DOCUMENT RESUME

ED 450 181 UD 034 002

AUTHOR Moffitt, Robert; Roff, Jennifer
TITLE Background Paper to Policy Brief 00-02, "The Diversity of Welfare Leavers." Welfare, Children, and Families: A Three-City Study. Working Paper.
INSTITUTION Johns Hopkins Univ., Baltimore, MD.
SPONS AGENCY National Inst. of Child Health and Human Development (NIH), Bethesda, MD.; Office of the Assistant Secretary for Planning and Evaluation (DHHS), Washington, DC.; Administration on Developmental Disabilities (DHHS), Washington, DC.; Administration for Children and Families (DHHS), Washington, DC.; Social Security Administration (DHHS), Washington, DC.; National Inst. of Mental Health (DHHS), Bethesda, MD.; Boston Foundation, MA.; Annie E. Casey Foundation, Baltimore, MD.; Edna McConnell Clark Foundation, New York, NY.; Lloyd A. Fry Foundation, Chicago, IL.; Texas Univ., Austin. Hogg Foundation for Mental Health.; Robert Wood Johnson Foundation, Princeton, NJ.; Joyce Foundation, Chicago, IL.; Henry J. Kaiser Family Foundation, Menlo Park, CA.; Kellogg Foundation, Battle Creek, MI.; John D. and Catherine T. MacArthur Foundation, Chicago, IL.; Mott (C.S.) Foundation, Flint, MI.; David and Lucile Packard Foundation, Los Altos, CA.
REPORT NO WP-00-01
PUB DATE 2000-10-12
NOTE 73p.; For the Policy Brief, see UD 034 001. Also sponsored by the Kronkosky Charitable Foundation, the Hogg Foundation for Mental Health, and the Woods Fund of Chicago.
AVAILABLE FROM Welfare, Children, and Families Study, Johns Hopkins University, 3003 North Charles Street/Annex, Suite 300, Baltimore, MD 21218-3855. Tel: 410-516-8920; Fax: 410-516-0601; Web site: http://www.jhu.edu/~welfare.
PUB TYPE Reports - Descriptive (141)
EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS Employment; Family Income; *Females; One Parent Family; *Poverty; Sanctions; Socioeconomic Status; *Welfare Recipients; *Welfare Services
IDENTIFIERS Aid to Families with Dependent Children; *Temporary Assistance for Needy Families; Welfare Reform

ABSTRACT

This report charts the experiences of women who have done better or worse than average after leaving Temporary Assistance for Needy Families, highlighting: differences in education, health, and other characteristics; differences in whether or not they were sanctioned before leaving; and differences in welfare dependency (amount of time spent on welfare before leaving and amount of time spent off welfare after leaving). Findings are based on the experiences of leavers in Boston, Chicago, and San Antonio. The Three City Study surveyed 2,500 low-income families with children regarding employment, income, family structure, and caregiver characteristics. Overall, women with lower education levels, with younger children, who were in poor health, and who were themselves young had much lower employment rates and post-welfare income levels than women with more

education, better health, older children, and older age themselves. Outcomes also differed among leavers with a longer history of welfare dependence. The employment and income outcomes among these leavers were considerably worse than average. Leavers who had been sanctioned did worse after leaving welfare than those not sanctioned. Three appendixes describe the Three City study, examine welfare policies in the three cities, and provide supplementary tables. (Contains 11 references.) (SM)

Background Paper to Policy Brief 00-02,
"The Diversity of Welfare Leavers"

by

Robert Moffitt, Johns Hopkins University
Jennifer Roff, Johns Hopkins University

October 12, 2000

WELFARE, CHILDREN, AND FAMILIES: A THREE-CITY STUDY

WORKING PAPER 00-01

The authors would like to acknowledge the contributions of the co-principal investigators of the Three City Study for repeated group discussions of the content of this report, which is a collaborative effort, as well as the contributions of the research associates who were most heavily involved in the discussions. They are Ronald Angel, Linda Burton, P. Lindsay Chase-Lansdale, Andrew Cherlin, William Julius Wilson, Rebekah Levine Coley, and James Quane. Valuable input to the report was also made by Juliane Baron, Alan Benjamin, Karen Bogen, Paula Fomby, Ruth Friedman, and Deborah Graefe. Financial support received from the organizations listed in Appendix A is also gratefully acknowledged.

Executive Summary

Women who have left TANF in three cities--Boston, Chicago, and San Antonio--have an average employment rate of 63 percent after leaving welfare, a rate similar to those found in studies of welfare leavers in many other states. But this average obscures a large amount of variation across different groups of women, some of which have done much better than average and some of whom have done much worse. Women with lower levels of education, with younger children, who are in poor health, and who are themselves young have considerably lower employment rates and post-welfare income levels than women with greater levels of education, better health status, with older children, and who are older. Outcomes also differ among those leavers with a longer history of welfare dependence, a group not examined in other studies. The employment and, especially, income outcomes among these leavers are considerably worse than the average. Leavers who have been sanctioned also do much worse after leaving the rolls than those not sanctioned. These large differences in outcomes for former welfare recipients should be examined by policy-makers when they consider reforms to assist those who have difficulty attaining self-sufficiency off the welfare rolls.

The historically unprecedented wave of welfare reforms sweeping the country in the early 1990s, embodied in the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), has brought the most drastic and deep-seated changes in the welfare system for single mothers since the inception of the AFDC program in 1935. An equally unprecedented decline in the welfare rolls has accompanied this wave of reform. Nationwide the recipient caseload of the AFDC-TANF program dropped by almost 50 percent from 1994 to 1999. This caseload decline has been the result not only of the strong economy and low unemployment rate, but also of policy developments that expanded the benefits of the Earned Income Tax Credit and other programs for nonwelfare recipients. But welfare reform has unquestionably played a major role in the caseload decline as well.[1]

The women and children who have left welfare over this period have been a major focus of public policy attention. The most important issue is whether they have been able to find employment at acceptable rates, as well as high enough incomes, to attain self-sufficiency after leaving the rolls. A large number of states have conducted studies of these welfare leavers and have found, overall, that employment rates after leaving the rolls are in the range of 50 percent to 70 percent (Brauner and Loprest, 1999). Earnings of these welfare leavers have, on average, been lower than the welfare benefits they had been receiving while on welfare, but less is known about total household income after leaving welfare because few studies have a complete inventory of other sources of income.

This paper goes behind these typical outcomes to chart the experiences of women who have

[1] The Clinton Administration has estimated the relative effects of welfare reform, the economy, and other factors in the caseload decline. See Council of Economic Advisors (1999) for details.

done better or worse than average. It is to be expected that some women, such as those with more labor market experience and superior job skills, will do better than average and that women with less experience and skills will do worse. But the magnitude of those differences, particularly for those of the more disadvantaged groups, is an important question for policy that has not been sufficiently addressed in studies thus far.

We present information on how outcomes differ according to three types of diversity among welfare leavers: (1) diversity in the degree of welfare dependency of the leaver--the amount of time she had spent on welfare before leaving and the amount of time spent off welfare after leaving; (2) diversity in education, health, and other socioeconomic characteristics; and (3) diversity in whether or not the leaver had been sanctioned before she left the rolls. All three are important sources of variation among welfare leavers that have not been examined in many previous studies.[2]

We first discuss the data that are used for our study and the project which has generated the data. We then report results for the average outcomes of leavers as conventionally defined in previous work, where we find that the employment rates of our leavers are similar to those in past studies. This section also reports average income and other government aid receipt that have not been generally available heretofore. In the subsequent sections we report our findings on diversity of leavers and their outcomes, first treating diversity by welfare dependency, then treating diversity by socioeconomic characteristic and diversity by sanction status. The paper ends with a summary of our findings.

---

[2] Sanctioned leavers have been examined fairly frequently in past leaver studies, but diversity by characteristics less so. Diversity by degree of welfare dependency has not been examined at all in past work, at least in the way we define it here.

I. The Three City Study

Our findings are based on the experiences of leavers in Boston, Chicago, and San Antonio, three large cities in the U.S. with differing populations and located in states with a range of welfare policies. The Three-City Study (see Appendix A) is a longitudinal survey of approximately 2,500 low-income families with children who are living in low- and moderate-income neighborhoods in these three cities. The first wave of data collection took place between March and December 1999 and is used for this paper. The survey includes information on welfare and nonwelfare families, but for the purposes of this brief we examine data only for those women who were on the rolls sometime in the two years immediately prior to the interview (approximately 1997 to 1999) and who left the rolls sometime in that period. The survey collected a wide range of information on employment, income, family structure, and characteristics of the caregiver (usually the mother) of the children in the family. Given that this range of information is considerably broader than the data sources that have been used for most other welfare leaver studies, we are able to document more fully how leavers have been doing.

The economy has improved and the welfare rolls have plummeted in all three states in which our cities are located, as they have nationally. Figure 1 shows the per capita TANF recipiency rates in our three states from 1990 to 1999 along with that in the nation as a whole. While Massachusetts has shown slightly greater declines than the other two states, all three have declined at approximately the same rate as in the nation as whole. City-specific figures (not shown) indicate that the percentage drops in the TANF caseload from 1994 to 1999 were 46 percent, 53 percent, and 50 percent in Boston, Cook County, and Bexar County, respectively, quite similar to each other (Allen and Kirby, 2000). Figures 2 and 3, which illustrate trends in the unemployment rate and employment-population

ratios in our three states, respectively, again show strong similarity, although Massachusetts has had the strongest employment growth and greatest unemployment decline of the three. Our three cities can, therefore, be regarded as not very different from the rest of the country in these broad dimensions.

The populations of the three cities are somewhat different from one another, with a greater number of Puerto Rican Hispanics in Boston and a greater number of Mexican-American Hispanic families in Chicago and San Antonio. Since relatively few low-income Non-Hispanic White families live in disadvantaged city neighborhoods in Chicago and San Antonio, we draw most of our families of that group from Boston. Our sample includes Non-Hispanic Black families from all three cities.[3]

The TANF policies in the three cities also differ (see Appendix B). Massachusetts has one of the shortest time limits in the country (two years out of every five) but, at the same time, exempts a large number of those families from the time limits and also has not, at this writing, imposed a lifetime limit. Massachusetts also has a fairly strict sanction policy and a family cap. Texas is a relatively low-benefit state compared to the nation as a whole and has one-, two-, and three-year time limits (four including a one-year waiting period), though the state does give longer limits for those with greater employment difficulties and allows the "clock" not to start ticking until the recipient has been called by the employment agency and offered a slot. Earnings disregards are the least generous of those in our three states; it is a Work First state, and it has an official diversion policy. Illinois is a medium benefit state that has maintained the federal maximum of five years of benefits but allows families to stop the clock indefinitely by working 30 or more hours per week. Work requirements are not imposed as quickly in

[3] In the rest of the report, we refer to Non-Hispanic White families as "White" and Non-Hispanic Black families as "Black" for brevity.

Illinois as in the other states, and the state has no official diversion policy.

General characteristics of the Three-City sample are given in Tables C-1 and C-2 in Appendix C. Table C-1 shows that about one-third of the sample does not have a high school degree or General Equivalency Degree (GED). Most mothers are between 25 and 35 years of age, and one-third are married. About one-quarter are in fair or poor health. Across the cities, those women in Chicago are generally the most disadvantaged in terms of education and health, while those in Boston and San Antonio do not differ much in these characteristics (although San Antonio Hispanics report particularly poor levels of health). Across race-ethnic groups, the Hispanic population tends to have the lowest levels of education, followed by the Black population and then the White population (Boston is something of an exception, with a more educated Black population than White). Hispanic women tend to have the highest marriage rates.[4] [5]

Table C-2 shows that about 29 percent of the women in the population represented by our sample were on TANF at the first-wave interview date, about 12 percent were not on TANF at the interview but had been on within the two years prior to the interview, about 21 percent had been on TANF or AFDC at some point in their lives prior to the last two years, and 37 percent had never been

---

[4] These figures are weighted and hence represent the distribution of characteristics in the population that the sample represents, not the distribution of characteristics in the actual unweighted data. The actual unweighted data contain fewer married women and generally more women in poor health and of low education. See Appendix A.

[5] It would be preferable to disaggregate the Hispanic population by national origin, for different subgroups within the Hispanic population have been shown in past research to have very different characteristics. Unfortunately, our sample sizes do not permit it for this paper. As noted previously, Puerto Rican Hispanics are more represented in Boston and Mexican-American Hispanics are more represented in Chicago and San Antonio.

on TANF or AFDC.[6] Overall, welfare recipiency is more prevalent in Chicago than in either Boston or San Antonio, although among race-ethnic groups this is the case for Whites and Blacks but not for Hispanics (among whom recipiency is most common in Boston).[7] Our focus in this paper will be only on those women who have been on welfare and have left.

II. Average Outcomes for Conventionally-Defined Leavers

We first report what our data say about the average outcomes of welfare leavers as defined in most previous studies, to establish whether our data are showing the same results as those studies have shown. However, we also report in this section our findings on averages for outcomes that are not often measured, such as total income and its sources among leavers. After establishing that our data are consistent with those of past studies, we then turn to a discussion of our findings on diversity around those averages in subsequent sections.

Our adaptation of the conventional definition of leavers is built around the feature of our first-wave interview that respondents are asked for a complete month-by-month welfare (and employment)

---

[6] As noted in n.4, these figures do not represent the composition of unweighted cases in our data. About 40 percent of our unweighted observations were on welfare at the interview date and about 20 percent had been on welfare in the last two years, for example. The oversampling of current and recent welfare recipients reflects the main aim of the study which is to study welfare reform. See Appendix A.

[7] Note that these race-ethnicity figures denote the fraction of the population that is on TANF, not the relative numbers of those race-ethnic groups among those who are on welfare. For example, there appear to be more blacks than Hispanics on welfare in Boston while Table C-2 shows that Hispanics have a higher welfare participation rate there; this implies that there are more blacks than Hispanics, in total, in Boston (at least among low income families in low income neighborhoods).

history for the two years prior to the interview date. We use this history to determine those women who are "leavers," that is, who have been on welfare and who have subsequently gone off. Compared to most administrative data used in past leaver studies, which typically also have detailed monthly histories, our data have the advantage of a more complete set of outcomes in the interview. Compared to most survey data used in past leaver studies, our data have more detailed histories which allow us to make more refined measures of what it means to leave welfare.

In our survey, 1,262 women report that they were on TANF at some point in the two years prior to interview (that is, from 1997 to 1999), of whom 329 were not on TANF at the time they were interviewed or the month prior to interview. We define these 329 women as "conventional" leavers because this is the way past studies have generally defined what it means to leave welfare--to have been on welfare at some point in the past and to be off welfare at the interview date.[8]

The leaving rates for our families are shown in Table 1. Overall, about 28 percent of the women in our population who were on welfare in the two years prior to the interview had left as of the interview date.[9] Leaving rates are highest in Boston and San Antonio, and lowest in Chicago. Across

---

[8] Most administrative-data leaver studies select their samples in this way--from among women on welfare over some period of time--but generally measure employment and earnings outcomes in quarterly terms and as of a particular quarter after being on welfare, among those who have left welfare at some point. Our survey data leads to a definition somewhat closer to that of the Urban Institute National Survey of America's Families, which also collected a more limited set of two-year retrospective data from a telephone interview (Loprest, 1999). We define leavers as those who were off the month before the interview as well as the month of interview itself because the interview typically takes place during the month and we judged that at least a full month off welfare was more appropriate for the definition of a leaver.

[9] Note that the 28 percent figure does not exactly equal the ratio of 329 to 1,262 because the leaving rates in Table 1 are weighted.

race-ethnic groups, they are higher among Whites than among Blacks and Hispanics. The group with the highest leaving rate is Boston Whites and the group with the lowest leaving rate is Chicago Blacks.

Our leavers were asked why they left welfare. The vast majority (65 percent) said that they left because of a job or because of high earnings. Another 14 percent said that they left because they were sanctioned, and another 6 percent said that they had reached a time limit of some kind. The remainder cited a variety of reasons for leaving--because of the availability of child support income, someone else in the household obtained a job, and other reasons.

In the interview, we asked leavers about their current labor market outcomes. Table 2 shows the results. For our sample as a whole, about 63 percent of conventional leavers were employed, a figure squarely in the middle of the range of approximately 53 percent to 70 percent found in other studies (Brauner and Loprest, 1999). The employment rates are highest in Boston and lowest in Chicago, but about the same for Blacks and Hispanics.[10] Leaver studies that have been conducted in each of our three states using administrative data have found employment rates of 71 to 75 percent in Massachusetts (Massachusetts Department of Transitional Assistance, 1999), 50 to 55 percent in Illinois (U.S. Department of Health and Human Services, 2000), and 55 percent in Texas (Texas Department of Human Services, 1998), all of which are quite similar to the rates we find. The small differences could easily be a result of the use of different data sources, time periods, and differences in the way recipients and leaversa are defined in these other studies.

Monthly earnings and hourly wage rates are also in the range of past studies, with unconditional

[10] We do not show the results for the White sample alone for our outcome measures because the sample sizes are of insufficient size for reliable estimation.

mean earnings (i.e., including nonworkers) of $602 per month and conditional mean and median earnings (i.e., excluding nonworkers) of $985 and $910 per month, respectively. These earnings are insufficient in and of themselves to raise a family with two children or more above the poverty line, but most households receive EITC payments as well as income from other sources, as reported below. Hourly wage rates are in the $7.50 to $8.67 range. Earnings and wages are highest in Massachusetts and lowest in Texas, and are greater among Blacks than among Hispanics. Finally about 60 percent of the leavers work full time and only about one-third of the jobs are covered by health insurance.

The retrospective questions on employment and wages allow us to obtain a somewhat longer-frame picture of labor market outcomes of these conventionally-defined leavers. Table 3 shows labor market outcomes over the twelve months prior to the interview date, a period we denote as "Year Two." We measure these outcomes only over the months during the year that the women were off TANF. On average, the leavers were employed about three-quarters (72 percent) of all the months they were off TANF, and 56 percent of all leavers worked all of the months they were off welfare. However, a small but significant fraction (18%) did not work at all when off the rolls. Average earnings and wages over the period off welfare are about the same as at the time of the interview, indirectly implying relatively little trend.

These tables on labor force outcomes at the interview date and over the year prior to the interview confirm that the conventional leavers in our three cities have the same (relatively favorable) earnings and employment-related outcomes as have been found in most past studies.

Table 4 shows the level and composition of household income of these leavers, information which has typically not been available in past work. As shown in the table, monthly household income

of these conventional leavers is $1,031, or about $12,400 annually. These are clearly quite low incomes, and the poverty rate in the sample is 74 percent.[11] Leaver earnings are $511 per month, which is only one-half of average household income.[12] Poverty rates would therefore be much higher if the leaver's household had to rely on her earnings alone for support. The other half of household income comes (interestingly) primarily from income received by other members of the household, whose contributions total about one-third of household income. Most of that is earnings rather than welfare income. The contributions of other members of the household are, consequently, a critical source of support to these households. Leavers receive some income in the form of Food Stamps and child support, but this only constitutes about 10 percent of household income. They also receive only a minuscule amount of income from friends and relatives; there is no indication in these data that assistance from friends and relatives is an important source of support, on average, for welfare leavers.

Incomes are highest, and poverty rates lowest, in Boston, and this is primarily the result of a much higher earnings level among leavers. Leaver earnings are lowest in Chicago, but higher levels of welfare brought in by other members of the household than in Boston or San Antonio offsets this relative disadvantage to some extent. Incomes are slightly lower for Blacks than for Hispanics but the difference is not large and is statistically insignificant. Black leavers earn more, however, than Hispanic

---

[11] The maximum EITC payment (i.e, for households with two children or more) would be $301 on a monthly basis, a significant increase in household income.

[12] This figure differs from the $647 estimate in Table 3 because the latter is estimated from the hours worked per week and hourly wage rate of the job at the interview date, by blowing up the weekly earnings implied by those figures to a monthly amount. The $511 figure is in answer to a direct question about earnings last month. No doubt many respondents were not employed the entire month, which could explain the difference. The $511 figure is the more reliable number.

recipients, but other members of Hispanic households bring in more earned income to the household.

Although the income amounts from other welfare sources received by the welfare leavers are not large, they do participate fairly heavily in other government programs, as illustrated in Table 5. Almost 70 percent of leavers received Medicaid, about 40 percent received Food Stamps, about 30 percent received WIC, and over two-thirds received subsidized housing (either public or Section 8). On the other hand, relatively few received SSI, energy assistance, emergency food, or free clothing. Most children in the household received subsidized school breakfasts and lunches, however. Rates vary considerably across cities, with Food Stamp recipiency rates highest in San Antonio (probably because income levels there are the lowest, for Food Stamp eligibility and benefit levels are constant nationwide) and Medicaid recipiency rates lowest there. Subsidized housing is particularly prevalent in Boston.

III. Outcomes by Measures of Diversity

Diversity By Level of Dependency

The first type of diversity we examine is motivated by recent scholarly research on patterns of welfare receipt indicating that turnover rates on welfare are quite high--many women go on and off welfare fairly frequently. Bane and Ellwood (1994), for example, were the first to note that, while a large fraction of recipients on the rolls at any given time are long-term recipients, the majority of those who enter the program in any given month are likely to be on for only a short-period of time. Bane and Ellwood divided welfare recipients into three types: long-termers, who have long uninterrupted periods

of time on welfare (i.e., long spells) and rarely go off; short-termers, who only occasionally rely on welfare and have short spells; and cyclers, who go on and off frequently, and hence have short average spells, but often end up spending quite a bit of time on welfare in total and hence can be quite dependent if dependency is defined as receiving welfare benefits for a large fraction of time.[13]

The implications of this research for the study of welfare leavers are two. First, frequent movements on and off the rolls make it difficult to determine when a woman actually "leaves" welfare. Many past studies have included in the leaver category women who have left welfare but have come back on and gone off again. It is questionable whether it is appropriate to say that these women have "left" welfare. Further, many past studies include women who have just recently gone off welfare and hence have been off welfare for only a short period of time (e.g., two or three months). Given the high rates of return to welfare, a significant fraction of these women may return to the rolls in the near future. They, too, have not demonstrated yet that they have truly "left" welfare. A more policy-relevant definition of having left welfare would be one which defines leaving as having genuinely demonstrated a reduction in welfare dependence--that is, a reduction in dependence on welfare over a reasonable length of time.

The second implication of this research for our study is for the types of welfare recipients to include in the first place when leavers are being selected for the study. Most past studies of welfare leavers do not restrict their samples to women who are long-term welfare recipients but rather include

---

[13] An alternative definition of welfare dependency is that it occurs when a person receives a large fraction of their income from welfare over a given calendar period, a definition proposed by Gottschalk and Moffitt (1994). U.S. DHHS (2000) uses this definition of welfare dependence.

women who are on the rolls at any time over a certain period. Consequently, many women classified as welfare leavers in these studies may actually be short-termers who were never heavily dependent on welfare. This is a group of interest, but not the most important group for PRWORA or welfare reform in the 1990s. Welfare reform in the last decade has been aimed at long-term recipients who are heavily dependent on welfare, whom policy-makers have attempted to move off the rolls and to reduce their dependence.

Thus, past leaver studies have typically included women who were not welfare dependent in the first place, and have also classified women as having "left" welfare in many cases when it is not clear that they have genuinely reduced their level of dependence.

The conventionally-defined leavers in our data, whose outcomes we presented in the last section, illustrate these issues well by their levels of welfare dependence "before" leaving and "after" leaving. We use our data to define the before and after periods by grouping the 24 months prior to the interview into two years, as illustrated in Figure 4. We define "Year One" as the year that occurred 13-24 months prior to the interview, and "Year Two" as the year that occurred 1-12 months prior to interview. By the definition of conventional leaver, all women in the sample were off welfare at the interview date and were on welfare at some point in the prior 24 month period.

Table 6 shows the levels of welfare dependence in these two years for these conventional leavers. Column 1 shows that the majority of these leavers were on the rolls more than 6 months out of that year, more than a quarter (28 percent = 6 + 13 + 9) were on the rolls for 6 months or less, and 19 percent were on for 3 months or less. Thus a significant fraction of these leavers were never heavily dependent on welfare in the first place. The second column shows that many of these "leavers" have

not really left. In this case, 28 percent (16+12) were on welfare for 7 or more months out of the 12 prior to the interview. These women should not be considered to have demonstrated that they have genuinely left welfare. Further, only 30 percent of the leavers were off welfare for the full twelve months prior to the interview and hence had demonstrated the capability to be on the rolls for a reasonably long period of time.[14]

To address these issues directly, we define a new type of leaver whom we refer to as "dependency leavers." We define dependency leavers as those women who have become significantly less dependent on welfare over time, and we operationalize this definition with our data by terming a woman "dependent" on welfare if she receives benefits for more than six months in a year. "Dependency leavers" are then defined to be those women who were not dependent on TANF in Year Two, the 12 months prior to the interview-- that is, who were on TANF for six months or less in that year--but who were dependent on welfare in Year One, the 12 months prior to that --that is, who received TANF for more than six months in that year.[15] By this definition, only about one-half (48

[14] Table C-3 in the Appendix shows the welfare dynamics for our sample as a whole, including stayers and women never on. There are surprisingly few cyclers in our data. In Year One, about 30 percent of the sample was on TANF for 10-12 months and only about 7 percent were on for 1-9 months, with similar figures for Year Two. Those on 1-9 months are the cyclers as measurable in our data. While those who were on 1-9 months in Year One show a wide range of transition rates to different levels of dependency in Year Two--a sign of high turnover--the fact that there are so few of them in the first place makes their importance rather slight. We should note that past studies in the welfare turnover literature have had much longer periods to observe welfare turnover than two years and may have been able to observe more cycling for that reason.

[15] We also require that dependency leavers not be on welfare at the interview date, although the spirit of the definition does not require this. However, it is convenient because it makes dependency leavers a subset of conventional leavers. There are only 6 women in this category, however (who were on welfare less than 6 months in Year Two but on welfare at the interview date) so their inclusion has essentially no effect on the results.

percent) of conventional leavers are dependency leavers--that is, only one-half of "leavers" as usually defined actually moved from welfare dependency to relative independence from welfare.[16]

Table 7 shows the characteristics of conventional leavers and dependency leavers, as well as the residual category of "non-dependency" leavers--that is, all conventional leavers who did not fit the definition of dependency leavers. Thus non-dependency leavers either were not dependent on welfare by our definition in Year One or had not genuinely left in Year Two. The table indicates that dependency leavers are, on average, a more disadvantaged group. They have lower levels of education, are younger, are much less likely to be married (at the date of interview, after having left), and are more likely to be in fair or poor health.[17] They are disproportionately composed of Black and Hispanic women. There are no differences in family size and the number of children under three, however.

The leaving rate of dependency leavers--that is, the percent of those dependent in Year One who leave dependence in Year Two--is 19 percent, considerably below the 28 percent leaving rate for conventional leavers. That the leaving rates of dependency leavers are smaller is not surprising, but the near 10-percentage-point difference is quite large, and emphasizes the difference between the two definitions of leaving.

---

[16] We conducted sensitivity tests using a 5-month, 7-month, and 8-month cutoff for the dependency definition instead of 6 months, and none of the results below were changed in any major way.

[17] The nature of the dependency leaver definition implies that such leavers could be either less disadvantaged or more disadvantaged than conventional leavers, because the former group is more dependent than the latter in Year One but less dependent in Year Two. The results indicate that the greater dependency in Year One dominates.

Table 8 shows selected labor market outcomes of dependency and non-dependency leavers (along the same dimensions shown for conventional leavers as a whole in Tables 2 and 3).[18] The table indicates that there are some fairly large differences in employment outcomes for the two groups. For example, 58 percent of dependency leavers were employed at the interview date, compared to 68 percent of other leavers; dependency leavers were employed 66 percent of the last two months prior to interview, compared to 77 percent for other leavers; and 24 percent of dependency leavers were never employed in the last twelve months, compared to 14 percent of other leavers. However, the hourly wage rates, monthly earnings, and other job characteristics for those who work are not that much different between the groups (in fact, they are sometimes higher for dependency leavers). Thus, the difference between dependency leavers and other leavers is primarily in whether they are employed at all, not in the types of jobs they obtain when they have jobs.[19]

Table 9 shows selected income and other-welfare outcomes for dependency leavers and other leavers. Dependency leavers have lower household incomes and higher poverty rates than other leavers, and their incomes come from different sources. Dependency leavers have more income on their own from child support and Food Stamps, but they have much lower earnings than other leavers.[20]

---

[18] This table and Table 9 differ slightly from the corresponding tables in the Policy Brief which is based on this Background paper. The Policy Brief presents figures for dependency leavers and all leavers, rather than for dependency leavers and non-dependency leavers, as shown here. In addition, the 6 women on welfare at the interview date were included as dependent leavers in the Policy Brief but are excluded here (see n.14).

[19] All of the larger differences in Table 8 are statistically significant at the 10 percent level.

[20] Note that the earnings figures in Table 9 include zeroes for nonworkers, unlike the earnings figures in Table 8.

Also, dependency leavers live in households where other family members contribute less income overall, primarily because of very low earnings (they receive more welfare, however). Thus it appears that the other household members in dependency leaver households are like the leavers themselves--they have lower earnings and are more welfare dependent.[21] The rest of Table 9 shows that dependency leavers participate more in subsidized housing and WIC but have about the same rates of participation in Food Stamps and Medicaid.[22]

Diversity by Socioeconomic Characteristic

In addition to differing in their degrees of welfare dependency, leavers differ as well along dimensions defined by more typical socioeconomic characteristics that are associated with labor market opportunity, ability to work, and barriers to finding work. Among the many possible dimensions, we consider six that are well-known to be associated with the employment rates of adult women: level of education, health status, age, the presence of young children in the household, and marital status and race-ethnicity. For each of these characteristics, we consider how labor market, income, and welfare recipiency outcomes vary by their level.

Tables 10 and 11 show how labor market and income-recipiency outcomes, respectively, vary

---

[21] If the EITC were included, the differences between dependency leavers and nondependency leavers would be exacerbated. The maximum EITC for dependency leavers in Table 9 would be $253 on a monthly basis, while it would be $318 for other leavers. These leavers are in the part of the EITC schedule where the tax credit is increasing in household earnings. Indeed, the leavers who have not worked at all (e.g., those reported in Table 8) would receive no EITC at all.

[22] Although not shown, their rates of participation in the other programs shown in Table 5 are also not very different.

by the leaver's level of education, illustrating differences between women who have either a high school degree or a GED, versus women who have neither. The differences in both tables are very large. About 48 percent of women without a degree were employed at the interview date, compared to a much larger 72 percent of women with a degree. Women without a degree were employed approximately 61 percent of the twelve months prior to interview, compared to 78 percent of those months for women with a degree, and 28 percent of women without a degree were never employed over that period compared to 13 percent of women with a degree. Women without a degree were less likely to work full time and, at least at the interview date, less likely to be covered by health insurance on the job. Earnings and hourly wages at the interview, on the other hand, were not much different between the groups, although they were quite a bit different on average over the prior twelve months.

As for income and other welfare recipiency, large differences also appear (Table 11). About 91 percent of women without a degree were in households with incomes below the poverty line, compared to only 64 percent of women with a degree. Monthly earnings over all household members were about $400 lower for the less educated group, largely because of lower earnings by the leaver herself. Leavers without a degree tended to live in households where other family members also brought in less earnings, thereby reinforcing the lower earnings of the leaver herself, although those households also had other members who brought in more welfare income than households with a more educated leaver.[23] Receipt of other government welfare benefits is higher for less educated leavers,

[23] As before, the EITC would exacerbate the difference between less educated and more educated leaver households. The former would have received a maximum EITC of $194 on a monthly

not surprisingly, particularly for WIC and subsidized housing.

Tables 12 and 13 shows comparable figures for leavers who are in fair or poor health, as compared to women who are in excellent or very good health.[24] Again, quite large differences appear. Women in worse health have interview-date employment rates of 55 percent and were employed 60 percent of the last twelve months, compared to 72 percent and 83 percent, respectively, for women in better health. Even more dramatic, a full 31 percent of women in worse health were never employed in the twelve months prior to interview, compared to only 6 percent of women in better health. Large differences also appear in earnings and hourly wages. These results strongly confirm the great importance of health status to the economic outcomes of women who leave welfare. Partly compensating for the difference, 45 percent of women in worse health were covered by health insurance on their jobs, as compared to 31 percent of women in worse health.

Overall household income and poverty-rate differences by health status are not as dramatic, as illustrated in Table 13, although they do show that households with a leaver in worse health are worse off along these dimensions. However, the composition of income is very different, for women in worse health bring in only half as much earnings as women in better health. This is compensated for, in part, by higher income from other household members, both in the form of earnings and in the form of other welfare payments. Receipt of other welfare payments is also, by and large, higher for leavers in worse health.

Tables 14 and 15 show comparable figures for differences by the age of the leaver,

---

basis, compared to $318 for more educated leavers.

[24] The classification is based on a direct question to the respondent in the interview.

distinguishing between leavers who are less than 25 years old and those who are 26-35. Differences between these groups are also large, though not as much as for education and health, on average. The overall picture is that women who are younger are worse off than older women, probably because they have not accumulated as much job experience. Younger women have lower employment rates, earnings, and hourly wages, are less likely to work full time, and less likely to be covered by health insurance on the job. They live in poorer households, bring in less earnings and, interestingly, bring in less welfare income from other sources than do women who are older. Other household members bring in about the same amount of income for both types, although households with younger leavers tend to bring in income in the form of earnings instead of welfare.

Tables 16 and 17 show differences in outcomes by whether there is a child in the household under 3, which usually presents special challenges to working while off the welfare rolls. The results show that this makes the least difference of any of the comparisons that have been shown thus far. Employment rates and hourly wage rates are not much different; earnings are somewhat different, indirectly implying that women with young children work fewer hours. This is confirmed by slightly lower full-time work rates among women with a young child in the household. Total household income and poverty rates are not that different between the groups as well. Perhaps child care options are sufficiently available to women with young children as to make their labor market and income situations not that much different than those women without very young children, or perhaps mothers with young children simply exert more effort in overcoming child care barriers than mothers without young children.

The final two sets of tables show differences by marital status (Tables 18 and 19) and by race-

ethnicity (Tables 20 and 21). Marital status makes rather little difference to employment outcomes, interestingly, and, in fact, married women tend to work less than single mothers (recall that all women in this sample have household incomes less than 200 percent of the poverty line). However, this is consistent with the general finding in the research literature on employment rates of women indicating that married women almost always work less than single mothers; the conventional explanation is that married women often use the income of a spouse to support staying at home to engage in child-rearing. It is worth noting, in passing, that to the extent that increased marriage rates is a goal of welfare reform, any increase in marriage rates works against the goal of maximizing employment of women, a tradeoff which has not been considered to any significant extent in policy discussions. Income differences and poverty rate differences shown in Table 19 are larger, however, again directly the result of having a spouse in the household. The extra income brought in by the spouse (which is included in 'other household member earnings') more than compensates for the lower earnings of the leaver herself.[25]

Differences by race-ethnicity are shown for Black vs Hispanic leavers only; our sample size of White leavers is too small for separate analysis of this subgroup of the Three-City sample.[26] There is very little difference in the labor market outcomes of Black and Hispanic leavers, as shown in Table 20, although there is a slight tendency for those of Hispanic leavers to be somewhat worse than those of Black leavers. However, differences in income are larger, with more Black households in poverty. The difference is mostly traceable to a much higher level of earnings brought in by other members of

[25] We should also note that marital status is measured as of the interview date, not as of some prior time on welfare. We did not collect marital status histories in the first wave interview, instead leaving that research topic for investigation with our first and second waves of data combined.

[26] Recall that leavers are only 20 percent of our total sample.

Hispanic households; this, in turn, is largely the result of a considerably higher marriage rate among Hispanics (see Table C-1).

In summary, this analysis has shown considerable diversity in leaver outcomes by socioeconomic characteristic which reinforces the diversity shown previously by level of dependency. Differences in outcome by education level are the most dramatic, but differences by health status are also large. The compounding effects of low education and poor health are likely to be even worse. Differences by age and by the presence of young children in the household are less important, but differences by marital status, at least in income and poverty rates, are also large.[27]

Diversity by Sanction Status

Another important dimension by which leavers vary is by sanction status. This has been an issue examined in some past work on leavers, where it has been generally indicated that employment rates for sanctioned leavers are lower than for other leavers (Brauner and Loprest, 1999). We can add to this literature by examining our additional labor market outcomes by sanction status as well as by presenting the full income picture for sanctioned and nonsanctioned leavers.

We asked the leavers whether they had left welfare because they were sanctioned; 14 percent of leavers in our three cities reported that they had.[28] Another 6 percent of leavers reported that they

---

[27] Statistical significance levels, which were not shown in the tables for convenience, correspond to these conclusions. The larger differences by health and education are always significant at the 10% level as are some of those by marital status. The differences by age of leaver, age of child, and many of the race differences are not significant at that level.

[28] Our questionnaire obtained information on a concept broader than official sanctions, for we asked each woman whether she had had benefits reduced in full or in part because she "was not

had been sanctioned when previously receiving welfare even though they did not cite it as the reason they left the rolls.

Tables 22 and 23 report the labor market outcomes and income outcomes, respectively, for leavers who report having been sanctioned while on TANF and those who have not. Quite large differences appear between the groups. Only 47 percent of sanctioned leavers were employed at the interview date, compared to 68 percent of those not sanctioned; monthly earnings are almost $200 greater for those not sanctioned; sanctioned leavers were employed 57 percent of the twelve months prior to the interview, compared to 76 percent of those not sanctioned; and 34 percent of sanctioned leavers, a full one-third, never were employed in the twelve months prior to the interview compared to only 14 percent of those not sanctioned. Poverty rates are much higher among sanctioned leavers--89 percent, as compared to 71 percent for non-sanctioned leavers. Incomes are lower for sanctioned leavers, but almost all of the difference is a result of the lower earnings of the leaver herself. Sanctioned leavers are somewhat more likely to be in subsidized housing than nonsanctioned leavers, but slightly less likely to receive other benefits like Medicaid, Food Stamps, and WIC.[29]

These findings strongly confirm that sanction status is a major source of differential outcomes among leavers. Leavers who have been previously sanctioned appear to be a significantly more disadvantaged population than other leavers and to have considerably worse labor market and income outcomes.

---

following the rules."

[29] The larger differences are almost always statistical significant at the 10 percent level.

IV. Conclusions

We draw four conclusions from our analysis of outcomes by measures of diversity among welfare leavers.

First, we find generally large differences in employment, household incomes, and poverty rates for leavers with differing social and economic characteristics. While those with greater levels of education, in good health, without young children, and who are not young themselves have done better than average, those with less education, in poor health, with young children, and who are young themselves have done worse than average, often significantly so.

Second, we find that the earnings of leavers are only one-half of total household incomes on average. Moreover, there is significant variation across households in support from sources other than leaver earnings, particularly from other family members. Some leavers are in households where there is significant income support from other members of the household, either from earnings or welfare income of those members. Other leavers are in households with very little of this type of support. Unfortunately, those leavers who themselves have the most difficulty in the labor market often live in households where there is relatively little other support as well.

Third, we find that women who have been previously sanctioned have much worse employment and income experiences after leaving welfare than those leavers who have not been sanctioned.

Fourth, when we restrict our analysis to women who were heavily dependent on welfare prior to leaving (the group whom policy-makers most intended welfare reform to affect) and who have become relatively independent of welfare after leaving, we find some of their outcomes to differ from those of conventional leavers. Nearly as many of these "dependency leavers" are employed as are

conventional leavers, but the dependency leavers earn less, receive less earnings support from other household members, and depend more on government benefits. In addition, women who were heavily dependent on welfare are substantially less likely to leave welfare to begin with than are other welfare recipients.

The existence of significant numbers of women who have not done well after leaving welfare is a source of concern, especially in light of the strong economy, which makes the outcomes of these families probably the best they can be. These leavers deserve the attention of policy-makers who in the future will be considering modifications in welfare programs or who will be designing special programs to assist those off the rolls who are in greatest need.

Appendix A

The Three-City Study

Welfare, Children, and Families: A Three-City Study is an ongoing research project in Boston, Chicago, and San Antonio to evaluate the consequences of welfare reform for the well-being of children and families and to follow these families as welfare reform evolves. The study comprises three interrelated components: (1) a longitudinal in-person survey of approximately 2,500 families with children in low-income neighborhoods, about 40 percent of whom were receiving cash welfare payments when they were interviewed in 1999. Seventy-seven percent of the families have incomes below the poverty line. Seventy-three percent are headed by single mothers, and 23 percent are headed by two parents. They should be thought of as a random sample in each city of poor and near-poor families who live in low-income neighborhoods.[30] Extensive baseline information was obtained on one child per household and his or her caregiver (usually the mother). The caregivers and children

[30] Families of different income levels, marital statuses, and welfare recipiency were sampled at different rates. Typically, women who were living in families of higher income levels (between 100 percent and 200 percent of the poverty line), were married, and who were not on welfare were undersampled, and women in families who had incomes below the poverty line, were single mothers, and were on welfare were oversampled. These differential sampling rates reflect the aim of having the largest number of observations among low-income single mother families on welfare, the main group of interest for our study, but allowing us to have observations on women of other income levels, family types, and welfare statuses for comparison. We have survey weights which allow us to generalize our sample to the total population of families with incomes below 200 percent of the poverty line living in low-income neighborhoods in our three cities. We employ these survey weights in all the tabulations reported in this paper. See Winston et al. (1999) for details on weights and sampling.

will be reinterviewed at 18-month intervals. In addition, at the 36-month mark, a second sample of about 1,250 families, focused primarily on young parents who are just coming of age and encountering the welfare system for the first time under the new rules, will be selected and interviewed. (2) an embedded developmental study of a subset of about 630 children age 2 to 4 in 1999 and their caregivers, consisting of videotaped assessments of children's behaviors and caregiver-child interactions, observations of child-care settings, and interviews with fathers. (3) an ethnographic study of about 215 families residing in the same neighborhoods as the survey families who will be followed for 12 to 18 months, and periodically thereafter, using in-depth interviewing and participant observation. About 45 of the families in the ethnography include a child with a physical or mental disability. A detailed description of the research design can be found in Winston et al. (1999), available at jhu.edu/~welfare or in hardcopy upon request.

The principal investigators are Ronald Angel, University of Texas; Linda Burton, Pennsylvania State University; P. Lindsay Chase-Lansdale, Northwestern University; Andrew Cherlin, Johns Hopkins University; Robert Moffitt, Johns Hopkins University; and William Julius Wilson, Harvard University.

Support of the following organizations is gratefully acknowledged. Government agencies: National Institute of Child Health and Human Development, Office of the Assistant Secretary for Planning and Evaluation, Administration on Developmental Disabilities, Administration for Children and Families, Social Security Administration, and National Institute of Mental Health. Foundations: The Boston Foundation, The Annie E. Casey Foundation, The Edna McConnell Clark Foundation, The Lloyd A. Fry Foundation, Hogg Foundation for Mental Health, The Robert Wood Johnson

Foundation, The Joyce Foundation, The Henry J. Kaiser Family Foundation,W. K. Kellogg Foundation, Kronkosky Charitable Foundation, The John D. and Catherine T. MacArthur Foundation, Charles Stewart Mott Foundation, The David and Lucile Packard Foundation, and Woods Fund of Chicago.

Appendix B

Welfare Policies in the Three Cities

Massachusetts is operating under its HHS waiver, which is approved through September 2005. Under its waiver plan, it has a time limit of two out of every five years but relatively generous exemptions from those limits and fairly high cash benefits and income eligibility limits compared to the other two states. Massachusetts has no formal diversion policy but does have a family cap and provisions for both full and partial family sanctions.

Texas is also operating under HHS waiver authority. Texas has one-, two-, or three-year time limits (four including a one-year waiting period) assigned on the basis of employability, but it had no lifetime limit as of the time of our interviews (since then Texas has imposed the federal guideline of a five-year lifetime limit). The one-, two-, and three-year time limits do not begin until the recipient is offered an opening in the state employment program. The state has fairly low cash benefit levels and income eligibility limits as well as the least generous earnings disregards of our three states. Texas has less strict sanctions than the other two states and does not have provision for a full family sanction, nor does it have a family cap. Unlike Massachusetts or Illinois, Texas has a diversion policy involving onetime payment and mandatory job search.

Illinois is operating under an approved PRWORA plan with an official five-year lifetime time limit but pays benefits out of state funds for all months in which recipients work or go to school for more than 30 hours per week, effectively stopping the clock. The state has cash benefit levels and income

eligibility limits between those of Massachusetts and Texas but has the most generous earnings disregards of the three. Its sanction policy is less strict than that of Massachusetts, and it does not have a diversion policy. Illinois has the longest time period before work requirements are imposed (24 months).

VIII. References

Allen, K. and M. Kirby. "Unfinished Business: Why Cities Matter to Welfare Reform." Washington: Brookings, 2000.

Bane, M.J. and D. Ellwood. Welfare Realities: From Rhetoric to Reform. Cambridge: Harvard University Press, 1994.

Brauner, S. and P. Loprest. "Where Are They Now? What States' Studies of People Who Left Welfare Tell Us." ANF Paper Series A, No. A-32. Washington: The Urban Institute, 1999.

Gottschalk, P. and R. Moffitt. "Welfare Dependence: Concepts, Measures, and Trends." American Economic Review 84 (May 1994): 38-42.

Loprest, P. "Families Who Left Welfare: Who Are They and How Are They Doing?" ANF Discussion Paper. Wash: Urban Institute, 1999.

Massachusetts Department of Transitional Assistance. How Are They Doing? A Longitudinal Study of Households Leaving Welfare Under Massachusetts Reform. April 1999.

Texas Department of Human Services. Texas Families in Transition: The Impacts of Welfare Reform Changes in Texas: Early Findings. Austin, December 1998.

U.S. Council of Economic Advisors. The Effects of Welfare Policy and the Economic Expansion on Welfare Caseloads: An Update. Washington: Council of Economic Advisors, 1999.

U.S. Department of Health and Human Services. Indicators of Welfare Dependence: Annual Report to Congress, March 2000. Washington: U.S. Department of Health and Human Services, 2000.

U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Summary of Research on Welfare Outcomes Funded by ASPE. Washington: July 2000.

Winston, P.; R. Angel; L. Burton; P. L. Chase-Lansdale; A. Cherlin; R. Moffitt; and W.J. Wilson. Welfare, Children, and Families: A Three City Study. Overview and Design. Baltimore: Johns Hopkins University, 1999.

Figure 1: Per Capita TANF Recipiency Rates, 1990-1999

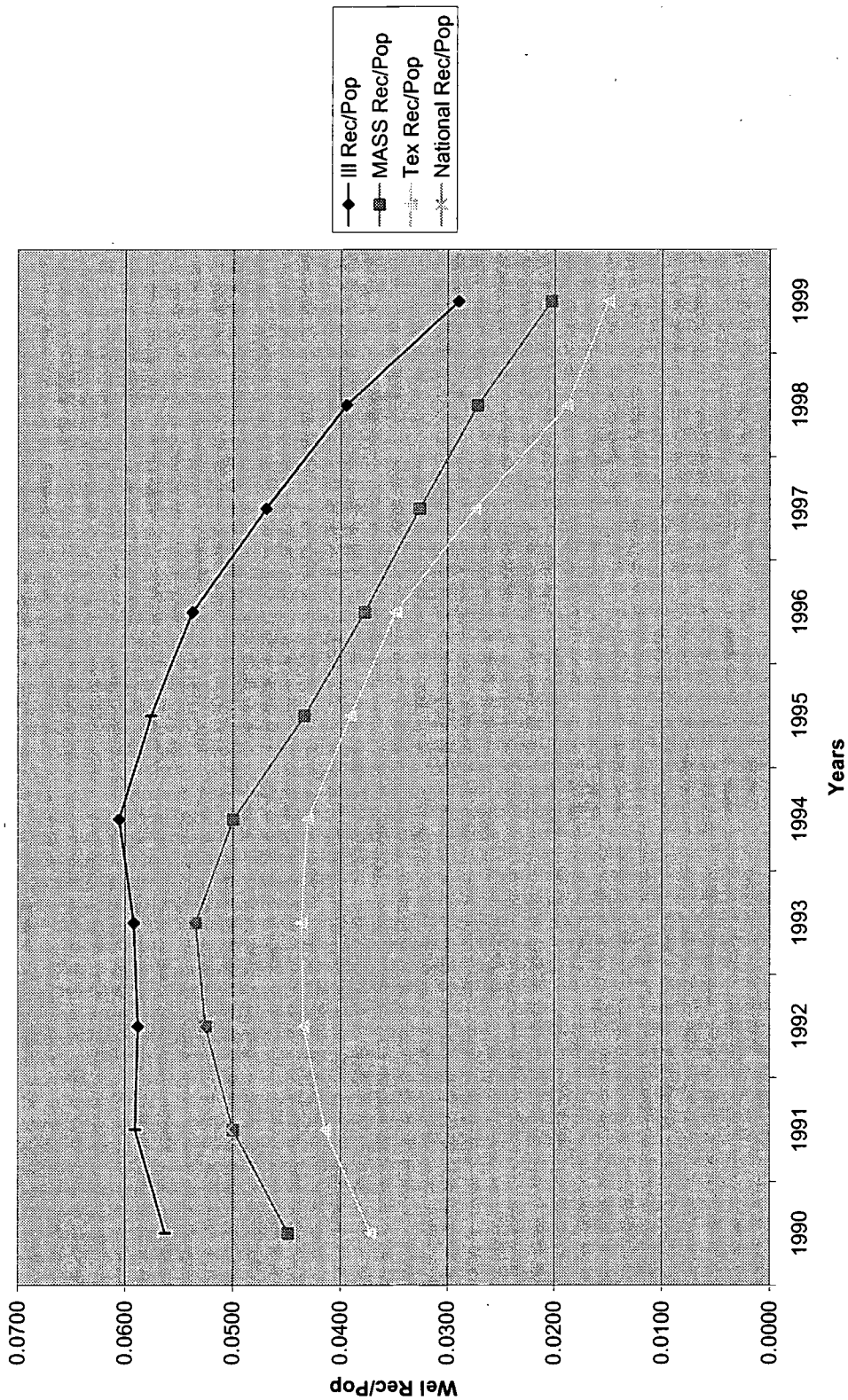

Figure 2: Unemployment Rates, 1990-1999

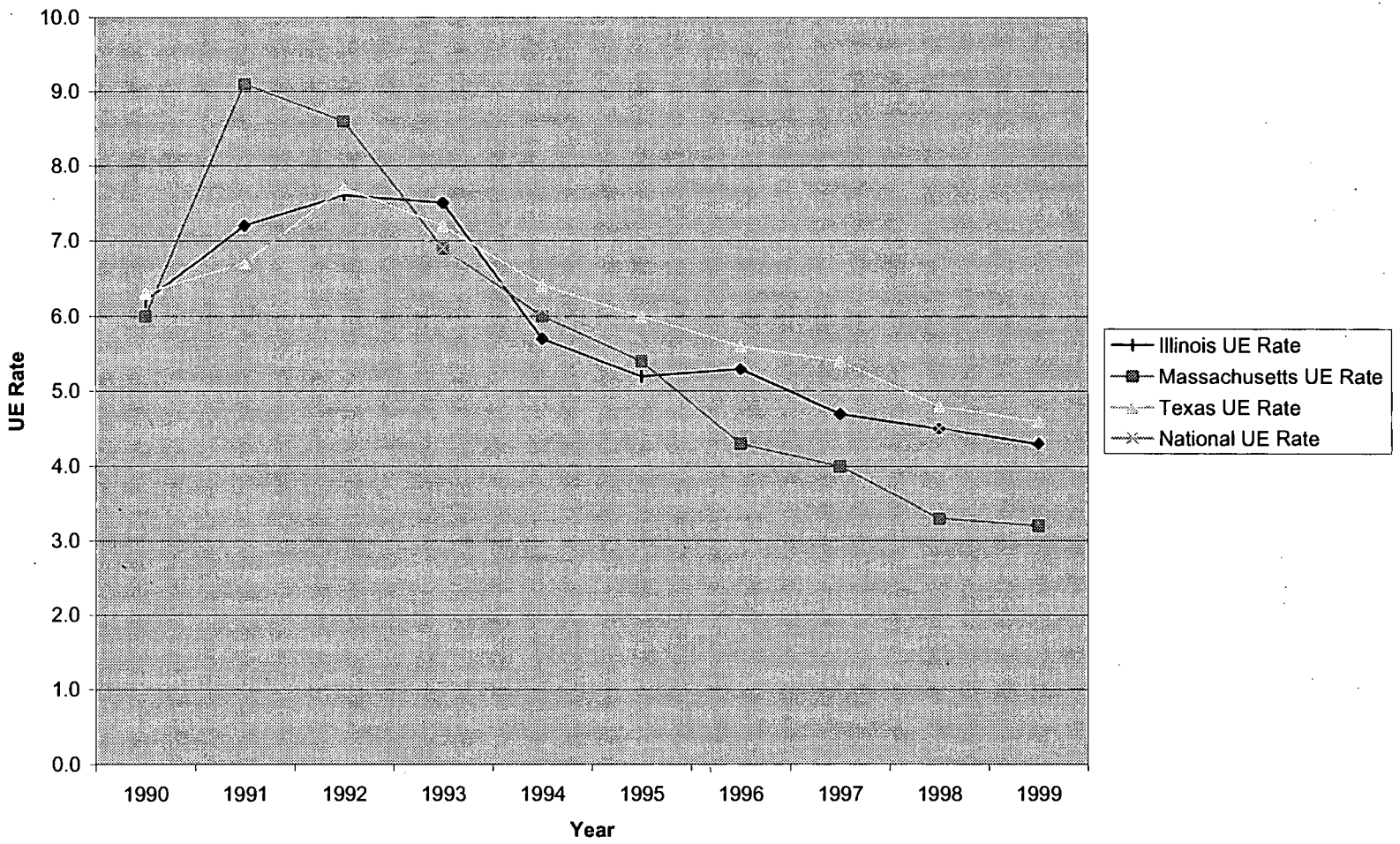

Figure 3: Employment-Population Ratios, 1990-1999

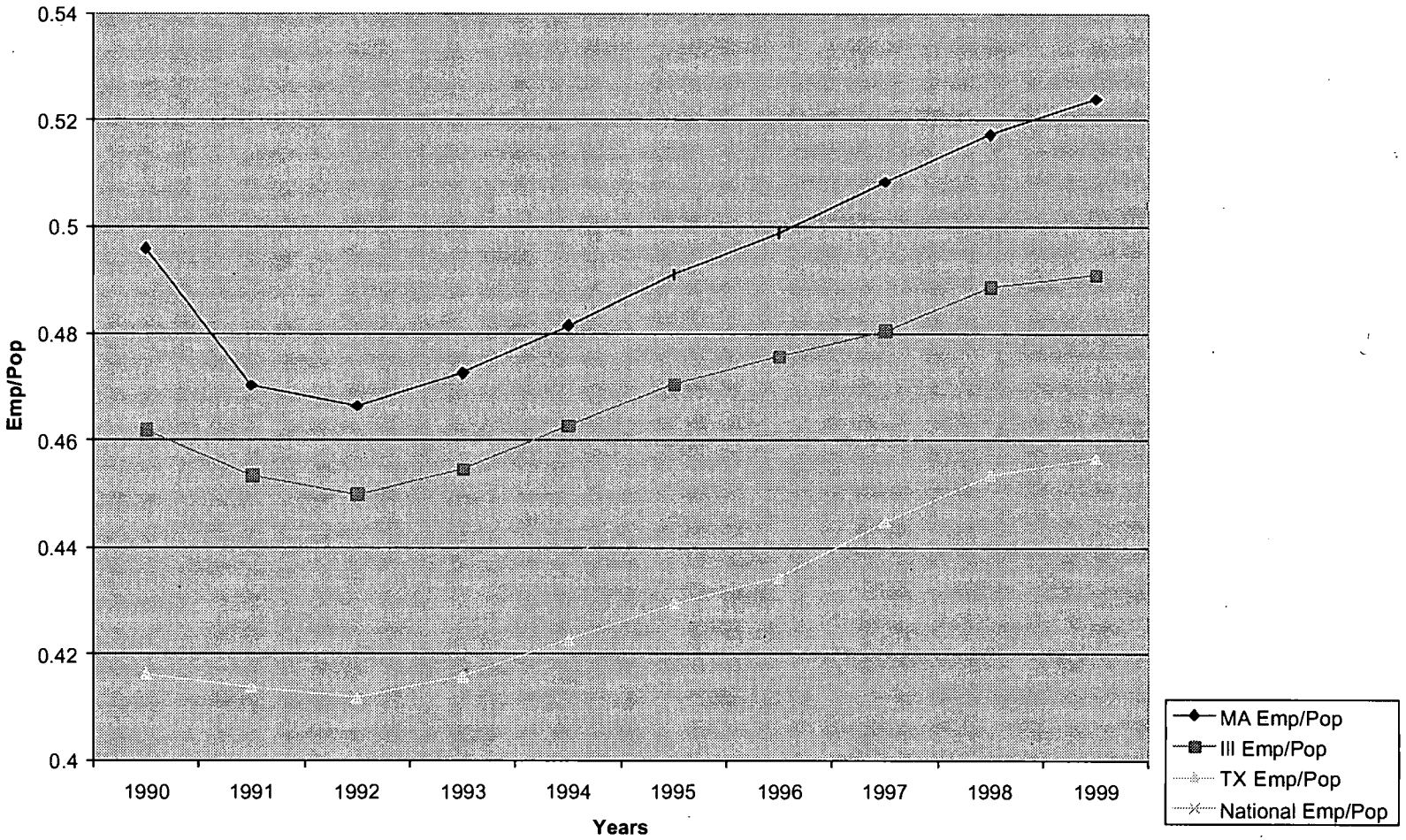

Figure 4: Time Line of the Retrospective Data

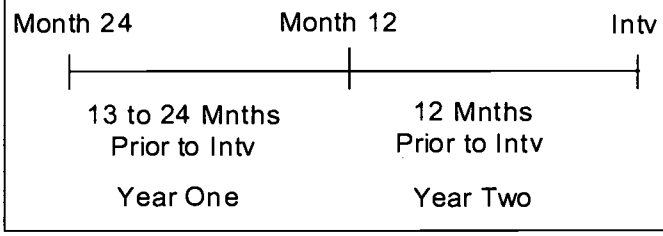

Table 1

Conventional Leaving Rates, by Race-Ethnic Group and City (percent)

	White	Black	Hispanic	Total
Boston	48.9	37.7	34.3	36.2
Chicago	21.8	18.7	23.7	19.0
San Antonio	-[a]	30.7	31.7	31.4
Total	37.8	27.0	30.2	28.3

Notes:

The leaving rate is defined as the percent of those on TANF anytime in the two years prior to interview who were not on TANF at the interview date.

[a]No white families were sampled in San Antonio because of their high degree of dispersion within the city.

Table 2

Interview Date Labor Market Outcomes of Conventional Leavers, by City and Race-Ethnic Group

	Total	City			Race-Ethnic Group	
		Boston	Chicago	San Antonio	Black	Hispanic
Employment Rate (%)	63	68	57	62	63	66
Monthly Earnings[a]						
Unconditional Mean	$602	$740	$517	$505	$647	$558
Conditional Mean	$985	$1112	$973	$811	$1066	$857
Conditional Median	$910	$1050	$919	$777	$973	$868
Hourly Wage Rate[b]						
Mean	$8.67	$9.26	$8.77	$7.73	$8.84	$8.04
Median	$7.50	$8.55	$7.60	$6.43	$8.00	$7.50
Percent Full Time (%)[b]	60	70	54	52	62	57
Percent with health insurance on job (%)[b]	36	23	41	51	30	29

Notes:

All wage and earnings figures pertain to primary job.

[a] Estimated from hourly wage rate and weekly hours of work at the interview date.

[b] Measured over those who are employed.

Table 3

Year Two Labor Market Outcomes of Conventional Leavers, by City and Race-Ethnic Group

	Total	City			Race-Ethnic Group	
		Boston	Chicago	San Antonio	Black	Hispanic
Employment						
Percent of months employed	72	73	71	71	72	73
Employed all months (%)	56	60	52	55	54	59
Never employed (%)	18	20	19	16	17	15
Average Monthly Earnings[a]						
Unconditional Mean	$648	$766	$597	$545	$694	$597
Conditional Mean	$994	$1143	$989	$807	$1094	$853
Conditional Median	$910	$1054	$919	$805	$996	$840
Average Hourly Wage Rate						
Mean	$8.40	$9.29	$8.30	$7.33	$8.66	$7.67
Median	$7.50	$8.54	$7.34	$6.25	$8.00	$7.00
Ever covered by health insurance on job (%)	36	26	39	44	32	36
Number of jobs	1.15	1.14	1.20	1.11	1.25	1.14

Notes:

All entries computed only over those months in the year that the woman was not on TANF.
[a] Estimated from weekly hours and hourly wage rate on the jobs reported in the employment history retrospective.

Table 4

Income Outcomes of Households of Conventional Leavers, by City and Race-Ethnic Group

	Total	City			Race-Ethnic Group	
		Boston	Chicago	San Antonio	Black	Hispanic
Household						
Income	$1031	$1064	$997	$1020	$972	$1017
Poverty Rate	74	64	83	79	73	76
Needs Ratio	72	78	63	72	71	71
Leaver						
Earnings	$511	$641	$390	$456	$564	$483
Food Stamps	$80	$51	$74	$122	$87	$78
Child Support	$36	$52	$32	$19	$46	$28
Friends and Relatives	$13	$16	$11	$11	$11	$17
Other[a]	$31	$13	$69	$19	$32	$58
Other Members of the Household						
Earnings	$242	$188	$279	$277	$128	$235
Welfare	$95	$94	$131	$66	$98	$92
Other[a]	$23	$9	$11	$50	$6	$26

Notes:

All incomes measured as of month prior to interview date
[a]Includes TANF

Table 5

Receipt of Other Welfare Benefits in Households of Conventional Leavers, by City and Race-Ethnic Group

	Total	City			Race-Ethnic Group	
		Boston	Chicago	San Antonio	Black	Hispanic
Food Stamps	38	32	26	55	37	41
Medicaid	68	83	65	52	73	65
WIC	31	37	20	33	24	35
SSI	10	9	9	11	9	11
Subsidized Housing	67	82	58	58	72	56
Energy Assistance	12	7	14	17	11	12
Emergency food	6	8	3	4	3	9
Free clothing	4	5	5	2	4	5
School lunch	73	74	70	74	71	78
School breakfast	69	74	62	70	71	71

Notes:

All benefits measured as of month prior to interview date
Receipt is by mother and her children only.

Table 6

Welfare Dependency Levels of Conventional Leavers
(Percent distribution)

Months on TANF	Year One[a]	Year Two[b]
0	6	30
1-3	13	18
4-6	9	24
7-9	14	16
10-12	58	12
Total	100	100

Notes:

[a] 13-24 months prior to the interview date
[b] 1-12 months prior to the interview date

Table 7

Socioeconomic Characteristics of Conventional and Dependency Leavers

	Conventional Leavers	Dependency Leavers	Non-Dependency Leavers
Education			
Less than HS or GED	30.7	35.5	26.8
HS or GED	54.6	50.6	58.1
More than HS or GED	14.6	13.9	15.1
Age			
Less than 25	34.8	40.1	30.9
25-35	36.4	35.1	37.4
36+	28.7	24.7	31.7
Married	18.5	8.3	27.8
Children under 3 in Household	49.5	49.6	49.8
Health			
Excellent or Very Good	45.3	38.5	51.2
Good	31.4	36.5	26.7
Fair or Poor	23.3	25	22.1
Family Size	4.4	4.3	4.4

Table 7 (continued)

	Conventional Leavers	Dependency Leavers	Non-Dependency Leavers
Boston (% distribution)			
White	10.0	6.2	14.2
Black	41.9	41.7	42.2
Hispanic	47.2	50.7	43.3
Chicago (% distribution)			
White	2.5	0.7	4.6
Black	88.2	91.1	84.8
Hispanic	9.3	8.3	10.6
San Antonio (% distribution)			
Black	15.3	15.5	15.1
Hispanic	84.1	84.5	83.9
Number of Observations	329	153	176

Table 8

Labor Market Outcomes of Dependency and Non-Dependency Leavers

	Dependency Leavers	Non-Dependency Leavers
As of Interview Date		
Percent Employed	58	68
Conditional Median Monthly Earnings	$945	$910
Median Hourly Wage	$8.00	$7.34
Percent Employed Full Time	59	61
Percent with Health Insurance from Job	34	38
As of Year Two[a]		
Percent of Months Employed	66	77
Percent Never Employed	24	14
Average Conditional Median Monthly Earnings	$945	$910
Average Median Hourly Wage	$7.75	$7.18
Ever Covered by Health Insurance	32	38

Notes:

[a] All outcomes averaged only over months off TANF in Year Two.

Table 9

Monthly Income and Other Welfare Participation of Households of Dependency and Non-Dependency Leavers

	Dependency Leavers	Non-Dependency Leavers
Income		
Household	$952	$1105
Household Poverty Rate(%)	77	72
Earnings of Leaver	$440	$577
Child Support and Food Stamp Income of Leaver	$142	$92
Earnings of Other Household Members	$193	$290
Welfare Income of Other Household Members	$120	$73
Other	$57	$73
Non-TANF Welfare Participation of Leaver and Children (%)		
Food Stamps	37	38
Medicaid	69	67
Subsidized Housing	75	61
WIC	37	26

Table 10

Labor Market Outcomes of Conventional Leavers by Education Level

	No HS or GED	HS or GED
As of Interview Date		
Percent Employed	48	72
Conditional Median Monthly Earnings	$887	$875
Median Hourly Wage	$7.00	$7.75
Percent Employed Full Time	53	65
Percent with Health Insurance from Job	26	34
As of Year Two[a]		
Percent of Months Employed	61	78
Percent Never Employed	28	13
Average Conditional Median Monthly Earnings	$782	$910
Average Median Hourly Wage	$6.50	$8.00
Ever Covered by Health Insurance	31	32

Notes:

[a] All outcomes averaged only over months off TANF in Year Two.

Table11

Monthly Income and Other Welfare Participation of Households of Conventional Leavers by Education Level of Leaver

	No HS or GED	HS or GED
Income		
Household	$825	$1158
Poverty Rate (%)	91	64
Earnings of Leaver	$334	$632
Child Support and Food Stamp Income of Leaver	$132	$104
Earnings of Other Household Members	$143	$285
Welfare Income of Other Household Members	$151	$75
Other	$65	$62
Non-TANF Welfare Participation of Leaver and Children (%)		
Food Stamps	43	32
Medicaid	70	65
Subsidized Housing	79	64
WIC	42	24

Table 12

Labor Market Outcomes of Conventional Leavers by Health Status

	Fair or Poor	Excellent or Very Good
As of Interview Date		
Percent Employed	55	72
Conditional Median Monthly Earnings	$840	$994
Median Hourly Wage	$7.36	$7.98
Percent Employed Full Time	53	71
Percent with Health Insurance from Job	45	31
As of Year Two[a]		
Percent of Months Employed	60	83
Percent Never Employed	31	6
Average Conditional Median Monthly Earnings	$858	$998
Average Median Hourly Wage	$7.00	$7.95
Ever Covered by Health Insurance	52	34

Notes:

[a] All outcomes averaged only over months off TANF in Year Two.

Table13

Monthly Income and Other Welfare Participation of Households of Conventional Leavers by Health Status of Leaver

	Fair or Poor	Excellent or Very Good
Income		
Household	$976	$1182
Poverty Rate (%)	77	71
Earnings of Leaver	$356	$718
Child Support and Food Stamp Income of Leaver	$104	$110
Earnings of Other Household Members	$282	$217
Welfare Income of Other Household Members	$174	$47
Other	$60	$90
Non-TANF Welfare Participation of Leaver and Children (%)		
Food Stamps	34	31
Medicaid	60	69
Subsidized Housing	72	65
WIC	32	26

Table 14

Labor Market Outcomes of Conventional Leavers by Age

	25 and Under	26 to 35
As of Interview Date		
Percent Employed	55	67
Conditional Median Monthly Earnings	$809	$1005
Median Hourly Wage	$7.00	$8.11
Percent Employed Full Time	39	59
Percent with Health Insurance from Job	19	42
As of Year Two[a]		
Percent of Months Employed	66	71
Percent Never Employed	23	17
Average Conditional Median Monthly Earnings	$866	$901
Average Median Hourly Wage	$7.00	$8.00
Ever Covered by Health Insurance	29	40

Notes:

[a] All outcomes averaged only over months off TANF in Year Two.

Table15

Monthly Income and Other Welfare Participation of Households of Conventional Leavers by Age of Leaver

	25 and Under	26 to 35
Income		
Household	$936	$1114
Poverty Rate (%)	83	68
Earnings of Leaver	$432	$565
Child Support and Food Stamp Income of Leaver	$100	$168
Earnings of Other Household Members	$303	$223
Welfare Income of Other Household Members	$58	$130
Other	$43	$28
Non-TANF Welfare Participation of Leaver and Children (%)		
Food Stamps	34	45
Medicaid	72	76
Subsidized Housing	61	77
WIC	47	32

Table 16

Labor Market Outcomes of Conventional Leavers by Presence of Children Under 3 in Household

	Children Under 3	No Children Under 3
As of Interview Date		
Percent Employed	61	65
Conditional Median Monthly Earnings	$854	$980
Median Hourly Wage	$7.50	$7.63
Percent Employed Full Time	55	64
Percent with Health Insurance from Job	30	41
As of Year Two[a]		
Percent of Months Employed	70	74
Percent Never Employed	20	18
Average Conditional Median Monthly Earnings	$901	$945
Average Median Hourly Wage	$7.50	$7.50
Ever Covered by Health Insurance	33	38

Notes:

[a] All outcomes averaged only over months off TANF in Year Two.

Table17

Monthly Income and Other Welfare Participation of Households of Conventional Leavers by Presence of Children Under 3 in Household

	Children Under 3	No Children Under 3
Income		
Household	$1052	$1013
Poverty Rate (%)	76	72
Earnings of Leaver	$484	$536
Child Support and Food Stamp Income of Leaver	$99	$135
Earnings of Other Household Members	$323	$165
Welfare Income of Other Household Members	$81	$110
Other	$65	$67
Non-TANF Welfare Participation of Leaver and Children (%)		
Food Stamps	33	43
Medicaid	65	71
Subsidized Housing	62	73
WIC	43	19

Table 18

Labor Market Outcomes of Conventional Leavers by Marital Status

	Unmarried	Married
As of Interview Date		
Percent Employed	64	63
Conditional Median Monthly Earnings	$910	$919
Median Hourly Wage	$7.55	$7.50
Percent Employed Full Time	58	68
Percent with Health Insurance from Job	38	21
As of Year Two[a]		
Percent of Months Employed	74	71
Percent Never Employed	14	26
Average Conditional Median Monthly Earnings	$910	$910
Average Median Hourly Wage	$7.50	$7.00
Ever Covered by Health Insurance	35	28

Notes:

[a] All outcomes averaged only over months off TANF in Year Two.

Table19

Monthly Income and Other Welfare Participation of Households of Conventional Leavers by Marital Status of Leaver

	Unmarried	Married
Income		
Household	$976	$1256
Poverty Rate (%)	76	69
Earnings of Leaver	$526	$498
Child Support and Food Stamp Income of Leaver	$137	$56
Earnings of Other Household Members	$145	$568
Welfare Income of Other Household Members	$107	$55
Other	$61	$79
Non-TANF Welfare Participation of Leaver and Children (%)		
Food Stamps	42	24
Medicaid	73	52
Subsidized Housing	72	56
WIC	30	39

Table 20

Labor Market Outcomes of Conventional Leavers by Race-Ethnicity

	Black	Hispanic
As of Interview Date		
Percent Employed	63	66
Conditional Median Monthly Earnings	$973	$868
Median Hourly Wage	$8.00	$7.50
Percent Employed Full Time	62	57
Percent with Health Insurance from Job	30	29
As of Year Two[a]		
Percent of Months Employed	72	73
Percent Never Employed	17	15
Average Conditional Median Monthly Earnings	$996	$840
Average Median Hourly Wage	$8.00	$7.00
Ever Covered by Health Insurance	32	36

Notes:

[a] All outcomes averaged only over months off TANF in Year Two.

Table 21

Monthly Income and Other Welfare Participation of Households of Conventional Leavers by Race-Ethnicity of Leaver

	Black	Hispanic
Income		
Household	$972	$1017
Poverty Rate (%)	73	76
Earnings of Leaver	$564	$483
Child Support and Food Stamp Income of Leaver	$133	$106
Earnings of Other Household Members	$128	$235
Welfare Income of Other Household Members	$98	$92
Other	$49	$101
Non-TANF Welfare Participation of Leaver and Children (%)		
Food Stamps	37	41
Medicaid	73	65
Subsidized Housing	72	56
WIC	24	35

Table 22

Labor Market Outcomes of Conventional Leavers by Sanction Status

	Sanctioned	Not Sanctioned
As of Interview Date		
Percent Employed	47	68
Conditional Median Monthly Earnings	$732	$945
Median Hourly Wage	$7.63	$7.50
Percent Employed Full Time	41	64
Percent with Health Insurance from Job	33	37
As of Year Two[a]		
Percent of Months Employed	57	76
Percent Never Employed	34	14
Average Conditional Median Monthly Earnings	$805	$919
Average Median Hourly Wage	$7.20	$7.50
Ever Covered by Health Insurance	34	36

Notes:

[a] All outcomes averaged only over months off TANF in Year Two.

Table 23

Monthly Income and Other Welfare Participation of Households of Conventional Leavers by Sanction Status of Leaver

	Sanctioned	Not Sanctioned
Income		
Household	$820	$1083
Poverty Rate (%)	89	71
Earnings of Leaver	$327	$558
Child Support and Food Stamp Income of Leaver	$97	$121
Earnings of Other Household Members	$215	$250
Welfare Income of Other Household Members	$104	$90
Other	$77	$64
Non-TANF Welfare Participation of Leaver and Children (%)		
Food Stamps	37	38
Medicaid	67	68
Subsidized Housing	74	66
WIC	26	32

Appendix C

Supplementary Tables

Table C-1

Socioeconomic Characteristics of the Three-City Sample

	Total	Boston				Chicago				San Antonio		
		Total	W	B	H	Total	W	B	H	Total	B	H
Education												
Less than HS or GED	34.5	25.4	29.6	17.2	31.6	45.3	25.6	45.0	50.7	33.9	20.5	35.7
HS or GED	49.4	55.9	52.8	59.7	51.6	44.4	47.6	47.3	31.9	46.7	58.1	46.3
More than HS or GED	16.1	18.6	17.6	23.2	16.8	10.3	26.8	7.6	17.4	19.4	21.4	18.0
Age												
Less than 25	25.1	20.5	15.0	22.3	20.0	27.6	21.2	28.2	28.0	28.3	33.1	28.2
25-35	39.6	40.9	29.1	39.9	43.8	34.9	25.6	32.4	43.7	43.3	33.6	43.3
36+	35.2	38.6	55.9	37.8	36.1	37.5	53.2	39.3	28.3	28.4	33.4	28.5
Married	30.6	22.8	31.9	12.9	29.0	23.9	16.6	12.5	64.1	48.4	16.1	50.7
Children under 3 in household	40.3	37.7	32.5	36.2	39.4	44.0	23.7	44.9	40.4	39.6	45.5	38.1

Table C-1 (continued)

	Total	Boston				Chicago				San Antonio		
		Total	W	B	H	Total	W	B	H	Total	B	H
Health												
Excellent or Very Good	43.1	46.4	42.3	52.4	42.2	40.8	42.8	42.6	35.1	41.5	34.8	41.1
Good	33.6	32.0	27.7	27.7	35.6	33.2	29.8	30.9	38.7	36.0	32.1	36.9
Fair or Poor	23.3	21.5	30.0	19.8	22.2	26.0	27.4	26.4	26.2	22.5	33.1	22.0
Family Size	4.5	4.1	4.0	4.0	4.1	4.9	4.1	4.8	5.1	4.7	3.8	4.8
Number of Observations	2458	926	133	330	428	818	69	400	339	714	294	407

Notes:
W=Non-Hispanic White
B=Non-Hispanic Black
H=Hispanic

Table C-2

TANF Participation Status of the Three-City Sample
(percent distribution)

	Total	Boston				Chicago				San Antonio		
		Total	W	B	H	Total	W	B	H	Total	B	H
On TANF at int date	28.8	24.4	18.9	22.4	27.6	45.2	32.4	55.2	15.7	15.6	27.2	14.6
Not on TANF at int date, on TANF in two years prior	12.3	14.6	15.9	16.6	13.8	12.7	15.7	15.1	5.2	9.0	15.6	8.5
Not on TANF in two years prior, on TANF/AFDC more than two years prior	21.4	24.0	29.7	25.8	22.2	20.8	22.6	21.4	17.9	18.6	31.3	17.7
Never on AFDC/TANF	37.3	36.3	35.4	34.8	35.2	21.3	29.2	8.3	61.2	56.8	25.6	59.2

Notes:
W=Non-Hispanic White
B=Non-Hispanic Black
H=Hispanic

Table C-3

Welfare Dynamics in the Three-City Sample: TANF Transition Rates from Year1 to Year2

Year 1 (No. Months On TANF)	Year 2 TANF Participation (No. Months on TANF) 10-12	7-9	4-6	1-3	0	Total
10-12	80.7	5.5	5.6	5.0	3.2	100.0
	86.2	56.3	43.7	43.3	1.5	29.7
7-9	40.3	2.2	7.6	13.3	36.6	100.0
	3.7	1.9	5.1	9.8	1.5	2.5
4-6	47.1	4.4	5.2	8.2	35.1	100.0
	3.1	2.7	2.5	4.3	1.0	1.8
1-3	44.5	3.3	22.2	1.6	28.4	100.0
	3.7	2.6	13.8	1.1	1.1	2.4
0	1.4	1.7	2.1	2.3	92.6	100.0
	3.3	36.5	34.8	36.5	94.9	63.7
Total	27.8	2.9	3.8	3.4	62.1	100.0
	100.0	100.0	100.0	100.0	100.0	100.0

Notes:

Entries show row percents above and column percents below

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

NOTICE

REPRODUCTION BASIS

☐ This document is covered by a signed "Reproduction Release (Blanket) form (on file within the ERIC system), encompassing all or classes of documents from its source organization and, therefore, does not require a "Specific Document" Release form.

☑ This document is Federally-funded, or carries its own permission to reproduce, or is otherwise in the public domain and, therefore, may be reproduced by ERIC without a signed Reproduction Release form (either "Specific Document" or "Blanket").