

Working Paper 09-03

Income, Employment, and Welfare Receipt
After Welfare Reform: 1999-2005 Evidence
from the Three-City Study

Bianca Frogner
Johns Hopkins University

Robert Moffitt
Johns Hopkins University

David Ribar
University of North Carolina at Greensboro

May, 2009

The authors would like to thank Andrew Cherlin and James Quane for comments and Yonatan Ben-Shalom for research assistance. The financial assistance of the National Institute of Child Health and Human Development and other government organizations and foundations is gratefully appreciated. The views expressed in this paper are those of the authors and do not necessarily reflect those of the funding agencies and organizations. For more information about the Three-City Study, including on-line copies of all publications, please visit the study web site at <http://www.jhu.edu/threecitystudy>.

Income, Employment, and Welfare Receipt
After Welfare Reform: 1999-2005 Evidence
from the Three-City Study

Executive Summary

Evidence on the long-term effects of the landmark 1996 welfare reform legislation is sparse, with most welfare leaver studies, randomized experiments, and other survey-data and administrative-data studies of the effects of the legislation concluding a few years after the reform. In this study, we present longitudinal evidence on how a group of very disadvantaged low-income families are faring as of 2005, nine years after the reform. The evidence is based on a sample of over fifteen hundred low income women and their children living in Boston, Chicago, and San Antonio who were interviewed in first in 1999, then in 2000-2001, and finally in 2005. The cities in our study span a wide range of TANF policies in terms of benefit levels, work requirements, and time limits, but their TANF caseload and unemployment trends were similar to each other and similar to those of the nation as a whole. The families are not only low-income (less than 200 percent of the poverty line) but are also living in high-poverty, inner-city neighborhoods. Their educational levels are lower than those in other welfare-reform studies, and they have high rates of poor health and functional disability. The sample is also heavily minority, consisting primarily of Non-Hispanic Black and Hispanic families.

We use these data to examine three issues. The first is the employment and income outcomes of TANF leavers, an issue similarly examined in traditional leaver studies, although in

this study including women who left welfare after 2001. A second issue is whether there are any differences between “early” (pre-2001) and “late” (post-2001) TANF leavers in terms of their socioeconomic characteristics or their employment and income outcomes, a new contribution of this study. A third issue is whether the cases who are still on TANF in 2005 are increasingly disadvantaged, as many have speculated.

With regard to the first issue, general outcomes for leavers, our findings are as follows:

- Leavers were less educated than those who stayed on TANF but were in better health and more likely to be married or cohabiting
- Leavers had much higher employment rates than they had while on TANF and employment rates for those off TANF by 2001 were 70 percent, close to the levels found in other leaver studies
- Average income levels of leavers were considerably greater than they were when on TANF and poverty rates were lower; for those off welfare by 2001, for example, poverty rates were as low as 59 percent when Food Stamps and potential EITC benefits were included, compared to 66 percent when previously on TANF
- Separating by employment status in 2005, leaver households who were not employed in 2005 (about half of all leavers) experienced major losses in income and increases in poverty rates compared to when they were on TANF, while those who were able to obtain employment experienced major gains in income and reductions in poverty
- Increases in Food Stamps and earnings from other members of the household were important contributors to total household income for all leaver families, and increases in SSI and SSDI benefits were important additional contributors to income for nonemployed leavers

With regard to differences between those who left by 2001 (“early”) and those who left by 2005 (“late”) leavers, our findings are as follows:

- Late leavers were less educated, in worse health, and had lower employment rates and

incomes than early leavers; their employment rate in our first observation of them after leaving welfare, for example, was 42 percent, compared to the 70 percent rate for early leavers; their poverty rate was 68 percent compared to the 59 percent of early leavers just after leaving welfare

- While average employment rates for early leaver women were greater than while on TANF, those gains had diminished by 2005; from 2001 to 2005, their employment rate fell from 70 percent to 56 percent; and their incomes stagnated, due to a decline in the her individual own earnings offset by increases in Food Stamp benefits and earnings of others in the household

Finally, with regard to the characteristics of long-term stayers (those on TANF in 1999, 2001, and still on in 2005), our findings are as follows:

- On average, long-term stayer households who remained on TANF through 2005 showed gains in household income through 2005 as a result of increases in SSI and SSDI income, the earnings of other household members, and Food Stamps
- The TANF caseload became slightly more advantaged over the period in terms of education because less educated families were more likely to leave the rolls, but the caseload became more disadvantaged on the dimensions of health status and employment rates as these rates declined over time

The policy implications of many of our findings are similar to those reached by earlier studies. For example, while we find that many leavers, particularly those who successfully found employment by 2005, had higher income levels and lower poverty rates than they had been on welfare, we also find that there is another group, particularly those who were not employed in 2005, whose incomes were lower and poverty rates higher than they had been on TANF. This group may need additional work supports and other types of assistance. However,

our findings also suggest that the group in need of assistance may have grown over time, for later leavers in our sample were more disadvantaged than the early leavers examined in prior work, with worse employment rates, income levels, and health problems. In other words, the “ better off ” women left welfare first, followed by increasingly “worse off ” women in terms of these characteristics. In addition, we find that many early leavers have seen their employment rates decline and income levels stagnate after their initial rise upon leaving TANF, suggesting that the favorable outcomes for many women found in earlier studies may have overestimated the long-run gains from leaving welfare. There may be many in this group also in need of renewed work supports and other types of assistance.

The 1996 welfare reform legislation enacted by the U.S. Congress constituted the most important change in the Aid to Families with Dependent Children program since its inception. In addition to changing its name to the Temporary Assistance to Needy Families (TANF) program, the reform imposed credible work requirements on the caseload backed up by strong sanctions for noncompliance, lifetime time limits on benefit receipt, and a host of other related changes. Following the reform, the TANF caseload fell dramatically, declining by about 50 percent and reaching levels lower than those for the last two decades.

The effects of the reform in the few years after 1996 have been well-studied and have been extensively reviewed (Acs and Loprest, 2004; Bitler et al., 2006; Blank, 2002, 2007b; Grogger and Karoly, 2005; Moffitt, 2003, 2008). Employment rates of single mothers rose after welfare reform, both absolutely and relative to those of other women not affected by welfare reform. Average earnings and average household income rose in the low-income population as a whole. Poverty rates fell as well. Against this generally favorable picture of the effects of reform, however, there is also evidence that some fraction of disadvantaged households may have been made worse off and that some groups of women who left welfare did not do well economically. In addition, it appears that much of the positive measured effects of welfare reform arose from decreased entry into welfare and from income gains among women who were not on welfare at all; those on welfare who left the rolls after reform did much less well.

Most of this evidence comes either from studies of welfare leavers in the few years after reform, from randomized experiments which began before 1996 and have long since concluded,

or from analyses of survey data which, again, examined welfare reform effects only in the first few years after 1996. Many of the survey efforts have been discontinued, as have been the leaver studies and the experiments. Some of the best recent evidence (Acs and Loprest, 2007) comes from cross-sectional surveys such as the Current Population Survey, which is not longitudinal and hence does not follow families over time. Therefore, a shortage of evidence on the longer-term effects of reform available from panel data exists. This is particularly important because the boom economy in the period just after 1996 ended with the recession of 2001, and many outcomes could have been affected as a result.

We report in this study evidence on how women affected by welfare reform were faring as of 2005, nine years after the welfare reform legislation. Our data come from a survey of particularly disadvantaged mothers and their children in three large U.S. cities--Boston, Chicago, and San Antonio--who have been tracked since 1999. The second wave of this survey took place in 2000-2001, and our previous study reported progress of the sample up to that point (Moffitt and Winder, 2003). The third and last interviews were conducted in 2005, and we can therefore now provide additional information on how the families did from 2000-2001 to 2005. Complete information on welfare receipt, employment, household composition, and household income from all sources and all individuals in the household was collected in the survey. The study population includes both women who initially were, and were not, on welfare, allowing us to track those who remained off the welfare rolls after reform as well as those who continued to receive welfare and those who left.

Among the questions this study asks are the following: Did more women leave the TANF rolls after 2001? Have many former leavers reentered TANF? How did the employment

rates, incomes, and poverty rates evolve for welfare leavers, both the “ early ” leavers who left TANF in the few years immediately after welfare reform as well as “ late ” leavers who left by the end of the study? Were the late leavers any different than early leavers, and did they have any different outcomes after leaving TANF? How did those families who stayed on TANF through 2005 fare? Did the composition of those remaining on TANF change? For example, did the remaining caseload become more disadvantaged? How many of those still on TANF in 2005 were working?

The first section of our paper outlines the Three-City Study and the sample we use for analysis. Following that, we present our findings. A summary of our findings appears at the end.

The Three-City Study

The Three-City Study is a longitudinal survey of approximately 2,400 low-income families living in Boston, Chicago, and San Antonio. When they were first surveyed in 1999, each of the families had a household income below 200 percent of the poverty line, had at least one child 0 to 4 or 10 to 14 years of age, and were living in low- and moderate-income neighborhoods in the cities. The three large cities in our study have differing populations and have a range of welfare policies (see below). Most of the families were headed by a single mother but a few married families were sampled as well. The first wave of data collection took place between March and December 1999, the second wave between September 2000 and May 2001 (which we will call “ 2001”), and the third wave between February 2005 and February 2006 (which we will call “ 2005”). The response rates on the three surveys were 74 percent, 90

percent, and 84 percent, respectively. The survey collected a wide range of information on TANF participation, employment, income, family structure, and characteristics of the caregiver (usually the mother) of the children in the family. The first wave of the survey also included two-year retrospective histories of TANF participation and employment (approximately 1997 to 1999).

Findings on the welfare receipt, employment, and income levels of the sample as of the first wave in 1999 were reported in Moffitt and Roff (2000). Analyses of changes and trends in these variables as of the second wave in 2001 were reported in Moffitt and Winder (2003, 2005). A report summarizing the Three-City data through 2005 in addition to this report can be found in Frogner et al. (forthcoming). An analysis of the data focusing on ethnic and race differentials appears in Cherlin et al. (2009).¹

For this study, we limit the analysis to women under the age of 62 who remained in the sample for all three waves and who were caregivers of at least one child less than 18 in all three waves, thereby including women who were subsequently living apart from the original child or with a new child. These restrictions reduce the sample size to 1,555. Weights reflecting the stratified design of the sample and differential attrition are used in all the analyses below.²

¹ There have been a large number of studies of other outcomes using the Three-City data. See <http://www.jhu.edu/threecitystudy>.

² Prior to the 1999 interviews, a random sample of all families in a random sample of blocks in low-income areas of the three cities were screened. Of those with household incomes less than 200 percent of the poverty rate, oversamples were collected for those receiving welfare and those with less than 100 percent of the poverty line. Undersamples were collected for married-couple families. See Winston et al. (1999) for details of the design. The weights make the sample representative of all families with children in the specified age ranges with incomes less than 200 percent of the poverty line living in low-income areas of the three cities.

The three cities for the study were originally selected for their representativeness of large urban areas in the U.S. and for their markedly different TANF policies. Massachusetts is a high-benefit state with 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 imposed a lifetime limit. Massachusetts also has a fairly strict sanction policy and a family cap, meaning that a household cannot receive extra benefits for children born while the mother is on welfare. 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 Illinois as in the other states, but it has a fairly strong sanction policy. The state had an official diversion policy in 1999 and strengthened it in 2004. Illinois had a family cap in 1999 but dropped the cap in 2004. Texas is a low-benefit state and has one-, two-, and three-year time limits (four including a one-year waiting period) in addition to a five-year lifetime limit, 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 among the three states, and it is a "Work First" state, meaning that recipients must work, participate in on-the-job training, or engage in community service within a few weeks of entering the TANF program. The state has relatively weak sanctions. It has an official diversion policy but no family cap. All three states offer transitional Medicaid and child care to families that leave welfare for employment.

Trends in the welfare rolls and the economy in the three states are similar to those in the nation as a whole. As shown in Figure 1, the decline in the TANF caseload in all three states

mirrored the pattern of the U.S. as a whole but with Illinois having a sharper decline. Massachusetts had approximately the same decline in percentage terms as the U.S. as a whole. Likewise, Figure 2 shows that Food Stamp caseloads fell through approximately 2001 and then increased thereafter in Massachusetts and Texas, with Illinois experiencing the turnaround somewhat earlier. Finally, labor market conditions in the three states were very similar to national levels and to each other, with unemployment rates falling through 2000, rising through 2003, and falling through 2005 (Figure 3). Of the three states, Massachusetts had a somewhat lower level of unemployment. Figure 3, with the dates marked for each Three-City interview, indicates that the unemployment rate was higher at the second wave than at the first, and higher at the third wave than at the second (although less than it had been at the peak of the recession). Thus, in the context of the three survey points we consider, our sample experienced a generally worsening economic environment. This is in sharp contrast to the period prior to 1999, when the economy was improving, as noted in many previous studies of welfare reform.

The characteristics of the sample in the first year (1999) are shown in Appendix Table A-1. Over 40 percent of the sample had neither a high school diploma nor a General Equivalency Degree (GED). A little over a third had one of these credentials, and a little over a fifth had some post-secondary education. Only about a quarter of the women were less than 25 years of age in 1999, and about a third were over 36 years of age, so this caregiver sample is not exclusively “young.” About two-thirds of the women were neither married nor cohabiting, with the remainder mostly married and about 7 percent cohabiting. The vast majority of the sample was either Hispanic or Non-Hispanic Black and hence heavily minority. The low representation of Non-Hispanic White women was a result of very low numbers of such women

living in the high-poverty neighborhoods of the three cities, which is, in turn, a reflection of the greater geographic dispersion of low-income White women.³ Three-quarters of the sample initially self-reported their health status as good or better, but almost a quarter reported it as fair or poor. About 14 percent reported a functional disability and about 8 percent reported symptoms of depression above a clinical cutoff. Almost two-thirds had experienced domestic violence, and less than a half had significant support from social networks.⁴ On the whole, therefore, this is a sample of very disadvantaged women in terms of education, marital status, physical and mental health, and domestic violence. As we will note below, the TANF recipients in our sample were also more disadvantaged than those in the nation as a whole.

Welfare Receipt

Table 1 shows the rate of TANF receipt at each interview. TANF receipt fell from 1999 to 2001 by 9 percentage points and by another 11 percentage points from 2001 to 2005.⁵ Thus

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. Of the Hispanic families, Mexican-Americans were concentrated in Chicago and San Antonio while Puerto Rican families were more concentrated in Boston. See Cherlin et al. (2009) for a detailed study of employment, income and welfare participation trends of the sample broken down by race-ethnicity.

⁴ As noted in the footnote to Table A-1, network support is measured relative to the full Three-City sample, which has a mean of .50. Therefore the sample we are using for this analysis has less network support than the full sample. This variable is mainly used to examine variation in depression within subgroups in the sample rather than as a comparison to any outside benchmark.

⁵ The absolute numbers for percent receiving TANF are not of particular interest because they are a function of our income cutoff of 200 percent, which brings in a large number of ineligible. The TANF receipt percentages do not represent participation rates of eligibles.

our first finding is that TANF receipt continued to fall from 2001 to 2005, despite the intervening recession.

The fall was sharper for each of the three states in these data than in the aggregates displayed earlier in Figure 1, possibly because both the children and the caregivers in our sample were aging, and this generally reduces welfare receipt.⁶ In addition, however, there was a slight downward shift in the percent of women who were single and upward shift in the percent who were cohabiting, which could have pulled welfare receipt downward (though the magnitudes of this change are quite small). Health status also markedly declined, with rising percentages of women reporting fair or poor health status as well as reporting a functional disability. However, this would be expected to push welfare receipt upward rather than downward (see Appendix Table A-2).

These changes in the observed characteristics of the households could have contributed positively or negatively to the decline in welfare participation over time. To better isolate a pure time-period effect, we adjust for changes in these observed factors using multivariate regression. These regression-adjusted changes in TANF receipt rates are shown in the third row of Table 1 and indicate that the large majority of the decline in TANF receipt from 1999 and 2001 and from 2001 to 2005 was a result of factors other than the aging and deteriorating health of the sample.⁷

⁶ All further uses of the word “welfare” in this paper refer to TANF. When other welfare programs are discussed, they are referred to by name.

⁷ Another potential issue in this sample is regression to the mean. Because the initial sample was selected to have low income, one would expect incomes to rise over time because some family incomes were only temporarily low at the initial sampling point. Rising incomes would lead to lower TANF receipt. However, this would cause the participation rate to decline more from 1999 to 2001 than from 2001 to 2005, and we find the opposite to be the case.

The lower panel in Table 1 shows turnover rates across the waves. Almost half of those women on TANF in 1999 were no longer on the rolls in 2001, and three-quarters of those on in 2001 were no longer on by 2005. On net, almost 80 percent of those on TANF in 1999 were no longer on TANF six years later. These represent very high rates of exit which continued through 2005.

The survey also asked those who were off TANF in the initial interview, in 1999, if they had been on TANF anytime in the previous two years (i.e., back to 1997). One-quarter answered in the affirmative. Thus the rate of exit was even greater over the period 1997 to 2005.

Entry rates to TANF were small. Only 9 percent of those off TANF in 1999 were on the program by 2001, and only 7 percent of those off in 2001 were on the program by 2005. On net, between 1999 and 2005, only 8 percent of those off welfare had returned to the rolls. We also tabulated how many of those who left welfare from 1999 to 2001 had returned by 2005; this “reentry” rate was 14 percent, a small number.⁸

Characteristics of those staying on, leaving, and entering welfare. A question of some importance to welfare reform concerns what types of women have left welfare and what types have stayed. Because the emphasis of welfare reform was on work, most analysts expected that those with greater labor market skills--more education, more work experience, and so on--would be more likely to leave welfare. However, there is some evidence that many leavers were not

⁸ However, even though the entry rates were small, they could generate a sizable influx of individuals since the absolute size of the off-welfare group is large. In our sample, over two-thirds were off TANF in 1999. Nevertheless, a decomposition of the sources of the 20 percentage point decline in TANF participation from 1999 to 2005 indicates the majority of the decline (about three-quarters) was a result of exit rather than entry.

especially job-ready and that this could be partly explained by a heavier impact of sanctions on the more disadvantaged women in the caseload (Pavetti et al., 2003), although recent evidence from national surveys indicates very little change in demographic characteristics of the TANF caseload (Acs and Loprest, 2007). We can provide evidence on this issue with our data and extend the analysis through 2005, examining whether the types of women leaving welfare have changed over time.

We divide our sample into caregivers who were on TANF in 1999 and were still on TANF in 2001 and 2005 (“ stayers ”), were on TANF in 1997 but had left by 1999 (“ very early leavers ”), were on TANF in 1999 but had left as of 2001 (“ early leavers ”), and were on TANF in 1999 and 2001 but had left as of 2005 (“ late leavers ”). Figures 4 and 5 show the differences across groups for several key characteristics (Appendix Table A-3 has full details). Early leavers had slightly lower educational levels than stayers but late leavers had markedly lower educational levels than early leavers. While leavers were less likely to be single than stayers (meaning they were more likely to be married or cohabiting), early and late leavers had about the same rates. There were few differences in age of the caregiver or of their children but there were noticeable differences in health-related variables. Measured by self-defined health status (fair or poor), functional disability, or mental health, leavers were in better health than stayers but late leavers were in worse health than early leavers. However, leavers were also more likely than stayers to have experienced domestic violence, and late leavers slightly less likely than early leavers. The picture that emerges is that, through 2005, the modal leaver was less educated and in better health than stayers, but late leavers were less educated and in worse health than early leavers. We will examine below whether these characteristics led to higher employment rates

and incomes off welfare.

As for the characteristics of those entering welfare, educational levels were about the same as stayers but much lower than those who were off welfare in all three waves (Appendix Table A-3).⁹ The evidence on age, living arrangements, the number of children, and health are likewise consistent with the idea that entrants were drawn from the more disadvantaged women who were off welfare.

The net result of these factors on the composition of the TANF caseload is shown in Table 2, which reports the 1999 characteristics of those on welfare in 1999, 2001, and 2005. On net, from 1999 to 2005, the caseload had slightly higher levels of education and lower levels of health status, and became older and less likely to be African American. Thus we find a somewhat mixed picture for the change in the level of disadvantage over time, with educational levels implying a less disadvantaged caseload but health levels implying the opposite.¹⁰

A comparison of these characteristics with those of national samples of TANF recipients (Acs and Loprest, 2007, Table 3) shows that our sample is both younger and less educated. Around 32 to 34 percent of our sample is less than 25 years old, for example, compared to 21 to

⁹ Our sample sizes do not permit breaking out early and later entrants, and we do not have good enough information on pre-1999 welfare receipt to determine “very early entry” rates. Thus the entry rates in Table 3 include very early leavers, because they were off welfare in 1999.

¹⁰ We show only the 1999 characteristics in order to focus on the issue of composition--that is, what types of women left and entered welfare. Using the actual 2001 and 2005 characteristics does not change the findings, however. Using data from the CPS, Acs and Loprest (2007) find that there was little change in the characteristics of the national welfare caseload, although they find some evidence that health has worsened and that the education level of recipients rises during recessions. This evidence is mostly consistent with the findings here.

28 percent of national samples. Around 49 to 56 percent of our sample has less than a high school education, compared to 40 to 46 percent of national samples. Our sample also has much lower educational levels than those of TANF recipients in other welfare leaver studies (Slack et al., 2007, Table 2). These differences again reflect the relatively disadvantaged nature of our sample. In addition, as we have previously noted, our sample is more heavily minority than is the case nationally.

Receipt of Other Benefits. We also examined how the receipt of non-TANF benefits changed over time (Appendix Table A-4 and A-5). Food Stamp receipt fell from 1999 to 2001 but returned to its original level by 2005, consistent with national trends in the Food Stamp caseload. Medicaid participation fell slightly and SSI participation rose slightly. Receipt of benefits from the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) fell dramatically but this is no doubt a result of the aging of the children. Receipt of other types of assistance shows a mixed pattern, with some types of receipt rising and some types falling. The rising level of SSI participation is particularly strong among stayer households, consistent with worsening health levels of those on TANF.

Employment and Wage Rates

The trends in employment, hours worked, and hourly wage rates in the sample as a whole are also of interest (Appendix Table A-6). A primary goal of welfare reform was to promote economic self-sufficiency through increased work and earnings. Consistent with this goal, employment rates rose by a large 9 percentage points from 1999 to 2001, but no more gains were made from 2001 to 2005, possibly because of the weak labor market. Regression-adjusted

changes show that the aging of the caregiver and children, and changes in living arrangements and health do not alter this conclusion. The percent of women working full-time versus part-time did not change much over the 1999 to 2005 period, and hourly rates of those who were working rose from 1999 to 2005, on net.¹¹

Of more direct interest for our purposes are trends in employment among the TANF transition groups identified earlier (stayers, very early leavers, early leavers, and late leavers); these trends are reported in Table 3. Employment rates of those women staying on welfare the entire period rose dramatically from 1999 to 2001 but then dropped just as dramatically from 2001 to 2005. The decline from 2001 to 2005 was partly a result of aging of the mother and declines in health but not entirely; even women of the same age and health status in 2001 and 2005 had declines in employment rates.¹² In addition, declines from 2001 to 2005 also occurred for very early leavers and early leavers. Early leavers experienced a sharp rise in employment just after leaving welfare, from 1999 to 2001, but a decline after 2001. The worsening economy could have contributed to these declines in employment of stayers and leavers. For late leavers, however, employment increased from 2001 to 2005, but this is relative to the rather low employment level (34 percent) they experienced while on welfare. Employment levels of late leavers were always below those of early leavers, consistent with our prior evidence indicating

¹¹ As the footnote to Table 3 indicates, there was a difference in the change over time in the percent with actual hours worked over 35, which rose in 2005. This may be a result of the inclusion of summer months in the third wave but not the second, when warm weather and longer days could have permitted longer hours than usual.

¹² Acs and Loprest (2007) also found declines in the employment rates of TANF recipients as of 2005.

that late leavers were a more disadvantaged group.

Entrants, as shown in Table 3, were, once again, more disadvantaged in terms of employment than those who stayed off welfare. Employment tended to decline after entering welfare, suggesting that job loss was probably a partial explanation for going onto TANF. Interestingly, employment rates of those never on TANF rose from 2001 to 2005, suggesting perhaps that worsening economic conditions had greater effects on more disadvantaged women or those who had lower skills or shorter employment histories.

The net result of these exit and entry patterns on the employment rates of those on TANF is that the employment rate of TANF recipients declined from 2001 to 2005 after rising from 1999 to 2001 (Appendix Table A-7). The regression-adjusted changes show that about half of the decline from 2001 to 2005 resulted from the aging of the caregivers and declines in health, but employment rates declined by 7 percentage points even when holding these characteristics fixed. The percent working full-time declined from 2001 to 2005, as did hourly wage rates. Whether these declines were a result of declining enforcement of work requirements, worsening economic conditions, or some other factor cannot be ascertained. The increasing educational level of the caseload should have worked in the opposite direction, so it is unlikely that these declines in employment were a result of changing composition of the caseload, although the declines in health status could have been a contributing factor.

Household Income and Poverty

We also examine trends in income and poverty for the sample as a whole from 1999 to 2005 including stayers, leavers, entrants and those never on welfare, using three different

definitions of income: (1) income excluding Food Stamps and the Earned Income Tax Credit (EITC), which is the income concept used by the federal government for its poverty rate calculations; (2) income including Food Stamps and excluding the EITC; and (3) income including Food Stamps and an estimate of the maximum potential EITC that a household could receive, according to our calculations, which probably overstates total income (Appendix Table A-8).¹³ All of the income amounts are adjusted for inflation by the Consumer Price Index for Urban Consumers and expressed in constant 2005 dollars. Total household income excluding Food Stamps and the EITC rose by almost \$500 per month from 1999 to 2001, a dramatic increase, but was essentially flat from 2001 to 2005 despite the longer time period. The increase in the first period could be a result of welfare reform, of the good economy during that period, or, more prosaically, from regression-to-the mean effects in our sample. The essentially flat profile of household income in the second period could be a result of the slowing economy or from a slowdown, if not a reversal, of the gains from welfare reform per se. Both the poverty rate and the poverty gap fell in a similar pattern, more in the first period than in the second. While our calculation of the official government poverty rate among our sample was 71 percent in 1999, it was 58 percent by 2005, for example. Including Food Stamps increased the average monthly household income by \$150 to \$200 and lowered the poverty rate by about 5 percentage points, while adding potential EITC income raised income by somewhat less but had a slightly larger effect in reducing the poverty rate. The latter occurred because those who were most

¹³ We approximated the EITC rules as best we could when we calculated the potential EITC amounts, but there will be error in this calculation given the complicated dependency rules in the EITC. More important, some eligibles do not receive the EITC and hence this definition overstates mean income in the sample. However, it can be regarded as an upper bound.

affected by the EITC were closer to the poverty line than those affected by Food Stamps. This is also illustrated with the poverty gap figures, which show that Food Stamps had a larger effect on that gap than the EITC even though the latter had a larger effect on the poverty rate. Nevertheless, regardless of income definition, the improvements in the second period were much smaller than those in the first period.¹⁴

Of more direct interest are, again, income and poverty figures for the TANF transition groups, but also trends in the components of income. The differences between early and late leavers are shown in Figures 6 and 7, with income including the EITC and Food Stamp results (results for the other definitions can be found in Appendix Table A-9). Household incomes rose and poverty rates fell for both leaver groups in the period immediately following exit; however, early leavers had very little gain in household income in the subsequent period as a result of losses in caregiver earnings and offsetting gains in Food Stamp benefits and earnings of others in the household. The results suggest a pattern for early leavers similar to that for employment described above: gains immediately after exit followed by little or no further gains later.¹⁵ Nevertheless, it should be noted that household income was still higher on average, and poverty rates and poverty gaps were still lower, in 2005 relative to what they had been on welfare. For later leavers, the increase in household income from 2001 to 2005 came not only

¹⁴ Regression-adjusted changes in income between the periods are not shown because they have little effect on the changes. Thus the slowdown of household income growth in the second period was not, for example, a result of the aging of the caregiver or the decline in health status.

¹⁵ Poverty rates continued to decline from 2001 to 2005 even for early leavers, for whom household income rose slowly (early leavers). This appears to be partly a result of a number of families just below the poverty line rising above it, as well as a decline in household size.

from the increased earnings of the caregiver arising from increased employment, but also from gains in the earnings of others in the household and from gains in SSI and SSDI income.¹⁶ Nevertheless, income and earnings of late leavers were consistently lower, and poverty rates higher, than for early leavers, consistent with our evidence on characteristics and employment of the greater level of disadvantage of this group.

The changing patterns of income gain and loss from 2001 to 2005 are also reflected in the percent of leavers who had income losses rather than income gains (Appendix Table A-12). The percent of women with income losses rose slightly for early leavers but more so for late leavers. For the latter group, more than half of the leavers lost income between 2001 and 2005.

For those remaining on TANF at all three dates, average monthly household income under each of the definitions rose by about a little over \$100 from 1999 to 2001 but rose much more dramatically from 2001 to 2005, by almost \$400 when Food Stamps were included in the income definition (Appendix Table A-9). This increase was largely a result of gains in three sources of income: earnings from other members of the household, which rose by over \$100/month; Food Stamp receipt by others in the household, which rose by \$70/month; and SSI and SSDI receipt, which together rose by almost \$200/month. The increase in SSI and SSDI receipt may have been a result of worsening health among the stayer population, as noted previously, or from movements of families from TANF to SSI, which has been discussed in

¹⁶ The incomes of late leavers would have risen much less, and poverty rates would have fallen much less, in the absence of the gains in the earnings of other household members and in SSI and SSDI benefits. See Appendix Tables A-10 and A-11.

other studies.¹⁷ In the absence of the increase in SSI and SSDI payments, household incomes for the stayers would have risen, and poverty rates would have fallen, by much less (Appendix Table A-10). The increase in other household members' earnings was also important for these stayers (Appendix Table A-11). Most of that increase came from increased earnings of the children in the household, presumably older children, although there was also an increase in earnings from spouses. The percent of households with a spouse present increased from 5 percent to 16 percent; the percent of households whose spouses had positive earnings also increased.¹⁸

Income patterns for those who were never on welfare as well as those who entered welfare over the period are also of interest (Appendix Table A-13). As noted above, those with the lowest incomes were most likely to enter TANF. However, the results also indicate that household incomes of those never on TANF grew by much less from 2001 to 2005 than from 1999 to 2001, mainly because of smaller gains, or even losses, in other household member

¹⁷ SSI and TANF cannot be simultaneously received by the same individual, so the receipt of SSI in TANF households must arise from household members not on TANF. The SSI "individual" figures in the table represent the sum of the amounts of the caregiver and the children in the household because these could not be reliably distinguished from the respondent answers to the survey questions. In addition, a TANF "stayer" household is likewise defined as a household in which either the caregiver or the children received TANF benefits, because these could also not be separated by the respondent. Thus, for example, the caregiver could have left TANF and gone onto SSI while the child stayed on TANF, or vice-versa, or other members of the household could have gone onto SSI. Separate tabulations indicate that the increase in SSI receipt among stayers from 2001 to 2005 was a result of an increase in the percent of households receiving any such income, from 53 percent in 2001 to 69 percent in 2005, not from an increase in the benefit amounts for those receiving SSI in both periods.

¹⁸ However, there was also a fall in the earnings from other members of the household. Acs and Loprest (2007) do not find a marked rise in income of TANF recipients in the 2005 CPS as found in the data here, largely because the same increases in SSI and SSDI income, and other household member earnings, are not found nationally. The more disadvantaged character of this sample may be the reason for this difference.

earnings in the later period (recall that caregiver employment rates for this group rose from 2001 to 2005, and so did their earnings).

Finally, the net effect of these patterns of exit and entry on incomes of households on TANF in each period resulted in continued growth of household income from 2001 to 2005 despite declines in caregiver earnings (Appendix Table A-14). The growth was almost entirely because of increases in SSI and SSDI benefits, and in Food Stamp receipt.¹⁹ This reinforces the findings discussed above.

Nonworking Leavers. A final issue we examine concerns the income levels and composition of leavers who were or were not employed after leaving welfare. The group of primary policy concern is the group of nonemployed leavers, with interest centering on how their income levels and composition have changed. For this purpose, we use employment status in 2005 and split the leaver sample by that status. Our sample sizes are not large enough for us to separately consider very early, early, and late leavers by employment status, so we combine all leavers for this part of the analysis. In 2005, 53 percent of all leavers were employed and 47 percent were not.

As shown in Figure 8, leavers who were not employed in 2005 lost considerable ground between 2001 and 2005, with income declining from \$200 to \$300 per month and poverty rates and gaps also rising (see Appendix Table A-15 for full details). Poverty rates were over 80

¹⁹ Earnings of other household members was less important in explaining the growth of household income for women on TANF in Appendix Table A-14 because late leavers had relatively high amounts of this form of income and they were on TANF in 2001; in Table 10 above, we examined only long-term stayers, who had very low levels of this form of income in 2001.

percent for this group. This is not surprising in light of the low income gains or losses shown previously for early leavers from 2001 to 2005, which were averages over those employed and nonemployed. Also as expected, these decreases were a result of the double loss of caregiver earnings and TANF benefits. Earnings of other household members, Food Stamp benefits, and SSI benefits rose significantly for this group, perhaps in an attempt to compensate for the loss, but they were not sufficient to counter the loss entirely. Still, income and poverty losses would have been even greater if not for the gains in these forms of income.²⁰

The results for leavers who were employed are much more favorable. Despite a weaker job market in 2005 than in 2001, leavers who were able to gain employment experienced major gains in income and reductions in poverty. The gains were not as sizable as those experienced prior to 2001, but were nevertheless quite large. Thus the worsening outcomes of leavers discussed earlier in this report were mostly the result of the reductions in employment rates of leavers over time and the consequent reductions in incomes.

As several other studies previously have done, we can examine the background socioeconomic characteristics of those employed and not employed (Appendix Table A-17). Those who were employed were more educated, somewhat younger, more likely to be married, had older children, and were in better health. These are all well-known correlates of greater work-readiness or ability to work. There were essentially no race-ethnic differences.

²⁰ Appendix Table A-16 shows the source of the gains in other household member earnings for these families. Those gains arose almost entirely from additional partners and spouses present in the household, and gains in the earnings of the partners and spouses who were there.

Summary

This report has presented findings on the recent experience, through 2005, of a group of very disadvantaged low-income families in Boston, Chicago, and San Antonio who have been followed with a household survey since 1999. We examined the outcomes of women who left TANF soon after welfare reform in 1996 as well as outcomes of those who left welfare later, between 1999 and 2001, and after 2001. We also examined the outcomes of women who were long-term stayers and were still on TANF even in 2005, despite the large reductions in the TANF caseload. We have a number of findings:

- The percent of women leaving welfare continued to rise from 2001 to 2005
- Reentry rates into TANF from among those who had left earlier were very small
- TANF leavers as a whole were less educated than TANF stayers but were in better health and more likely to be married or cohabiting
- Later TANF leavers were, however, less educated, in worse health, and had lower employment rates and incomes than earlier leavers, indicating that leavers became increasingly disadvantaged over time
- Average employment and income outcomes for women who left TANF by 2001 were greater than when on TANF, but the gains were smaller for later leavers than for earlier leavers; and the gains in employment and income experienced by earlier leavers just after leaving welfare fell or remained flat, the longer they were off welfare
- Separating by employment status in 2005, leaver households who were not employed in 2005 (about half of all leavers) experienced major losses in income and increases in poverty rates compared to when they were on TANF, while those who were able to obtain employment experienced major gains in income and reductions in poverty
- Increases in Food Stamps and earnings from other members of the household were important contributors to total household income for all leaver families, and increases in SSI and SSDI benefits were important additional contributors to income for nonemployed leavers

- Late leavers were less educated, in worse health, and had lower employment rates and incomes than early leavers
- While average employment rates for early leaver women were greater than while on TANF, those gains had diminished by 2005; and their incomes flattened out, remaining essentially unchanged after the earlier gains, due to a decline in the her individual earnings offset by increases in Food Stamp income and earnings of others in the household
- Long-term stayer households who remained on TANF through 2005 showed gains in household income through 2005 as a result of increases in SSI and SSDI income, the earnings of other household members, and Food Stamps
- The TANF caseload became slightly more advantaged over the period in terms of education because less educated families were more likely to leave the rolls, but the caseload became more disadvantaged on the dimensions of health status and employment rates as these rates declined over time

The policy implications of many of these findings are similar to those discussed in other studies. For example, while we find, consistent with the general consensus, that a large number of women had higher employment and income levels after welfare reform than they had when on TANF and hence were arguably better off, we also find that there is a significant group of welfare leavers who were not employed in 2005, nine years after welfare reform, and whose incomes are lower, and poverty rates greater, than they had been when on TANF several years earlier. In our sample, which may be more disadvantaged than national samples, almost half of all TANF leavers were in this group. Further assistance with work-related supports, for example, may be needed for these families (Blank, 2007a)

However, relative to earlier studies, our new finding is that the group needing assistance may have grown over time. In our sample, women continued to leave TANF at high rates even after 2001, and we find that those women who left welfare later were more disadvantaged in

many dimensions than earlier leavers: lower levels of education, health status, employment, and income. This finding is consistent with the often-discussed notion, but never documented until now, that the “better off” women left welfare first, followed by increasingly “worse off” women in terms of these characteristics. The continued departure from the TANF rolls of more disadvantaged women was unlikely to have been the result of improved economic conditions, for the job market was weaker in the last year we examined than in earlier years. In all likelihood, this pattern is instead the result of the continued pressure of elements of the 1996 welfare reform (work requirements, sanctions, and time limits, for example) on women who initially attempted to stay on welfare but eventually left, either voluntarily or involuntarily.

Another finding new to our study is that those women who left TANF relatively early experienced declines in their employment and income gains over time, although they still had higher levels of these variables by 2005 than they had had on welfare. Whether this backtracking was the result of the worsening economy, or whether employment and income gains would have faded even in a better economy, is not possible for us to say. However, it does suggest that some of the more favorable outcomes of welfare leavers found in the period immediately following welfare reform may have overestimated the long-run gains.

References

Acs, G. and P. Loprest. 2004. Leaving Welfare: Employment and Well-Being of Families That Left Welfare in the Post-Entitlement Era. Kalamazoo, Michigan: Upjohn Institute.

Acs, G. and P. Loprest. 2007. "TANF Caseload Composition and Leavers Synthesis Report." Report to the Administration on Children and Families. Washington: Urban Institute.

Bitler, M.; J. Gelbach; H. Hoynes. 2006. "What Mean Impacts Miss: Distributional Effects of Welfare Reform Experiments." American Economic Review 96 (September): 988-1012.

Blank, R. 2002. "Evaluating Welfare Reform in the United States." Journal of Economic Literature 40 (December): 1105-66.

Blank, R. 2007a. "Improving the Safety Net for Single Mothers Who Face Serious Barriers to Work." Future of Children 17 (Fall): 183-197.

Blank, R. 2007b. "What We Know, What We Don't Know, and What We Need to Know about Welfare Reform." Paper presented at Conference on Welfare Reform Ten Years After, University of Kentucky.

Cherlin, A.; B. Frogner; D. Ribar; and R. Moffitt. 2009. "Welfare Reform in the Mid-2000s: How African-American and Hispanic Families in Three Cities Are Faring." Annals of the American Academy of Political and Social Science 621 (January): 178-201. Available at web.jhu.edu/threecitystudy.

Frogner, B.; R. Moffitt; and D. Ribar. Forthcoming. "How Families Are Doing Nine Years After Welfare Reform: 2005 Evidence from the Three-City Study." In Welfare Reform and Its Long Term Consequences for America's Poor, ed. James Ziliak. Cambridge: Cambridge University Press.

Grogger, J., and L. Karoly. 2005. Welfare Reform: Effects of a Decade of Change. Cambridge, MA: Harvard University Press.

Moffitt, R. 2003. "The Temporary Assistance for Needy Families Program." In Means-Tested Transfer Programs in the United States, ed. R. Moffitt. Chicago: University of Chicago Press.

Moffitt, R. 2008. "Welfare Reform: The US Experience." Institute for Research on Poverty Discussion Paper 1344-08, University of Wisconsin.

Moffitt, R. and J. Roff. 2000. "The Diversity of Welfare Leavers." Policy Brief 00-2. Baltimore: The Johns Hopkins University.

Moffitt, R. and K. Winder. 2003. "The Correlates and Consequences of Welfare Exit and Entry: Evidence from the Three-City Study." Three-City Study Working Paper 03-01. Baltimore: Johns Hopkins University.

Moffitt, R. and K. Winder. 2005. "Does It Pay to Move from Welfare to Work? A Comment on Danziger, Heflin, Corcoran, Oltmans, and Wang." Journal of Policy Analysis and Management 24 (2005): 399-409.

Slack, K.; K. Magnuson; L. Berger; J. Yoo; R. Coley; R. Dunifon; A. Dworsky; A. Kalil; J. Knab; B. Lohman; and C. Osborne. 2007. "Family Economic Well-Being Following the 1996 Welfare Reform: Trend Data from Five Non-Experimental Studies." Children and Youth Services Review 29: 698-720.

Winston, P.; R. Angel; L. Burton; P. L. Chase-Lansdale; A. Cherlin; R. Moffitt; and W.J. Wilson. 1999. Welfare, Children, and Families: A Three City Study. Overview and Design. Baltimore: Johns Hopkins University. Available at <http://www.jhu.edu/threecitystudy>.

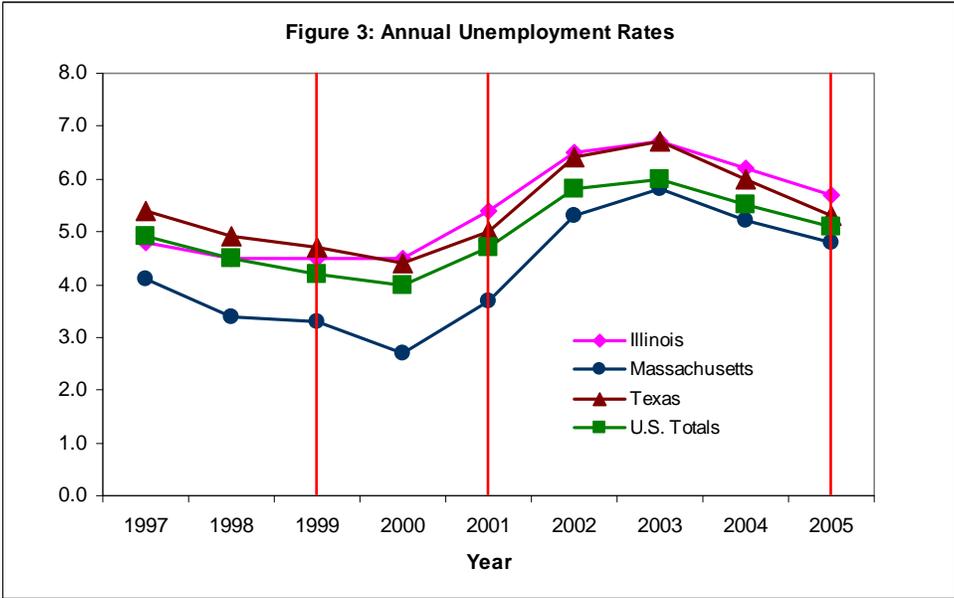
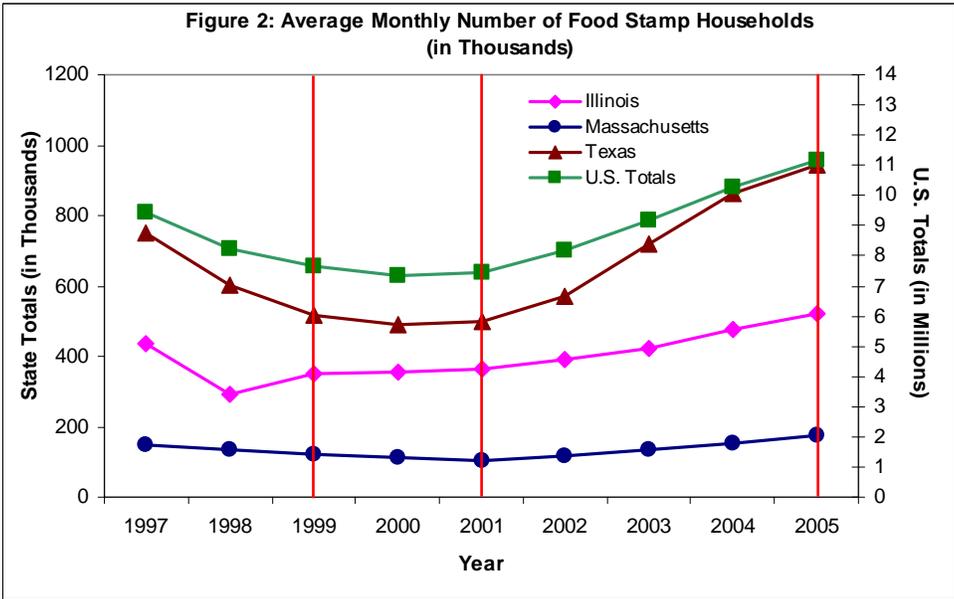
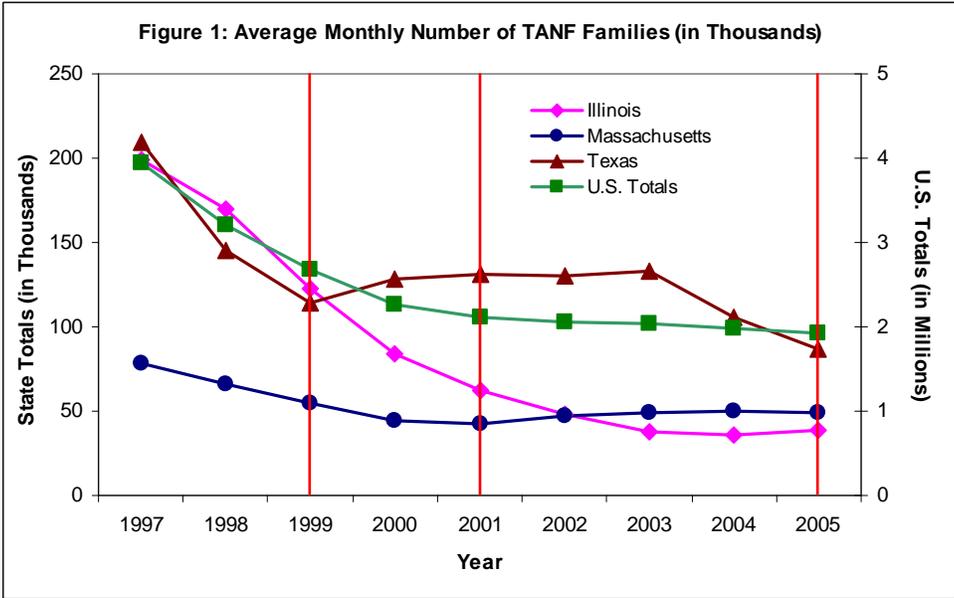


Figure 4: Means of Selected 1999 Variables for Stayers, Early Leavers, and Late Leavers

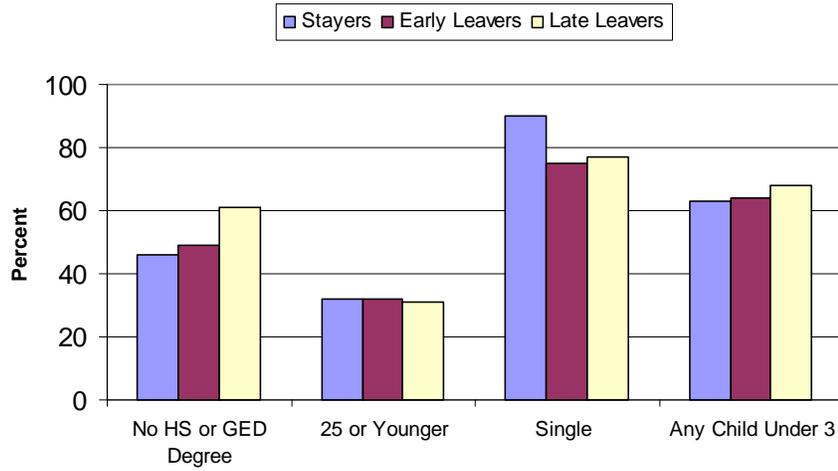
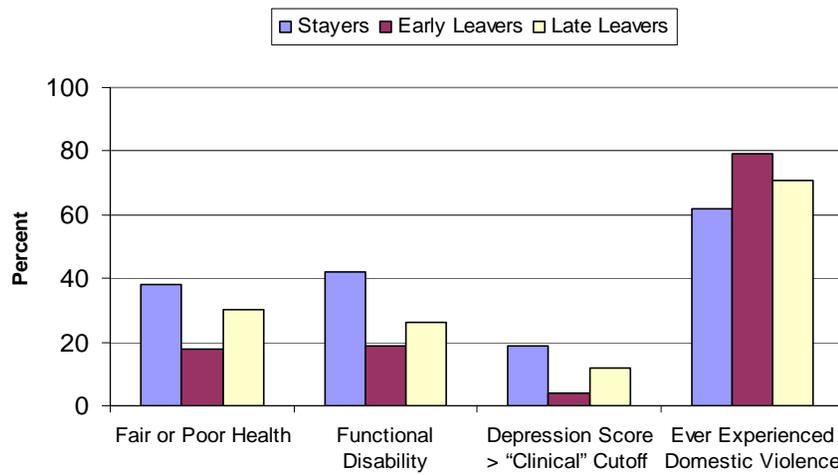
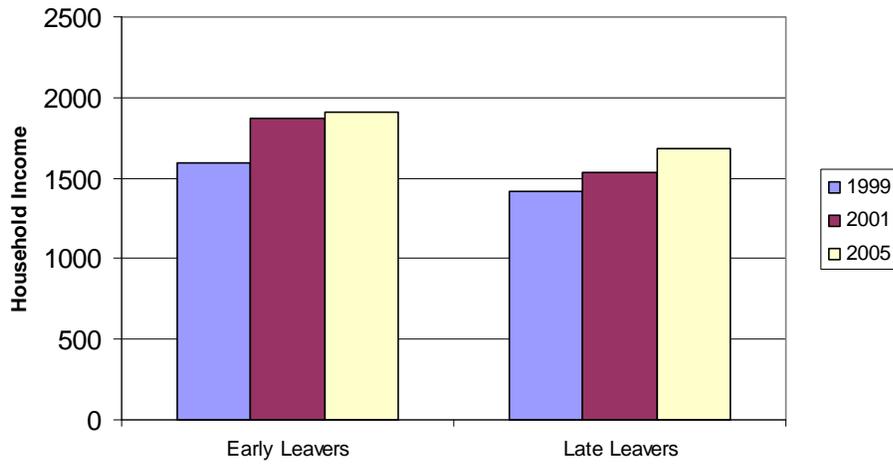


Figure 5: Means of Selected 1999 Health Related Variables for Stayers, Early Leavers, and Late Leavers



**Figure 6A: Household Monthly Income for Early and Late Leavers
(Including EITC and Food Stamps in Income)**



**Figure 6B: Poverty Rates for Early and Late Leavers
(Including EITC and Food Stamps in Income)**

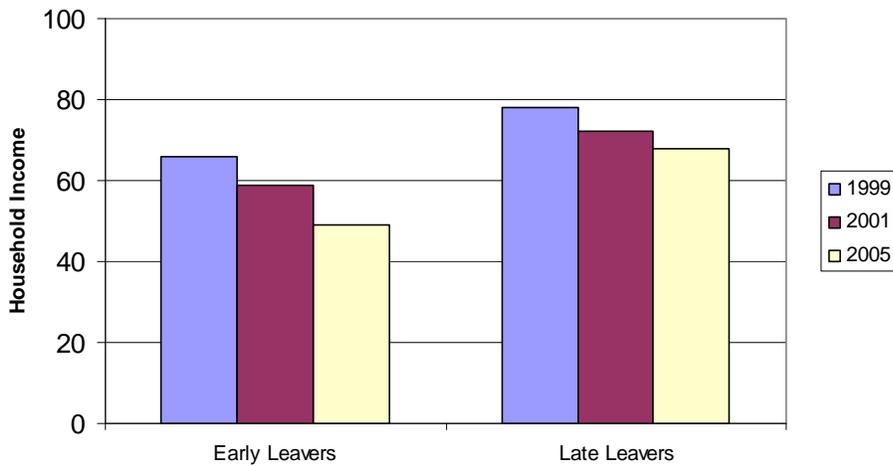


Table 7A: Mean Monthly Earnings for Early and Late Leavers

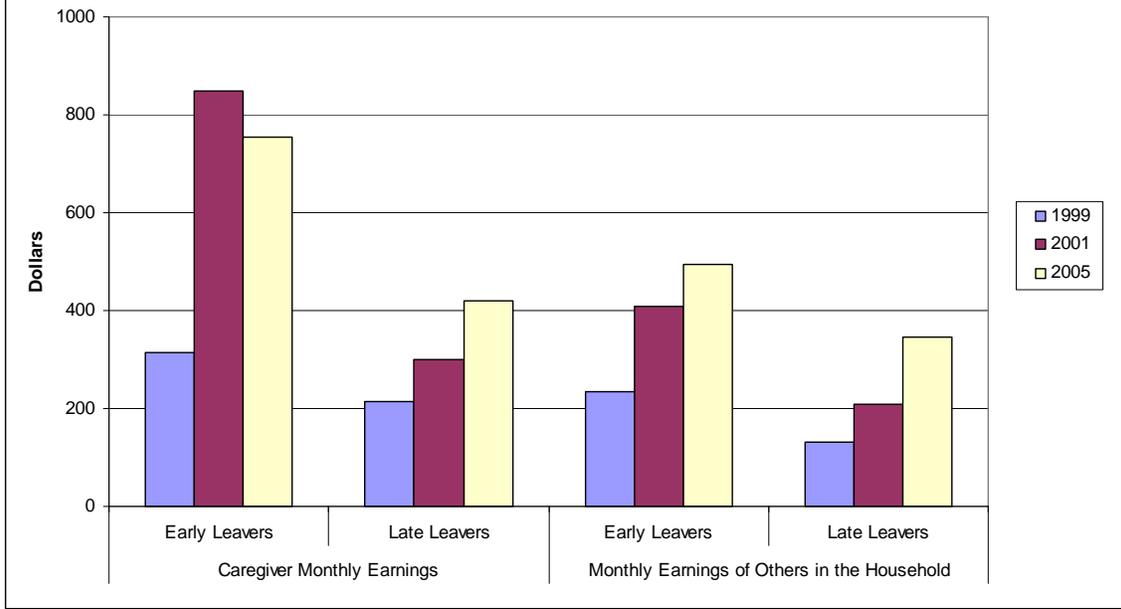


Table 7B: Mean Food Stamps, SSI and SSDI Benefits for Early and Late Leavers

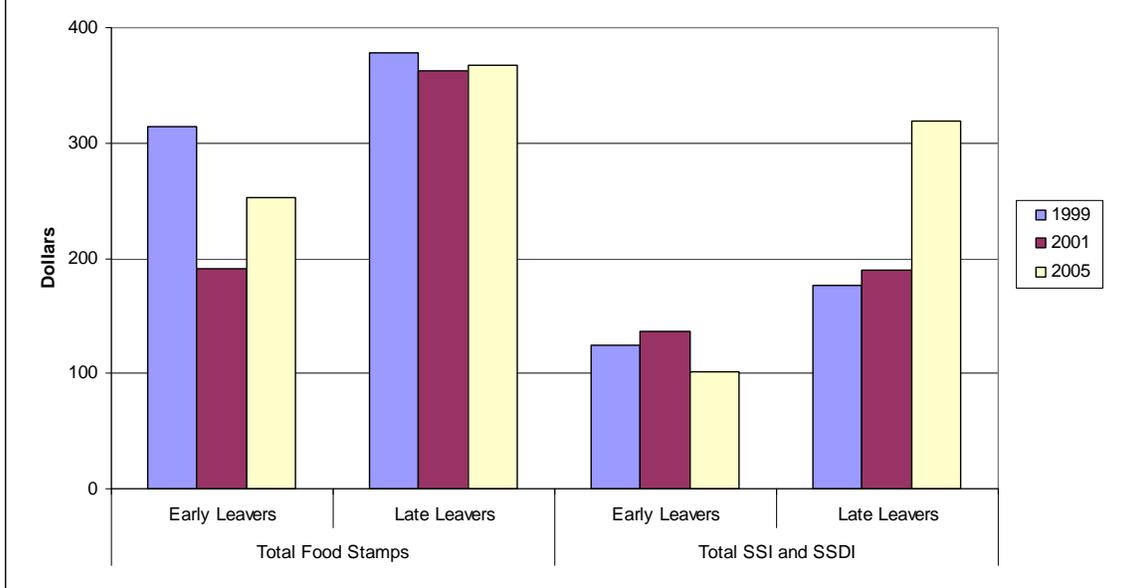


Figure 8A: Household Monthly Income for Employed and Not Employed Leavers (Including EITC and Food Stamps in Income)

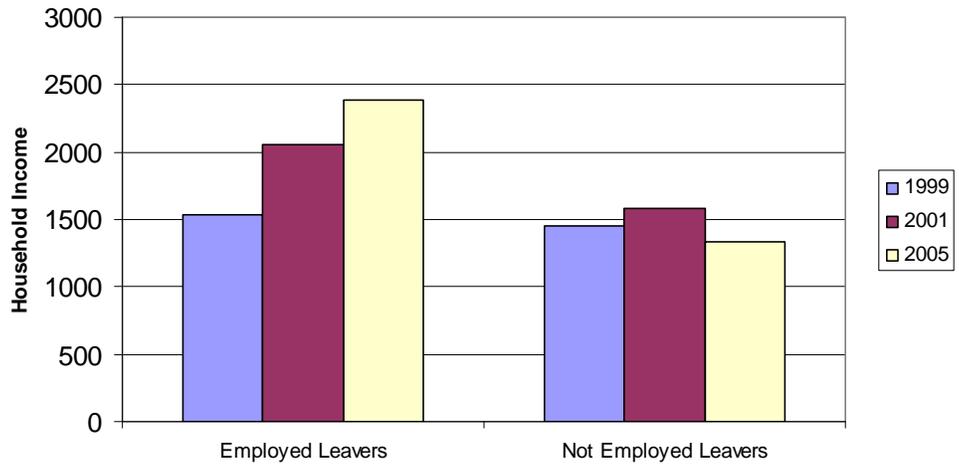


Figure 8B: Poverty Rates for Employed and Not Employed Leavers (Including EITC and Food Stamps in Income)

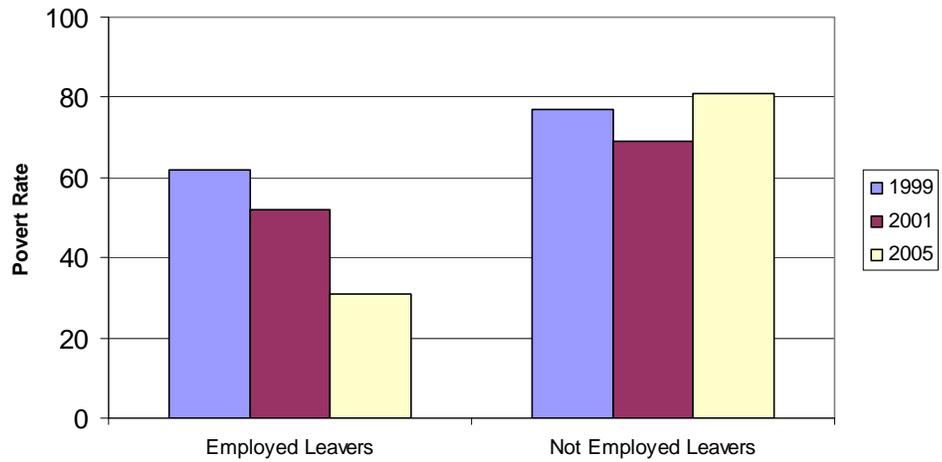


Table 1
TANF Receipt, 1999-2005
(percents)

| | 1999 | 2001 | 2005 |
|--|------|------|------|
| Percent Receiving TANF Benefits | 32 | 23 | 12 |
| Change from previous period | -- | -9 | -11 |
| Change from previous period, regression-adjusted ^a | -- | -7 | -8 |
| TANF Turnover | | | |
| Exit Rate, 1999-2001 | 46 | | |
| Exit Rate, 2001-2005 | 74 | | |
| Exit Rate, 1999-2005 | 80 | | |
| Entry Rate, 1999-2001 | 9 | | |
| Entry Rate, 2001-2005 | 7 | | |
| Entry Rate, 1999-2001 | 8 | | |

Notes:

^a These figures come from an OLS regression, on the pooled three-year sample, of TANF receipt on year dummies for 2001 and 2005, education, age of the caregiver, presence of children in age categories, household size, marital status, health status, race-ethnicity, and city of residence. The figures in the table are the coefficients on the two year dummies.

Table 2

Means of Selected Variables in 1999 for Caregivers on TANF in Each Period

| | 1999 | 2001 | 2005 |
|---|------|------|------|
| Education: ^a | | | |
| No degree | 54 | 56 | 49 |
| HS/GED | 34 | 31 | 35 |
| Above HS/GED | 12 | 13 | 16 |
| Age: | | | |
| 25 or younger | 32 | 32 | 34 |
| 26-35 | 41 | 42 | 35 |
| 36 or more | 27 | 27 | 31 |
| Living arrangements: | | | |
| Single ^b | 79 | 77 | 78 |
| Married | 16 | 19 | 17 |
| Cohabiting | 5 | 4 | 5 |
| Household composition: ^c | | | |
| Any children under 3 yrs in HH | 65 | 64 | 63 |
| Any children 4 to 10 yrs in HH | 76 | 70 | 76 |
| Any children 11 to 18 yrs in HH | 58 | 57 | 60 |
| Race-Ethnicity: ^d | | | |
| Hispanic | 36 | 41 | 38 |
| Non-Hispanic, Black | 60 | 53 | 51 |
| Non-Hispanic, White | 3 | 5 | 7 |
| Physical and mental health: | | | |
| Excellent/very good/good | 73 | 72 | 64 |
| Fair/poor | 27 | 28 | 36 |
| Functional disability | 25 | 24 | 26 |
| Depression score > “clinical” cutoff ^e | 10 | 14 | 19 |
| Ever experienced domestic violence | 71 | 64 | 61 |

| | | | |
|--|----|----|----|
| Network support above median for sample ^f | 49 | 52 | 48 |
|--|----|----|----|

Notes:

NA – Equivalent year 2005 variable not available.

^a HS = High School Degree, GED = General Equivalency Degree; Education variable is an edited variable which uses reports at years 2001 and 2005 to resolve inconsistencies.

^b Includes divorced and separated

^c HH = Household

^d Frequency of “other” race-ethnicity category not displayed.

^e “Clinical” is defined as having a Brief Symptom Inventory Depression score above 62

^f Network support is a sum of four different scales measuring the network of friends, people an individual could count on for help, etc. The variable is coded as 1 if the sum is greater than the median for the full Three-City sample.

Table 3
Employment Rate for TANF Transition Groups, 1999-2005
(percent)

| | 1999 | 2001 | 2005 |
|---|------|------|------|
| Stayers (On/On/On) | 22 | 34 | 17 |
| Leavers | | | |
| Very early leavers (On prior 1999, Off/Off/Off) | 61 | 69 | 61 |
| Early leavers (On/Off/Off) | 38 | 70 | 56 |
| Late leavers (On/On/Off) | 27 | 34 | 42 |
| Entrants and Nonentrants | | | |
| Never on (Off prior 1999, Off/Off/Off) | 60 | 67 | 70 |
| Entrants (Off/On 2001 or On 2005) | 53 | 44 | 43 |

Table A-1

Caregiver Demographic Characteristics of the Sample in 1999

| | Percent |
|-------------------------------------|---------|
| Education: ^a | |
| No degree | 41.9 |
| HS/GED | 36.9 |
| Above HS/GED | 21.2 |
| Age: | |
| 25 or younger | 24.5 |
| 26-35 | 42.2 |
| 36 or more | 33.3 |
| Living arrangements: | |
| Single ^b | 61.2 |
| Married | 31.6 |
| Cohabiting | 7.2 |
| Household composition: ^c | |
| Any children under 3 in the HH | 53.9 |
| Any children 4-10 in the HH | 68.8 |
| Any children 11-18 in the HH | 61.6 |
| No. children under 3 in the HH | 0.7 |
| No. children 4-10 in the HH | 1.2 |
| No. children 11-18 in the HH | 1.2 |
| Race-Ethnicity: ^d | |
| Hispanic | 52.4 |
| Non-Hispanic, Black | 40.7 |
| Non-Hispanic, White | 5.3 |
| Physical and mental health: | |
| Health is excellent/very good/good | 76.3 |
| Health is fair/poor | 23.7 |

| | |
|--|------|
| Has functional disability | 13.8 |
| Depression score > “clinical” cutoff ^e | 7.5 |
| Ever experienced domestic violence | 65.0 |
| Network support above median for sample ^f | 42.9 |

Notes:

^a HS = High School Degree, GED = General Equivalency Degree; Education variable is an edited variable which uses reports at years 2001 and 2005 to resolve inconsistencies.

^b Includes divorced and separated

^c HH = Household

^d Frequency of “other” race-ethnicity category not displayed.

^e “Clinical” is defined as having a Brief Symptom Inventory Depression score above 62

^f Network support is a sum of four different scales measuring the network of friends, people an individual could count on for help, etc. The variable is coded as 1 if the sum is greater than the median for the full Three-City sample.

Table A-2

Means of Selected Demographic Characteristics of the Sample at Each Period

| | 1999 | 2001 | 2005 |
|--|------|------|------------------|
| Age: | | | |
| 25 or younger | 25 | 20 | 7 |
| 26-35 | 42 | 43 | 34 |
| 36 or more | 33 | 38 | 60 |
| Children Ages: ^a | | | |
| Any children under 3 yrs in HH | 54 | 46 | 27 |
| Any children 4 to 10 yrs in HH | 69 | 72 | 67 |
| Any children 11 to 18 yrs in HH | 62 | 65 | 73 |
| Living arrangements: | | | |
| Single ^b | 61 | 58 | 58 |
| Married | 32 | 32 | 32 |
| Cohabiting | 7 | 10 | 10 |
| Physical and mental health: | | | |
| Excellent/very good/good | 76 | 77 | 70 |
| Fair/poor | 24 | 23 | 30 |
| Functional disability | 14 | 16 | 22 |
| Depression score > “clinical” cutoff ^c | 8 | 7 | 7 |
| Ever experienced domestic violence | 65 | 61 | -- ^{NA} |
| Network support above median for sample ^d | 43 | 42 | 51 |

Notes:

NA – Equivalent year 2005 variable not available.

^a HH = Household

^b Includes divorced and separated

^c “Clinical” is defined as having a Brief Symptom Inventory Depression score above 62

^d Network support is a sum of four different scales measuring the network of friends, people an individual could count on for help, etc. The variable is coded as 1 if the sum is greater than the median for the full Three-City sample.

Table A-3

Means of Selected 1999 Variables for TANF Transition Groups

| | Stayers (On/On/On) | Leavers | | | Entrants and Nonentrants | |
|------------------------------|-----------------------|---|-------------------------------|-----------------------------|--|---|
| | | Very early leavers (On prior 1999, Off/Off/Off) | Early leavers (On/Off/Off) | Late leavers (On/On/Off) | Never on (Off prior 1999, Off/Off/Off) | Entrants (Off/On 2001 or On 2005) |
| Education: ^a | | | | | | |
| No degree | 46 | 42 | 49 | 61 | 32 | 48 |
| HS/GED | 36 | 35 | 37 | 31 | 40 | 33 |
| Above HS/GED | 18 | 24 | 14 | 8 | 27 | 19 |
| Age: | | | | | | |
| 25 or younger | 32 | 29 | 32 | 31 | 17 | 32 |
| 26-35 | 33 | 44 | 43 | 44 | 42 | 42 |
| 36 or more | 35 | 26 | 25 | 25 | 41 | 25 |
| Living arrangements: | | | | | | |
| Single ^b | 90 | 73 | 75 | 77 | 46 | 61 |
| Married | 8 | 14 | 20 | 18 | 46 | 34 |
| Cohabiting | 2 | 13 | 6 | 5 | 8 | 5 |
| HH composition: ^c | | | | | | |
| Any child under 3 | 63 | 48 | 64 | 68 | 46 | 61 |
| Any child 4 to 10 | 68 | 72 | 79 | 73 | 62 | 75 |
| Any child 11 to 18 | 67 | 71 | 58 | 56 | 63 | 54 |
| Race-Ethnicity: ^d | | | | | | |
| Hispanic | 33 | 46 | 37 | 38 | 66 | 50 |
| Non-Hispanic, Black | 61 | 50 | 61 | 59 | 26 | 37 |

| | | | | | | |
|---|----|----|----|----|----|----|
| Non-Hispanic, White | 6 | 3 | 2 | 3 | 6 | 10 |
| Health: | | | | | | |
| Excellent/very good/good | 62 | 76 | 82 | 70 | 79 | 75 |
| Fair/poor | 38 | 24 | 18 | 30 | 21 | 25 |
| Functional disability | 42 | 10 | 19 | 26 | 8 | 7 |
| Depression score > “clinical” cutoff ^e | 19 | 10 | 4 | 12 | 4 | 14 |
| Ever experienced domestic violence | 62 | 66 | 79 | 71 | 62 | 57 |
| Network support above median ^f | 64 | 46 | 40 | 53 | 38 | 45 |

Notes:

In this and all other tables, TANF status in 1999, 2001, and 2005 is indicated by three indicators for “on” or “off” welfare.

NA – Equivalent year 2005 variable not available.

^a HS = High School Degree, GED = General Equivalency Degree; Education variable is an edited variable which uses reports at years 2001 and 2005 to resolve inconsistencies.

^b Includes divorced and separated

^c HH = Household

^d Frequency of “other” race-ethnicity category not displayed.

^e “Clinical” is defined as having a Brief Symptom Inventory Depression score above 62

^f Network support is a sum of four different scales measuring the network of friends, people an individual could count on for help, etc. The variable is coded as 1 if the sum is greater than the median for the full Three-City sample.

Table A-4

Caregiver Non-TANF Participation of the Sample at Each Period

| | 1999 | 2001 | 2005 |
|------------------------------|------|------|------|
| Food stamps | 49 | 43 | 48 |
| Medicaid | 71 | 67 | 67 |
| SSI | 13 | 15 | 16 |
| WIC | 43 | 33 | 18 |
| Energy assistance | 11 | 10 | 14 |
| Emergency food | 7 | 5 | 6 |
| Free clothing | 6 | 3 | 5 |
| Reduced/free school lunch | 75 | 77 | 80 |
| School breakfast | 72 | 74 | 76 |
| Public housing | 52 | 51 | 45 |

Table A-5

Non-TANF Program Participation Rates by Welfare Transition Group

| | <u>Stayers</u> | | | <u>Early leavers</u> | | | <u>Late leavers</u> | | | <u>Never on</u> | | | <u>Entrants</u> | | |
|---------------------------|----------------|------|------|----------------------|------|------|---------------------|------|------|-----------------|------|------|-----------------|------|------|
| | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 |
| Food stamps | 100 | 100 | 100 | 100 | 52 | 62 | 100 | 100 | 73 | 17 | 16 | 19 | 54 | 69 | 85 |
| Medicaid | 98 | 100 | 100 | 94 | 85 | 75 | 99 | 99 | 89 | 52 | 45 | 49 | 81 | 89 | 86 |
| WIC | 60 | 46 | 20 | 44 | 35 | 15 | 56 | 41 | 18 | 8 | 10 | 8 | 44 | 50 | 23 |
| SSI | 43 | 51 | 69 | 12 | 14 | 10 | 18 | 26 | 34 | 41 | 30 | 17 | 16 | 12 | 23 |
| Energy assistance | 17 | 22 | 28 | 14 | 10 | 14 | 17 | 19 | 22 | 6 | 6 | 7 | 12 | 14 | 22 |
| Emergency food | 12 | 12 | 9 | 9 | 4 | 5 | 11 | 7 | 20 | 4 | 4 | 3 | 10 | 3 | 4 |
| Free clothing | 7 | 5 | 4 | 10 | 4 | 4 | 9 | 4 | 15 | 4 | 2 | 1 | 4 | 1 | 10 |
| Reduced/free school lunch | 80 | 84 | 94 | 82 | 76 | 77 | 78 | 88 | 89 | 71 | 74 | 75 | 77 | 66 | 83 |
| School breakfast | 74 | 83 | 96 | 79 | 74 | 71 | 75 | 82 | 83 | 69 | 70 | 70 | 72 | 69 | 82 |
| Public housing | 83 | 84 | 72 | 66 | 64 | 54 | 72 | 70 | 70 | 33 | 32 | 27 | 55 | 64 | 57 |

Table A-6

Employment and Wage Rates, 1999-2005

| | 1999 | 2001 | 2005 |
|--|--------|--------|---------|
| Employment Rate | 50 | 59 | 58 |
| Change from previous period | -- | 9 | -1 |
| Change from previous period, regression-adjusted ^a | -- | 8 | -1 |
| Full-time vs Part-time (percent of workers) ^b | | | |
| Full-time | 64 | 68 | 65 |
| Part-time | 36 | 32 | 35 |
| Hourly wage rates (workers only) ^c | \$9.27 | \$8.77 | \$10.18 |

Notes:

^a See footnote to Table 1.

^b These work status figures are based on usual hours worked. Using actual hours worked, 50% worked full-time in 1999, 51% in 2001, and 56% in 2005; 50% worked part-time in 1999, 49% in 2001, and 45% in 2005. Full-time work is defined as 35 hours or more per week.

^c Income amounts adjusted by the CPI-U and expressed as constant (Dec 2005) dollars.

Table A-7

Employment and Wage Rates for Caregivers on TANF in Each Period, 1999-2005

| | 1999 | 2001 | 2005 |
|--|--------|--------|--------|
| Employment Rate | 31 | 36 | 26 |
| Change from previous period | -- | 5 | -13 |
| Change from previous period, regression-adjusted ^a | -- | 6 | -7 |
| Full-time vs Part-time (percent of workers) ^b | | | |
| Full-time | 41 | 58 | 45 |
| Part-time | 59 | 42 | 55 |
| Hourly wage rates (workers only) ^c | \$8.32 | \$6.13 | \$7.44 |

Notes:

^a See footnote to Table 1.

^b These work status figures are based on usual hours worked. Using actual hours worked, 26% worked full-time in 1999, 46% in 2001, and 40% in 2005; 74% worked part-time in 1999, 54% in 2001, and 60% in 2005. Full-time work is defined as 35 hours or more per week.

^c Income amounts adjusted by the CPI-U and expressed as constant (Dec 2005) dollars.

Table A-8
Income and Poverty, 1999-2005

| | 1999 | 2001 | 2005 |
|---------------------------------------|------|------|------|
| HH monthly income ^a | | | |
| w/o EITC & w/o FS | 1371 | 1833 | 1867 |
| Change from previous period | -- | 462 | 34 |
| w/o EITC & w/ FS | 1542 | 1984 | 2060 |
| Change from previous period | -- | 442 | 76 |
| w/ EITC & w/ FS | 1666 | 2096 | 2148 |
| Change from previous period | -- | 430 | 52 |
| Poverty rate | | | |
| w/o EITC & w/o FS | 71 | 59 | 58 |
| Change from previous period | -- | -12 | -1 |
| w/o EITC & w/ FS | 66 | 54 | 53 |
| Change from previous period | -- | -12 | -1 |
| w/ EITC & w/ FS | 58 | 48 | 46 |
| Change from previous period | -- | -10 | -2 |
| Poverty gap ^{a, b} | | | |
| w/o EITC & w/o FS | 710 | 552 | 536 |
| Change from previous period | -- | -158 | -16 |
| w/o EITC & w/ FS | 563 | 431 | 389 |
| Change from previous period | -- | -132 | -42 |
| w/ EITC & w/FS | 495 | 367 | 342 |
| Change from previous period | -- | -128 | -25 |

Notes:

^a Income amounts adjusted by the CPI-U and expressed as constant (Dec 2005) dollars.

^b For a caregiver below the poverty line, the poverty gap is calculated as the official poverty line for the HH minus the total HH income.

Table A-9

Means of Selected Income Variables for Stayers and Leavers

| | Stayers | | | Leavers | | | | | | | | |
|--------------------------|------------|------|------|------------------------------|------|------|---------------|------|----------------|--------------|------|------|
| | (On/On/On) | | | Very early leavers | | | Early leavers | | | Late leavers | | |
| | 1999 | 2001 | 2005 | (On prior 1999, Off/Off/Off) | | | (On/Off/Off) | | | (On/On/Off) | | |
| | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 |
| HH monthly income | | | | | | | | | | | | |
| w/o EITC & w/o FS | 1021 | 1157 | 1464 | 1214 | 1803 | 1756 | 1180 | 1529 | 1543 | 964 | 1088 | 1222 |
| w/o EITC & w/ FS | 1326 | 1438 | 1823 | 1353 | 1961 | 2015 | 1493 | 1720 | 1795 | 1342 | 1451 | 1589 |
| w/ EITC & w/ FS | 1376 | 1491 | 1835 | 1481 | 2094 | 2094 | 1594 | 1874 | 1906 | 1414 | 1540 | 1685 |
| Poverty rate | | | | | | | | | | | | |
| w/o EITC & w/o FS | 95 | 89 | 76 | 79 | 62 | 54 | 78 | 71 | 67 | 90 | 90 | 84 |
| w/o EITC & w/ FS | 85 | 79 | 59 | 72 | 58 | 50 | 69 | 67 | 59 | 83 | 82 | 77 |
| w/ EITC & w/ FS | 80 | 79 | 59 | 61 | 49 | 46 | 66 | 59 | 49 | 78 | 72 | 68 |
| Poverty gap ^a | | | | | | | | | | | | |
| w/o EITC & w/o FS | 875 | 776 | 542 | 783 | 556 | 614 | 857 | 703 | 623 | 1080 | 1015 | 993 |
| w/o EITC & w/ FS | 594 | 533 | 313 | 674 | 422 | 445 | 612 | 560 | 428 | 733 | 694 | 672 |
| w/ EITC & w/ FS | 574 | 500 | 311 | 608 | 345 | 420 | 573 | 457 | 372 | 700 | 635 | 603 |
| Monthly earnings | | | | | | | | | | | | |
| Individual | 145 | 172 | 175 | 639 | 907 | 790 | 313 | 849 | 754 | 215 | 300 | 419 |
| Others in HH | 79 | 94 | 215 | 303 | 537 | 625 | 234 | 408 | 494 | 132 | 209 | 346 |
| TANF | | | | | | | | | | | | |
| Individual | 375 | 349 | 344 | 0 | 0 | 0 | 412 | 0 | 0 | 385 | 339 | 0 |
| Others in HH | 15 | 12 | 17 | 1 | 2 | 1 | 30 | 1 | 0 ^b | 15 | 14 | 16 |
| Food stamps | | | | | | | | | | | | |
| Individual | 285 | 275 | 283 | 137 | 155 | 250 | 293 | 187 | 238 | 355 | 336 | 314 |

| | | | | | | | | | | | | |
|-------------------------|-----|-----|-----|----------------|-----|-----|----------------|-----|----------------|-----|----------------|-----|
| Others in HH | 20 | 6 | 76 | 2 | 3 | 10 | 21 | 4 | 14 | 23 | 27 | 53 |
| SSI | | | | | | | | | | | | |
| Individual | 250 | 307 | 428 | 107 | 95 | 71 | 73 | 86 | 73 | 122 | 147 | 184 |
| Others in HH | 47 | 40 | 58 | 7 | 36 | 67 | 18 | 21 | 9 | 10 | 6 | 39 |
| SSDI | | | | | | | | | | | | |
| Individual | 9 | 73 | 99 | 6 | 5 | 1 | 13 | 15 | 7 | 23 | 18 | 34 |
| Others in HH | 33 | 9 | 37 | 11 | 30 | 27 | 20 | 15 | 12 | 22 | 19 | 62 |
| Social security | | | | | | | | | | | | |
| Individual | 5 | 0 | 0 | 0 ^b | 0 | 0 | 0 ^b | 0 | 0 ^b | 0 | 0 ^b | 3 |
| Others in HH | 1 | 3 | 26 | 14 | 3 | 3 | 13 | 10 | 16 | 2 | 3 | 8 |
| Other income | 60 | 100 | 64 | 128 | 190 | 170 | 55 | 123 | 177 | 38 | 34 | 110 |
| EITC income (potential) | 50 | 53 | 13 | 131 | 136 | 80 | 104 | 155 | 112 | 73 | 90 | 98 |

Notes:

Income amounts adjusted by the CPI-U and expressed as constant (Dec 2005) dollars.

^a For a caregiver below the poverty line, the poverty gap is calculated as the official poverty line for the HH minus the total HH income.

^b Amount is non-zero, but less than \$1

Table A-10

Total Household Monthly Income and Poverty Rate at Each Period,
Including EITC and Food Stamps,
Excluding SSDI and SSI Income

| | HH monthly income | | | Poverty rate | | |
|---|-------------------|------|------|--------------|------|------|
| | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 |
| Stayers (On/On/On) | 1035 | 1063 | 1213 | 89 | 92 | 80 |
| Leavers | | | | | | |
| Very early leavers (On prior 1999, Off/Off/Off) | 1351 | 1928 | 1927 | 68 | 55 | 50 |
| Early leavers (On/Off/Off) | 1470 | 1734 | 1805 | 72 | 66 | 56 |
| Late leavers (On/On/Off) | 1237 | 1351 | 1365 | 83 | 79 | 77 |

Notes: Income amounts adjusted by the CPI-U and expressed as constant (Dec 2005) dollars.

Table A-11

Other Household Member Earnings at Each Period for Stayers and Leavers

| | Stayers | | | Leavers | | | | | | | | |
|--|----------------|------|------|------------------------------|------|------|---------------|------|------|--------------|------|------|
| | (On/On/On) | | | Very early leavers | | | Early leavers | | | Late leavers | | |
| | 1999 | 2001 | 2005 | (On prior 1999, Off/Off/Off) | | | (On/Off/Off) | | | (On/On/Off) | | |
| | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 |
| Monthly earnings | | | | | | | | | | | | |
| Others in HH ^a | 79 | 94 | 215 | 303 | 537 | 625 | 234 | 408 | 494 | 132 | 209 | 346 |
| Spouse/partner | 21 | 11 | 83 | 166 | 386 | 470 | 188 | 208 | 385 | 60 | 140 | 328 |
| Child | 0 ^b | 14 | 124 | 50 | 15 | 75 | 29 | 118 | 68 | 87 | 34 | 49 |
| Other | 78 | 102 | 14 | 132 | 192 | 83 | 136 | 177 | 122 | 76 | 46 | 16 |
| Percent of HHs with different types of HH members | | | | | | | | | | | | |
| Spouse/partner | 5 | 5 | 16 | 27 | 31 | 39 | 25 | 23 | 29 | 21 | 22 | 36 |
| Child | 94 | 96 | 90 | 99 | 98 | 99 | 100 | 99 | 96 | 100 | 99 | 94 |
| Other | 58 | 27 | 25 | 46 | 44 | 39 | 50 | 44 | 34 | 44 | 39 | 36 |
| Percent of HH members of each type who have earnings | | | | | | | | | | | | |
| Spouse/partner | 4 | 2 | 7 | 15 | 24 | 26 | 17 | 15 | 25 | 5 | 16 | 22 |
| Child | 0 ^b | 3 | 16 | 6 | 2 | 13 | 4 | 13 | 11 | 8 | 7 | 7 |
| Other | 7 | 5 | 2 | 8 | 13 | 4 | 7 | 7 | 8 | 5 | 5 | 1 |

Notes:

Income amounts adjusted by the CPI-U and expressed as constant (Dec 2005) dollars.

^a Other household members earnings is not equal to the sum of the parts as a result of imputation methods.^b Amount is non-zero, but less than \$1

Table A-12

Percent Gain and Loss in Household Monthly Income between Periods

| | Stayers (On/On/On) | | Leavers | | | | | | Entrants and Nonentrants | | | |
|-------------------|-----------------------|---------------|---|---------------|-------------------------------|---------------|-----------------------------|---------------|--|---------------|---|---------------|
| | | | Very early leavers (On prior 1999, Off/Off/Off) | | Early leavers (On/Off/Off) | | Late leavers (On/On/Off) | | Never on (Off prior 1999, Off/Off/Off) | | Entrants (Off/On 2001 or On 2005) | |
| | 1999- 2001 | 2001- 2005 | 1999- 2001 | 2001- 2005 | 1999- 2001 | 2001- 2005 | 1999- 2001 | 2001- 2005 | 1999- 2001 | 2001- 2005 | 1999- 2001 | 2001- 2005 |
| W/o EITC & w/o FS | | | | | | | | | | | | |
| Gain | 59 | 65 | 72 | 47 | 56 | 55 | 56 | 49 | 68 | 50 | 49 | 52 |
| Loss | 41 | 35 | 28 | 53 | 44 | 45 | 44 | 51 | 32 | 50 | 51 | 48 |
| W/o EITC & w/ FS | | | | | | | | | | | | |
| Gain | 56 | 62 | 74 | 48 | 54 | 53 | 56 | 47 | 67 | 50 | 54 | 60 |
| Loss | 44 | 38 | 26 | 52 | 46 | 47 | 44 | 53 | 33 | 50 | 46 | 40 |
| W/ EITC & w/ FS | | | | | | | | | | | | |
| Gain | 56 | 61 | 73 | 45 | 56 | 52 | 56 | 48 | 68 | 48 | 52 | 59 |
| Loss | 44 | 39 | 27 | 55 | 44 | 48 | 44 | 52 | 32 | 52 | 48 | 41 |

Table A-13

Means of Selected Income Variables for Entrants and Nonentrants

| | Never on (Off prior 1999, Off/Off/Off) | | | Entrants (Off/On 2001 or On 2005) | | |
|--------------------------|---|------|----------------|--------------------------------------|------|------|
| | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 |
| HH monthly income | | | | | | |
| w/o EITC & w/o FS | 1655 | 2311 | 2343 | 1241 | 1463 | 1349 |
| w/o EITC & w/ FS | 1721 | 2367 | 2410 | 1413 | 1676 | 1649 |
| w/ EITC & w/ FS | 1866 | 2475 | 2503 | 1577 | 1776 | 1713 |
| Poverty rate | | | | | | |
| w/o EITC & w/o FS | 58 | 40 | 44 | 76 | 72 | 73 |
| w/o EITC & w/ FS | 55 | 37 | 42 | 72 | 63 | 65 |
| w/ EITC & w/ FS | 47 | 33 | 33 | 56 | 57 | 60 |
| Poverty gap ^a | | | | | | |
| w/o EITC & w/o FS | 518 | 307 | 320 | 748 | 738 | 686 |
| w/o EITC & w/ FS | 460 | 268 | 272 | 607 | 582 | 448 |
| w/ EITC & w/ FS | 375 | 212 | 221 | 499 | 532 | 415 |
| Monthly earnings | | | | | | |
| Individual | 736 | 939 | 1067 | 637 | 453 | 448 |
| Others in HH | 681 | 1073 | 961 | 296 | 429 | 345 |
| TANF | | | | | | |
| Individual | 0 | 0 | 0 | 0 | 224 | 239 |
| Others in HH | 1 | 1 | 0 ^b | 8 | 3 | 11 |
| Food stamps | | | | | | |
| Individual | 59 | 51 | 61 | 164 | 209 | 276 |
| Others in HH | 6 | 5 | 6 | 8 | 4 | 24 |
| SSI | | | | | | |

| | | | | | | |
|-------------------------|-----|-----|-----|----------------|----------------|-----|
| Individual | 56 | 65 | 47 | 108 | 72 | 134 |
| Others in HH | 7 | 17 | 17 | 42 | 11 | 28 |
| SSDI | | | | | | |
| Individual | 12 | 9 | 14 | 7 | 25 | 17 |
| Others in HH | 31 | 17 | 30 | 29 | 46 | 61 |
| Social security | | | | | | |
| Individual | 3 | 1 | 9 | 0 ^b | 0 ^b | 0 |
| Others in HH | 19 | 31 | 24 | 0 ^b | 7 | 6 |
| Other income | 109 | 159 | 176 | 114 | 195 | 59 |
| EITC income (potential) | 146 | 109 | 95 | 169 | 101 | 65 |

Notes:

Income amounts adjusted by the CPI-U and expressed as constant (Dec 2005) dollars.

^a For a caregiver below the poverty line, the poverty gap is calculated as the official poverty line for the HH minus the total HH income.

^b Amount is non-zero, but less than \$1

Table A-14

Means of Selected Income Variables for Caregivers on TANF in Each Period

| | 1999 | 2001 | 2005 |
|---------------------------|------|------|------|
| HH monthly income | | | |
| w/o EITC & w/o FS | 1058 | 1199 | 1307 |
| w/o EITC & w/ FS | 1395 | 1532 | 1645 |
| w/ EITC & w/ FS | 1475 | 1615 | 1691 |
| Poverty rate | | | |
| w/o EITC & w/o FS | 86 | 85 | 80 |
| w/o EITC & w/ FS | 78 | 75 | 71 |
| w/ EITC & w/ FS | 74 | 69 | 68 |
| Poverty gap | | | |
| w/o EITC & w/o FS | 953 | 900 | 675 |
| w/o EITC & w/ FS | 660 | 620 | 420 |
| w/ EITC & w/FS | 653 | 573 | 393 |
| Earnings | | | |
| Individual | 240 | 276 | 211 |
| Others in HH ^a | 157 | 254 | 232 |
| Spouse/partner | 102 | 171 | 182 |
| Child | 47 | 32 | 95 |
| Other | 96 | 86 | 9 |
| TANF | | | |
| Individual | 404 | 348 | 391 |
| Others in HH | 20 | 12 | 29 |
| Food stamps | | | |
| Individual | 317 | 316 | 300 |
| Others in HH | 20 | 17 | 38 |
| SSI | | | |
| Individual | 119 | 153 | 258 |
| Others in HH | 20 | 15 | 35 |
| SSDI | | | |
| Individual | 18 | 34 | 47 |

| | | | |
|-------------------------|----|----------------|----|
| Others in HH | 24 | 24 | 31 |
| Social security | | | |
| Individual | 1 | 0 ^b | 0 |
| Others in HH | 9 | 5 | 16 |
| Other income | 47 | 79 | 56 |
| EITC income (potential) | 80 | 83 | 46 |

Notes:

Income amounts adjusted by the CPI-U and expressed as constant (Dec 2005) dollars.

^a Other household members earnings is not equal to the sum of the parts as a result of imputation methods

^b Non-zero amount, but less than 1

Table A-15

Income in Each Period for Welfare Leavers Employed and Not Employed in 2005

| | <u>All Leavers</u> | | | <u>Employed in 2005^a</u> | | | <u>Not Employed in 2005</u> | | |
|--|--------------------|------|------|-------------------------------------|------|------|-----------------------------|------|------|
| | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 |
| HH monthly income | | | | | | | | | |
| w/o EITC & w/o FS | 1118 | 1469 | 1504 | 1167 | 1690 | 1997 | 1062 | 1219 | 946 |
| w/o EITC & w/ FS | 1396 | 1708 | 1797 | 1420 | 1901 | 2225 | 1369 | 1490 | 1314 |
| w/ EITC & w/ FS | 1496 | 1833 | 1893 | 1533 | 2056 | 2384 | 1453 | 1581 | 1337 |
| Poverty rate | | | | | | | | | |
| w/o EITC & w/o FS | 82 | 74 | 68 | 77 | 66 | 54 | 89 | 84 | 84 |
| w/o EITC & w/ FS | 75 | 69 | 62 | 69 | 65 | 45 | 81 | 75 | 81 |
| w/ EITC & w/ FS | 69 | 60 | 55 | 62 | 52 | 31 | 77 | 69 | 81 |
| Poverty gap ^a | | | | | | | | | |
| w/o EITC & w/o FS | 908 | 760 | 746 | 849 | 666 | 403 | 975 | 867 | 1134 |
| w/o EITC & w/ FS | 674 | 560 | 517 | 645 | 488 | 259 | 706 | 642 | 808 |
| w/ EITC & w/ FS | 628 | 480 | 466 | 596 | 390 | 178 | 664 | 582 | 792 |
| Monthly earnings | | | | | | | | | |
| Individual | 387 | 682 | 652 | 499 | 912 | 1229 | 261 | 421 | 0 |
| Others in HH | 222 | 383 | 487 | 221 | 456 | 545 | 223 | 300 | 422 |
| Positive earnings from others in HH | 25 | 32 | 36 | 27 | 35 | 42 | 22 | 29 | 30 |
| TANF | | | | | | | | | |
| Individual | 267 | 115 | 0 | 244 | 81 | 0 | 294 | 153 | 0 |
| Others in HH | 15 | 6 | 6 | 12 | 2 | 1 | 19 | 9 | 10 |
| Food stamps | | | | | | | | | |
| Individual | 263 | 227 | 268 | 244 | 207 | 221 | 283 | 250 | 320 |

| | | | | | | | | | |
|-------------------------|----------------|----------------|-----|----------------|-----|-----|----------------|----------------|-----|
| Others in HH | 15 | 11 | 26 | 9 | 3 | 7 | 23 | 21 | 47 |
| SSI | | | | | | | | | |
| Individual | 101 | 110 | 110 | 69 | 72 | 34 | 136 | 153 | 196 |
| Others in HH | 12 | 21 | 38 | 17 | 26 | 36 | 5 | 15 | 42 |
| SSDI | | | | | | | | | |
| Individual | 14 | 13 | 14 | 9 | 3 | 2 | 19 | 24 | 28 |
| Others in HH | 18 | 21 | 34 | 18 | 16 | 20 | 18 | 27 | 49 |
| Social security | | | | | | | | | |
| Individual | 0 ^b | 0 ^b | 1 | 0 ^b | 0 | 0 | 0 ^b | 0 ^b | 2 |
| Others in HH | 10 | 5 | 9 | 9 | 2 | 6 | 11 | 9 | 13 |
| Other income | 73 | 115 | 152 | 69 | 121 | 123 | 78 | 108 | 185 |
| EITC income (potential) | 102 | 127 | 97 | 117 | 156 | 163 | 85 | 93 | 23 |

Notes:

Income amounts adjusted by the CPI-U and expressed as constant (Dec 2005) dollars.

^a 53% of all leavers were employed in 2005

^b Amount is non-zero, but less than \$1

Table A-16

Other Household Member Earnings at Each Period for Welfare Leavers Employed and Not Employed in 2005

| | <u>All Leavers</u> | | | <u>Employed in 2005</u> | | | <u>Not Employed in 2005</u> | | |
|--|--------------------|------|------|-------------------------|------|------|-----------------------------|------|------|
| | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 | 1999 | 2001 | 2005 |
| Monthly earnings | | | | | | | | | |
| Others in HH ^a | 222 | 383 | 487 | 221 | 456 | 545 | 223 | 300 | 422 |
| Spouse/partner | 137 | 243 | 393 | 150 | 297 | 505 | 123 | 182 | 267 |
| Child | 56 | 56 | 64 | 21 | 72 | 74 | 95 | 37 | 52 |
| Other | 114 | 138 | 73 | 111 | 161 | 33 | 118 | 111 | 119 |
| Percent of HHs with different types of HH members | | | | | | | | | |
| Spouse/partner | 24 | 25 | 35 | 26 | 29 | 37 | 22 | 21 | 31 |
| Child | 99 | 99 | 96 | 100 | 100 | 98 | 99 | 98 | 94 |
| Other | 47 | 42 | 36 | 44 | 43 | 36 | 50 | 41 | 37 |
| Percent of HH members of each type who have earnings | | | | | | | | | |
| Spouse/partner | 12 | 18 | 24 | 14 | 22 | 30 | 10 | 14 | 18 |
| Child | 6 | 7 | 10 | 4 | 8 | 12 | 8 | 6 | 8 |
| Other | 7 | 8 | 4 | 6 | 9 | 3 | 7 | 8 | 6 |

Notes:

Income amounts adjusted by the CPI-U and expressed as constant (Dec 2005) dollars.

^a Other household members earnings is not equal to the sum of the parts as a result of imputation methods.

Table A-17

2005 Socioeconomic Characteristics of Welfare Leavers Employed and Not Employed in 2005

| | All Leavers | Employed in 2005 | Not Employed in 2005 |
|--|-------------|---------------------|-------------------------|
| Education: ^a | | | |
| No degree | 51 | 40 | 62 |
| HS/GED | 34 | 40 | 27 |
| Above HS/GED | 15 | 20 | 10 |
| Age: | | | |
| 25 or younger | 9 | 10 | 8 |
| 26-35 | 42 | 44 | 40 |
| 36 or more | 49 | 47 | 52 |
| Living arrangements: | | | |
| Single ^b | 65 | 61 | 70 |
| Married | 22 | 25 | 18 |
| Cohabiting | 14 | 14 | 14 |
| Household composition: ^c | | | |
| Any children under 3 yrs in HH | 31 | 27 | 35 |
| Any children 4 to 10 yrs in HH | 71 | 70 | 72 |
| Any children 11 to 18 yrs in HH | 74 | 74 | 73 |
| Race-Ethnicity: ^d | | | |
| Hispanic | 40 | 41 | 39 |
| Non-Hispanic, Black | 57 | 57 | 56 |
| Non-Hispanic, White | 3 | 2 | 3 |
| Physical and mental health: | | | |
| Excellent/very good/good | 66 | 76 | 54 |
| Fair/poor | 34 | 24 | 46 |
| Functional disability | 26 | 10 | 44 |
| Depression score > “clinical” cutoff ^e | 11 | 6 | 16 |
| Network support above median for sample ^f | 57 | 50 | 64 |

Notes:

Includes “very early leavers” (On prior W1, Off/Off/Off)

NA – Year 2005 variable not available.

^a HS = High School Degree, GED = General Equivalency Degree; Education variable is an edited variable which uses reports at years 2001 and 2005 to resolve inconsistencies.

^b Includes divorced and separated

^c HH = Household

^d Frequency of “other” race-ethnicity category not displayed.

^e “Clinical” is defined as having a Brief Symptom Inventory Depression score above 62

^f Network support is a sum of four different scales measuring the network of friends, people an individual could count on for help, etc. The variable is coded as 1 if the sum is greater than the median for the full Three-City sample.