93.5%	93.7%
<b>Age of primary caretaker</b>		
Average age	30.5	29.6
Percent 18-25	35.2%	40.0%
Percent 26-34	34.7%	34.1%
Percent 35-44	21.0%	18.9%
Percent 45 and over	9.1%	7.0%
<b>Race of primary caretaker</b>		
Percent Black	27.6%	28.8%
Percent Hispanic	47.6%	45.4%
Percent White	24.5%	24.9%
Percent other	0.3%	0.9%
<b>Primary caretaker education level</b>		
No high school education	15.5%	15.7%
Some high school education	37.5%	35.5%
Graduated from high school (or GED)	47.0%	48.8%
<b>Geography</b>		
Urban - county with large MSA	49.9%	49.7%
Suburban - county with other MSA	26.0%	27.4%
Rural - county with no MSA	24.0%	22.8%
<b>Type of family</b>		
Percent single-parent families	88.0%	90.7%
Percent two-parent families	12.0%	9.3%
<b>Number of children</b>		
Average number of children	1.9	2.0
Percent with one child	43.9%	43.6%
Percent with two children	30.7%	30.3%
Percent with three or more children	25.4%	26.1%
<b>Employment, child support, and benefit receipt in year prior to exit</b>		
Percent of time employed	46.3%	45.6%
Monthly earnings of those employed	\$478	\$465
Percent of time receiving child support	9.4%	7.5%
Monthly average of payments received	\$149	\$177
Percent of time receiving TANF	52.0%	49.0%
Percent of time caretaker receiving Medicaid	59.9%	57.6%
Percent of time receiving food stamps	53.7%	50.2%
Received any subsidized child care during last TANF spell	24.5%	23.3%

Source: Administrative data on those leaving TANF between July and September 2000 (Cohort 2).

## **Common Procedure**

The basic approach, used with each regression unless otherwise noted, began with assembling a set of predictor variables believed to have theoretical or policy relevance for the outcome of interest. Additional variables (e.g., demographics and local economic environment) were then included so that their effects would be held constant and they could not be said to account for the relationships between the remaining predictors and the dependent variable. Because of the very large number of potential regressors available, a stepwise procedure was then utilized in order to reduce the list of predictors to only those with the strongest associations, accounting for significant unique variance in the dependent variable.

Both ordinary least squares (OLS) and the arguably more appropriate logistic regressions were conducted. However, due to the computational intensity of the logistic regression estimation procedure, the stepwise procedure (which can involve many iterations) was done only with the OLS regressions. Once the final set of variables to be included had been selected by the stepwise OLS regressions, logistic regressions (not shown) were conducted using the same set of predictors. The outcome of these logistic regressions was used only to confirm that the results of the OLS estimation were stable and not misleading estimates due solely to possible violation of some of the distributional assumptions inherent in the OLS regression models.

A discussion of each regression follows, including complete lists of the predictors made available to the stepwise procedure (whether selected or not), and also including the mean values on the regressor variables for the populations included in each regression. It should also be noted that due to the large sample size differences between the statewide universe regressions and the combined survey sample regressions, different alpha levels were used to judge statistical significance. For the statewide regressions, a significance level of .005 was required for both entry to and exit from the model. For the regressions using administrative combined with survey data, and thus restricted to the much smaller survey sample, a more conventional alpha level of .05 was utilized. The effect of this was to partially attenuate the tendency of the statewide regressions to select many more

predictors, some of whose associations with the dependent variable were so small as to have little practical significance.

## **Regression Details**

### **Statewide Universe – Administrative Data Regressions**

#### ***TANF Recipients – Factors Associated with Exit from TANF***

The universe for the regression predicting exit from TANF consisted of all active primary TANF caretakers statewide who received TANF during either of the cohort windows (Cohort 1, April 1998 through June 1999, or Cohort 2, July through September 2000). The unit of analysis was the person-month, and all person-months of TANF receipt within these time frames were included in the regression. The dependent variable was a binary, taking the value of ‘one’ if the case exited TANF in the following month, and ‘zero’ otherwise. Results of this regression are discussed in the main report.

Table A-6 lists the variables made available to the stepwise regression procedure. The middle portion of the table labeled ‘Recipients’ consists of three columns, one each showing the regressor means for recipient Cohorts 1 and 2, and a third indicating whether the variable was potentially used to predict exit from TANF (a ‘Y’ in the ‘pred. exit’ column indicates the variable was made available to the stepwise procedure). Generally, the predictors consisted of the basic demographics and economic environment variables, plus other indicators of TANF experiences, benefits or services received in the current month or during the current TANF spell, current employment and wages, and other measures.

**Table A-6:  
Regressor Means for Regressions Using Only Administrative Data**

Category	Variable Description	Recipients			Leavers			
		Cohort 1 mean	Cohort 2 mean	pred. exit	Cohort 1 mean	Cohort 2 mean	pred. empl.	pred. reentry
Demographics	Caretaker age in years	30.96	30.56	Y	30.83	29.84	Y	Y
	Caretaker age squared	1056	1032	Y	1039	975	Y	Y
	Caretaker race is Black	0.28	0.28	Y	0.28	0.28	Y	Y
	Caretaker race is White (omitted level)	0.21	0.21	Y	0.26	0.25	Y	Y
	Caretaker race is Hispanic	0.50	0.49	Y	0.45	0.46	Y	Y
	Caretaker race is Asian, Pacific Islander, American Indian, Alaskan Native, or unknown	0.01	0.01	Y	0.01	0.01	Y	Y
	Caretaker gender is male	0.06	0.06	Y	0.07	0.07	Y	Y
	Caretaker gender is female (omitted level)	0.94	0.94	Y	0.93	0.93	Y	Y
	Two-parent family (TANF-UP)	0.07	0.07	Y	0.09	0.10	Y	Y
	Caretaker education of eighth grade or less	0.21	0.19	Y	0.16	0.15	Y	Y
	Caretaker has attended some high school (omitted level)	0.34	0.37	Y	0.32	0.35	Y	Y
	Caretaker has graduated from high school	0.45	0.44	Y	0.52	0.50	Y	Y
	Caretaker education and work history indicate readiness for employment (tier 1)	0.37	0.36	Y	0.27	0.29	Y	Y
	Caretaker education and work history indicate some impediments to employment (tier 2; omitted level)	0.18	0.20	Y	0.19	0.21	Y	Y
	Caretaker education and work history indicate serious impediments to employment (tier 3)	0.45	0.44	Y	0.54	0.50	Y	Y
	Age of youngest child on case	4.89	4.65	Y	5.53	4.69	Y	Y
	Average age of children on case	6.48	6.31	Y	6.99	6.20	Y	Y
	Number of children on case	2.04	2.00	Y	1.97	1.95	Y	Y
	TANF experience	Number of months since last TANF receipt (log transformed)				1.84	0.90	Y
Percent of time receiving TANF in prior 12 months		0.65	0.56	Y				
As of last month on TANF, percent of time receiving TANF in prior 12 months					0.53	0.48	Y	Y
Caretaker has reached TANF time limit					0.01	0.01	Y	
Caretaker near TANF time limit (within 3 mos.)		0.02	0.02	Y	0.02	0.03	Y	Y
Caretaker somewhat near TANF time limit (4-6 mos.)		0.03	0.04	Y	0.04	0.05	Y	Y
Current workforce-related penalty		0.11	0.14	Y				
Current non-workforce penalty		0.11	0.11	Y				
Any workforce-related penalty received in last 3 months		0.12	0.14	Y				
Any non-workforce penalty received in last 3 months		0.12	0.13	Y				
As of last month on TANF, any workforce-related penalty received in prior 3 months				0.15	0.17	Y	Y	

Category	Variable Description	Recipients			Leavers			
		Cohort 1 mean	Cohort 2 mean	pred. exit	Cohort 1 mean	Cohort 2 mean	pred. empl.	pred. reentry
TANF experience (cont.)	As of last month on TANF, any non-workforce penalty received in prior 3 months				0.11	0.13	Y	Y
Employment	Currently employed (any earnings; monthly figure estimated from quarterly earnings)	0.29	0.36	Y	0.56			Y
	Employed in exit month (any earnings; monthly figure estimated from quarterly earnings)					0.58		Y
	Current monthly earnings (monthly figure estimated from quarterly earnings)	\$120	\$171	Y	\$464			Y
	Earnings in exit month (monthly figure estimated from quarterly earnings)					\$408		Y
	Percent of time employed (any earnings) in prior 24 months	0.28	0.35	Y	0.29	0.44	Y	Y
	Average monthly earnings over prior 24 months	\$136	\$185	Y	\$153	\$254	Y	Y
	Employment services	Choices participation beyond assessment during current TANF spell	0.20	0.26	Y			
Choices participation, but only assessment, during current TANF spell		0.06	0.04	Y				
Non-Choices employment services received during current TANF spell		0.06	0.11	Y				
Choices participation beyond assessment during prior TANF spell					0.22	0.29	Y	Y
Choices participation, but only assessment, during prior TANF spell					0.05	0.03	Y	Y
Non-Choices employment services received during prior TANF spell					0.03	0.09	Y	Y
Caretaker mandatory for registration for employment services (omitted level)		0.40	0.40	Y	0.38	0.38		Y
Caretaker exempt from registration for employment services, due to caring for child		0.36	0.19	Y	0.37	0.19	Y	Y
Caretaker exempt from registration for employment services, due to other reasons		0.14	0.27	Y	0.11	0.25	Y	Y
Caretaker refused to register for employment services		0.11	0.14	Y	0.15	0.18	Y	Y
Other benefits	Any Medicaid receipt during off-TANF spell				0.30	0.16	Y	Y
	Medicaid receipt for any children during off-TANF spell				0.46	0.24	Y	Y
	Any food stamps receipt during off-TANF spell				0.44	0.21	Y	Y
	Any subsidized child care receipt during off-TANF spell				0.11	0.08	Y	Y
	Percent of time any children receiving Medicaid in prior 12 months	0.36	0.35	Y				
	Percent of time receiving food stamps in prior 12 months	0.65	0.57	Y				
	As of last month on TANF, percent of time receiving Medicaid in prior 12 months				0.58	0.57	Y	Y
	As of last month on TANF, percent of time any children receiving Medicaid in prior 12 months				0.33	0.33	Y	Y

Category	Variable Description	Recipients			Leavers			
		Cohort 1 mean	Cohort 2 mean	pred. exit	Cohort 1 mean	Cohort 2 mean	pred. empl.	pred. reentry
Other benefits (cont.)	As of last month on TANF, percent of time receiving food stamps in prior 12 months				0.57	0.49	Y	Y
	Any subsidized child care received during current TANF spell	0.12	0.20	Y				
	Any subsidized child care received during prior TANF spell				0.15	0.22	Y	Y
Other programs	Monthly average child support receipt for prior 12 months	\$7	\$9	Y	\$21	\$15	Y	Y
	Percent of time child support payments received in prior 12 months	0.07	0.07	Y	0.10	0.09	Y	Y
	Substantiated investigations of abuse or neglect for any children in prior 3 months	0.0045	0.006	Y	0.0035	0.0045	Y	Y
	Foster care placement made for any children in prior 3 months	0.0004	0.0008	Y	0.0013	0.0037	Y	Y
County-level economic variables	High population-density county (large MSA)	0.50	0.47	Y	0.53	0.50	Y	Y
	Medium population-density county (other MSA; omitted level)				0.27	0.27		Y
	Low population-density county (no MSA)	0.22	0.24	Y	0.20	0.22	Y	Y
	Population growth rate from 1990-2000 (%)	21.30	20.91	Y	21.48	20.92	Y	Y
	Employment growth rate from 2000-2001 (%)	3.00	2.94	Y	2.96	2.92	Y	Y
	Unemployment rate 2000 (%)	6.03	6.02	Y	5.62	5.67	Y	Y

Source: Administrative data on TANF leavers and recipients. All variables made available to each stepwise regression are listed with 'Y' in the predictor column.

### ***TANF Leavers – Factors Associated with Employment***

The universe for the regression predicting employment among TANF leavers consisted of all primary TANF caretakers statewide whose cases left TANF for two consecutive months, and whose last month of TANF receipt was during either of the cohort windows. Again, the unit of analysis was the person-month, and all person-months within the specified off-TANF spell were included in the regression (i.e., leavers were excluded from this regression once they returned to TANF). The dependent variable was a binary, taking the value of ‘one’ if the caretaker earned any UI wages in the quarter containing the current month, and ‘zero’ otherwise. Due to the short follow-up interval for Cohort 2, only one quarter of employment data was available for this cohort. Results of this regression are discussed in the main report.



Table A-6 lists the variables made available to the stepwise regression procedure. The far right portion of the table labeled 'Leavers' consists of four columns, one each showing the regressor means for leaver Cohorts 1 and 2, and a third and fourth indicating whether the variable was potentially used to predict employment and TANF reentry, respectively. Potential predictors of employment (with a 'Y' in the 'pred. empl.' column) were very similar to the set used to predict exit from TANF. The major difference was that the indicators of TANF and other experiences now referred to the prior, rather than the current, TANF spell. Also, benefits indicator variables were now included in two broad categories: those meant to measure a propensity to receive certain types of benefits (percent of time receiving as of last month on TANF), and those meant to measure continuing involvement with the DHS or other government agency (indicating whether any such benefits or services had been received during the current off-TANF spell). For obvious reasons, current employment and wages were not included in this regression, although their historical counterparts were. For these historical measures, consisting of percent of time employed and average monthly wages over the prior 24 months, those months falling within the current calendar quarter were excluded from the definition. This was done to avoid spurious correlation between the current and historical employment and wage measures that would otherwise result from their being partially defined over the same interval.

### ***TANF Leavers – Factors Associated with Reentry to TANF***

The universe for the regression predicting reentry to TANF among TANF leavers was the same as for that predicting employment among leavers, with one exception. Since these leavers could not, by definition, return to TANF within their first two months after exit, the first two person-months of non-TANF receipt were excluded for each leaver. Again, only person-months within the specified off-TANF spell were included, so that in effect the regression is modeling the *first* reentry to TANF. The dependent variable was again a binary, taking the value of one if the caretaker reentered TANF in the following month, and zero otherwise. Results of this regression are discussed in the main report.

Table A-6 lists the variables made available to the stepwise regression procedure. The far right column indicates whether the variable was potentially used to predict TANF reentry. Potential predictors of TANF reentry were nearly identical to the set used to predict employment among leavers, with the only difference being that current employment and wages were included in addition to their historical counterparts. For Cohort 1 leavers, these variables were defined on the current calendar quarter. For Cohort 2, since only one quarter of post-exit employment data were available but six months of TANF reentry data were available, employment and wages *as of the exit month* were used in place of current employment and wages. This allowed all six post-exit months to be used for prediction of TANF reentry.

### **Statewide Sample Cohort 2 – Combined Administrative and Survey Data Regressions**

The regressions that included combined administrative and survey data as predictors differed from the statewide regressions in a number of ways. First, due to the one-time nature of the survey, many of the survey items refer not to specific points in time, but rather to the six months prior to the time the survey was completed (roughly the time since exit). In an effort to place the administrative data into a similar time frame, and to reduce it to one record per leaver to coincide with the structure of the survey data, it was necessary to summarize the administrative data over the six months following exit from TANF. In doing this, many variables were simply averaged across the interval, while others values were taken ‘as of the last month on TANF,’ and still others had to be omitted altogether (e.g., months since last TANF).

The survey data also required some modification to make it suitable for regression analysis. In particular, some adjustment had to be made for missing values (or non-responses) to prevent a large number of participants being removed from the entire analysis for simply failing to respond to one or more questions. Thus, many ‘yes’/‘no’ survey responses were recoded so that a value of 1 always represents ‘yes,’ while a value of zero could mean ‘no,’ ‘other,’ or ‘did not answer.’ Furthermore, several survey items that used 4-category ordinal scales were collapsed into binaries, by recoding the lower two categories as zero and the upper two as one, to make their scales consistent with the

other survey items. This was done with the question concerning ‘reliability of usual transportation’ as well as the items dealing with frequency of ‘problems’ experienced. Finally, since many survey items allowed multiple responses, there was no need to omit one level of what might otherwise appear to be category variables. The only exception to this was the ‘marital status’ item, a true category variable for which the omitted category was ‘never been married.’ Because of these modifications, it would be misleading to interpret the survey variable means in the following table in any context other than interpretation of these regressions.

A final addition to the survey data consisted of two new variables intended to capture the effects of responding to more than one of a set of survey items, to allow the possibility that such combined effect exceeds the additive effects of the individual items. For example, one such variable was a binary set to one for those who cited multiple reasons for returning to TANF, and zero otherwise. Another variable, intended to measure the effect of multiple barrier areas on employment, was set to one for those who experienced barriers in more than one of the following areas: health (have a health problem, anyone in household with a disability), transportation (own or share a car or truck, reliability of, and unable to work because of poor transportation), and child care (care for youngest child myself). For this second ‘multiple barrier areas’ measure, the critical factor was whether one reported barriers in multiple *areas*, regardless of how many were reported in each area. These new variables were entered in appropriate regressions together with the individual items from which they were computed.

### ***Surveyed TANF Leavers – Factors Associated with Employment***

The universe for this regression predicting employment consisted of all surveyed Cohort 2 leavers. The dependent variable was a binary, taking the value of ‘one’ if the caretaker had been employed in the calendar quarter containing the exit month, and ‘zero’ otherwise. Results of this regression are discussed in the main report.

Table A-7 lists the variables made available to the stepwise regression procedure for these combined regressions. The right side of the table labeled ‘Leavers’ consists of five columns, one each showing the regressor means for three distinct regressions, and a

fourth and fifth indicating whether the variable was potentially used to predict employment and reentry to TANF (with a 'Y' in the 'pred. \_\_\_' columns indicating the variable was made available to the stepwise procedure). The three regressions consist of 1) the statewide universe of recipients, with administrative-only predictors (for diagnostic purposes, since many variables are structured differently from those in the prior sections), 2) the surveyed sample, again using administrative-only predictors, and finally 3) the surveyed sample using both administrative and survey predictors. Survey items dealing either directly or indirectly with employment were omitted from the set of predictors.

Because of the smaller sample sizes of the second and third regressions listed here, some might be concerned that the R-squared statistics (proportion of variance accounted-for) for these regressions reported in the main report are inflated due to the high number of predictors. Such concern is not justified, as the R-squares of .34 and .43 for the surveyed sub-sample admin.-only and surveyed sub-sample combined regressions, respectively, yield adjusted R-squares of .33 and .41 when corrected for the number of predictors.

**Table A-7:  
Regressor Means for Combined Administrative and Survey Data Regressions**

Category	Variable Description	Leavers				
		State-wide: Admin. only means	Survey sample: Admin. only means	Admin. plus survey means	pred. empl.	pred. reentry
Demographics	Caretaker age in years	29.79	30.69	30.69	Y	Y
	Caretaker age squared	972	1030	1030	Y	Y
	Caretaker race is Black	0.29	0.28	0.28	Y	Y
	Caretaker race is White (omitted level)	0.25	0.24	0.24	Y	Y
	Caretaker race is Hispanic	0.46	0.48	0.48	Y	Y
	Caretaker race is Asian, Pacific Islander, American Indian, Alaskan Native, or unknown	0.01	0.00	0.00	Y	Y
	Caretaker gender is male	0.06	0.07	0.07	Y	Y
	Caretaker gender is female (omitted level)	0.94	0.93	0.93	Y	Y
	Two-parent family (TANF-UP)	0.09	0.12	0.12	Y	Y
	Caretaker education of eighth grade or less	0.16	0.15	0.15	Y	Y
	Caretaker has attended some high school (omitted level)	0.36	0.37	0.37	Y	Y
	Caretaker has graduated from high school	0.49	0.47	0.47	Y	Y
	Caretaker education and work history indicate readiness for employment (tier 1)	0.30	0.30	0.30	Y	Y
	Caretaker education and work history indicate some impediments to employment (tier 2; omitted level)	0.21	0.21	0.22	Y	Y
	Caretaker education and work history indicate serious impediments to employment (tier 3)	0.49	0.49	0.49	Y	Y
	Age of youngest child on case	4.69	5.26	5.26	Y	Y
	Average age of children on case	6.21	6.81	6.81	Y	Y
	Number of children on case	1.96	1.94	1.94	Y	Y
TANF experience	As of last month on TANF, percent of time receiving TANF in prior 12 months	0.49	0.52	0.52	Y	Y
	Caretaker has reached TANF time limit	0.01	0.00	0.00	Y	
	Caretaker near TANF time limit (within 3 mos.)	0.03	0.03	0.03	Y	Y
	Caretaker somewhat near TANF time limit (4-6 mos.)	0.05	0.04	0.04	Y	Y
	As of last month on TANF, any workforce-related penalty received in prior 3 months	0.17	0.16	0.16	Y	Y
	As of last month on TANF, any non-workforce penalty received in prior 3 months	0.14	0.12	0.12	Y	Y
Employment	Employed in exit month (any earnings; monthly figure estimated from quarterly earnings)	0.56	0.59	0.59		Y
	Earnings in exit month (monthly figure estimated from quarterly earnings)	\$389	\$410	\$410		Y
	As of last month on TANF, percent of time employed (any earnings) in prior 24 months	0.44	0.44	0.44	Y	Y
	As of last month on TANF, average monthly earnings over prior 24 months	\$255	\$257	\$257	Y	Y
Employment services	Choices participation beyond assessment during prior TANF spell	0.29	0.34	0.34	Y	Y
	Choices participation, but only assessment, during prior TANF spell	0.03	0.02	0.02	Y	Y

Category	Variable Description	Leavers				
		State-wide: Admin. only means	Survey sample: Admin. only means	Admin. plus survey means	pred. empl.	pred. reentry
Employment services (cont.)	Non-Choices employment services received during prior TANF spell	0.09	0.10	0.10	Y	Y
	Caretaker mandatory for registration for employment services (omitted level)	0.40	0.39	0.39	Y	Y
	Caretaker exempt from registration for employment services, due to caring for child	0.18	0.16	0.16	Y	Y
	Caretaker exempt from registration for employment services, due to other reasons	0.24	0.28	0.28	Y	Y
	Caretaker refused to register for employment services	0.18	0.17	0.17	Y	Y
Other benefits	Any Medicaid receipt during off-TANF spell	0.34	0.42	0.42	Y	Y
	Medicaid receipt for any children during off-TANF spell	0.50	0.61	0.61	Y	Y
	Any food stamps receipt during off-TANF spell	0.46	0.56	0.56	Y	Y
	Any subsidized child care receipt during off-TANF spell	0.15	0.18	0.18	Y	Y
	As of last month on TANF, percent of time receiving Medicaid in prior 12 months	0.57	0.60	0.60	Y	Y
	As of last month on TANF, percent of time any children receiving Medicaid in prior 12 months	0.33	0.35	0.35	Y	Y
	As of last month on TANF, percent of time receiving food stamps in prior 12 months	0.50	0.54	0.54	Y	Y
Other programs	Any subsidized child care received during prior TANF spell	0.23	0.24	0.24	Y	Y
	Monthly average child support receipt for 6 months following TANF exit	\$30	\$37	\$37	Y	Y
	Percent of time child support payments received in 6 months following TANF exit	0.13	0.16	0.16	Y	Y
	Substantiated investigations of abuse or neglect for any children	0.0014	0.0012	0.0012		Y
County-level economic variables	Foster care placement made for any children	0.0007	0.0002	0.0002	Y	Y
	High population-density county (large MSA)	0.50	0.50	0.50	Y	Y
	Medium population-density county (other MSA; omitted level)	0.28	0.26		Y	Y
	Low population-density county (no MSA)	0.22	0.24	0.24	Y	Y
	Population growth rate from 1990-2000 (%)	20.90	21.43	21.43	Y	Y
	Employment growth rate from 2000-2001 (%)	2.92	3.00	3.00	Y	Y
Survey: employment	Unemployment rate 2000 (%)	5.65	6.02	6.02	Y	Y
	Currently employed			0.46		Y
	Main job offers benefits			0.13		Y
	Job offers benefits, can afford to pay part of costs			0.08		Y
	Main job is temporary or seasonal			0.11		Y
	Worked in past 6 months			0.32		Y
Survey: income	Worked any other jobs/odd jobs			0.32		Y
	Any income from TANF last month			0.26	Y	
	Any income from earnings last month			0.49		Y
	Any income from Social Security Survivor's Benefits last month			0.05	Y	Y
	Any income from SSI Disability Benefits last month			0.10	Y	Y
	Any income from child support last month			0.19	Y	Y
	Any income from Unemployment Insurance last month			0.05	Y	Y
Any income from financial assistance from others last month			0.07	Y	Y	

Category	Variable Description	Leavers				
		State-wide: Admin. only means	Survey sample: Admin. only means	Admin. plus survey means	pred. empl.	pred. reentry
Survey: Income (cont.)	Looked for work in the past 6 months			0.61	Y	Y
	Income assistance from any programs in the past six months			0.49	Y	
	Income assistance from Social Security in the past six months			0.03	Y	Y
	Income assistance from Supplemental Security Income (SSI) in the past six months			0.04	Y	Y
	Income assistance from Worker's Comp in the past six months			0.01	Y	Y
	Income assistance from Unemployment Insurance in the past six months			0.03		Y
	Income assistance from TANF in the past six months			0.35	Y	
	Income assistance from Earned Income Tax Credit (EITC) in the past six months			0.03		Y
Survey: TANF	Exited TANF because found a job			0.42		Y
	Exited TANF because got married			0.03	Y	Y
	Exited TANF because another adult contributed money			0.09	Y	Y
	Exited TANF because couldn't meet requirements			0.07	Y	Y
	Exited TANF because health improved			0.03	Y	Y
	Exited TANF because of child support receipt			0.09	Y	Y
	Exited TANF because reached time limit			0.07	Y	Y
	Exited TANF because obtained reliable transportation			0.03	Y	Y
	Exited TANF because could not get to appointments			0.07	Y	Y
	Exited TANF because could not provide necessary documentation			0.03	Y	Y
	Exited TANF because youngest child turned 18			0.02	Y	Y
	Exited TANF because it was too much hassle			0.04	Y	Y
	Exited TANF because application is currently pending			0.03	Y	Y
	Exited TANF because did not like TANF			0.05	Y	Y
	Returned to TANF because became pregnant			0.03	Y	
	Returned to TANF because of divorce or separation			0.03	Y	
	Returned to TANF because lost job or was laid off			0.09	Y	
	Returned to TANF because lost child care			0.03	Y	
	Returned to TANF because lost or stopped receiving child support			0.03	Y	
	Returned to TANF because income dropped			0.04	Y	
	Returned to TANF because became ill			0.03	Y	
	Returned to TANF because lost transportation			0.04	Y	
	Returned to TANF because needed to care for another household member			0.02	Y	
	Returned to TANF because needed Medicaid for self or children			0.08	Y	
	Returned to TANF because lost housing			0.04	Y	
Cited more than one reason for returning to TANF			0.12	Y		
Survey: health	Have a health problem			0.21	Y	Y
	Pregnant			0.08	Y	Y
	Anyone in household with a disability			0.18	Y	Y
	Needed to see a doctor but couldn't afford to			0.42	Y	Y

Category	Variable Description	Leavers				
		State-wide: Admin. only means	Survey sample: Admin. only means	Admin. plus survey means	pred. empl.	pred. reentry
Survey: health (cont.)	Children needed to see a doctor but couldn't afford to			0.26	Y	Y
	Received any medical assistance in past 6 months			0.74	Y	
	Received Medicaid for self in past 6 months			0.51	Y	
	Received Medicaid for children in past 6 months			0.70	Y	
	Received medical assistance from CHIP in past 6 months			0.02	Y	Y
	Received medical assistance from Texas Rehabilitation in past 6 months			0.00	Y	Y
	Received medical assistance from Mental Health and Mental Retardation (MHMR) in past 6 months			0.02	Y	Y
	Received medical assistance from Social Security Disability in past 6 months			0.02	Y	Y
Survey: transportation	Own or share a car or truck			0.54	Y	Y
	Reliability of usual transportation			0.67	Y	Y
	Denied benefits because of value of vehicle			0.06	Y	Y
	Unable to work because of poor transportation			0.23	Y	Y
Survey: Food	Received any food assistance in past 6 months			0.85	Y	
	Received food assistance from WIC in past 6 months			0.35	Y	Y
	Received food assistance from school lunch program in past 6 months			0.33	Y	Y
	Received food assistance from food stamps in past 6 months			0.68	Y	
	Received food assistance from commodities/cheese program in past 6 months			0.02	Y	Y
	Received food assistance from summer food for children in past 6 months			0.03	Y	Y
	Received food assistance from food pantries in past 6 months			0.14	Y	Y
Survey: housing	How long living at present address (months)			40.03	Y	Y
	Have a telephone			0.73	Y	Y
	Received any assistance with housing costs in past 6 months			0.38	Y	Y
	Received housing assistance from Section 8 in past 6 months			0.15	Y	Y
	Received housing assistance from HUD in past 6 months			0.08	Y	Y
	Received housing assistance from rent subsidy in past 6 months			0.04	Y	Y
	Received assistance with fuel costs in past 6 months			0.03	Y	Y
	Received assistance with utility costs in past 6 months			0.12	Y	Y
	Received assistance with telephone costs in past 6 months			0.03	Y	Y
Survey: child care	Care for youngest child myself			0.25	Y	Y
	Youngest child cared for by babysitter or other nonrelative at that person's home			0.08	Y	Y
	Youngest child cared for by other parent			0.11	Y	Y
	Youngest child old enough to care for self			0.10	Y	Y
	Youngest child cared for in after-school program			0.04	Y	Y
	Youngest child cared for by older sibling			0.08	Y	Y
	Youngest child cared for by other relative in my home			0.17	Y	Y
	Youngest child cared for by other relative away from my home			0.15	Y	Y
	Youngest child in day care center or family day care home			0.14	Y	Y
Receive financial assistance with child care			0.16	Y		



Category	Variable Description	Leavers				
		State-wide: Admin. only means	Survey sample: Admin. only means	Admin. plus survey means	pred. empl.	pred. reentry
Survey: child care (cont.)	Receive child care assistance from CCMS			0.15	Y	
	Receive child care assistance from church			0.01	Y	
	Receive child care assistance from other community group			0.01	Y	
	Receive any child support			0.19	Y	Y
Survey: dealing with problems	Family or friends have helped with bills in past 6 months			0.26	Y	Y
	Family or friends have helped with food in past 6 months			0.28	Y	Y
	Family or friends have helped with housing in past 6 months			0.26	Y	Y
	Family or friends have helped with transportation in past 6 months			0.44	Y	Y
	Family or friends have helped with clothing in past 6 months			0.21	Y	Y
	Family or friends have helped with household items in past 6 months			0.23	Y	Y
	Family or friends have helped with child care in past 6 months			0.35	Y	Y
	Over past 6 months, have been unable to afford rent			0.38	Y	Y
	Over past 6 months, have been evicted			0.08	Y	Y
	Over past 6 months, have lived in an emergency or domestic violence shelter			0.04	Y	Y
	Over past 6 months, have been homeless or living in a car			0.05	Y	Y
	Over past 6 months, have lived with family or friends			0.38	Y	Y
	Over past 6 months, have been without electricity because couldn't afford it			0.15	Y	Y
	Over past 6 months, have been without heat because couldn't afford it			0.16	Y	Y
	Over past 6 months, have needed food but couldn't afford it			0.37	Y	Y
	Over past 6 months, have gone hungry because had no food			0.21	Y	Y
	Over past 6 months, have needed child care but couldn't afford it			0.34	Y	Y
Survey: demographics	Married and living with spouse			0.20	Y	Y
	Married and living apart from spouse			0.05	Y	Y
	Separated from spouse			0.16	Y	Y
	Divorced			0.12	Y	Y
	Widowed			0.02	Y	Y
Survey: multiple areas	Experienced barriers to employment in two or more areas (child care, health, transp.)			0.31	Y	Y

Source: Administrative and survey data on TANF leavers. All variables made available to each stepwise regression are listed with 'Y' in the predictor column.

### ***TANF Leavers – Factors Associated with Reentry to TANF***

The universe for this regression predicting reentry to TANF consisted of all surveyed Cohort 2 leavers. The dependent variable was a binary, taking the value of one

if the caretaker reentered TANF within the six months following his or her exit, and zero otherwise. Results of this regression are discussed in the main report.

Table A-7 lists the variables made available to this regression. The rightmost column indicates whether the variable was potentially used to predict reentry to TANF (with a 'Y' in the 'pred. reentry' column indicating the variable was made available to the stepwise procedure). The potential predictor variables in this regression were similar to the set used to predict employment among surveyed leavers, with some exceptions. As in the prediction of TANF reentry using administrative data in Cohort 2 above, wages and employment were only available *as of the exit month*, and thus were used in place of current employment and wages. Survey items omitted from the regression predicting TANF reentry were those dealing with reasons for returning to TANF, as well as items dealing with child care financing, due to the potential programmatic link between TANF receipt and subsidized child care.

Again, there is no need for concern that the R-squared statistics cited in the main report are inflated due to the high number of predictors. When corrected, the R-squares of .13 and .32 for the surveyed sub-sample admin.-only and surveyed sub-sample combined regressions, respectively, yield adjusted R-squares of .12 and .29.

## **IV. Statewide Telephone/Mail Survey of Leavers – Research Methods**

### **Overview**

A survey was conducted between January and June 2001 of those who left TANF during the period of July through September 2000, and remained off TANF for at least two months.

### **Disposition Information**

A paper version of the survey (text included below) was initially mailed to 1,596 welfare leavers in January 2001. After six weeks, a second mailing went out to all non-responders, and an effort was made to reach all non-responders by telephone. As a result,

surveys were completed on 723 TANF leavers. All responses were entered into a single database. Tables A-8 – A-10 below detail the contact results, judge mobility, and difficulty of reaching respondents. They show the categories of dispositions in which all 1,596 of those sampled fell.

**Table A-8:  
Contact Results**

<b>Disposition*</b>	<b>Results</b>	<b>% of total sample</b>
Responded to 1 <sup>st</sup> mailing (Mailed-in response to first mail-out of survey)	515	32.3%
Responded to 2 <sup>nd</sup> mailing (Mailed-in response to second mail-out of survey)	85	5.3%
Completed phone interview (Agreed to telephone interview)	136	8.5%
Refused on the phone (Explicitly refused or announced over several attempts that could not interview now)	27	1.7%
Jail (Incarceration confirmed by family member)	3	0.2%
Ineligible (Respondent reported never had been on TANF)	8	0.5%
Move confirmed (Mailing returned with no forwarding address and/or phone disconnected over a month-long period)	581	36.4%
Not resolved. No response/no information (Repeated attempts to contact failed)	160	10.0%
No correct address/phone number available (Original listing from TDHS missing address/phone; or only incomplete information)	81	5.1%
<b>Total</b>	<b>1,596</b>	<b>100.0%</b>

Source: Statewide survey of families leaving TANF July – September 2000.

**Table A-9:  
Mobility**

<b>Disposition</b>	<b>Results</b>
No evidence of move	1,015
Evidence of move	581
<b>Total</b>	<b>1,596</b>

Source: Statewide survey of families leaving TANF July – September 2000.

**Table A-10:  
Difficulty in Reaching Respondents**

<b>Disposition</b>	<b>Results</b>
Easily reached (answered 1 <sup>st</sup> mailing)	515
Less easily reached (answered 2 <sup>nd</sup> mailing or completed phone interview)	221
Not reached (no interview obtained)	860
Total	1,596

Source: Statewide survey of families leaving TANF July – September 2000.

## **Statewide Leavers Survey Instrument**

*The text of the actual survey instrument follows:*

January 6, 2001  
Center for Social Work Research  
The University of Texas at Austin

Hello,

You are invited to take part in a study of people's experiences with the Temporary Assistance to Needy Families (TANF) program. We hope to learn how people get by when they are not receiving TANF and what their experience was like on TANF. With this information, we hope to make the program more useful to people in Texas. You were selected as a participant in this study because you stopped receiving TANF benefits during the past several months. You will be one of approximately 1,000 people asked to take part in this study. You may answer either the English or the Spanish survey.

We have included in this mailing a new "gold" dollar as a thank you for helping with the research. We would like to send you an additional gift as a thank you when you have completed and returned the survey. You will receive a collection of special money, including a Susan B. Anthony silver dollar, a John F. Kennedy Half dollar, and a crisp new two dollar bill. You will receive all three of these. In order for us to send these to you, we need for you to fill out the mailing label at the bottom of this page. However, the label will be cut off the survey and used to mail back the quarters to you. We will keep nothing that will identify you on the survey. All of the information you send us will be kept completely confidential. It will only be used together with information from all respondents. No identifying material will be provided to anyone.

If you have any questions concerning this survey or would like some help in filling it out, please call: 1-800-970-7455

Someone will be there to help you most of the time. Otherwise, please leave a message, and someone will call you back.

When you finish the survey, please place it in the enclosed envelope and put it in the mail. It already has postage for the return mail. Thank you very much for your attention to this survey.

Sincerely yours,  
Laura Lein

Address Label: Name: _____  Address: _____  _____
--

**YOUR JOB**

Are you currently employed?

YES

NO

IF YES, answer the questions below:	IF NO, answer the questions below:
<p>Including overtime, how many hours do you usually work at your main job per week? _____ hours</p> <p>How much does your main job pay? \$_____ per hour</p> <p>How long have you been employed at your main job? _____ months _____ years</p> <p>What kind of work do you do at your main job? _____</p> <p>How many hours do you usually work each day? _____ hours per day</p> <p>Do you receive benefits from your main job? (“√” your answer) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>IF Yes, “√” all that apply:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> subsidized health insurance</li> <li><input type="checkbox"/> paid sick days</li> <li><input type="checkbox"/> paid vacation time</li> <li><input type="checkbox"/> no benefits offered</li> </ul> <p>If your job offers benefits that require you to pay part of the costs, can you afford to do so? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is your main job a temporary (or seasonal) job? (“√” your answer) <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Have you worked in the last six months? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If no, what are the main reasons why you are not working? (“√” all that apply):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Child care problems</li> <li><input type="checkbox"/> Transportation problems</li> <li><input type="checkbox"/> Own health problems</li> <li><input type="checkbox"/> Own physical or mental disabilities</li> <li><input type="checkbox"/> Pregnancy</li> <li><input type="checkbox"/> Other family members’ health problems</li> <li><input type="checkbox"/> Other family members’ physical or mental disabilities</li> <li><input type="checkbox"/> Currently looking for work</li> <li><input type="checkbox"/> Could not find a job</li> <li><input type="checkbox"/> No jobs available in my area</li> <li><input type="checkbox"/> No jobs available for my skills</li> <li><input type="checkbox"/> Presently enrolled in school</li> <li><input type="checkbox"/> Do not need to work</li> <li><input type="checkbox"/> Presently enrolled in a training program</li> <li><input type="checkbox"/> Prefer to stay home with children</li> <li><input type="checkbox"/> Pay too low</li> <li><input type="checkbox"/> Laid off from job</li> <li><input type="checkbox"/> Husband/partner objected</li> <li><input type="checkbox"/> Other reason for not working (specify) _____</li> </ul>

Have you worked any other jobs? (“√” your answer)

- Yes       No

Last month, how much income did your household get from each of these places

(please fill out the amount of money in the blank next to each program – even if it is ‘0’):

\$_____ TANF	\$_____ SSI Disability Benefits
\$_____ Earnings from paid work	\$_____ Child Support
\$_____ Social Security Survivor’s Benefits Insurance	\$_____ Unemployment
\$_____ Other (Please specify:)	\$_____ Financial Assistance from Others

Regardless of whether or not you are currently working, have you looked for work in the past 6 months? (“√” your answer)  Yes  No

In the past 6 months, have you used any programs that helped you with income? (“√” all that apply)

- |   |  |
|---|--|
| <input type="checkbox"/> Social Security                    | <input type="checkbox"/> Unemployment Insurance          |
| <input type="checkbox"/> Supplemental Security Income (SSI) | <input type="checkbox"/> TANF/AFDC                       |
| <input type="checkbox"/> Worker’s Comp                      | <input type="checkbox"/> Earned Income Tax Credit (EITC) |
| <input type="checkbox"/> Other (Please specify): _____      |  |

**FOR EVERYONE:**

**IF YOU ARE NOW RECEIVING TANF:**

Why did you go off TANF the last time that happened? (“√” all that apply):	Why did you go back on TANF? (“√” all that apply):
<input type="checkbox"/> found a job/income too high <input type="checkbox"/> got married <input type="checkbox"/> another adult contributed money <input type="checkbox"/> couldn’t meet TANF requirements <input type="checkbox"/> health improved <input type="checkbox"/> began receiving child support <input type="checkbox"/> reached TANF/welfare time limit <input type="checkbox"/> obtained reliable transportation <input type="checkbox"/> could not get to required meetings/appointments <input type="checkbox"/> could not provide all the needed documentation <input type="checkbox"/> youngest child turned 18 years of age <input type="checkbox"/> too much paperwork or hassle <input type="checkbox"/> applied for TANF, application pending <input type="checkbox"/> did not like TANF <input type="checkbox"/> Other (specify): _____	<input type="checkbox"/> became pregnant/just gave birth <input type="checkbox"/> divorce/separation <input type="checkbox"/> lost job/laid-off job/stopped working <input type="checkbox"/> lost child care <input type="checkbox"/> lost child support/stopped receiving child support <input type="checkbox"/> income dropped <input type="checkbox"/> became ill <input type="checkbox"/> lost transportation/car broke down <input type="checkbox"/> needed to care for another household member <input type="checkbox"/> needed Medicaid for self or children <input type="checkbox"/> lost housing <input type="checkbox"/> Other (specify): _____

**YOUR HEALTH**

Do you have a health problem or injury that keeps you from doing things people generally do, or things you want to do?  Yes  No

IF Yes, please describe: \_\_\_\_\_

Are you pregnant now?  Yes  No

Is there anyone in your household who has a disability or a serious health problem that makes it hard for you to go to work, attend training or go to school?  Yes  No

Has there been a time in the past six months when you needed to see a doctor or go to the hospital but didn't because you could not afford to?  Yes  No

Has there been a time in the past six months when your children needed to see a doctor or go to the hospital but didn't because you could not afford to?  Yes  No

In the past 6 months, have you used any programs that helped you with health? (“√” all that apply):

- Medicaid for self
- Medicaid for children
- CHIP
- Other \_\_\_\_\_
- Texas Rehabilitation
- Mental Health Mental Retardation (MHMR)
- Social Security Disability (SSD)

**IF YOU YOURSELF ARE NOT RECEIVING MEDICAID:**

**IF YOUR YOUNGEST CHILD IS NOT RECEIVING MEDICAID:**

Why are you not on Medicaid (“√” all that apply):	Why is your child not on Medicaid (“√” all that apply):
<input type="checkbox"/> Covered under another health plan <input type="checkbox"/> Income too high <input type="checkbox"/> Medicaid was stopped <input type="checkbox"/> Not eligible for Medicaid <input type="checkbox"/> Do not want Medicaid <input type="checkbox"/> Applied for Medicaid but was denied <input type="checkbox"/> Too much paperwork or hassle <input type="checkbox"/> Applied for Medicaid--application is pending <input type="checkbox"/> Unfamiliar with Medicaid <input type="checkbox"/> Other: _____	<input type="checkbox"/> Covered under another health plan (CHIP or other) <input type="checkbox"/> Income too high <input type="checkbox"/> Medicaid was stopped <input type="checkbox"/> Not eligible for Medicaid <input type="checkbox"/> Do not need Medicaid <input type="checkbox"/> Applied for Medicaid but was denied <input type="checkbox"/> Applied for Medicaid -- application pending <input type="checkbox"/> Unfamiliar with Medicaid <input type="checkbox"/> Other: _____



YOUR TRANSPORTATION (“√” your answer)

Do you own or share a car or truck you can use?  Yes  No

How reliable is your usual transportation?

- Very reliable
- Somewhat reliable
- Not very reliable.....
- Not at all reliable

In the past 6 months, have you been denied TANF, Medicaid, or Food Stamps because of the value of a vehicle?  Yes  No

In the past 6 months have you lost a job or not been able to take a job because you had poor transportation?  Yes  No

YOUR FOOD

In the past 6 months, have you used any programs that helped you with food (“√” all that apply):

- WIC
- School lunch program
- Food stamps
- Commodities/cheese program
- Summer food for children
- Food pantries
- Other: \_\_\_\_\_

IF YOU DO NOT HAVE FOOD STAMPS:

Why don't you have Food Stamps? (“√” all that apply)

- Income too high
- Food Stamps were stopped
- Not eligible for Food Stamps
- Do not need Food Stamps
- Do not want Food Stamps
- Applied for Food Stamps but I was denied
- Applied for Food Stamps--application is pending
- Unfamiliar with Food Stamps
- Had too many resources
- Too much paperwork or hassle
- Other: \_\_\_\_\_

**YOUR HOUSING**

How long have you lived at this address? \_\_\_\_\_ months \_\_\_\_\_ years

Do you have a telephone?  Yes  No

In the past 6 months, have any programs helped your household with housing costs?  
 (“√” all that apply)

- Section 8 housing
- HUD Housing
- Rent subsidies
- Fuel assistance
- Help with utilities
- Telephone assistance
- Other \_\_\_\_\_

**YOUR CHILD CARE**

How do you take care of your youngest child when you are working/at school/have to be away from home? (“√” all that apply)

- I take care of my child myself
- Child at Babysitter/non-relative cares for child at that person’s home
- Other parent takes care of child
- Child old enough to care for self
- Child in After School Program
- Older sibling takes care of child.....
- Other relative takes care of child in my home
- Other relative takes care of child somewhere else
- Child in day care at a child care center of family day care home
- Other (please specify:) \_\_\_\_\_

Do you get financial assistance with child care from? (“√” all that apply):

- CCMS
- Church
- Other community group

Do you receive any child support from the father of any of your children?...  Yes  No

## DEALING WITH PROBLEMS

In the past six months have family or friends helped you (“√” how often.)

	Frequently	Sometimes	Rarely	Never
a. with bills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. with food .....				
c. with housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. with transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. with clothing.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. with household items such as toys, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. with child care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Over the past 6 months, has there been a time when...

- a. you could not afford a place to stay or when you could not pay your rent?  Yes  No
- b. you were evicted from any residence?  Yes  No
- c. you lived in emergency housing shelter or a domestic violence shelter?  Yes  No
- d. you were homeless or living on the street or in a car?  Yes  No
- e. you lived with family or friends until you could get your own place?  Yes  No
- f. you have been without electricity because you could not afford it?  Yes  No
- g. you have been without heat because you could not afford it?  Yes  No
- h. you needed food but you couldn't afford it?  Yes  No
- i. you went hungry because you had no food?  Yes  No
- j. you needed child care, but couldn't afford it?  Yes  No

ABOUT YOU

Are you.....  Female.....  Male

What is your age:\_\_\_\_\_

How would you classify your racial/ethnic background?

- African American/Black                       White/Caucasian
- Hispanic or Latino                               Asian or Pacific Islander
- Other (please specify) \_\_\_\_\_

Are you currently....

- Married and living with your spouse
- Married and living apart from spouse (in the military, on a job, in prison)
- Separated from spouse
- Divorced
- Widowed
- Never been married

How many children do you have who live with you? \_\_\_\_\_

How old is your youngest child? \_\_\_\_\_

What is the highest grade of school or year of college you have completed?

Grade of school

- 00    01    02    03    04    05    06    07    08    09    10    11    12

Year of College

- 01    02    03    04    05    06

Did you get a high school diploma or pass a high school equivalency test, that is a GED?

- Yes, High School Diploma                       Yes, GED                       No

Thank you very much for helping us with this survey.

Please fold the survey in half and place it in the enclosed envelope to send back to us.

If you have filled out the mailing label on the front of the survey, we will send you a set of the special money, including a John F. Kennedy half dollar, a Susan B. Anthony silver dollar, and a crisp new two-dollar bill.

*[End of text of survey instrument]*

## **V. Intensive Interview Research Methods**

### **Interview Research Sample**

Qualitative researchers studied leavers and ‘redirects’ in six research sites: the counties of Bexar, Harris, Jasper, McLennan, Hale, and the two-county Valley area comprised of Cameron and Hidalgo counties. Applicants denied for non-financial reasons were studied in single offices in two research sites: Austin and El Paso. Recipients of the one-time payment also were studied in two research sites: Cameron/Hidalgo and Bexar counties. In each site, research staff drew a random sample of potential research respondents from the TDHS population. The leavers population included three subcategories: caretaker cases denied, caretaker cases denied and transferred to Medicaid, and ‘child-only’ cases denied after the adult had left TANF due to reaching state time limits.

### **Data Collection**

Field researchers worked with a random sample making a series of efforts to locate and interview the respondent, preferably in person and preferably in the respondent's home. The samples were drawn over a one-year period in all but the study of those denied for non-financial reasons. Therefore, interviews took place between three and fifteen months after departure from TANF. In the larger six-site study a careful record was kept of each effort and the information learned during each attempt to reach a respondent (new address/move/employment status/institutionalization). Once located, each potential respondent was asked to participate in an extensive open-ended interview that covered such topics as household demographics, sources and amounts of household income, barriers to employment, types of household expenditures, experience of material hardship, recent experiences with TANF, and plans for the future. In the smaller-scale studies of applicants denied for non-financial reasons and of recipients of one-time payments, researchers interviewed a random sample of respondents several times. Partial

data from those who could not be located were not collected. This report draws only on data from the first interview with each respondent.

## **Data Analysis**

Detailed notes (called dispositions) were kept on all attempts to reach potential respondents in the larger six-site study. In all studies, each completed interview was transcribed from audio tapes if the respondent permitted taping, from notes if the respondent disallowed it. Codebooks were established for each of two databases. The first database included the basic, quantifiable data. The second database included the thematically coded prose content of disposition notes and completed interviews. The current report draws on the first database, informed by illustrations from the second.

## **Qualitative Research Strengths and Weaknesses**

The approach described above allowed researchers to:

- Increase the likelihood of locating potential respondents who are relatively difficult to find or who may have a tendency to refuse, thus mitigating response bias.
- Talk directly to respondents in order to explore the complex relationships among variables, including new variables suggested by the respondents. While respondents' narratives are idiosyncratically different from each other, they provide the researchers with new insights into respondents' perceptions of welfare and work.
- Also obtain information from and about non-respondents.

While providing detailed and evocative information about families in poverty, this approach is subject to several limitations, in particular:

- Inability to reach all research respondents,
- A snapshot rather than a longitudinal approach,
- Relatively small sample sizes.

Therefore, the qualitative findings were integrated into the context of an analysis of administrative data files. The joint analysis allows us to explore in depth and to draw on longitudinal data from the entire population.

## **Impact of Respondent Mobility on Sample Response Rate**

Because data for this report were collected through three different studies, with somewhat different research designs, the qualitative data set includes material collected with somewhat different sampling and follow-up techniques. In the largest of the studies – implemented in six sites – research staff searched exhaustively for each individual drawn in the sample. While searching out respondents in six sites, researchers learned a little about even those potential respondents who were never located or interviewed. Thus, some types of information are available from larger numbers of potential respondents than other types of information. The response rate varied, depending on the question at issue. In the two smaller studies, efforts concentrated on the location of respondents who were willing to be interviewed, rather than on follow-up with clear non-respondents.

## **Response Rates**

Across the eight research sites in which leavers and diverted respondents were studied, a sample totaling 679 potential respondents were contacted for interviews. The research staff located and completed interviews with 439 respondents. They learned about recent mobility (moving from one address to another) and institutionalization (in prison, the hospital, or a shelter) for an additional 123 respondents. They gained still additional information on 69 non-respondents.

## **Residential Mobility and Sample Location**

The methodology used for the qualitative research reported here provided an opportunity to explore the geographic mobility of families in the sampled population and its relationship to other family problems and issues as well as to response rates. In all cases, the sample members had had contact with a TDHS office during the year preceding the efforts of researchers to contact them. Because the researchers made several attempts to contact each person, including visits to the home and neighborhood, the researchers almost always were able to confirm whether a respondent was still in residence. In some

cases they gained additional information from family members who were willing to help the project by reporting, for instance, that the respondent had left town and had a job (and was therefore employed). In several cases researchers learned that respondents were hospitalized, in jail or prison, or in shelters.

TDHS population lists provided mailing addresses for all potential respondents of the six sites that included leavers and redirects. In some cases these addresses indicated a specific geographic location, such as a street address. Other provided addresses were in the form of post office boxes and rural route addresses. For 52 percent (308 of 588) of the cases, a street address was provided and interviewers were able to locate a respondent at that address. However, for 38 percent (221 of 588) of the cases, although a street address was provided, interviewers were unable to locate the respondent. Approximately 10 percent (59 of 588) of the provided addresses were post office boxes and/or rural routes. This final type of address, more common in rural locales, posed additional challenges for the researchers.

Among the sample respondents interviewed, almost three quarters (74 percent) of the cases resided at addresses that matched the provided street address. However, this indicates that more than one quarter of the sample (26 percent) included interviews with respondents not as easily located, either because the respondent didn't live at the given street address or the given address was a post office box or rural route.

### **Residential Mobility and Other Demographic Factors**

As might be expected, respondents who moved had different characteristics than respondents who did not move. However, concerted efforts to locate every potential study participant revealed that the over-representation of more stable households remains an ongoing concern.

For example, people who moved were more likely to be men. Although the sample of men originally is fairly small (71 of 679), 42 percent of the men interviewed were residing at addresses different from the one initially provided compared to 21 of women respondents.



In general, people who move are younger, and the respondents in this sample who had moved were younger as well. Respondents who were no longer residing at the provided address averaged 27 years of age compared to 32 years of age for those who had not moved.

Mobility was also related to issues discussed in this report including Medicaid coverage and employment status. Those who had moved were less likely to have Medicaid coverage for their children. Fifty-four percent of those residing at different addresses reported not having Medicaid for their children compared to 31 percent of those who were residing at the given address. People who moved and were also employed made on average less than employed non-movers - \$7.12 versus \$8.16.



## **Appendix B:**

### **Detailed Statistics from Administrative Data Analysis**

#### **I. Primary Administrative Outcome Measures**

Some of the outcomes from the following tables have been selectively duplicated in the main paper. For the sake of completeness, the tables are reproduced here in their entirety.

#### **Case-month Outcomes**

**Table B-1:  
Family-level Outcomes for Divertees**

	Redirected (no application filed)	Application filed		
		Denied for Non- financial Reasons	Approved -- One-Time Payment	Approved -- Entry into TANF Caseload
<b>Percent of time caretaker receiving TANF</b>				
In 18 months after application	4.6%	10.8%	2.6%	36.0%
At time of application	2.0%	4.1%	0.1%	2.9%
In two years prior to application	6.1%	15.1%	10.8%	25.3%
<b>Percent of time caretaker receiving Medicaid</b>				
In 18 months after application	11.4%	18.2%	20.3%	47.0%
At time of application	9.6%	12.3%	12.6%	11.7%
In two years prior to application	11.7%	21.1%	19.2%	31.1%
<b>Percent of time caretaker receiving food stamps</b>				
In 18 months after application	25.9%	24.8%	39.8%	45.8%
At time of application	18.0%	20.9%	36.3%	25.4%
In two years prior to application	24.2%	30.3%	39.8%	42.7%
<b>Percent of time receiving subsidized child care</b>				
In 18 months after application	4.5%	5.5%	5.1%	8.7%
At time of application	4.0%	3.9%	2.8%	5.1%
In two years prior to application	3.0%	3.4%	3.3%	4.0%
<b>Average number of children in family receiving subsidized child care</b>				
In 18 months after application	1.84	1.89	1.98	1.95
At time of application	1.82	1.82	1.84	1.85
In two years prior to application	1.82	1.80	1.87	1.85
<b>Average monthly subsidy value for families receiving subsidized child care<sup>1</sup></b>				
In 18 months after application	\$199	\$241	\$186	\$241
At time of application	\$177	\$220	\$174	\$186
In two years prior to application	\$186	\$225	\$179	\$226
<b>Percent of time caretaker participating in Choices</b>				
In 18 months after application	0.8%	2.0%	0.7%	5.9%
At time of application	0.3%	0.9%	0.1%	6.4%
In two years prior to application	0.8%	1.8%	2.0%	2.8%
<b>Percent of time receiving child support payments</b>				
In 18 months after application	9.7%	8.4%	5.9%	8.6%
At time of application	7.9%	5.9%	3.5%	5.0%
In two years prior to application	6.8%	5.3%	3.4%	5.4%
<b>Average of monthly child support payments received<sup>1</sup></b>				
In 18 months after application	\$331	\$286	\$309	\$210
At time of application	\$314	\$276	\$227	\$176
In two years prior to application	\$282	\$232	\$179	\$182

<sup>1</sup> All dollar amounts are reported in constant Year 2000 dollars.

Source: Administrative data on those applying or diverted from TANF between April 1998 and June 1999.

**Table B-2:  
Family-level Outcomes for TANF Leavers**

	<b>Total Sample (First Cohort)</b>	<b>Short-term Leavers: Returned to TANF Within 6 Months</b>	<b>Long-term Leavers: Still Off TANF After 6 Months</b>
<b>Percent of time caretaker receiving TANF</b>			
In 18 months after exit	15.5%	43.9%	6.6%
At time of exit	0.1%	0.0%	0.1%
In two years prior to exit	49.2%	56.3%	46.9%
<b>Percent of time caretaker receiving Medicaid</b>			
In 18 months after exit	33.3%	59.3%	25.0%
At time of exit	18.0%	15.5%	18.8%
In two years prior to exit	53.6%	60.4%	51.5%
<b>Percent of time caretaker receiving food stamps</b>			
In 18 months after exit	33.0%	52.2%	26.9%
At time of exit	38.4%	40.0%	37.8%
In two years prior to exit	56.7%	63.1%	54.6%
<b>Percent of time receiving subsidized child care</b>			
In 18 months after exit	9.4%	10.8%	9.0%
At time of exit	10.9%	10.1%	11.2%
In two years prior to exit	5.9%	6.0%	5.8%
<b>Average number of children in family receiving subsidized child care</b>			
In 18 months after exit	2.02	2.10	1.99
At time of exit	1.94	1.97	1.93
In two years prior to exit	1.81	1.87	1.80
<b>Average monthly subsidy value for families receiving subsidized child care<sup>1</sup></b>			
In 18 months after exit	\$241	\$248	\$238
At time of exit	\$251	\$244	\$253
In two years prior to exit	\$244	\$244	\$244
<b>Percent of time caretaker participating in Choices</b>			
In 18 months after exit	3.1%	7.9%	1.6%
At time of exit	6.3%	5.9%	6.5%
In two years prior to exit	6.6%	6.7%	6.6%
<b>Percent of time receiving child support payments</b>			
In 18 months after exit	11.9%	10.0%	12.5%
At time of exit	8.9%	7.0%	9.6%
In two years prior to exit	6.9%	6.4%	7.0%
<b>Average of monthly child support payments received<sup>1</sup></b>			
In 18 months after exit	\$234	\$164	\$252
At time of exit	\$207	\$162	\$217
In two years prior to exit	\$138	\$122	\$143

<sup>1</sup> All dollar amounts are reported in constant Year 2000 dollars.

Source: Administrative data on those leaving TANF between April 1998 and June 1999.

**Table B-3:  
Family-level Outcomes for TANF Leavers: Comparing First vs. Second Cohorts**

	<b>First Cohort of Leavers</b>	<b>Second Cohort of Leavers</b>
<b>Percent of time caretaker receiving TANF</b>		
In 6 months after exit	13.5%	16.1%
At time of exit	0.1%	0.1%
In two years prior to exit	49.2%	41.4%
<b>Percent of time caretaker receiving Medicaid</b>		
In 6 months after exit	37.8%	40.1%
At time of exit	18.0%	20.4%
In two years prior to exit	53.6%	50.7%
<b>Percent of time caretaker receiving food stamps</b>		
In 6 months after exit	36.1%	35.7%
At time of exit	38.4%	33.6%
In two years prior to exit	56.7%	45.0%
<b>Percent of time receiving subsidized child care</b>		
In 6 months after exit	9.9%	13.8%
At time of exit	10.9%	15.9%
In two years prior to exit	5.9%	9.5%
<b>Average number of children in family receiving subsidized child care</b>		
In 6 months after exit	1.98	2.06
At time of exit	1.94	2.05
In two years prior to exit	1.81	1.99
<b>Average monthly subsidy value for families receiving subsidized child care<sup>1</sup></b>		
In 6 months after exit	\$237	\$258
At time of exit	\$251	\$274
In two years prior to exit	\$244	\$254
<b>Percent of time caretaker participating in Choices</b>		
In 6 months after exit	3.1%	5.7%
At time of exit	6.3%	7.6%
In two years prior to exit	6.6%	8.3%
<b>Percent of time receiving child support payments</b>		
In 6 months after exit	10.1%	13.5%
At time of exit	8.9%	12.5%
In two years prior to exit	6.9%	6.7%
<b>Average of monthly child support payments received<sup>1</sup></b>		
In 6 months after exit	\$218	\$228
At time of exit	\$207	\$232
In two years prior to exit	\$138	\$164

<sup>1</sup> All dollar amounts are reported in constant Year 2000 dollars.

Source: Administrative data on those leaving TANF between April 1998 and June 1999 (Cohort 1) or between July and September 2000 (Cohort 2).

**Table B-4:  
Outcomes for Children of TANF Leavers**

	<b>Total Sample (First Cohort)</b>	<b>Short-term Leavers: Returned to TANF Within 6 Months</b>	<b>Long-term Leavers: Still Off TANF After 6 Months</b>
<b>Percent of time children receiving Medicaid - all children in family</b>			
In 18 months after exit	47.3%	63.6%	42.1%
At time of exit	19.7%	16.1%	20.8%
In two years prior to exit	52.5%	56.6%	51.3%
<b>Percent of time children receiving Medicaid - any children in family</b>			
In 18 months after exit	50.7%	68.1%	45.1%
At time of exit	20.3%	16.5%	21.5%
In two years prior to exit	62.3%	67.5%	60.6%
<b>Percent of time child abuse or neglect substantiated - any children</b>			
In 18 months after exit	0.16%	0.24%	0.13%
At time of exit	0.18%	0.23%	0.17%
In two years prior to exit	0.12%	0.15%	0.12%
<b>Percent of time foster care placements made - any children</b>			
In 18 months after exit	0.05%	0.07%	0.05%
At time of exit	0.06%	0.03%	0.07%
In two years prior to exit	0.02%	0.01%	0.02%

Source: Administrative data on those leaving TANF between April 1998 and June 1999.

**Table B-5:  
Outcomes for Children of TANF Leavers: Comparing First vs. Second Cohorts**

	<b>First Cohort of Leavers</b>	<b>Second Cohort of Leavers</b>
<b>Percent of time children receiving Medicaid - all children in family</b>		
In 6 months after exit	48.6%	51.7%
At time of exit	19.7%	22.4%
In two years prior to exit	52.5%	51.0%
<b>Percent of time children receiving Medicaid - any children in family</b>		
In 6 months after exit	51.5%	54.9%
At time of exit	20.3%	22.8%
In two years prior to exit	62.3%	61.3%
<b>Percent of time child abuse or neglect substantiated - any children</b>		
In 6 months after exit	0.15%	0.12%
At time of exit	0.18%	0.20%
In two years prior to exit	0.12%	0.20%
<b>Percent of time foster care placements made - any children</b>		
In 6 months after exit	0.05%	0.06%
At time of exit	0.06%	0.12%
In two years prior to exit	0.02%	0.05%

Source: Administrative data on those leaving TANF between April 1998 and June 1999 (Cohort 1) or between July and September 2000 (Cohort 2).



## Case-quarter Outcomes

**Table B-6**  
**Employment and Earnings of Divertees**

	Redirected (no application filed)	Application filed		
		Denied for Non- financial Reasons	Approved -- One-time Payment	Approved -- Entry into TANF Caseload
<b>Percent of time employed</b>				
In 18 months after quarter of application	53.6%	32.2%	30.0%	43.6%
In quarter of application	54.9%	31.3%	27.5%	36.3%
In two years prior to quarter of application	51.1%	26.9%	24.8%	38.8%
<b>Average quarterly earnings of those employed<sup>1</sup></b>				
In 18 months after quarter of application	\$2,621	\$2,125	\$2,218	\$2,119
In quarter of application	\$2,097	\$1,490	\$1,243	\$1,255
In two years prior to quarter of application	\$2,614	\$1,887	\$2,151	\$1,996
<b>Percent of time with earnings above poverty level</b>				
In 18 months after quarter of application	24.9%	9.6%	5.4%	8.5%
In quarter of application	18.8%	5.4%	1.2%	2.6%
In two years prior to quarter of application	23.1%	6.7%	4.1%	6.7%
<b>Percent of time with earnings at a self-sufficient level<sup>2</sup></b>				
In 18 months after quarter of application	11.1%	3.8%	1.6%	2.4%
In quarter of application	6.8%	1.7%	0.2%	0.8%
In two years prior to quarter of application	10.4%	2.4%	1.2%	1.9%

Source: Administrative data on those applying or diverted from TANF between April 1998 and June 1999.

<sup>1</sup> All dollar amounts are reported in constant Year 2000 dollars.

<sup>2</sup> Self-sufficient employment is defined as earnings greater than 165% of the federal poverty limit.

**Table B-7  
Employment and Earnings of TANF Leavers**

	<b>Total Sample</b>	<b>Short-term Leavers: Returned to TANF Within 6 Months</b>	<b>Long-term Leavers: Still Off TANF After 6 Months</b>
<b>Percent of time employed</b>			
In 18 months after exit quarter	52.3%	43.4%	55.1%
In quarter of exit	55.1%	46.7%	57.7%
In two years prior to exit quarter	38.1%	35.4%	38.9%
<b>Average quarterly earnings of those employed<sup>1</sup></b>			
In 18 months after exit quarter	\$2,285	\$1,568	\$2,463
In quarter of exit	\$1,926	\$1,258	\$2,097
In two years prior to exit quarter	\$1,616	\$1,320	\$1,702
<b>Percent of time with earnings above poverty level</b>			
In 18 months after exit quarter	11.2%	4.4%	13.4%
In quarter of exit	7.3%	2.0%	9.0%
In two years prior to exit quarter	4.3%	2.5%	4.8%
<b>Percent of time with earnings at a self-sufficient level<sup>2</sup></b>			
In 18 months after exit quarter	2.8%	0.9%	3.5%
In quarter of exit	1.4%	0.3%	1.8%
In two years prior to exit quarter	1.0%	0.5%	1.2%

Source: Administrative data on those leaving TANF between April 1998 and June 1999.

<sup>1</sup> All dollar amounts are reported in constant Year 2000 dollars.

<sup>2</sup> Self-sufficient employment is defined as earnings greater than 165% of the federal poverty limit.

**Table B-8**  
**Employment and Earnings of TANF Leavers: Comparing First vs. Second Cohorts**

	First Cohort of Leavers	Second Cohort of Leavers
<b>Percent of time employed</b>		
In 6 months after exit quarter	52.6%	53.8%
In quarter of exit	55.1%	56.7%
In two years prior to exit quarter	38.1%	44.5%
<b>Average quarterly earnings of those employed<sup>1</sup></b>		
In 6 months after exit quarter	\$2,155	\$2,239
In quarter of exit	\$1,926	\$2,083
In two years prior to exit quarter	\$1,616	\$1,749
<b>Percent of time with earnings above poverty level</b>		
In 6 months after exit quarter	9.9%	10.8%
In quarter of exit	7.3%	9.6%
In two years prior to exit quarter	4.3%	5.8%
<b>Percent of time with earnings at a self-sufficient level<sup>2</sup></b>		
In 6 months after exit quarter	2.3%	2.8%
In quarter of exit	1.4%	2.2%
In two years prior to exit quarter	1.0%	1.4%

Source: Administrative data on those leaving TANF between April 1998 and June 1999 (Cohort 1) or between July and September 2000 (Cohort 2).

<sup>1</sup> All dollar amounts are reported in constant Year 2000 dollars.

<sup>2</sup> Self-sufficient employment is defined as earnings greater than 165% of the federal poverty limit.

## **II. Administrative Outcomes at Other Levels of Summary**

Many administrative data outcomes were also summarized to the quarterly level in order to produce a set of ASPE common administrative data outcomes (see Appendix A for details). Those tables are reproduced here for several subgroups of both divertees and TANF leavers.

### **Year Following Exit or Diversion**

This section contains a concise presentation of results summed across the four quarters following exit or diversion. Each column in the two tables immediately below was taken from a different table in the subsequent section (which contains primarily quarterly results for various subgroups). The ‘year following diversion (exit)’ columns were duplicated and juxtaposed here for ease of comparison among these subgroups.

**Table B-9:  
Commonly Reported Administrative Data Outcomes for Divertees:  
Ever Within Four Quarters After Diversion**

	<b>Redirects</b>	<b>Denied for Non-financial Reasons</b>	<b>One-time Recipients</b>	<b>TANF Entrants</b>
<b>Employment outcomes</b>				
Employment rate (ever)	70.7%	45.5%	42.7%	62.5%
Mean earnings (of those with any earnings)	\$7,733	\$5,789	\$5,971	\$5,555
Median earnings (of those with any earnings)	\$5,776	\$3,804	\$4,065	\$3,533
<b>TANF and other program participation</b>				
Receiving TANF (caretaker)	11.6%	26.0%	3.5%	79.3%
Receiving Medicaid (caretaker)	24.7%	37.7%	54.1%	82.1%
Receiving food stamps (caretaker)	62.6%	56.2%	86.5%	84.9%
<b>Additional employment outcomes</b>				
Employed in all four quarters after exit	35.3%	18.0%	17.2%	22.7%
Mean earnings of those employed all four quarters	\$12,206	\$10,454	\$10,450	\$10,461
Median earnings of those employed all four quarters	\$10,456	\$9,150	\$8,979	\$8,907
Employed with quarterly earnings > \$500	63.2%	38.5%	36.9%	52.5%
<b>Other</b>				
No benefits (TANF, food stamps, or Medicaid)	34.4%	38.3%	9.0%	7.5%
No benefits and no earnings	11.3%	25.4%	6.1%	3.9%
Receiving child care subsidy	8.5%	10.9%	9.8%	18.0%
Receiving formal child support payments	15.6%	14.6%	11.6%	16.8%

Source: Administrative data on those applying or diverted from TANF between April 1998 and June 1999.  
All dollar amounts are reported in constant Year 2000 dollars.

**Table B-10:  
Commonly Reported Administrative Data Outcomes for Leavers:  
Ever Within Four Quarters After Exit**

	<b>All Leaver Families</b>	<b>Single-Parent Leaver Families</b>	<b>Two parent Leaver Families</b>	<b>Short-term Leavers</b>	<b>Long-term Leavers</b>
<b>Employment outcomes</b>					
Employment rate (ever)	70.5%	71.8%	57.8%	66.7%	71.7%
Mean earnings (of those with any earnings)	\$6,620	\$6,663	\$6,096	\$3,739	\$7,468
Median earnings (of those with any earnings)	\$4,845	\$4,925	\$3,942	\$2,359	\$5,957
<b>TANF and other program participation</b>					
Receiving TANF (caretaker)	36.6%	36.6%	36.0%	97.3%	17.3%
Receiving Medicaid (caretaker)	60.1%	59.8%	63.7%	98.4%	48.0%
Receiving Medicaid (any child)	77.4%	76.6%	85.0%	99.7%	70.3%
Receiving food stamps (caretaker)	68.2%	67.6%	74.6%	92.6%	60.5%
<b>Additional employment outcomes</b>					
Employed in all four quarters after exit	33.1%	34.2%	21.6%	18.5%	37.7%
Mean earnings of those employed all four quarters	\$10,850	\$10,808	\$11,506	\$7,620	\$11,353
Median earnings of those employed all four quarters	\$9,738	\$9,719	\$10,072	\$6,558	\$10,226
Employed with quarterly earnings > \$500	61.9%	63.2%	49.2%	52.7%	64.8%
<b>Other</b>					
First TANF reentry	28.7%	28.6%	30.2%	66.1%	17.3%
Continuous leavers' Medicaid receipt (caretaker)	37.1%	36.5%	43.2%	37.8%	37.1%
Continuous leavers' Medicaid receipt (any child)	64.5%	63.3%	76.7%	99.6%	64.2%
Continuous leavers' Food Stamp receipt	53.9%	52.8%	65.3%	75.4%	53.8%
No benefits (TANF, food stamps, or Medicaid)	23.6%	24.3%	17.1%	0.5%	30.9%
No benefits and no earnings	9.2%	9.3%	8.5%	0.2%	12.1%
Receiving child care subsidy	17.6%	18.6%	7.8%	23.2%	15.8%
Receiving child care subsidy (employed with child < 13)	25.4%	26.6%	11.5%	32.3%	23.3%
Receiving formal child support payments	20.7%	22.3%	5.8%	19.5%	21.1%
Any substantiated child abuse or neglect	1.81%	1.85%	1.42%	2.78%	1.50%
Placement of one or more children into foster care	0.58%	0.61%	0.26%	0.78%	0.51%

Source: Administrative data on those leaving TANF between April 1998 and June 1999.  
All dollar amounts are reported in constant Year 2000 dollars.

## **Quarterly Measures (ASPE Common Measures)**

This section contains the quarterly results for the ASPE common administrative data outcomes described above. The rightmost column of each table that follows, labeled 'ever over four quarters,' was duplicated in Tables B-18 and B-19 above.

**Table B-11:  
Commonly Reported Administrative Data Outcomes for Divertees: Redirects**

Redirects, n=43,476	Quarter Before Diversion	Quarter of Diversion	1st Quarter After Diversion	2nd Quarter After Diversion	3rd Quarter After Diversion	4th Quarter After Diversion	Ever Over Four Quarters
<b>Employment outcomes</b>							
Employment rate	53.7%	55.0%	53.7%	53.6%	53.7%	53.6%	70.7%
Mean quarterly earnings (of those with earnings)	\$2,512	\$2,096	\$2,274	\$2,498	\$2,667	\$2,752	\$7,733
Median quarterly earnings (of those with earnings)	\$2,075	\$1,689	\$1,903	\$2,127	\$2,297	\$2,356	\$5,776
<b>TANF and other program participation</b>							
Receiving TANF (caretaker)	5.8%	4.0%	6.1%	6.8%	6.6%	6.5%	11.6%
Receiving Medicaid (caretaker)	15.2%	14.2%	16.3%	16.0%	14.8%	13.8%	24.7%
Receiving food stamps (caretaker)	33.2%	41.4%	52.1%	41.7%	36.8%	34.3%	62.6%
<b>Additional employment outcomes</b>							
Employed in all four quarters after exit	--	--	--	--	--	--	35.3%
Mean earnings of those employed all four quarters	\$2,400	\$2,276	\$2,717	\$3,057	\$3,219	\$3,213	\$12,206
Median earnings of those employed all four quarters	\$2,044	\$1,965	\$2,373	\$2,674	\$2,823	\$2,804	\$10,456
Employed with quarterly earnings > \$500	45.4%	44.5%	44.8%	45.6%	46.4%	46.3%	63.2%
<b>Other</b>							
No benefits (TANF, food stamps, or Medicaid)	62.6%	54.7%	44.5%	54.6%	59.7%	62.6%	34.4%
No benefits and no earnings	29.2%	24.3%	20.1%	24.4%	27.0%	28.4%	11.3%
Receiving child care subsidy	4.5%	5.0%	5.5%	5.6%	5.5%	5.4%	8.5%
Receiving formal child support payments	9.2%	9.7%	10.3%	11.0%	11.6%	12.2%	15.6%

Source: Administrative data on those applying or diverted from TANF between April 1998 and June 1999.  
All dollar amounts are reported in constant Year 2000 dollars.



**Table B-12:  
Commonly Reported Administrative Data Outcomes for Divertees:  
Denied for Non-financial Reasons**

<b>Denied for Non-financial Reasons, n=85,854</b>	<b>Quarter Before Diversion</b>	<b>Quarter of Diversion</b>	<b>1st Quarter After Diversion</b>	<b>2nd Quarter After Diversion</b>	<b>3rd Quarter After Diversion</b>	<b>4th Quarter After Diversion</b>	<b>Ever Over Four Quarters</b>
<b>Employment outcomes</b>							
Employment rate	30.6%	31.3%	31.2%	32.1%	32.1%	32.7%	45.5%
Mean quarterly earnings (of those with earnings)	\$1,768	\$1,490	\$1,833	\$2,014	\$2,131	\$2,231	\$5,789
Median quarterly earnings (of those with earnings)	\$1,344	\$1,049	\$1,395	\$1,585	\$1,712	\$1,809	\$3,804
<b>TANF and other program participation</b>							
Receiving TANF (caretaker)	17.4%	12.1%	15.6%	16.9%	15.5%	14.6%	26.0%
Receiving Medicaid (caretaker)	28.0%	22.9%	24.6%	25.5%	24.3%	23.1%	37.7%
Receiving food stamps (caretaker)	39.3%	39.4%	41.9%	38.8%	36.3%	35.0%	56.2%
<b>Additional employment outcomes</b>							
Employed in all four quarters after exit	--	--	--	--	--	--	18.0%
Mean earnings of those employed all four quarters	\$1,602	\$1,598	\$2,288	\$2,641	\$2,747	\$2,778	\$10,454
Median earnings of those employed all four quarters	\$1,094	\$1,169	\$1,980	\$2,369	\$2,472	\$2,479	\$9,150
Employed with quarterly earnings > \$500	23.1%	21.9%	23.6%	25.1%	25.4%	26.3%	38.5%
<b>Other</b>							
No benefits (TANF, food stamps, or Medicaid)	54.0%	54.1%	52.5%	55.2%	58.1%	59.8%	38.3%
No benefits and no earnings	39.4%	38.1%	36.9%	38.9%	41.1%	42.3%	25.4%
Receiving child care subsidy	5.1%	5.4%	6.2%	6.5%	6.9%	7.0%	10.9%
Receiving formal child support payments	7.5%	7.8%	8.6%	9.4%	10.3%	11.3%	14.6%

Source: Administrative data on those applying or diverted from TANF between April 1998 and June 1999.  
All dollar amounts are reported in constant Year 2000 dollars.

**Table B-13:  
Commonly Reported Administrative Data Outcomes for Divertees:  
One-time Recipients**

<b>One-time Recipients, n=1791</b>	<b>Quarter Before Diversion</b>	<b>Quarter of Diversion</b>	<b>1st Quarter After Diversion</b>	<b>2nd Quarter After Diversion</b>	<b>3rd Quarter After Diversion</b>	<b>4th Quarter After Diversion</b>	<b>Ever Over Four Quarters</b>
<b>Employment outcomes</b>							
Employment rate	27.3%	27.5%	30.4%	30.8%	29.0%	30.0%	42.7%
Mean quarterly earnings (of those with earnings)	\$2,105	\$1,243	\$1,705	\$2,058	\$2,317	\$2,419	\$5,971
Median quarterly earnings (of those with earnings)	\$1,731	\$900	\$1,333	\$1,617	\$1,916	\$2,063	\$4,065
<b>TANF and other program participation</b>							
Receiving TANF (caretaker)	7.1%	1.8%	0.1%	0.1%	0.1%	3.5%	3.5%
Receiving Medicaid (caretaker)	22.8%	36.5%	44.1%	27.8%	19.7%	20.3%	54.1%
Receiving food stamps (caretaker)	47.3%	72.0%	79.2%	60.7%	52.2%	49.8%	86.5%
<b>Additional employment outcomes</b>							
Employed in all four quarters after exit	--	--	--	--	--	--	17.2%
Mean earnings of those employed all four quarters	\$1,545	\$972	\$2,039	\$2,637	\$2,844	\$2,930	\$10,450
Median earnings of those employed all four quarters	\$816	\$472	\$1,560	\$2,450	\$2,402	\$2,571	\$8,979
Employed with quarterly earnings > \$500	21.9%	18.5%	22.0%	24.9%	23.3%	25.5%	36.9%
<b>Other</b>							
No benefits (TANF, food stamps, or Medicaid)	47.4%	22.8%	14.7%	34.5%	43.8%	46.0%	9.0%
No benefits and no earnings	38.1%	17.4%	10.4%	25.2%	33.1%	34.1%	6.1%
Receiving child care subsidy	4.8%	4.5%	5.1%	6.4%	6.0%	6.4%	9.8%
Receiving formal child support payments	5.2%	5.1%	5.6%	6.8%	7.4%	8.9%	11.6%

Source: Administrative data on those applying or diverted from TANF between April 1998 and June 1999.  
All dollar amounts are reported in constant Year 2000 dollars.

**Table B-14:  
Commonly Reported Administrative Data Outcomes for Divertees:  
TANF Entrants**

<b>TANF Entrants, n=127,170</b>	<b>Quarter Before Application</b>	<b>Quarter of Application</b>	<b>1st Quarter After Application</b>	<b>2nd Quarter After Application</b>	<b>3rd Quarter After Application</b>	<b>4th Quarter After Application</b>	<b>Ever Over Four Quarters</b>
<b>Employment outcomes</b>							
Employment rate	38.9%	36.3%	39.1%	42.7%	44.0%	45.4%	62.5%
Mean quarterly earnings (of those with earnings)	\$1,774	\$1,255	\$1,730	\$2,004	\$2,110	\$2,233	\$5,555
Median quarterly earnings (of those with earnings)	\$1,285	\$754	\$1,235	\$1,541	\$1,677	\$1,807	\$3,533
<b>TANF and other program participation</b>							
Receiving TANF (caretaker)	25.6%	56.7%	76.6%	52.8%	38.2%	33.1%	79.3%
Receiving Medicaid (caretaker)	37.5%	62.6%	79.4%	62.6%	51.6%	48.1%	82.1%
Receiving food stamps (caretaker)	51.7%	69.0%	79.6%	66.3%	57.6%	53.6%	84.9%
<b>Additional employment outcomes</b>							
Employed in all four quarters after exit	--	--	--	--	--	--	22.7%
Mean earnings of those employed all four quarters	\$1,493	\$1,227	\$2,165	\$2,703	\$2,779	\$2,814	\$10,461
Median earnings of those employed all four quarters	\$776	\$624	\$1,744	\$2,388	\$2,460	\$2,477	\$8,907
Employed with quarterly earnings > \$500	28.8%	22.5%	28.8%	33.1%	34.8%	36.5%	52.5%
<b>Other</b>							
No benefits (TANF, food stamps, or Medicaid)	41.4%	21.5%	9.6%	22.1%	33.0%	36.1%	7.5%
No benefits and no earnings	24.7%	13.0%	5.7%	12.0%	17.4%	19.0%	3.9%
Receiving child care subsidy	5.4%	8.8%	11.1%	10.9%	10.9%	10.9%	18.0%
Receiving formal child support payments	7.2%	7.4%	8.5%	9.9%	11.3%	12.5%	16.8%

Source: Administrative data on those applying or diverted from TANF between April 1998 and June 1999.  
All dollar amounts are reported in constant Year 2000 dollars.

**Table B-15:  
Commonly Reported Administrative Data Outcomes for Leavers:  
All Leaver Families**

<b>All Leaver Families, n=143,491</b>	<b>Quarter Before Exit</b>	<b>Quarter of Exit</b>	<b>1st Quarter After Exit</b>	<b>2nd Quarter After Exit</b>	<b>3rd Quarter After Exit</b>	<b>4th Quarter After Exit</b>	<b>Ever Over Four Quarters</b>
<b>Employment outcomes</b>							
Employment rate	45.7%	55.1%	52.9%	52.3%	51.8%	52.2%	70.5%
Mean quarterly earnings (of those with earnings)	\$1,263	\$1,926	\$2,097	\$2,213	\$2,244	\$2,361	\$6,620
Median quarterly earnings (of those with earnings)	\$892	\$1,674	\$1,815	\$1,907	\$1,927	\$2,038	\$4,845
<b>TANF and other program participation</b>							
Receiving TANF (caretaker)	92.6%	69.8%	20.2%	24.5%	23.3%	22.1%	36.6%
Receiving Medicaid (caretaker)	93.8%	79.4%	46.1%	47.1%	45.1%	38.1%	60.1%
Receiving Medicaid (any child)	96.2%	83.7%	62.1%	65.7%	64.3%	59.9%	77.4%
Receiving food stamps (caretaker)	85.0%	73.1%	53.7%	49.5%	47.1%	45.5%	68.2%
<b>Additional employment outcomes</b>							
Employed in all four quarters after exit	--	--	--	--	--	--	33.1%
Mean earnings of those employed all four quarters	\$1,030	\$2,079	\$2,511	\$2,747	\$2,768	\$2,824	\$10,850
Median earnings of those employed all four quarters	\$595	\$1,907	\$2,300	\$2,516	\$2,555	\$2,574	\$9,738
Employed with quarterly earnings > \$500	31.3%	45.7%	43.4%	43.3%	42.8%	43.6%	61.9%
<b>Other</b>							
First TANF reentry	--	8.7%	15.1%	7.5%	5.0%	3.6%	28.7%
Continuous leavers' Medicaid receipt (caretaker)	93.8%	78.6%	32.4%	29.2%	27.2%	17.2%	37.1%
Continuous leavers' Medicaid receipt (any child)	96.2%	83.0%	52.5%	54.4%	53.0%	46.4%	64.5%
Continuous leavers' Food Stamp receipt	85.0%	72.5%	44.8%	36.2%	32.8%	30.7%	53.9%
No benefits (TANF, food stamps, or Medicaid)	3.5%	11.5%	36.3%	38.3%	40.6%	45.3%	23.6%
No benefits and no earnings	1.8%	6.1%	18.8%	19.4%	20.2%	21.7%	9.2%
Receiving child care subsidy	11.9%	13.5%	12.0%	11.6%	11.5%	11.1%	17.6%
Receiving child care subsidy (employed with child < 13)	18.8%	22.3%	20.2%	19.7%	19.6%	19.0%	25.4%
Receiving formal child support payments	10.5%	12.1%	13.0%	13.8%	14.8%	15.9%	20.7%
Any substantiated child abuse or neglect	0.60%	0.55%	0.45%	0.46%	0.49%	0.47%	1.81%
Placement of one or more children into foster care	0.15%	0.22%	0.14%	0.13%	0.15%	0.17%	0.58%

Source: Administrative data on those leaving TANF between April 1998 and June 1999.

All dollar amounts are reported in constant Year 2000 dollars.

**Table B-16:**  
**Commonly Reported Administrative Data Outcomes for Leavers:**  
**All Single-Parent Leaver Families**

All Single-Parent Leaver Families, n=130,062	Quarter Before Exit	Quarter of Exit	1st Quarter After Exit	2nd Quarter After Exit	3rd Quarter After Exit	4th Quarter After Exit	Ever Over Four Quarters
<b>Employment outcomes</b>							
Employment rate	47.0%	56.7%	54.4%	53.6%	53.0%	53.3%	71.8%
Mean quarterly earnings (of those with earnings)	\$1,260	\$1,923	\$2,094	\$2,214	\$2,244	\$2,359	\$6,663
Median quarterly earnings (of those with earnings)	\$892	\$1,678	\$1,818	\$1,915	\$1,933	\$2,039	\$4,925
<b>TANF and other program participation</b>							
Receiving TANF (caretaker)	93.0%	69.8%	20.5%	24.7%	23.4%	22.4%	36.6%
Receiving Medicaid (caretaker)	94.1%	79.2%	45.9%	46.8%	44.7%	38.0%	59.8%
Receiving Medicaid (any child)	96.3%	83.3%	61.3%	65.0%	63.4%	59.1%	76.6%
Receiving food stamps (caretaker)	85.2%	72.9%	53.2%	48.8%	46.2%	44.8%	67.6%
<b>Additional employment outcomes</b>							
Employed in all four quarters after exit	--	--	--	--	--	--	34.2%
Mean earnings of those employed all four quarters	\$1,031	\$2,081	\$2,504	\$2,736	\$2,757	\$2,810	\$10,808
Median earnings of those employed all four quarters	\$601	\$1,914	\$2,298	\$2,511	\$2,551	\$2,564	\$9,719
Employed with quarterly earnings > \$500	32.2%	47.2%	44.7%	44.4%	43.8%	44.5%	63.2%
<b>Other</b>							
First TANF reentry	--	8.9%	15.2%	7.4%	4.9%	3.5%	28.6%
Continuous leavers' Medicaid receipt (caretaker)	94.1%	78.4%	31.9%	28.6%	26.6%	16.8%	36.5%
Continuous leavers' Medicaid receipt (any child)	96.3%	82.7%	51.5%	53.3%	51.8%	45.1%	63.3%
Continuous leavers' Food Stamp receipt	85.2%	72.2%	43.9%	35.0%	31.5%	29.5%	52.8%
No benefits (TANF, food stamps, or Medicaid)	3.3%	11.7%	36.8%	39.0%	41.5%	46.0%	24.3%
No benefits and no earnings	1.6%	6.0%	18.7%	19.3%	20.3%	21.6%	9.3%
Receiving child care subsidy	12.5%	14.4%	12.8%	12.3%	12.2%	11.8%	18.6%
Receiving child care subsidy (employed with child < 13)	19.5%	23.2%	21.2%	20.6%	20.5%	19.9%	26.6%
Receiving formal child support payments	11.3%	13.0%	13.9%	14.8%	15.9%	17.0%	22.3%
Any substantiated child abuse or neglect	0.63%	0.56%	0.46%	0.47%	0.50%	0.48%	1.85%
Placement of one or more children into foster care	0.16%	0.23%	0.15%	0.14%	0.16%	0.18%	0.61%

Source: Administrative data on those leaving TANF between April 1998 and June 1999.  
All dollar amounts are reported in constant Year 2000 dollars.



# APPENDIX C



## Appendix C: Results and Further Analysis from Statewide Survey of TANF Leavers

### I. Tabulation of Frequencies from Statewide Survey of TANF Leavers

The total number of respondents is 723 (leave types D1 and D2 only).

#### Employment

	n	Percent of total respondents (n= 723)
Employed	333	46.1%
Unemployed	385	53.3%
Missing	5	0.6%
Total	723	100.0%

<b>EMPLOYED RESPONDENTS (n= 333)</b>	
<b>Job characteristics</b>	
<b>Hours per week at main job</b>	
Mean	35.9
Standard deviation	12.5
<b>Pay per hour</b>	
Mean	\$7.20
Standard deviation	\$4.10
<b>Job tenure</b>	
Average time on job	4.7 months
Standard deviation	11.4 months
<b>Hours of work usually worked per day</b>	
Mean	7.2
Standard deviation	2.0

<b>EMPLOYED RESPONDENTS (n= 333)</b>	
<b>Benefits</b>	
Percent of employed respondents receiving benefits from job	29.1%
Types of benefits received (as share of employed respondents)	
Paid vacation time	21.3%
Paid sick days	17.7%
Benefits offered, but can't afford employee contribution	17.4%
Subsidized health insurance	16.8%
No benefits offered	3.6%
<b>Main job a temporary or seasonal job</b>	
Percent of employed respondents answering "yes"	24.9%

<b>UNEMPLOYED RESPONDENTS (n= 385)</b>	
<b>Did you work in the last six months?</b>	
Percent of unemployed respondents answering "yes"	32.7%
<b>If no, what are the main reasons why you are not working?</b>	
Main reasons for not working (as share of unemployed respondents)	
Child care problems	31.0%
Currently looking for work	26.8%
Transportation problems	25.5%
Other reason for not working	22.1%
Own health problems	17.9%
Own physical or mental disabilities	11.4%
Could not find a job	11.2%
Other family members' health problems	9.9%
Prefer to stay home with children	8.1%
No jobs available in my area	7.3%
Pregnancy	6.5%
Presently enrolled in school	6.5%
Other family members' physical or mental disabilities	6.2%
No jobs available for my skills	5.2%
Pay too low	3.6%
Husband/partner objected	3.4%
Laid off from job	2.6%
Do not need to work	1.3%
Presently enrolled in a training program	1.0%



<b>Worked any other jobs?</b>	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	31.5%

<b>Last month, did your household get income from:...</b>				
	n	Percent of survey respondents n= 723	Mean income	Standard deviation
Earning from paid work	355	49.1%	\$767.22	S.D.: 495.32
TANF	184	25.4%	\$220.17	S.D.: 193.22
Child support	134	18.5%	\$219.38	S.D.: 149.11
SSI disability benefits	72	10.0%	\$552.22	S.D.: 261.84
Financial assistance from others	50	6.9%	\$484.50	S.D.: 683.19
Unemployment benefits	34	4.7%	\$450.90	S.D.: 291.20
Social Security Survivor’s	33	4.6%	\$536.46	S.D.: 393.57
Other	97	13.4%	\$412.23	S.D.: 431.06

<b>Did you look for work in the past 6 months?</b>	
Percent of total survey respondents answering “yes”	60.2%

<b>Did you use programs that helped you with income? (“√” all that apply)</b>	
Percent of survey respondents answering “yes” to one or more items (n= 723)	48.7%
Types of program used (as share of whole respondents)	
TANF/AFDC	34.7%
Supplemental Security Income (SSI)	4.1%
Earned Income Tax Credit (EITC)	3.3%
Unemployment Insurance	3.2%
Social Security	2.6%
Worker’s Compensation	0.8%
Other	8.4%

<b>Why did you go off TANF the last time that happened? (“√” all that apply):</b>	
Reasons for leaving TANF (as share of total respondents, n= 723)	
Found a job/income too high	41.4%
Another adult contributed money	10.0%
Began receiving child support	8.9%
Couldn't meet TANF requirements	7.5%
Reached TANF/welfare time limit	6.6%
Could not get to required meetings/appointments	6.5%
Did not like TANF	4.8%
Too much paperwork or hassle	4.3%
Got married	3.7%
Obtained reliable transportation	3.7%
Health improved	3.0%
Could not provide all the needed documentation	3.0%
Applied for TANF, application pending	3.0%
Youngest child turned 18 years of age	2.2%
Other	10.1%

<b>Why did you go back on TANF? (“√” all that apply):</b>	
Percent of respondents on TANF now as share of total respondents (n= 723)	21.4%
Reasons for returning on TANF (as share of current TANF recipients, n= 155)	
Lost job/laid-off job/stopped working	41.3%
Needed Medicaid for self or children	36.1%
Lost housing	20.7%
Income dropped	18.7%
Lost transportation/car broke down:	16.8%
Became pregnant/just gave birth	14.8%
Became ill	14.8%
Divorce/separation	12.3%
Lost child support/stopped receiving child support	12.3%
Lost child care	11.6%
Needed to care for another household member	11.6%
Other	29.0%

## Health

<b>Do you have a health problem or injury that keeps you from doing things people generally do, or things you want to do?</b>	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	20.1%
<b>Are you pregnant now?</b>	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	7.5%
<b>Is there anyone in your household who has a disability or a serious health problem that makes it hard for you to go to work, attend training or go to school?</b>	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	17.7%
<b>Has there been a time in the past six months when you needed to see a doctor or go to the hospital but didn’t because you could not afford to?</b>	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	41.2%
<b>Has there been a time in the past six months when your children needed to see a doctor or go to the hospital but didn’t because you could not afford to?</b>	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	25.7%

<b>In the past 6 months, have you used any programs that helped you with health?</b> (“√” all that apply):	
Percent of respondents answering “yes” to one or more items (n= 723)	73.6%
Types of program used (as share of whole respondents)	
Medicaid for children	49.5%
Medicaid for self	39.1%
CHIP	2.2%
Mental Health Mental Health Retardation (MHMR)	2.1%
Social Security Disability (SSD)	1.8%
Rehabilitation	0.6%
Other	4.3%

<b>SELF NOT RECEIVING MEDICAID</b>	
<b>Why are you not on Medicaid?</b> (“√” all that apply):	
Reasons for not being on Medicaid (as share of total respondents, n= 723)	
Medicaid was stopped	19.9%
Income too high	14.7%
Not eligible for Medicaid	12.9%
Unfamiliar with Medicaid	6.8%
Applied for Medicaid but was denied	6.2%
Covered under another health plan	5.7%
Applied for Medicaid -- application is pending	3.9%
Do not want Medicaid	3.7%
Too much paperwork or hassle	3.7%
Other	10.0%

<b>YOUNGEST CHILD NOT RECEIVING MEDICAID</b>	
<b>Why is your child not on Medicaid</b> (“√” all that apply):	
Reasons for the child not being on Medicaid (as share of total respondents, n= 723)	
Unfamiliar with Medicaid	12.0%
Medicaid was stopped	11.2%
Income too high	6.6%
Covered under another health plan (CHIP or other)	4.4%
Applied for Medicaid – application pending	3.5%
Not eligible for Medicaid	3.3%
Applied for Medicaid but was denied	3.2%
Do not need Medicaid	2.1%
Other	14.8%

## Transportation

<b>Do you own or share a car or truck you can use?</b>	
Percent of respondents who answered “yes” (n= 723)	54.5%
<b>How reliable is your usual transportation?</b>	
Percent of respondents who answered “yes” to one of the following items (as share of total respondents, n= 723)	
Very reliable	32.0%
Somewhat reliable	35.0%
Not very reliable	15.8%
Not at all reliable	9.7%
<b>In the past 6 months, have you been denied TANF, Medicaid, or food stamps because of the value of a vehicle?</b>	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	6.2%
<b>In the past 6 months have you lost a job or not been able to take a job because you had poor transportation?</b>	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	22.8%

## Food

<b>In the past 6 months, have you used any programs that helped you with food (“√” all that apply)</b>	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	85.3%
Types of program used	
Food stamps	68.0%
WIC	36.0%
School lunch program	32.5%
Food pantries	13.3%
Summer food for children	2.6%
Commodities/cheese program	2.1%
Other	4.0%

<b>IF YOU DO NOT HAVE FOOD STAMPS</b>	
<b>Why don't you have food stamps? (“√” all that apply)</b>	
Reasons for not receiving food stamps (as share of total respondents, n= 723)	
Food stamps were stopped	15.4%
Income too high	13.3%
Not eligible for food stamps	9.8%
Applied for food stamps but I was denied	7.3%
Applied for food stamps--application is pending	5.1%
Too much paperwork or hassle	4.4%
Do not want food stamps	2.2%
Do not need food stamps	1.5%
Had too many resources	1.2%
Unfamiliar with food stamps	0.1%
Other	22.1%

## Housing

<b>How long have you lived at this address?</b>	
Mean (in months)	48.7
Median (in months)	12.0
Mode (in months)	12.0

<b>Do you have a telephone?</b>	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	73.4%

<b>In the past 6 months, have any programs helped your household with housing costs?  (“√” all that apply)</b>	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	37.5%
Types of housing programs used	
Section 8 housing	14.9%
Help with utilities	11.9%
HUD Housing	7.9%
Rent subsidies	3.5%
Telephone assistance	3.3%
Fuel assistance	2.5%
Other	5.9%

## Child Care

How do you take care of your youngest child when you are working/at school/have to be away from home? (“√” all that apply)	
Type of child care used (as share of total respondents, n= 723)	
I take care of my child myself	25.2%
Other relative takes care of child in my home	17.2%
Other relative takes care of child somewhere else	15.8%
Child in day care at a child care center of family day care home	13.8%
Other parent takes care of child	11.5%
Child old enough to care for self	9.5%
Older sibling takes care of child	7.9%
Child at babysitter/non-relative cares for child at that person’s home	7.5%
Child in after-school program	4.1%
Other	12.2%

Do you get financial assistance with child care from? (“√” all that apply)	
Percent of respondents answering “yes” (as share of total respondents, n= 723)	
CCMS	14.7%
Other community group	1.5%
Other	0.8%
Church	0.6%

## Dealing With Problems

In the past six months have family or friends helped you... (“√” how often)				
Percent of respondents answering... (as share of total respondents, n= 723)	<i>Frequently</i>	<i>Sometimes</i>	<i>Rarely</i>	<i>Never</i>
a. with bills	10.4%	15.6%	15.4%	52.4%
b. with food	10.7%	17.6%	14.8%	49.9%
c. with housing	16.6%	9.7%	7.6%	59.1%
d. with transportation	18.7%	25.0%	11.8%	38.2%
e. with clothing	5.3%	14.8%	12.6%	59.2%
f. with household items such as toys, etc.	7.2%	15.8%	13.0%	56.3%
g. with child care	16.7%	17.4%	11.2%	47.3%

<b>Over the past 6 months, has there been a time when...</b>	
Percent of respondents answering “yes” to the following items (as share of total respondents, n= 723)	
a. you could not afford a place to stay or when you could not pay your rent?	37.5%
b. you were evicted from any residence?	8.0%
c. you lived in emergency housing shelter or a domestic violence shelter?	3.5%
d. you were homeless or living on the street or in a car?	4.7%
e. you lived with family or friends until you could get your own place?	38.5%
f. you have been without electricity because you could not afford it?	15.2%
g. you have been without heat because you could not afford it?	16.0%
h. you needed food but you couldn’t afford it?	36.7%
i. you went hungry because you had no food?	20.3%
j. you needed child care, but couldn’t afford it?	33.3%

## Demographics

<b>Gender</b>	
Percent female	93.6%
Percent male	5.9%
<b>Age</b>	
Mean	30.3 years
Standard deviation	10.0 years

<b>Racial/ethnic background</b>	
Percent Hispanic or Latino	45.1%
Percent African American/Black	27.5%
Percent White/Caucasian	26.8%
Percent Asian or Pacific Islander	1.7%
Percent other	2.2%

<b>Marital status</b>	
Percent never been married	35.7%
Percent married and living with your spouse	21.3%
Percent separated from spouse	16.6%
Percent divorced	11.9%
Percent other	7.6%
Percent married and living apart from spouse (in the military, on a job, in prison)	4.6%
Percent widowed	1.5%



<b>Number of children</b>	
Mean	2.2
Standard Deviation	1.3
<b>Age of youngest child</b>	
Mean	7.8 years
Standard Deviation	6.6 years

<b>Highest grade of school completed</b>	
Average	10.1
Standard Deviation	2.7
<b>Did you get a high school diploma or pass a high school equivalency test, that is a GED?</b>	
High School Diploma	33.7%
GED	17.6%
No diploma / no GED	47.4%

Note: Numbers vary slightly from versions reported in other parts of the report because not all survey respondents could be matched to administrative data.

## II. Analysis of Results from Statewide Survey of TANF Leavers

In undertaking the analysis of the statewide phone and mail survey, the researchers completed more analysis than could be fit into the body of the report. Some of the discussion and cross-tabulations are presented here under the topics of age, education, and race and ethnicity.

### Earnings and Age of Respondent

Mean earnings for employed respondents over 35 years of age was \$1.26 higher than for respondents between 18 and 25 years of age. The following table depicts mean wages broken down by age of respondent (Table C-1).

**Table C-1:  
Age Group by Mean Wage Earned**

Age Group	n	Mean	Standard Deviation	Median
18-25	110	\$6.68	\$1.87	\$6.25
26-35	139	\$7.12	\$3.47	\$6.25
36+	74	\$7.94	\$6.62	\$6.13

Source: Statewide survey of families leaving TANF in July-September 2000

### Earnings and Education of Respondent

The relationship among education, employment and wages has long been established and findings from this study offer few deviations from expectations. Higher levels of education correspond with higher employment rates and for the most part, higher pay. For example, whereas 32 percent of respondents, with eight years of education or less, reported being employed at the time of survey, 58 percent of those with at least some college were working.

Although higher levels of education do appear to translate into higher wages, the percent of respondents earning a wage of at least \$8.50 per hour remained relatively low. For example, none of the respondents with less than 9 years of education earned more than \$8.50 per hour, compared to 9 percent of those with between 9 and 11 years of education, 19 percent of those with a high school diploma, and 21 percent of those with more than a high school education. Interestingly, the mean wage for those with some post-high-school education was slightly lower (\$7.34 per hour) than for respondents with a high school diploma (\$7.50).

Despite the fact that mean hourly pay is slightly lower for those with some post-high school compared to high schoolers, the level of dispersion (variability) surrounding the wages is considerably less for those with post-high school than for respondents with at least some high school. The following table depicts the mean wage and standard deviations for each corresponding level of education. Further, the more informative median pay reflects the traditional education and wage trade-offs (Table C-2).

**Table C-2:  
Level of Educational Attainment by Wage Earned (Mean and Median)**

<b>Level of Education</b>	<b>n</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Median</b>
≤ 8	31	\$5.71	0.87	\$5.50
9-11	120	\$7.20	5.35	\$6.00
12	71	\$7.51	4.34	\$6.50
13 +	95	\$7.34	2.19	\$7.00

Source: Statewide survey of families leaving TANF in July-September 2000

Although length of time at present job was fairly short among all respondents, those with higher levels of education had been on the job slightly longer than those with less formal education. For example, respondents with eight or fewer years of formal education had been working at their present job an average of two months compared to the six months for those with more education.

Although jobs with benefits were fairly scarce among all respondents (19 percent among employed respondents), those with more education reported having employee benefits – specifically health insurance – more often than those with less formal education.

Further, there is some evidence to suggest that some with more than high school education may, in fact, still be pursuing their higher education. Finally, among the unemployed respondents, those with more than high school education were much more likely to report their pursuit of education as one reason for their present unemployment.

### **Earnings and Race/Ethnicity of Respondents**

Consistent with findings from the more qualitative work, reported hourly earnings varied among racial/ethnic lines with White and Black respondents earning on average more than Hispanic respondents. Average pay (Table C-3) among employed Whites was \$7.64, Black, \$7.18 and Hispanics \$6.92.

**Table C-3:  
Earnings (mean and median) by Race/Ethnicity**

<b>Racial Category</b>	<b>n</b>	<b>Mean</b>	<b>Statistical Deviation</b>	<b>Median</b>
Black	93	\$7.18	\$2.10	\$7.00
Hispanic	156	\$6.92	\$4.64	\$6.00
White	73	\$7.64	\$4.62	\$6.75

Source: Statewide survey of families leaving TANF in July-September 2000

In any case, Hispanics, a majority of the population sampled, were more likely to report earnings from paid work. In effect, 44 percent of Hispanics versus 30 percent of Blacks and 26 percent of Whites reported earnings from paid work in the previous month.

Thirteen percent of Black respondents reported being employed in some type of health care provider capacity. However, this area did not figure into the top four job categories for either Hispanics or Whites. Seventeen percent of Hispanic respondents, on the other hand, were employed in the restaurant industry either as cooks, waitresses or in

some other capacity – an area which didn’t make the top four jobs for Blacks and ranked third among White respondents. Additionally, among White respondents, the third most frequently cited job at 11 percent involved either direct sales, such as telemarketing or retail sales. This job category did not make the top four citations among either Blacks or Hispanics. The following table (Table C-4) summarizes the most commonly cited types of jobs held by employed respondents broken down by racial/ethnic background.

**Table C-4:  
Most Commonly Cited Job Description and Mean Wage by Race**

	Commonly cited Job Descriptions		Black	Hispanics	White and others
Rank		Mean Wage	Percent (rank)	Percent (rank)	Percent (rank)
1	Clerical/secretary/clerk	\$7.76	15.6% (1)	16.0% (2)	19.4% (1)
2	Cashier	\$6.10	11.5% (3)	11.3% (4)	15.3% (2)
3	Cook/waitress/worker	\$5.55	4.2% (7)	16.7% (1)	12.5% (3)
4	Health care provider	\$5.98	12.5% (2)	9.3% (5)	2.8% (5)
5	Industrial/manufacturing	\$7.85	7.3% (5)	12.0% (3)	2.8% (5)
6	Sales	\$6.66	6.3% (6)	5.3% (7)	11.1% (4)
7	Housekeeping	\$5.90	9.4% (4)	7.3% (6)	2.8% (5)
8	Customer service	\$8.44	6.3% (6)	4.0% (8)	1.4% (6)

Source: Statewide survey of families leaving TANF in July-September 2000



# APPENDIX D



## **Appendix D:**

### **Results from Intensive Interviews**

The qualitative interview data represent the self-reported status of respondents anywhere from three to fifteen months after diversion or exit. The intensive interview analysis deals with data from three different studies. The largest study included respondents in six sites who had left TANF (leavers) or who had been redirected from TANF prior to completing an application. A second study focused on respondents in three of these sites who had accepted the one-time payment. A third study focused on 'non-financial denials' in specific offices in two different sites. In order to provide general descriptive information, some description is provided on all of these groups taken together. Some description, when noted below, is provided of the leavers and redirects from the largest study. Many of the themes that emerged from the qualitative study and discussed in this appendix are also important issues in the main body of the report.

#### **Participation in Government and Other Programs**

Regardless of whether or not respondents were currently receiving TANF, government assistance still figured prominently in their lives including such services as food stamps, Medicaid, subsidized housing, WIC, and child support. Overall, over two thirds of the sample respondents reported receipt of assistance either from the government or other community agencies. These include: Medicaid for at least one child (68 percent); food stamps (60 percent); child support (29 percent); WIC (30 percent); subsidized housing (29 percent); TANF (15 percent); as well as use of food banks, free clothing, SSI, and energy assistance. While there were not large differences between leavers and redirects, leavers were more likely than redirects to be on TANF at the time of the interview and to live in subsidized housing (Table D-1).

### *Child Medicaid Enrollment*

Overall, 263 of 386 (68 percent) respondents to the larger study reported having at least one child enrolled in Medicaid although there was considerable variation by interview site among the leaver/redirect group. Respondents residing in the Valley reported the highest frequency of child enrollment in Medicaid at 77 percent while respondents in both Harris and McLennan Counties reported the lowest enrollments at 55 percent. Child Medicaid enrollment figures for the remaining sites were: Bexar County (74 percent), Hale County (68 percent), and Jasper County (60 percent).

Welfare leavers as well as respondents redirected away from TANF services were almost equally likely to have at least one child enrolled in Medicaid although leavers were slightly more likely than redirects to have a child enrolled (67 percent and 62 percent respectively). The younger the respondents, the more likely they were to have a child enrolled in Medicaid. Indeed, three quarters (76 percent, 22 of 29) of respondents between 18 and 21 years of age reported at least one child enrolled in the Medicaid program. Enrollment of children into Medicaid was fairly high regardless of a respondent's race or ethnic background although Hispanic enrollment was highest (69 percent, 132 of 192) followed by White (64 percent, 43 of 67), and Black (63 percent, 60 of 96).

Respondents repeatedly explained that enrollment into Medicaid (as well as other assistance programs) was motivated by the needs of children. Children were more likely to be enrolled than adults, and, in those cases where adults could get access to health care through their job, health care for their children through the caretaker's employment was usually either unavailable or unaffordable.



**Table D-1**  
**Receipt of Government Services at Time of Interview**

Currently Receiving:	Leavers		Redirects		Non-financial Denials		One-time Recipients		Totals	
	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%
TANF	34/185	18%	15/153	10%	7/28	25%	*	*	56/366	15%
Food stamps	105/185	57%	84/155	54%	17/30	57%	50/55	91%	256/425	60%
Medicaid (for child)	115/173	67%	86/138	62%	19/27	70%	43/48	90%	263/386	68%
Child support	44/156	28%	34/111	31%	3/13	23%	*	*	81/280	29%
Subsidized housing	52/147	35%	20/115	17%	2/11	18%	17/45	38%	91/318	29%
WIC	44/162	27%	37/136	27%	14/21	67%	*	*	95/319	30%

\*Data from one-time recipients were not included in some categories: one-time recipients were ineligible for TANF and were more likely to be married so that child support was not an issue. Other data could not be coded.

Note: The total number from whom information was gathered (n) varied for each question due to researchers' gaining information about non-respondents for some questions and from receiving comprehensive information from those interviewed.

### ***Food Stamp and Food Bank Reliance***

Judging from the combined usage of both food stamps and patronage of food banks, securing food remained an ongoing preoccupation for some study participants, particularly when their children were in need. Overall, 60 percent of study participants reported receiving monthly allotments of food stamps. As with enrollment in Medicaid, there was considerable variation in Food Stamp Program participation by site. For example, 39 percent of respondents in Harris County indicated receiving monthly food stamps while a full two-thirds of Valley respondents reported receiving food stamps. Food Stamp usage in the remaining counties is: Jasper (61 percent), Hale (59 percent), Bexar (57 percent) and McLennan (50 percent).

Differences in Food Stamp usage emerged along racial and ethnic lines. White respondents were less likely than both Hispanic and Black respondents to have been receiving food stamps at the time of interview. For example, slightly more than one-third

(35 percent) of White respondents compared to 65 percent of Blacks and 58 percent of Hispanics were utilizing food stamps at the time of the interview.

Seventy-six of 168 employed respondents (45 percent) reported receiving food stamps. Because Food Stamp eligibility depends on income, receipt drops off sharply if wages are at least \$8.50 per hour. Indeed, only 30 percent (8 of 27) of those earning this wage or greater also received food stamps compared to 51 percent (68 of 134) of employed respondents earning less than \$8.50 per hour.

Slightly more than a third (34 percent) of the study participants reported having frequented a food bank over the previous year. Patronage was lowest among Valley respondents (25 percent) and highest among respondents residing in Jasper County (38 percent). The prospect of their children going without food was the most urgent motivator to use food banks and other emergency food sources. Respondents who used emergency food outlets remarked on restrictions in their use. They reported that most food banks limited the number and frequency of times a respondent could use them.

Respondents facing the most barriers to employment were more likely to have utilized the services of food banks. For example, respondents with eight or fewer years of formal education were twice as likely as those with 13 or more years of education to have frequented a food bank in the past year.

### **Employment Status and Economic Well-Being**

The overall employment rates from the qualitative interviews indicated that, across the board, 50 percent of the respondents (232 of 461) in the qualitative studies reported being employed at the time of the interview (Table D-2). The overall employment statistics masked differences in pay rates, job duration, and access to benefits. Furthermore, while interview data indicated relatively small differences among groups with different welfare experiences, larger differences occurred among research sites and among different race/ethnic groups.

**Table D-2**  
**Employment Status for Entire Respondent Group**

n=461	#	% of total
Employed	232	50%
Employed with employer-assisted benefits	64	28%
Employed with wages over \$8.50	29	13%
Employed with benefits and wages over \$8.50	12	5%
Mean hourly wage (for persons employed)		\$6.80
Median hourly wage (for persons employed)		\$6.00
Mean employment tenure (for persons employed)		13.9 months
Median employment tenure (for persons employed)		6.0 months

***Wages and Benefits of Employment***

Of those employed (Table D-2), 13 percent of those employed had wages over \$8.50/hour. Twenty-eight percent had access to employer-assisted benefits (although some could not afford required co-payments or employee contributions). Five percent had both higher wages and access to benefits. Means for wages and job duration were affected by a small number of high-end outliers, individuals with unusually high wages and/or job duration. Therefore, figures are presented both for the mean and the median. The mean wage was \$6.80/hour, \$1.70 under the above-poverty estimate. The median wage was \$6.00. The mean length of time on the most recent job was about 14 months. However, the median was only six months. Median figures may be considered to represent the 'typical' situation. Differences between leavers and redirects were not large in this initial analysis, compared to the quite low rate of employment for recipients of the one-time payment and the differences among sites discussed below (Table D-3). Employment rates among sites ranged from 46 percent to 66 percent for the combined leavers and redirects group.

Recipients of the one-time payment frequently requested it because of a recent episode of unemployment. Therefore, interviewers seeking them out in the months after receipt of the check were likely to find them jobless. However, some recipients who worked nine-month terms for school districts or who engaged in agricultural labor used the one-time payment to provide support during expected periods of unemployment.

**Table D-3  
Employment Status for Subgroups**

	Leavers and Redirects												Denials				One-time	
	Bexar		Harris		Valley		Jasper		McLennan		Hale		Austin		El Paso		All Sites	
	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%	#/n	%
<b>n=461</b> <sup>†</sup>	31/53	58%	45/68	66%	27/59	46%	38/66	58%	25/52	48%	40/74	54%	6/19	32%	9/15	60%	12/55	22%
Average hourly wage	\$7.05		\$7.70		\$5.72		\$6.74		\$7.10		\$6.13		\$8.06		\$6.56		*	
Median hourly wage	\$7.00		\$7.00		\$5.25		\$5.88		\$6.00		\$5.92		\$8.00		\$6.65		*	
Average employee tenure	12.5		16		15.7		18.0		13.5		11.3		4.0		10.42		*	
Median employee tenure	8		11		12		9		6		4		5.3		6.9		*	

\* Wages of the recipients of the one-time payment were often ambiguous, based on piece work and irregular payments.

<sup>†</sup> The total number from whom information was gathered (n) varies for each question due to researchers' success in gaining information from non-respondents and in receiving comprehensive information from those interviewed.

Respondents' descriptions of their jobs illustrated the range of current employment experienced after welfare. On the one hand, a small number of respondents (no more than twenty across all the respondents) had completed substantial educational programs and entered such occupations as teaching and nursing. On the other hand, one household reported full-time employment because they had a contract to hoe ten acres of cotton for \$10/acre, a task that would take them over a week. As the figures indicate (Tables D-2 and D-3), the norm of employment for the respondents was a relatively short-term job without benefits and with wages between minimum wage and poverty wage estimates.

### ***Site Differences in Employment***

Wage and job profiles differed by site (Table D-3) and race/ethnicity (Table D-4). Respondents in the three urban sites (Harris and Bexar counties and the one-office site in Austin) and the mid-size town site (McLennon) reported higher average wages while the Valley (Hidalgo and Cameron counties) and the rural counties (Hale and Jasper) reported lower average wages. The open-ended interviews indicated that, as one might expect, the array of available jobs varied among different sites. In Jasper County, respondents reported that jobs at fast-food restaurants were among the most desirable available. Respondents in Harris and Bexar Counties tended to avoid fast-food jobs, searching for other opportunities first.

### ***Race/Ethnic Differences in Employment***

Across sites, White respondents had higher wages and longer job tenure than either Black or Hispanic respondents, although Black respondents had educational levels similar to those of White respondents, and higher rates of employment. In rural sites, particularly, members of ethnic and racial minority groups reported their perception of a segregated labor force. Rural respondents reported that some industries and some employers were known to select employees by race and ethnicity. The race and ethnic composition of the samples varied considerably by site.

**Table D-4**  
**Employment Characteristics by Race/Ethnicity**

	<b>Black</b>	<b>Hispanic</b>	<b>White</b>
Total sample size (n)	100	202	68
% Employed	60%	53%	51%
Average hourly wage	\$6.78	\$6.56	\$7.64
Median hourly wage	\$6.28	\$6.00	\$6.60
Average employee tenure	14.5 months	13.4 months	16.7 months
Median employee tenure	6 months	8 months	7 months

NOTE: Coding for race and ethnicity is not confirmed in all cases.

### **Barriers to Employment: Managing Hardships**

Unemployed respondents reported a number of reasons for being unemployed. Among the seven most cited reasons were the following four barriers (Table D-5): health problems, lack of transportation, lack of child care, and lack of available jobs. Respondents also discussed other reasons for their unemployment, such as being laid off or fired and their desire to stay home with young children.

Respondents' life stories indicate that long-term difficulties finding and sustaining employment usually resulted from a multiplicity of barriers. They had the greatest difficulty overcoming combinations of barriers. Only 27 percent (42 of 156) of those unemployed (and coded in detail) explicitly reported more than one immediate barrier to employment when asked directly about this issue (Table D-6). However, in the course of thematic analysis, the researchers discovered that a far larger proportion of the respondents experienced multiple barriers to employment. For instance, when asked directly, a respondent might explain that he was unemployed because he couldn't find work yet. Later in the interview, he might add that he had difficulty finding work because of his poor health. In fact, respondents' accounts made it clear that they were likely to have greater difficulties finding and sustaining employment when, for instance, they were dealing with their own ill health (or that of a dependent family member) in addition to having unreliable transportation even though transportation was reported as the only barrier to employment.

**Table D-5  
Major Reasons for Unemployment**

	Leavers		Redirects		One-time Recipients		Denied for Non-financial Reasons		TOTAL	
	#	%	#	%	#	%	#	%	#	%
Total sample (n)	82		94		29		20		224	
Health issues	17	21%	24	26%	8	28%	1	5%	50	22%
[Fired from job]*	9	11%	14	15%	0	0%	1	5%	24	11%
[Temporarily laid-off]*	3	4%	4	4%	8	28%	1	5%	16	7%
Can't find work	9	11%	13	14%	1	3%	1	5%	24	11%
[Stay home with children]*	7	9%	15	16%	1	3%	2	10%	25	11%
Child care issues	13	16%	7	7%	1	3%	1	5%	22	11%
Transportation problems	12	15%	6	6%	2	7%	0	0%	20	9%
All other reasons	12	15%	11	12%	8	28%	13	65%	43	19%

\* Issues not included as barriers.

**Table D-6  
Number of Reasons Cited for Unemployment**

1 reason	72% (113 of 156)
2 reasons	17% (27 of 156)
3 or more reasons	10% (15 of 156)

Some situations were so complicated that it was difficult to code the nature of respondents' answers. For instance, one respondent facing eviction had care of her own child and another relative's children, had not worked out a child care arrangement, and was beginning to suffer from arthritis.

Health and disability problems were experienced by almost a third of all respondents (132 of 441), with a quarter of those unemployed (50 of 224) having explained that such problems prevented their employment. Health and disability were most frequently cited in rural areas as problems preventing employment. In these sites respondents had access to a relatively small set of possible jobs, and a single disability

might make them ineligible for most available employment. In some cases (such as routine manual work in packing plants), the work appeared, according to respondents, to cause the disability, which then led to unemployment. Furthermore, respondents in rural areas reported more frequent and more severe examples of difficulties in acquiring medical treatment.

***The Significance of Transportation***

Transportation issues emerged in respondents' stories of difficulties with finding and holding a job as well as difficulties in accessing support services such as food stamps and Medicaid. In rural areas, lack of transportation also made it difficult for some households to get health care even if they had Medicaid coverage. Over half of the respondents who were employed reported using their own car to get to work (Table D-7). Other respondents borrowed cars, drove with other people, used public transportation, or walked. In more rural areas, there was often no transportation available except for personal automobiles.

**Table D-7  
Mode of Transportation to Work**

	Leavers		Redirects		One-time Recipients*		Denied for Non-financial Reasons		TOTAL	
	#	%	#	%	#	%	#	%	#	%
Total sample (n)	116		81		3		16		216	
Own car	67	58%	44	54%	2	67%	12	75%	125	58%
Walk	27	23%	20	25%	0	0%	0	0%	47	22%
Drive other's car	11	9%	8	10%	0	0%	1	6%	20	9%
Public transportation	8	7%	4	5%	1	33%	2	12%	15	7%
Ride with another	3	3%	5	6%	0	0%	1	6%	9	4%

For instance, according to respondents, Jasper County had no public transportation system and, as respondents pointed out, only one taxi cab. Respondents traveled up to 50 miles round-trip to jobs and potential jobs. They traveled similar



distances to welfare offices to apply for and re-certify their food stamps and Medicaid. Families with children, particularly those dealing with health problems, worried about their isolation if they did not own cars. They could not keep appointments with the welfare office, attend job training and placement, apply for jobs, or sustain employment without access to a reliable car. Furthermore, they felt they needed cars in the event of a family emergency. However, they reported that they were discouraged from applying for public services if they owned a car, and they understood that owning a car of a certain value made them ineligible. There were differences in car ownership among sites. As indicated in Table D-8, there were differences between the redirected respondents and the leaver respondents in car ownership that warrant further investigation. Respondents repeatedly mentioned that car ownership made them ineligible for TANF and other services.

**Table D-8**  
**Car Ownership by Interview Site and TANF Type**

	Leavers		Redirects		Denied		One-time*	
	#/n	%	#/n	%	#/n	%	#/n	%
Bexar	13/25	52%	11/21	52%	n.a.		11/12	92%
Harris	12/28	43%	15/24	63%	n.a.		n.a.	
Valley	20/33	61%	13/21	62%	n.a.		8/9	89%
Jasper	13/27	48%	19/33	58%	n.a.		n.a.	
McLennan	16/25	64%	8/16	50%	n.a.		n.a.	
Hale	19/35	54%	23/29	79%	n.a.		n.a.	
Austin	n.a.		n.a.		8/17	47%	n.a.	
El Paso	n.a.		n.a.		12/15	80%	n.a.	
TOTAL	93/173	54%	89/144	62%	20/32	63%	19/21	90%

There were also substantial race/ethnic differences in car ownership (Table D-9). Whites were more likely than Hispanics, who were more likely than Blacks, to own cars. This has implications for barriers to work. Since transportation was a significant barrier to work, differences in car ownership may relate to differences in access to employment. However, Blacks had the highest rates of employment.

**Table D-9  
Car Ownership by Race/Ethnicity**

	#/n	%
Black	38/95	43%
Hispanic	122/193	63%
White/Other	50/70	71%

***Child Support and Other Social Network Assistance***

A minority of respondents (81 of 280, 29 percent) received child support, including informal child support payments. Some respondents were married; male respondents were less likely to have child support. Respondents, however, were frequently dependent on extended networks that included not only the fathers of their children but those fathers' relatives. Single mothers often received assistance from fathers, mothers-in-law, and others with child care, products needed for children, and transportation.

**Managing Child Care: Strategies and Supports**

Two particularly strong findings emerged from respondent reports on child care. First of all, the large majority of respondents depended on informal means of caring for their children. Second, the pattern of child care use varied by site.

***Social Supports and Child Care***

Child care arrangements were heavily weighted toward the informal care system. Fewer than 20 percent of the employed respondents among the leavers and redirects used non-relative care at all, and a small minority of families (under 10 percent) depended on the child's self care. Respondents were most likely to care for their children themselves or to enlist relatives to help with child care. The numbers of employed respondents among the one-time recipients and applicants denied for non-financial reasons were small enough to be excluded from this analysis of child care.

*Site Differences in Child Care*

The kinds of child care respondents reported using varied by site (Table D-10). From the respondents' point of view, these differences reflected different patterns of child care availability as well as different local policies concerning access to child care subsidies. Each research site presented a different child care story.

**Table D-10  
Major Child Care Arrangements by Interview Site**

n=281	Bexar		Harris		Valley		Jasper		McLennan		Hale		Total
	#	%	#	%	#	%	#	%	#	%	#	%	#
Inside family	29	66%	34	67%	34	83%	34	63%	26	72%	45	75%	202
Formal child care	9	21%	9	18%	2	10%	5	9%	10	28%	6	10%	41
Outside family	0	0%	3	6%	7	5%	2	4%	0	0%	3	5%	15
Child cares for self	5	11%	3	6%	1	3%	11	20%	0	0%	3	5%	23

NOTE: Child care coding has only been determined for six of the sites thus far.

Even in urban areas like San Antonio, most respondents relied upon some form of support from their families. Various child care programs were available; however, according to respondents, special groups received priority for subsidized child care. For instance, those respondents who had their children while still in high school praised the provision of subsidized child care through the CCMS as essential to receiving their diploma. Transportation for themselves and their children was one of the services offered to teenage parents who were still in school: “CCMS really helps me finish school and get off TANF.” However, clients reported that these programs were not available to women who had completed high school or were now over the age of twenty. For both working and non-working mothers, child care remained an on-going concern. In particular, mothers going into the service industries often found jobs with non-standard hours and reported that it was especially difficult to arrange child care for night-time and weekend hours.

In the Valley, as in the more rural areas, only about one in ten of the participants had children in day care centers. Parents almost always took care of the children

themselves or arranged with a family member to take care of their children. For some parents this was the preferred mode of care. However, some respondents reported difficulties in meeting the demands associated with the use of more formal child care. One respondent explained that the welfare office required that clients participate as volunteers in different programs and in parenting classes in order to continue their eligibility for child care, but participants had neither transportation nor adequate child care for these additional activities. As a result, some respondents became discouraged with the system; in some cases they reported that their lack of participation in parenting programs also made them ineligible for welfare benefits as well as for subsidized child care.

In Jasper, with many rural respondents, while the need for child care emerged in detailed interviews, more respondents reported material hardship and difficulties in attaining basic necessities. In this context, families were relying on local agencies (themselves often short of resources) and family members for basic necessities. Child care did not have a high priority. For instance, one respondent reported that a local church paid his electricity bill in return for his work mowing the church yard. While this respondent described himself as employed, he was not seeking child care as a result of his employment. Respondents with minimal earnings, health problems, and food shortages often did not mention child care as a priority.