

## **A Study of TANF Non-Entrants**

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## Executive Summary

Welfare reform in the 1990s has resulted in a fundamental restructuring of the system of support for low income families in the U.S. The welfare waivers of the early 1990s began the transformation and the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) continued it. The devolution of budget and programmatic authority to the states, combined with the withdrawal of the federal entitlement and the imposition of sanctions and work requirements, have been implemented extensively in the states and reform has been far-reaching and pervasive.

Together with the effects of a strong economy, welfare reform has resulted in a major increase in work among recipients as well as among those who have left the welfare rolls. Employment rates among TANF recipients are at all-time highs, about 38 percent, and the employment rates of those who have left the TANF rolls are in the range of 50 to 70 percent, also very high rates. The decline in the size of the TANF caseload has been of a magnitude that is historically unprecedented, having fallen by over 50 percent since 1994.

The analysis in this report covers a group of families affected by welfare reform, those who have remained off the TANF rolls and have not come on, a group we term TANF “non-entrants.” Non-entrants are composed of families who have never thought about applying for TANF and are self-sufficient without welfare, but also families who have thought about applying but have not for some reason, and families who have applied and have not come onto the welfare rolls either because they were rejected, diverted, or withdrew from the application process. This is an understudied group in the research on welfare reform, which has mostly concentrated on families who have left welfare (“leavers”) and, to a lesser extent, those who have remained on the rolls (“stayers”).

Non-entrants can be affected by welfare reform in a number of different ways. Many may stay off the TANF rolls because of the exceptionally good job opportunities available in a strong economy, for example. However, many families may have stayed off the rolls for reasons specifically related to welfare reform, for example, because the work requirements and time limits resulting from welfare reform lead them to stay off the rolls. In addition, specific welfare reform provisions related to diversion may have reduced the number of families coming onto welfare.

This report is a study of non-entrants using data from the Three-City Study, a welfare reform project monitoring low income families in the wake of welfare reform in three cities: Boston, Chicago, and San Antonio. The Three-City Study has a survey component and an ethnographic component. The survey has a general, population- and dwelling-unit sampling frame which includes low income families off the welfare rolls as well as on; in fact, it contains more families off TANF (at the interview date) than on TANF. Consequently, it permits a direct study of non-entrants to TANF, unlike welfare reform data sets which are drawn from

TANF administrative records or which sample only women on TANF. The ethnographic component is comprised of 256 families in the same three cities over the same time period, also composed of families both on welfare and off, allowing a study of non-entry as well. Both components are reported on in this study. We summarize each of the findings in turn.

### Survey Findings

On the whole, our examination of the consequences and correlates of TANF non-entry and entry is consistent with the view that those in greater need are obtaining assistance. Those staying off TANF were able to maintain incomes and avoid the kinds of events experienced by entrants. The greater receipt of SSI, for example, is correlated with greater rates of staying off TANF. Maintaining earnings of other members of the household is another example of a correlate of staying off. The high levels of Medicaid receipt by non-entrants is no doubt another source of support for staying off TANF. Very low levels of Food Stamp receipt, however, probably work against staying off. Increases in marriage rates and cohabitation rates are associated with staying off TANF as well. However, the one exception to the general rule is health, where we find that those in poor health or with a functional disability are less likely to enter TANF those who in good health or without a disability.

The main results of our study of application and diversion concern targeting. On application, our results show that, like the case for entry, there is an overall tendency for the more disadvantaged to apply and for the less disadvantaged not to apply, as is appropriate. However, our findings also show that many of those who do not apply after having thought about it do so only because of the ‘hassle’ of applying for welfare, and many of those who do not apply have worse levels of health than those who do. We also find that black families and those in Chicago are more discouraged from applying than other groups in other locations.

For diversion, we find very high levels of diversion experience, with about 77 percent of applicants having experienced some kind of diversion-related issue. Our data present a very mixed picture of targeting. While there are many indicators that the better-off families are those who experience diversion, this is not always the case, at least for work requirements. Those who are told of a work requirement, for example, tend to be drawn from the lowest education levels, not the highest. Further, being told of a work requirement does not result in increased employment later, possibly because the worst-off are often targeted. Perhaps as a result, as well, the less educated women who are told of diversion requirements are less likely to subsequently enter TANF. This also holds for those in poor health, black families, those in Chicago, and those who experienced domestic violence--all were less likely to go onto TANF after being told of a work requirement upon application. But we find occasional suggestions of targeting issues in the other diversion areas as well. For example, those with the least education are also required to discuss a plan to get by without welfare more than those with more education. We also find that those with depression or domestic violence are not exempted from any of the diversion requirements.

### Ethnographic Findings

In the ethnographic report, we identify and describe factors (e.g., families' attitudes and beliefs about welfare; institutional and kin diversion practices; families' abilities to garner and "package" resources to "make ends meet") related to TANF non-entry among low-income families. Using in-depth, longitudinal ethnographic data gathered about the lives of 256 economically-disadvantaged families residing in low-income neighborhoods in three cities, we address several important policy-relevant questions: (1) What keeps low-income families, many of whom are in need, from applying for or receiving TANF? (2) What impact do families' experiences and perceptions about the welfare system have on TANF non-entry? (3) Do certain institutional (e.g., social service agency) and kinship practices divert in-need families from applying for TANF? (4) How do non-entrant low-income families "make ends meet" without TANF cash benefits? These issues are discussed in the contexts of welfare reform, state TANF policies, and families' daily experiences of "*living poor*."

As part of, *Welfare, Children, and Families: A Three-City Study*, extensive ethnographic data were gathered on a monthly basis from 256 African American, Hispanic, and non-Hispanic white families in moderate- and low-income neighborhoods in three urban areas: Boston, Chicago, and San Antonio. Data collection began in April 1999 and was completed in June 2003. Nearly all families had at least one target child aged 2 to 4 years. Forty-four families were specifically recruited because they had a child aged 8 or younger, with a moderate to severe physical or mental disability. All families had household incomes below 200% of the Federal Poverty Line. Forty-seven percent (n=120) of the families were receiving TANF cash benefits at the time they enrolled in the study and 53% (n=136) were not. Of the 136 participants who were not receiving TANF benefits, 28 went on the TANF rolls for six months or longer at some point thereafter.

We describe the experiences of a sub-sample of the ethnography participants—namely 108 families that we consider TANF non-entrants. We classify families as non-entrants if they were not receiving TANF cash benefits at the time they enrolled in the ethnography and continued non-receipt for the duration of their participation in the study. Many of the non-entrant families were eligible for, and clearly needed TANF cash benefits to provide shelter, food, clothing, and health care for their children. However, a number of these families applied for benefits, but were rejected or diverted by caseworkers. Still others, for a variety of reasons, never applied for TANF benefits. In the non-entrants sub-sample we also include three families who received TANF once during the time they participated in the study, but only for a period of one to three months. These families represent "special" non-entry cases in that they used TANF cash benefits for a very short-term period to help them weather an unexpected catastrophic event in their lives (e.g., homelessness).

Findings reported here reflect the welfare, work, diversion, and "making ends meet" experiences of non-entrant families over a four-year period. Temporally speaking, these data were collected midpoint through the recent years of a decade characterized by welfare reform—a period in which the number of people receiving TANF nationwide was reduced by approximately 50% and by an average of 60% from 1996 to 2002 in the three states in this study.

Since the families who participated in the *Three-City Study Ethnography* are not a

random sample of all low-income families in the Boston, Chicago, and San Antonio neighborhoods we studied, they may not be statistically representative. Nonetheless, their experiences are indicative of challenges non-entrant families face and strategies they employ to make ends meet in the changing world of welfare policy.

The findings from the ethnography indicate that:

- **Non-entrant attitudes and perceptions about welfare exerted a strong influence on the decision to apply for TANF or not, often predisposing families toward non-entry despite their need for financial assistance.** Overall, we found that the attitudes, beliefs, and experiences of non-entrant families significantly deterred eligible families from applying for TANF benefits. These attitudes, beliefs, and experiences include the following: (1) self-reliance; (2) altruism; (3) stigma; (4) the perceived need to differentiate oneself socially and morally from those who are poor or have abused the welfare system (an ideology of distinctiveness); and (5) personal experiences with the *“intentions and operations of welfare agencies.”*
- **Non-entrants were diverted from applying for, or receiving TANF cash assistance (1) by the institutional, gatekeeping policies and informal practices of social service agencies, (2) by the “no welfare receipt” beliefs held by members of their kin networks, and (3) through self-imposed diversion in response to time limit policies.** Four forms of institutional diversion practices were identified in the ethnographic data. First, some caseworkers formally diverted individuals from receiving TANF by sending them to food banks and local charities for help paying bills. Second, primary caregivers who received child support payments were discouraged by caseworkers from applying for public assistance. Third, receipt of childcare vouchers proved to be an important diversion tactic. In some situations, caseworkers pointed out that by applying for TANF, the primary caregiver would lose other important government assistance resources, such as childcare assistance. Fourth, caseworkers often acted as independent gatekeepers to TANF receipt. Many primary caregivers recalled caseworkers failure to follow welfare policy procedures and instead determined on their own whether individuals were TANF-eligible. In addition, kin networks, including husbands, boyfriends, parents, and grandparents were important in diverting primary caregivers from applying for TANF. Relatives convinced some primary caregivers that they were investing too much energy to receive benefits and that life would be better without the hassle of repeatedly going to the TANF office. Finally, primary caregivers implemented a self-imposed diversion by *“banking time.”* Some primary caregivers decided not to go on TANF in order to preserve the time left for receiving benefits and to save their TANF eligibility for future need.
- **Non-entrants create complex “packages of resources” to “make ends meet”. The packages are quite variable, comprising different sets of resources at any given time. Moreover, the sustainability and effectiveness of the resource packages tend to be unpredictable across time.** Virtually all the non-entrants in the study relied on a combination of resources to “make ends meet.” These “packages of resources” provided

relatively better or worse support and varied over time, as well as among non-entrants. The combination of elements in a resource package could be few or many; could rely on others or primarily on self-effort; or could be from government agencies or entirely from kin. Some packages included a cash income, while the make-up of others was heavily weighted toward services. Some packages included a consistent source of cash income, while others were dependent on small, changing amounts of cash in combination with services and non-cash benefits. The latter packages tended to be less sustainable than the former. Medicaid, Food stamps, and a part-time job, for example, along with housing assistance, was a fairly common combination of resources. In addition, it was rare for a non-entrant in the study to construct a package of resources for family support that would remain constant.

The makeup of these packages usually changed, among some non-entrants more frequently than others. As packages changed, so did their sufficiency as a means of support. Factors that contributed to changes in a non-entrant's package included, but were not limited to: (1) beginning or ending a relationship with a boyfriend or husband and one's co-residence with that person; (2) birth of a child; (3) beginning, ending, or changing one's job, or the job of someone who provided support; (4) a health crisis; (5) death of a significant other; (6) changes in eligibility for government cash and non-cash assistance that accompany, for example, changes in age, residence, number of children, work status, and marital status; (7) incarceration; (8) mandated child support enforcement; (9) experiences with the welfare system; and (10) changes to others in one's social network.

- **Many non-entrant families were not “making ends meet,” and often creatively generated resource packages that compromised the physical and mental health of primary caregivers and the well-being of children.** Contrary to the assumption that if a family is not using TANF, they must be making ends meet or getting by, the ethnographic data reveal this is not always the case. While some non-entrants to TANF seemed to be doing fairly well on the surface, they often experience many struggles and hardships. One thing is abundantly clear from these data-- families would not be able to survive or make it without using a variety of resources in addition to some paid work. Few if any of the non-entrant families were truly self-sufficient. Furthermore, while some families got by with minimal costs to themselves, others put themselves at risk of experiencing negative consequences in their attempts to make ends meet. For example, mothers jeopardized their own health and well-being when trying to provide for their families by taking on second, third, and fourth jobs, working odd hours, or commuting long distances via public transportation. Moreover, in order to acquire and maintain affordable housing, many families were forced to live in unsafe neighborhoods. And finally, mothers with young children consistently had trouble securing stable care for their children.

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**Part A**

**Survey Analysis**

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## I. Introduction

Welfare reform in the 1990s has resulted in a fundamental restructuring of the system of support for low income families in the U.S. The welfare waivers of the early 1990s began the transformation and the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) continued it. The devolution of budget and programmatic authority to the states, combined with the withdrawal of the federal entitlement and the imposition of sanctions and work requirements, have been implemented extensively in the states and reform has been far-reaching and pervasive.

Together with the effects of a strong economy, welfare reform has resulted in a major increase in work among recipients as well as among those who have left the welfare rolls. Employment rates among TANF recipients are at all-time highs, about 38 percent, and the employment rates of those who have left the TANF rolls are in the range of 50 to 70 percent, also very high rates. The decline in the size of the TANF caseload has been of a magnitude that is historically unprecedented, having fallen by over 50 percent since 1994.

A large volume of research has been conducted studying the effects of this landmark policy event. The largest group of studies have focused on the experiences of families who have left the welfare rolls, or welfare “leavers.” Studies in almost every state have examined the employment and earnings experiences, receipt of other forms of public benefits, and levels of income of families who have left welfare. Much useful information has been obtained in these studies.

A second group of studies just beginning at the present time are studies of welfare “stayers,” defined as families who have remained on the TANF rolls despite the push of welfare reform and the pull of the strong economy. Perhaps surprisingly, the studies to date have indicated that stayers are not as different from leavers in their outcomes and characteristics as much as might have been thought. At the same time, a number of stayers have been identified as having numerous barriers to employment in the form of weak work experience, low education, physical and mental health problems, and difficulties with transportation and child care.

The analysis in this report covers a third group of families affected by welfare reform, those who have remained off the TANF rolls and have not come on, a group we term TANF “non-entrants.” Logically, reform of the TANF system can affect only these three categories of families--those still on the rolls, those who were on and have left, and those who would have been on the rolls in the absence of reform but have not come on. The remaining population of low income families, those who have not been on TANF and would not have come on even in

the absence of reform, cannot have been directly affected by that reform.<sup>1</sup>

Non-entrants can be affected by welfare reform in a number of different ways. Just as many leavers have gone off the TANF rolls because of the exceptionally good job opportunities available in a strong economy, many non-entrants may have stayed off the rolls for the same reason. However, many families may have stayed off the rolls for reasons specifically related to welfare reform. The increase in work requirements imposed on many welfare recipients, for example, as well as the dramatic increase in the use of sanctions--not only for failure to comply with work requirements but also for failure to comply with many other new behavioral requirements imposed on recipients (school attendance, child support cooperation, etc)--may very well have provided families with an incentive not to come onto the TANF rolls and to attempt to work or obtain income in some way other than welfare. The introduction of time limits, particularly those as short as two years as in our Massachusetts data, may encourage families to postpone entry in order to bank benefits.

In addition to this general effect, specific welfare reform provisions related to diversion may have reduced the number of families coming onto the rolls. Diversion programs have been formally adopted in a number of states. For example, thirty states had official cash diversion payments in place by June 2002 (U.S. DHHS, 2003b, pp.XII-341-342)--that is, one-time payments to deal with emergencies and to encourage recipients to stay off the rolls, usually with the provision that they cannot apply again for a specified amount of time. In addition, some states have diversion program which require job search prior to entry into the program (Maloy et al., 1998). But a much greater number have developed "front door" policies to discourage entry (Gais et al., 2001). The most prominent are those which impose a job search, work registration, or work requirement to be fulfilled prior to acceptance onto the TANF rolls and the initiation of cash payments. In addition, states often hold orientation interviews which are separate from initial eligibility interviews; require cooperation with child support enforcement; or require the development of a personal responsibility plan, all prior to the initiation of benefit payments. Some have said that both the general discouragement of TANF participation, combined with the formal and informal diversion programs, constitute a "signaling effect" that tells potential recipients not to come onto the rolls (Gais et al., 2001; Nathan and Gais, 1999).

This report is a study of non-entrants using data from the Three-City Study, a welfare reform project monitoring low income families in the wake of welfare reform in three cities: Boston, Chicago, and San Antonio. The Three-City Study has a general, population- and dwelling-unit sampling frame which includes low income families off the welfare rolls as well as on; in fact, it contains more families off TANF (at the interview date) than on TANF. Consequently, it permits a direct study of non-entrants to TANF, unlike welfare reform data sets which are drawn from TANF administrative records or which sample only women on TANF. In

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<sup>1</sup> However, there could be indirect effects working through other channels, such as through other current or former family members, effects on the labor market, and effects on neighborhoods, for example.

addition, the Three-City Study is longitudinal, with a first wave completed in December, 1999, and a second wave completed in May, 2001. As a result, it is possible with these data to examine entry and nonentry over time. It contains data from an extensive household survey which gathered considerable information on recipients, their families, and their children. It also contains an ethnographic component and a component conducting an in-depth study of children. Finally, and most important, modules in the questionnaire were included which asked questions about TANF application, rejection, diversion, and other “front door” experiences.

The survey report is divided into three sections. First, a brief review of background literature is provided. Second, the Three-City Study is described in more detail. Third, findings on non-entry, and then on application and diversion, are present.

## II. Background Literature

There are two background literatures relevant for this report. One is the literature on entry effects of welfare reform, and the other concerns applicant- and diversion-programs enacted by the states.

There have been a handful of caseload studies of entry effects (Haider and Klerman, 2001; Mueser et al., 2000; Oellerich, 2001), all of which use TANF administrative data. Most of these studies examine the characteristics only of families who have actually come onto the rolls and thus appear in the administrative data, but others use limited information on the size of the overall population to estimate aggregate entry rates.<sup>2</sup> These studies have established that entry, in general, is a very important determinant of the trend in aggregate caseloads. However, while this establishes the importance of entry and, to some degree, the importance of non-entry, by definition the data have no information on the characteristics of non-entrants.<sup>3</sup>

Two recent papers have used survey data to estimate entry rates and how they have fallen over time (Grogger et al., 2003; Grogger, 2003). Using the Survey of Income and Program Participation (SIPP), Grogger et al. (2003) found that declining entry accounted for about 39 percent of the decline in the caseload from approximately 1994 to 1999, and that the corresponding percent for California alone was 66 percent (1994 to 2001 in that case). Grogger (2003) found that the decline in entry was most affected by the economy, declines in real benefits, and the increase in the generosity of the Earned Income Tax Credit (EITC). Welfare reform had no effect on entry.

The decline in entry is not entirely the result of rising incomes and hence decreased eligibility. Zedlewski (2002) estimates that approximately 50 percent of income- and asset-eligibles are not participating in the TANF program. Consequently, there are many nonentrants who could gain financially by entering the program but do not (this does not take into account possible changes in other types of benefits, however).

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<sup>2</sup> Typically, they simply subtract the number of welfare recipients from the total population in order to estimate the number of nonparticipants. Dividing this figure into the number of entrants appearing in the administrative data, entry rates can be estimated.

<sup>3</sup> The other major type of research that has been conducted on welfare reform are the numerous random assignment evaluations of specific reform interventions. However, virtually all of these evaluations sample welfare recipients or applicants, and therefore do not include non-entrants in their data bases. In general, random assignment evaluations are incapable of addressing entry and non-entry issues unless they are saturation-site designs, which have proven infeasible as a practical matter (see Moffitt, 1992, for a discussion).

On the issue of diversion and related application issues, there have been a few state-specific studies. The Assistant Secretary for Planning and Evaluation (ASPE) supported ten such studies (U.S. DHHS 2003a). In a summary of those completed to date, ASPE found that there was a drop in earnings of applicants just prior to application, and that earnings and employment gradually rose over time after being denied, diverted, or not completing an application. Food Stamp and Medicaid receipt rates were modest, and gradually fell over time after not entering the welfare rolls. Further, a substantial number of those diverted or who did not complete the application process entered TANF at a later date, a few months or a year. The studies also often found that applicants often did not complete the application process, and sometimes cited “too many hassles” as well as “found a job” as reasons.

In a multivariate analysis, London (2003) used the National Survey of America’s Families to study the determinants of whether applicants enter or are diverted by being offered a lump sum cash payment. The study found that diverted TANF recipients were disproportionately composed of both more highly educated and poorly educated women as compared to recipients, nonenrolled applicants, and leavers. They were also more likely to be married and less likely to have a disability, and were more likely never to have worked. The author concludes that much of the targeting for diversion is appropriate but that there is some “inappropriate” targeting as well which affects those with long-term rather than short-term needs.

### III. The Three-City Study

The Three-City Study survey is a longitudinal survey of approximately 2,400 low-income families with children in the age ranges 0-4 and 10-14 living in low- and moderate-income neighborhoods 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. Specifically, the survey data are drawn from a stratified random sample of families with income less than 200 percent of the poverty line in 1999, with a child in the age range 0-4 or 10-14, and living in neighborhoods of the three cities with relatively high concentrations of child poverty.<sup>4</sup>

The first wave of data collection took place between March and December 1999 and the second wave took place between September 2000 and May 2001; the response rates on the two were 74 percent and 88 percent, respectively. The surveys include information on welfare and nonwelfare families at the date of interview as well as some retrospective information. With these, entry and nonentry to the TANF program can be measured (rates of entry and nonentry are given below). The surveys collected a wide range of other information on employment, income, family structure, and characteristics of the caregiver (usually the mother) of the children in the family. In addition, there were special modules asking respondents if they had applied for TANF and, if they had, whether they had experienced different types of diversion events. We will discuss these questions in detail in the report.

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 reciprocity rates in our three states from 1990 to 2001 along with that in the nation as a whole. While Illinois had the highest per capita caseload in 1991 and Texas, the lowest, the three have converged over time and are now approximately the same and are all slightly below the national average. 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

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<sup>4</sup> Families of different income levels, marital statuses, and welfare reciprocity 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. The survey weights 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 report. See Winston et al. (1999) for details on weights and sampling.

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. Also, as for the nation as a whole, unemployment rates are now rising and had begun to do so in 2000 or sometime in 1999 and employment growth rates have slowed or turned negative (this slowdown postdates the data we will analyze in this paper). Our three cities can, therefore, be regarded as not very different from the rest of the country in these broad patterns of caseload and economic growth.

While all three cities are large metropolitan areas, they have significant differences in their populations, however. In sheer population size, Chicago dominates Boston and San Antonio. All three have significant Black populations but Boston by far has the least. All three cities have significant Hispanic populations but San Antonio leads in this characteristic, and also has a concentration of Mexican-Americans as opposed to Puerto Ricans and Dominicans in Boston (Chicago has concentrations of both Mexican-Americans and Puerto Ricans). In terms of income, Chicago and Boston are located in relatively high-income states but Texas is quite low in income and has the highest state poverty rate.<sup>5</sup>

The three states differ markedly in their TANF policies. Massachusetts is a state with high cash benefit levels but one of the shortest time limits in the country: two years. But it also has relatively generous exemptions from those limits, and only 25 percent of the caseload is actually subject to them. Illinois has somewhat lower cash benefit levels and a five-year time limit from which, further, exemption can be granted for work in excess of 30 hours per week; it also has the most generous earnings disregards of the three. Texas has very low cash benefit levels and the most limited earnings disregards, combined with a system of one-, two-, and three-year time limits, depending on employability. However, Texas has only partial family sanctions while Massachusetts and Illinois have full family sanctions.

As for formal diversion policies, only Texas has one in place. Families can be offered a diversion payment of up to \$1,000 in return for not reapplying for 12 months. Further, applicants must, upon visiting the TANF office for the first time, go to a resource room where they must review job information, and then they must attend a group orientation at the Texas Workforce Commission. The orientation explains the rules of TANF, time limits, work requirements, sanctions, and other provisions, and then offers employment services, education, training, and transportation services. Only after the recipient has attended this meeting and the TWC has certified them as having completed it can they be considered for TANF assistance. As a condition of eligibility in Texas, applicants must also sign a personal responsibility agreement to comply with rules regarding work, child support enforcement, school attendance, and others.

As for Illinois and Massachusetts, while they do not have formal diversion programs, they also have requirements that recipients sign agreements as a condition of benefit receipt that

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<sup>5</sup> In the rest of the report, we refer to Non-Hispanic White families as “White” and Non-Hispanic Black families as “Black” for brevity.

require compliance with the same types of rules just listed for Texas. Further, Massachusetts is a Work First state that attempts to move recipients immediately into some type of work activity, and Illinois has the same emphasis but with a longer time clock. Therefore, in all three states there is clearly a new emphasis on specific requirements in order to receive benefits that are made apparent at the time of application.

General characteristics of the sample at baseline (i.e., Wave 1) of the Three-City sample are shown in Appendix Table A-1. About one-third of the mothers do not have a high school degree or General Equivalency Degree (GED) and another third have exactly that and no more. Most mothers are between 25 and 35 years old and about one-half have a child under three, although the latter is part of the design of the study because half the children are 0-4 and half are 10-14. About a third are married.<sup>6</sup> About one-quarter are in fair or poor health and about 15 percent have a functional disability (i.e., one that prevents work). Most of the sample is Black or Hispanic and very few are white, the latter because of the difficulty of finding whites in concentrated poor areas in the three central cities. Almost two-thirds have experienced domestic violence.

Appendix Table A-2 shows financial characteristics of the sample at baseline. Mean household income was about \$1300 per month excluding EITC income and \$1462 including it.<sup>7</sup> The poverty rate (including EITC in income) was 57 percent. Mean monthly earnings was \$457 but a significant amount (\$395) was brought in by other members of the household. The families had a scattering of other forms of transfer and nontransfer income.

Table 1 shows the TANF participation rates and turnover rates in the sample. About one third (32 percent) were on TANF at wave 1 and therefore 68 percent were off. The availability of many off-welfare observations at wave 1 permits a study of welfare entry.<sup>8</sup> Of those on TANF in wave 1, almost half were off TANF by wave 2, approximately 18 months later. Of those off TANF at wave 1, almost 90 percent were also off the rolls at wave 2; these constitute our nonentrants.<sup>9</sup> The participation rate had fallen to 25 percent by the second wave.

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<sup>6</sup> This is a weighted figure. Single mothers were oversampled and constitute the majority of the unweighted observations in the sample.

<sup>7</sup> The EITC income is only the maximum, or potential, income, which we estimated from their earnings and number of children, and assumes 100 percent takeup.

<sup>8</sup> All uses of the word “welfare” in this paper refer to TANF. When other welfare programs are discussed, they are referred to by name.

<sup>9</sup> The fact that the wave 1 sample consists only of mothers with children should be kept in mind when comparing these entry rates to national figures, for the latter also include women who entered welfare after having their first child whereas these do not. Furthermore, there are natural aging effects present in any panel data set that are associated with entry.

#### IV. Findings on Entry

Our first set of findings are on the correlates of non-entry and the relative characteristics of non-entrants and entrants. With the Three-City data, we can compare the baseline characteristics of those who enter and do not enter between the waves, and also what types of changes in characteristics between the waves are associated with entry and nonentry. We can examine income, employment, and other-welfare-program participation correlates as well.

The demographic and income characteristics include a standard set of education, age, race-ethnicity, and family structure variables (whether married or cohabiting, number of children, etc.), as well as monthly income figures from all sources. Some family background variables (e.g., on welfare during childhood, etc.) are available. In addition, we have two health variables, one coming from a self-reported designation of health as excellent, very good, good, fair, or poor; and another which is defined from two questions which asked the respondent whether she had a health condition that limits work and one which asked if she had a health condition which prevents work (“functional disability”). There is also one mental health variable related to depression, which is a measure derived from six questions that constitute the depression scale of the Brief Symptom Inventory (Derogatis, 2000). We report the percentage of women who scored above a clinical cut-off indicating a possible need for mental health services. Another measure of family well-being concerns domestic violence, where we use a set of eight questions on types of violence, ranging from threats (did someone threaten to hit you?) to actual violence (use a weapon on you?). We report the percentage of women who said they had experienced any of the types of domestic violence. We also have a measure of social network support constructed from a set of four questions asking whether the respondent can rely on people for various kinds of help. We report the percentage of mothers who have greater support than the median family in the entire sample. Finally, we have a measure of financial security based on a financial strain index constructed from a set of 5 questions concerning ability to pay bills, purchase needed consumption items, and concerning borrowing money and running out of money. We report the percentage of women have less financial strain than the median value in the sample in our income tables.

Table 2 reports non-entry rate characteristic (the nonentry rate is the percent of those off TANF at Wave 1 who did not enter TANF between the waves). As indicated previously, about 90 percent of the sample did not enter TANF between the waves.<sup>10</sup> The non-entry rate was

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<sup>10</sup> This rate is slightly higher if the baseline sample is restricted to those with income less than the poverty line or less than 150 percent of the poverty line (rather than 200 percent, which was the cutoff for the sample collection) but not by very much; nor did the other characteristics of non-entrants vary much across these cutoffs. Apparently a considerable number of entrants had above-poverty-line incomes at Wave 1. Therefore we will continue to use all those in the

higher for those with more education, for older women but did not vary much by the presence of young children, marital status (although cohabitators were more likely to not enter), or the number of adults in the household. However, those in fair or poor health were less likely to enter as were those with a functional disability, possibly because of SSI receipt (see below). Non-entry rates varied slightly with the rest of the characteristics in the table but often not by a great deal. Some of the largest differences resulted from those exhibiting Wave 1 depression, who were less likely to stay off TANF; those who had grown up on welfare and those who were not employed, who likewise were less likely to stay off; and those who receiving Food Stamps, who were also less likely to stay off. These results confirm in general that the more needy tend to enter welfare and the less needy tend to stay off, with the possible exception of health.

Table 3 shows the characteristics of those who enter and who do not, which is a different way to view non-entrants and how they compare to entrants. The Wave 2 values as well as Wave 1 are shown to determine if there are any visible correlates of non-entrant in terms of changing characteristics. The Wave 1 columns of the table show, confirming Table 2, that non-entrants have higher levels of education and are older, for example. Non-entrants now appear slightly more likely to be married at Wave 1 but are again more likely to be cohabiting and but in worse general health (at least at baseline), for example. However, health worsened much more for entrants than for nonentrants, possibly indicating that the former group were aware or anticipated some kind of health decline that was not picked up at baseline or which occurred between the baseline interview date and the Wave 2 interview date.

More interesting are the changes in characteristics from Wave 1 to Wave 2. By far the strongest correlates of non-entry and entry are changes in marital status and changes in health status. Marriage rates went up by 6 percentage points for non-entrants and fell by 6 percentage points for entrants. The percent in poor health fell for non-entrants but rose for entrants.

Table 4 shows levels and changes in income and its composition for non-entrants and entrants. Looking first at Wave 1 characteristics, we find that non-entrants have almost the same level of total household income as entrants--\$1387 vs \$1419, for example. Poverty rates are also very close to one another (52 percent for non-entrants and a slightly greater 56 percent for entrants). However, large gaps open up in the sources of that income. Non-entrants have much greater levels of earnings of the mother than entrants, whereas entrants depend more on the earnings of others in the household, earnings which could be less reliable. Non-entrants have much less Food Stamp income at Wave 1, as suggested by previous tables, and more child support income. Non-entrants report less "financial strain" than entrants.<sup>11</sup>

These suggestions are further reinforced when changes in income from Wave 1 to Wave

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baseline sample in the tables below.

<sup>11</sup> The financial strain variable was a composite of a series of questions asking if the respondent had ever been in financial stress, etc. over the last year.

2 are examined. The earnings of the mother rose considerably for non-entrants but so did the earnings of others in the household, the latter almost doubling. Entrants, on the other hand, saw their earnings drop both that of the mother and of others in the household, the latter possibly because of marital dissolution. SSI income is a significant source of income for both groups, but it dropped considerably for entrants but was sustained at approximately the Wave 1 amount for non-entrants. Women who entered TANF had increased child support income after entering, possibly because the stronger enforcement measures were applied. “Financial strain” fell somewhat for those who entered but actually rose for non-entrants.

Nevertheless, when both the increases and decreases in types of income are tallied, total household income rose strongly for non-entrants (from \$1387 to \$2064, almost 40 percent) but it fell for entrants (from \$1419 to \$1304). For entrants, the gains in TANF benefits did not offset the losses in earnings.

Table 5 shows the employment rates of the two groups of mothers and confirms the suggestion in Table 4 given by earnings. Staying off TANF is associated with rising employment rates while going on is associated with major reductions in employment. However, it should be noted that 42 percent of non-entrants at Wave 1 and 35 percent at Wave 2 were not employed, and therefore were obtaining their income from other sources.

Finally, Table 6 shows the levels and changes in non-TANF sources of income for non-entrants and entrants. The Food Stamp differences were detected in earlier tables, but Table 6 shows that rates of Medicaid receipt are high for both groups even when off TANF at Wave 1. However, they rose for entrants but fell for non-entrants between the waves. Those who later entered also had high rates of emergency food assistance and free clothing help, a sign of greater distress despite their equivalent Wave 1 total household income amounts. Many fewer non-entrants were in public housing as well.

After entering TANF, entrants experienced increases in WIC assistance while that assistance fell for non-entrants. Entrants also obtained more energy assistance but, surprisingly, less emergency food and free clothing; this is consistent with the reductions in perceived ‘financial strain’ reported earlier. Public housing receipt decreased for non-entrants and increased for entrants.

On the whole, our examination of the consequences and correlates of TANF non-entry and entry is consistent with the view that those in greater need are obtaining assistance.<sup>12</sup> Those staying off TANF were able to maintain incomes and avoid the kinds of events experienced by entrants. The greater receipt of SSI, for example, is correlated with greater rates of staying off TANF. Maintaining earnings of other members of the household is another example of a correlate of staying off. The high levels of Medicaid receipt by non-entrants is no doubt

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<sup>12</sup> Causality cannot be determined with these tables, but a large fraction if not most of the differences are no doubt a result of selection.

another source of support for staying off TANF. Very low levels of Food Stamp receipt, however, probably work against staying off. Increases in marriage rates and cohabitation rates are associated with staying off TANF as well. However, the one exception to the general rule is health, where we find that those in poor health or with a functional disability are less likely to enter TANF than those who are in good health or without a disability.

## V. Findings on Application and Diversion

The total non-entrant population discussed in the last section is very broad and contains many families who will never be on welfare. Much of the policy discussion concerning entry deals instead with those who get as far as applying for the program, or at least would consider applying. Among that group, it is of interest to know why those who consider applying choose not to and what happens to those who do choose to apply. Our findings on these issues will be presented in this section.

### A. Application

As with the entry analysis, we can use the two waves of Three City data to examine those who were off TANF at Wave 1 and who reported, at the Wave 2 interview, that they had applied for TANF sometime between the waves. Table 7 shows the application rate among these Wave 1 nonrecipients and how various Wave 1 characteristics affect the application rate.

About 16 percent of the baseline nonrecipients applied for the program. Application rates were greater for those with less education, among younger women, for those with children under 3, and for those not married and not cohabiting. Somewhat surprisingly, those with greater levels of health and lower levels of disability had higher application rates, possibly because SSI and other health-related programs were available for those in worse health and who are disabled. Application rates were slightly greater for black women and were somewhat greater in San Antonio. However, depression had again a major impact on application, with those women with high levels of depression reporting almost 38 percent application rate, the highest in the table and over double those with low levels of depression. However, aside from depression, application rates do not vary a great deal in this population, generally hovering in the range of 12-18 percent.

Table 8 summarizes some of the outcomes for applicants. The Three-City questionnaire asked respondents if they had “thought about” applying but did not, and 5 percent said that this was the case (the reason they chose not to apply was also asked; the answers are reported below). Another 1 percent went to the TANF office to apply but chose not to after they got there. The percent who actually applied was 16 percent, as already discussed. Thus the total population of those who either applied or thought about applying was 22 percent of all Wave 1 non-recipients. Of those who applied, almost 73 percent eventually made it onto the TANF rolls by Wave 2,

leading to the 10.8 percent entry rate presented in the last section.<sup>13</sup>

For those who did not apply--those who thought about it but didn't, those who went to the TANF office but ended up not applying, and those who didn't even consider applying--the questionnaire asked their reasons for not applying. Table 9 reports their answers. Those who thought about applying but did not reported "too much hassle" as the main reason for not applying, suggesting that the paperwork and application burden of trying to get onto TANF is too great. Some also felt stigmatized by applying for welfare (14 percent). Another 13 percent, however, actually found a job and hence did not feel the need to apply. About 11 percent of nonapplicants (2.2+8.9) were specifically discouraged by the work requirements they would have to fulfill as recipients or that time limits were too short.

Those who went to the office and did not apply generally had the same distribution of reasons for not applying, although fewer felt stigmatized and more found jobs. However, those who did not consider applying at all mainly did not do so because they already had a job or had other forms of support, and thus did not feel the need for additional assistance. Another 14 percent simply reported that they felt they were not eligible. The group of those who did not consider applying constitutes 78 percent of all Wave 1 nonrecipients. The fact that they have jobs or other forms of support is no doubt largely the reason that the broad entrants/non-entrants differences discussed in the last section are correlated with need. This is confirmed by Appendix Table A-3, which shows the demographic and income characteristics of applicants and non-applicants as a whole. Non-applicants have more education, are older, are in worse health, and have much greater growth rates of income and earnings than applicants.

The remainder of the analysis will focus on those who applied or thought about applying. Table 10 shows the demographic and income characteristics of these two groups (the latter includes those who went to the TANF office but did not apply). The gaps between these groups are much smaller than between applicants and all non-applicants. While non-applicants who considered applying but did not have higher levels of education, are more likely to be married or cohabiting, less likely to be depressed or to have experienced domestic violence, and were more likely to be employed at baseline, they have worse levels of health, are disproportionately black and from Chicago, and experience only small differences in employment and earnings growth between the waves with applicants.

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<sup>13</sup> The Three-City questionnaire did not attempt to obtain the full timing of entry or non-entry after application, for the period between application and the Wave 2 interview. The applicant could have been temporarily rejected but could have come back later and entered the rolls by Wave 2.

## B. Diversion

The Three-City questionnaire asked applicants five questions about diversion of all those who reported they had applied for TANF between Waves 1 and 2. The five are:

- Did the welfare office tell you that in order to receive welfare, you would first have to look for work?
- Did the welfare office tell you that in order to receive welfare, you would first have to find a job or do community service work?
- Did a welfare caseworker talk to you about a plan for how you could get by without welfare?
- Did the welfare office tell you to apply for benefits from another program?
- Did the welfare office give you immediate assistance or temporary assistance to pay for something?

We combine the first two into a “work” requirement.

Table 11 shows the responses to the questions for applicants. The first column reports the percents who responded positively for all those who applied, and the second column shows the percents for those who subsequently entered TANF. The table shows that large fractions of applicants experienced one or more of these events. About 55 percent reported being told of a work requirement at application, 42 percent said that had discussed with their caseworker a plan to get by without welfare, 19 percent were told to apply to a different program, and 32 percent were given a temporary cash payment. About 77 percent were informed of at least one of these requirements.

Interestingly, among those who later entered TANF, a greater percent were generally told of these requirements. This may be because those deemed ineligible for other reasons were never told these requirements, or it may be that caseworkers simply bring up the requirements for the worst-off cases. For example, caseworkers may inform only those who aren't working or who are unlikely to work of the work requirement or discuss a plan to get by without welfare only for those who need the most help. Those who are given temporary cash assistance may be those who are worst off as well, although even if this is true, it implies that the temporary assistance does not, in fact, keep women off--their needs are still there after the time allowed for the assistance expires.

Table 12 shows how the diversion rates vary by demographic characteristic.<sup>14</sup> Those with the least education, for example, are more likely to be told of a work requirement than those with greater education. Once again, this may reflect some type of intention by the caseworker to target attention on those who have the lowest job skills and who are least likely to work.<sup>15</sup> Those with the least education are also more likely to be required to discuss a plan to get by off welfare and to be given temporary cash assistance, which again seems to imply a concentration of caseworker diversion effort on the least well-off.<sup>16</sup> On the other hand, the least educated are less likely to be told to apply for another program. In addition, all education groups are almost equally likely to be told of at least one diversion requirement, which, combined with the individual requirement results, implies that the least educated are more likely to have experienced multiple forms of diversion.<sup>17</sup>

The table also shows that at least one diversion requirement is less likely to be experienced by those in poor or fair health, but more likely by those with a functional disability. Black and Hispanic families are also more likely to experience at least one requirement. Those with children under 3 are less likely to be told of a work requirement, consistent with typical exemption policy, as are those in poor or fair health. But having a condition of depression or domestic violence does not lessen the chance of a work requirement. Most requirements are more heavily imposed in Texas, perhaps not surprising because it is the only one of these three states to have an official diversion policy. All in all, these results suggest that diversion policies are sometimes directed toward those with greater capabilities but also often directed toward those with greater needs.

Employment rates at Wave 1 and Wave 2 by diversion requirement are shown in Table 13. Those who were told that they would have to face a work requirement did had lower employment rates at baseline than those who were not told. On the one hand, the employment

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<sup>14</sup> This table and several of the subsequent ones report information only on Wave 2 applicants. We do this in cases, like Table 12, where we want to Wave 1 characteristics to Wave 2 behavior, to avoid reverse causality.

<sup>15</sup> Alternatively, it may reflect the fact that the less educated are more likely to go onto welfare and better remember the work requirement. When the tabulation is done separately for those who went onto TANF, those with a high school degree are slightly more likely to be told of a work requirement than those without a degree (81 vs 71 percent) but those with more than a high school degree are much less likely (29 percent). It is also possible that city differences are generating the result, but the finding holds up when results are done separately by city.

<sup>16</sup> However, a separate tabulation indicates that the least educated in these data also have lower levels of domestic violence, less evidence of functional disability, and are in better general health than those with greater education levels.

<sup>17</sup> One possibility is that those who go onto welfare have better recall of what happened to them at application than those who do not go on. This is not possible to test with these data.

rates of those who were not told fell considerably between the waves, possibly a reflection of some type of work-limiting condition which made them exempt. On the other hand, the employment rates of those told of a work requirement hardly increased between the waves. Those with lower employment rates were also told to discuss a plan to get by without welfare and were given cash assistance, but were less likely to be diverted to another program, consistent with the education results in Table 12. Again, however, employment rates tended to fall more for those who were not diverted than for those who were, except for those who were diverted to another program. It should also be noted that employment rates tended to decline across the board for all applicants, no doubt a correlate of why they applied in the first place.

Another question of interest is whether those who experienced different diversion requirements were more or less likely to go on to enter TANF. Table 14 reports the findings on this issue. Those told of a work requirement were the least likely to enter TANF and those given temporary cash assistance were the most likely. Among those told of a work requirement, those with less than a high school degree or GED were less likely to enter than those with a high school degree or GED, and those who had children under 3, who were not married, who were in poor health, who had functional disabilities, were black and in Chicago, and who had experienced domestic violence were all less likely to enter. Many of these patterns follow through to the other diversion requirements, e.g., the education pattern, the pattern for children under 3, and that for health and disability, race-ethnicity, and domestic violence, for example. These demographic patterns are reflected as well in a comparison of those who entered TANF and those who didn't among those who experienced at least one diversion requirement (Appendix Table A-4).

An important issue is how income evolves for those applicants who experience diversion and those who do not. Our findings on this issue are reported in Table 15. Those who experienced diversion had slightly higher incomes at baseline than those who did not experience diversion. However, in this case income tended to fall over time, or not rise, for both groups, and more for those who experienced diversion than for those who did. Part of the reason for the difference is in earnings, for earnings rose for those who experienced diversion and fell for those who did not, but earnings of others in the household fell for those who were diverted and rose for those who were not.

The difference in the evolution of income for the two groups also reflects the difference in whether they subsequently entered TANF, as shown in Table 16. Among those who were diverted, income was initially much higher for that entered TANF than for those who did not, but it falls over time if they entered TANF and rose if they did not. Among those who were not diverted, initial income was lower for those who entered TANF than for those who did not, but rose for those who entered and fell for those who did not. While cause and effect cannot be established for these correlations, they suggest that those who experienced diversion split up into families with deteriorating circumstances who had no option but to go onto TANF and families who had other options for income, who did not go on. Those who did not experience diversion were partly disadvantaged families who needed TANF benefits and came onto the rolls and some families who ostensibly were doing well but in fact stayed off the rolls and experienced falling

incomes.<sup>18</sup>

Finally, Table 17 shows the non-TANF program participation rates of applicants who did and did not experienced diversion. The former group ended up with greater usage of Food Stamps, energy assistance, and reduced/free lunches, while the latter group ended up with greater usage of WIC, SSI, and public housing.

### C. Summary

The main results of our study of application and diversion concern targeting. On application, our results show that, like the case for entry, there is an overall tendency for the more disadvantaged to apply and for the less disadvantaged not to apply, as is appropriate. However, our findings also show that many of those who do not apply after having thought about it do so only because of the ‘hassle’ of applying for welfare, and many of those who do not apply have worse levels of health than those who do. We also find that black families and those in Chicago are more discouraged from applying than other groups in other locations.

For diversion, we find very high levels of diversion experience, with about 77 percent of applicants having experienced some kind of diversion-related issue. Our data present a very mixed picture of targeting. While there are many indicators that the better-off families are those who experience diversion, this is not always the case, at least for work requirements. Those who are told of a work requirement, for example, tend to be drawn from the lowest education levels, not the highest. Further, being told of a work requirement does not result in increased employment later, possibly because the worst-off are often targeted. Perhaps as a result, as well, the less educated women who are told of diversion requirements are less likely to subsequently enter TANF. This also holds for those in poor health, black families, those in Chicago, and those who experienced domestic violence--all were less likely to go onto TANF after being told of a work requirement upon application. But we find occasional suggestions of targeting issues in the other diversion areas as well. For example, those with the least education are also required to discuss a plan to get by without welfare more than those with more education. We also find that those with depression or domestic violence are not exempted from any of the diversion requirements.

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<sup>18</sup> See Tables A-5 and A-6 in the Appendix for these figures broken out by type of diversion requirement.

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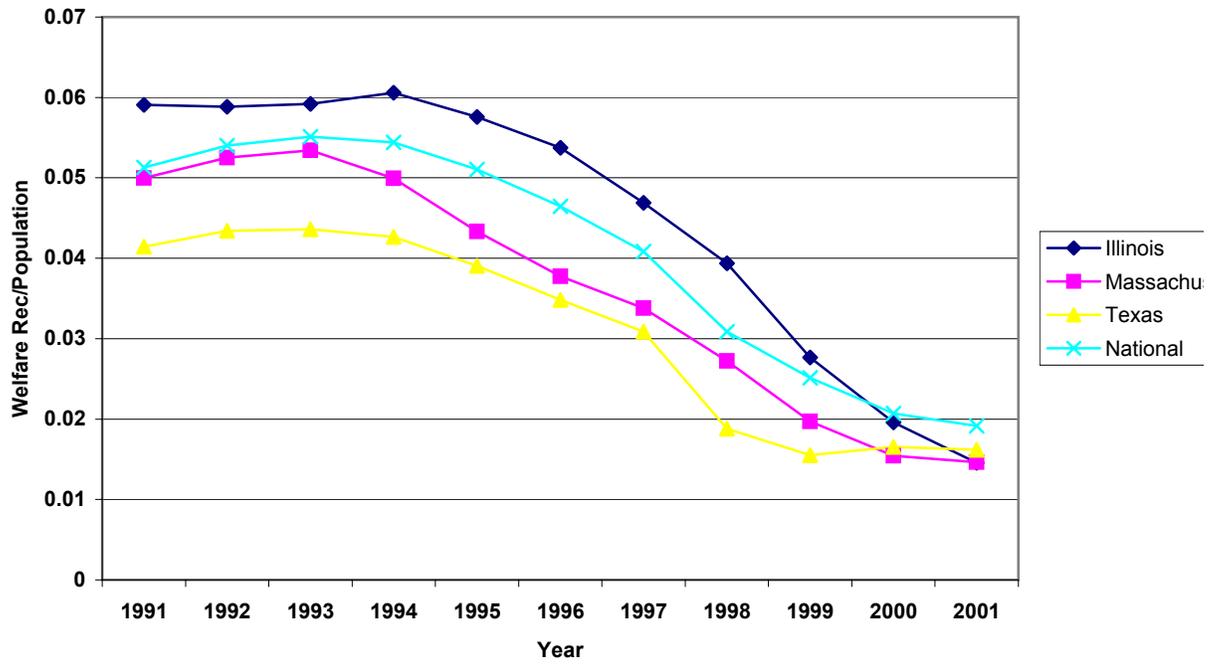
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Figure 1: Per Capita TANF Reciprocity by State and Nationwide, 1991-2001



- ◆ Illinois
- Massachusetts
- ▲ Texas
- ✱ National

Figure 2: Unemployment Rate by State and Nationwide, 1991-2001

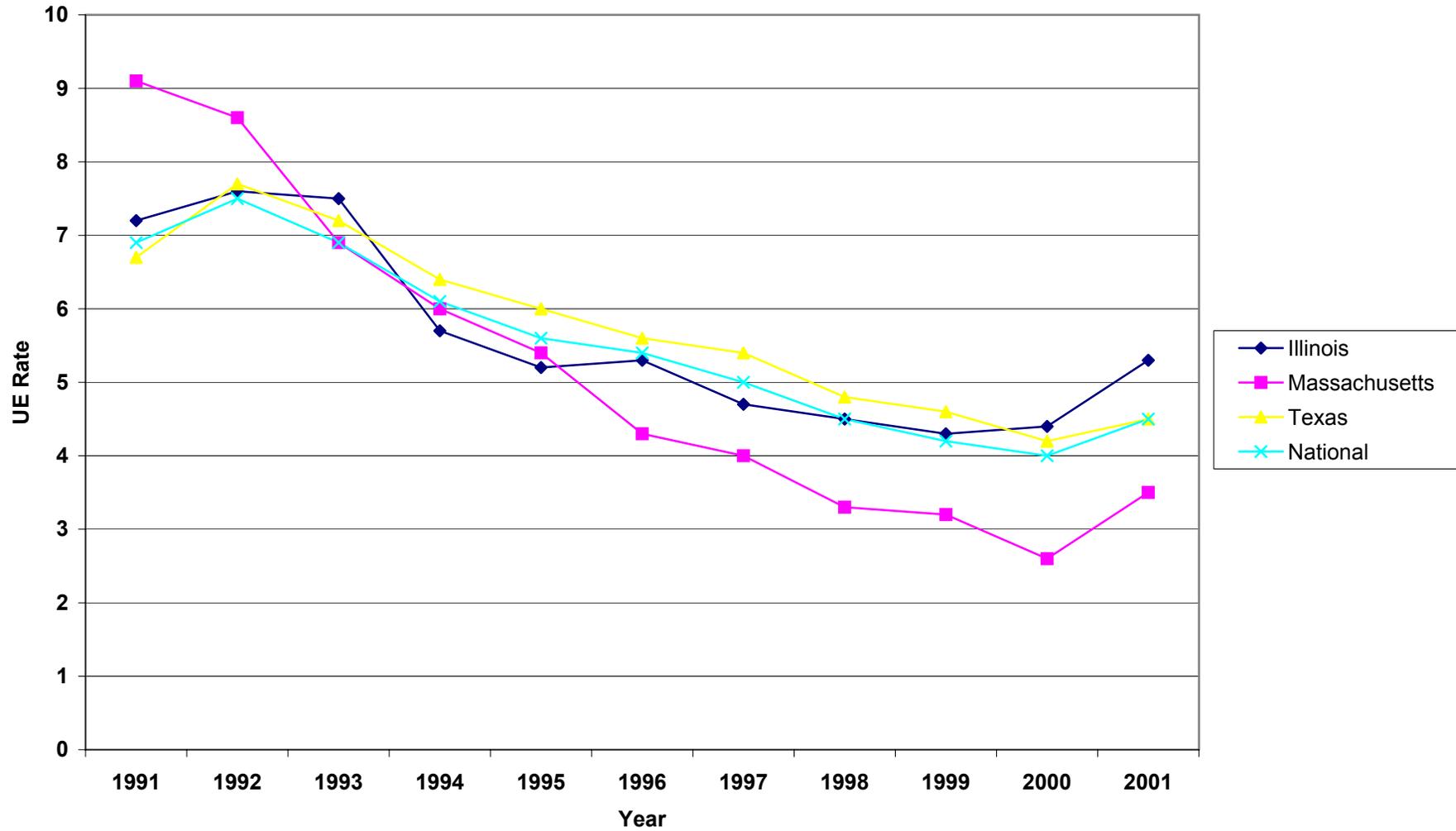


Figure 3: Employment-Population Ratio by State and Nationwide, 1991-2001

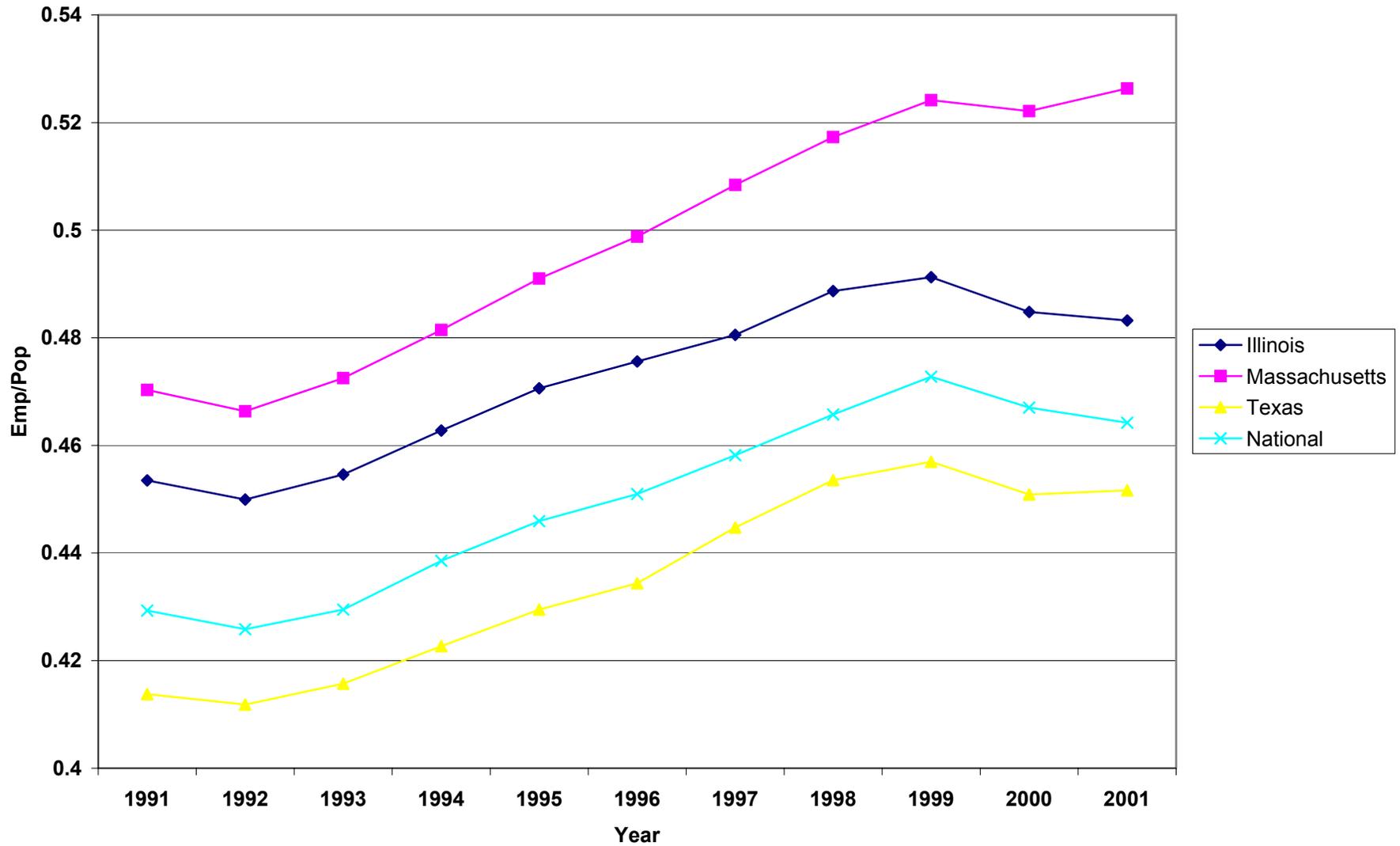


Table 1

TANF Participation Rates at Waves 1 and 2  
and Transition Rates Between Waves 1 and 2  
(percent distribution)

Wave 1	Wave 2		
	On TANF	Off TANF	All
On TANF	55.6 71.0	44.4 18.9	32.0
Off TANF	10.7 29.0	89.3 81.1	68.0
All	25.0	75.0	100.0

Notes:

Table entries show row percents on the top and column percents on the bottom.  
Last column and last row show marginal percents.  
Welfare participation status is as of the date of interview

Table 2

## Non-Entry Rate by Characteristic

Characteristic	Non-Entry Rate
Overall Sample	89.2
Education:	
No degree	84.5
HS/GED	87.8
Above HS/GED	95.8
Age:	
25 or younger	87.9
26-35	86.4
36 or more	93.7
Children under 3 in HH	89.0
No Children under 3 in HH	89.4
Married	89.9
Not Married	88.8
Cohabiting	97.7
Not Cohabiting	88.5
Number Adults in HH:	
1	88.5
2	89.9
General Health:	
Poor or Fair	94.1
Good or Excellent	87.6
Disability:	
Functional Disability	95.7
No Functional Disability	88.7

Race-Ethnicity:	
Black	90.3
Hispanic	88.3
White	88.7
City:	
Boston	91.9
Chicago	91.2
San Antonio	85.7
Depression Score Above Clinical Cutoff	75.5
Depression Score Below Clinical Cutoff	90.1
Ever Experienced Domestic Violence	89.9
Never Experienced Domestic Violence	87.9
Network Support Above Median for Sample	89.2
Network Support Below Median for Sample	87.8
Parents of Respondent Received Welfare	86.6
Parents Did Not Receive Welfare	91.0
Parents Were on Welfare Most of the Time	87.1
Parents Were Not on Welfare Most of the Time	89.6
Employed	91.5
Not Employed	86.2
Receiving Food Stamps	73.9
Not Receiving Food Stamps	95.1
Income Below Poverty Line	88.3
Income at or Above Poverty Line	90.6
Sample Size (unweighted)	1334

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Notes:

Sample is composed of those not on TANF at Wave 1; non-entry rate is percent who were not on TANF at the Wave 2 interview and did not report entering TANF between the waves

N=1334

All characteristics measured at Wave 1.

Table 3

Demographic Characteristics of TANF Non-Entrants  
and Entrants

	Did Not Enter		Entered	
	Wave 1	Wave 2	Wave 1	Wave 2
Education:				
No degree	28.9	--	44.2	--
HS/GED	38.6	--	44.2	--
Above HS/GED	32.5	--	11.7	--
Age:				
25 or younger	18.6	--	22.3	--
26-35	40.4	--	54.4	--
36 or more	41.0	--	23.3	--
Children under 3 in HH:	47.8	40.6	49.2	53.1
Married:	35.4	41.8	32.4	26.8
Cohabiting:	7.8	11.0	1.5	6.3
Number in HH	4.8	4.9	5.1	5.0
Number Adults in HH:	1.9	2.0	1.9	1.8
Health:				
Poor or Fair	25.5	20.6	13.2	30.5
Functional Disability	10.5	11.6	6.0	18.8
Race-Ethnicity:				
Black	32.5	--	29.4	--
Hispanic	57.8	--	62.9	--
White	6.9	--	7.1	--

Table 3 (continued)

	Did Not Enter		Entered	
	Wave 1	Wave 2	Wave 1	Wave 2
City:				
Boston	36.3	--	26.6	--
Chicago	24.7	--	19.7	--
San Antonio	39.0	--	53.8	--
Depression Score Above Clinical Cutoff	5.4	--	14.7	--
Ever Experienced Domestic Violence	60.4	--	56.0	--
Network Support Above Median for Sample	45.1	40.3	41.1	34.2
Parents Received Welfare	39.0	--	50.4	--
Parents Were on Welfare Most of the Time	15.7	--	19.4	--
Sample Size	1147	1147	142	142

## Notes:

All characteristics measured at Wave 1 except when indicated.

Wave 2 values are not shown for those characteristics which are time-invariant or almost so, or for those with predictable changes (such as age).

Table 4

## Monthly Income at Waves 1 and 2 for TANF Non-Entrants and Entrants

	Did Not Enter		Entered	
	Wave 1	Wave 2	Wave 1	Wave 2
Total HH Income				
Not including EITC income	\$1387	\$2064	\$1419	\$1304
Including EITC income	1526	2188	1556	1367
Excluding Work Related expenses	1422	2065	1374	1272
Poverty rate (including EITC income)	0.52	0.32	0.56	0.71
Earnings				
Individual	592	793	399	204
Others in HH	472	826	537	218
TANF				
Individual	0	0	0	307
Others in HH	2	1	5	7
Food Stamps				
Individual	58	60	212	281
Others in HH	4	3	4	7
SSI				
Individual	89	76	83	42
Others in HH	8	25	81	7
SSDI				
Individual	14	8	10	21
Others in HH	24	17	25	75
Child Support	61	54	17	59

Table 4 (continued)

## Monthly Income at Waves 1 and 2 for TANF Non-Entrants and Entrants

	Did Not Enter		Entered	
	Wave 1	Wave 2	Wave 1	Wave 2
Help from friends and relatives	14	24	5	11
Social Security	20	60	14	7
Other	28	117	27	19
EITC Income (potential)	139	124	137	63
Food Security Below Median	0.16	0.11	0.16	0.09
Financial Strain Above Median	0.41	0.47	0.59	0.43
Sample Size	1147	1147	141	141

## Notes:

All amounts pertain to month prior to interview

TANF, Food Stamp, and SSI “individual” amounts include the child benefit for child-only cases.

The sample universe is described in Table 2.

Table 5

Employment Rates of TANF Non-Entrants and Entrants

	Did Not Enter		Entered	
	Wave 1	Wave 2	Wave 1	Wave 2
Employment Rate	58.0	65.4	44.7	29.1

Notes:

Employment in the week of interview

Table 6

Non-TANF Program Participation Rates  
for TANF Non-Entrants and Entrants

	Did Not Enter		Entered	
	Wave 1	Wave 2	Wave 1	Wave 2
Food Stamps	19.9	18.4	66.1	84.3
Medicaid	54.9	49.7	81.8	94.1
WIC	39.9	27.3	39.6	52.4
SSI	12.1	13.3	14.2	7.8
Energy Assistance	8.8	8.4	7.7	19.8
Emergency Food	5.4	4.3	12.8	3.7
Free Clothing	5.1	3.1	11.4	2.4
Reduced/Free School Lunch	74.2	77.3	77.4	62.1
School Breakfast	71.8	72.3	67.3	74.1
Public Housing	40.4	36.1	51.3	61.6
Sample Size	1147	1147	142	142

Table 7

## Application Rates by Characteristics

Characteristic	Application Rate
Total Sample	16.3
Education:	
No degree	21.8
HS/GED	17.4
Above HS/GED	9.3
Age:	
25 or younger	20.8
26-35	18.8
36 or more	10.8
Children under 3 in HH	17.2
No Children under 3 in HH	15.5
Married	11.2
Not Married	19.1
Cohabiting	7.2
Not Cohabiting	17.1
Number Adults in HH:	
1	19.8
2	13.7
Health Status:	
Poor or Fair	12.4
Excellent or Good	17.6
Functional Disability	12.9
No Functional Disability	16.8

Table 7 (continued)

Characteristic	Application Rate
Race-Ethnicity:	
Black	18.2
Hispanic	15.7
White	14.8
City:	
Boston	13.0
Chicago	16.8
San Antonio	19.0
Depression Score Above Clinical Cutoff	37.9
Depression Score Below Clinical Cutoff	14.9
Ever Experienced Domestic Violence	16.8
Never Experienced Domestic Violence	15.9
Network Support Above Median for Sample	15.2
Network Support At or Below Median for Sample	17.2
Parents of Respondent Received Welfare	19.1
Parents Did Not Receive Welfare	14.5
Parents Were on Welfare Most of the Time	18.8
Parents Were Not on Welfare Most of the Time	15.9
Sample Size	1334

## Notes:

All characteristics measured at Wave 1 except when indicated and are weighted. The universe consists of those respondents who were non-recipients in Wave 1. Those who were did not report welfare income in Wave 1 and Wave 2 and who did not report applying for TANF at any time between the interviews were considered “non-recipients.”

Table 8

Entry and Application Rates of  
Those Not on TANF at Wave 1

Universe	Rate (%)
Thought about applying (but did not)	5.4
Went to office to apply (but did not)	1.2
Applied	16.3
Application accepted (of those who applied)	72.6
Entered welfare rolls (overall)	10.8

Notes:  
N=1334

Table 9

Reasons Given for Not Applying for TANF  
By Non-Applicants

	Considered Applying But Did Not Go	Went to Office But Didn't Apply	Did Not Consider Applying
Time Limit Too Short	2.2	1.0	0
Welfare Work Requirements	8.9	1.0	1.4
Too Much Hassle	34.8	31.4	11.5
Stigma/ Felt Embarrassed	14.4	4.1	1.8
Found a Job/ Have a Job	13.4	23.5	59.2
Found Other Support	10.1	5.6	28.5
Believed Were Not Eligible	10.7	10.7	14.2
Transportation Problems	2.8	0	0
Planning to Apply	5.1	4.7	n.a
Caseworker Discouraged R.	n.a.	5.3	n.a.
Welfare Office Treated R. Badly	n.a.	1.7	n.a.

## Notes:

Responses are tabulated as the percentage of "yes" responses of all responses in both waves (N=4589). The frequencies are weighted using the two sample weights.

n.a.= not applicable

Table 10

Demographic and Income Characteristics  
Of Applicants versus Non-Applicants Who Considered Applying

	Applicants	Non-Applicants Who Considered Applying
Education:		
No degree	41.1	25.7
HS/GED	41.7	54.0
Above HS/GED	17.3	20.3
Age:		
25 or younger	24.9	29.3
26-35	49.0	34.2
36 or more	26.0	36.6
Children under 3 in HH	51.0	45.5
Married	23.8	42.9
Cohabiting	3.1	12.5
Number in HH	5.0	4.5
Number Adults in HH	1.8	2.0
Health:		
Poor or Fair	18.4	29.2
Functional Disability	8.2	7.3
Race-Ethnicity:		
Black	36.5	45.8
Hispanic	55.6	42.8
White	6.1	11.4

Table 10 (continued)

	Applicants	Non-Applicants Who Considered Applying
City:		
Boston	28.0	31.9
Chicago	24.9	37.0
San Antonio	47.0	31.1
Depression Score Above Clinical Cutoff	15.1	6.3
Ever Experienced Domestic Violence	61.7	52.6
Network Support Above Median for Sample	41.2	52.5
Parents of Respondent Received Welfare	47.3	57.4
Parents Were on Welfare Most of the Time	18.7	12.0
Number of Months on Welfare in Year Prior to W2 Interview	8.4	0.1
Employed in Wave 1	54.1	67.0
Change in Avg. Employment Between Waves	-13.0	1.7
Total HH Income		
Not including EITC income	\$1334	\$1256
Including EITC income	\$1488	\$1434
Change in Total Income Between Waves	\$38	\$283
Poverty rate (including EITC income)	58.4	55.3
Change in Poverty Rate Between Waves	5.2	1.0

Table 10 (continued)

	Applicants	Non-Applicants Who Considered Applying
Earnings		
Individual	\$468	\$598
Change in Earnings Between Waves	-\$84	\$34
Others in HH	\$442	\$342
Change in Others' Earnings Between Waves	-\$190	\$90
Food Stamps		
Individual	\$175	\$58
Participation Rate	55.2	27.4
Change in Food Stamp Participation Rate	11.0	7.0
Sample Size	251	98

Table 11  
 Diversion Rates

	Applied	Of Those Who Applied, Percent Diverted Who Went on TANF In Subsequent Wave
Told of Work Requirement	54.9	63.6
Discussed Plan to Get By Without Welfare	41.5	64.7
Told to Apply to Another Program	19.1	50.2
Given Temporary Cash or Other Assistance	31.6	72.8
Experienced at least one of above diversions	77.3	65.5

Notes:  
 Sample includes all applicants in Wave 1 and Wave 2.  
 N=775

Table 12

## Diversion Rates of Wave 2 Applicants by Demographic Characteristic

	Were Told of Work Req.	Discussed Alt. Plan	Diverted to Given Temp. Other Pgm.	Cash Asst	Experienced Diversion
Diversion Rate Overall	65.1	43.9	25.8	33.9	83.3
Education:					
No degree	70.3	48.4	21.5	35.4	84.5
HS/GED	64.7	48.6	26.9	35.0	79.6
Above HS/GED	56.1	26.5	31.5	28.7	88.1
Age:					
25 or younger	52.7	34.6	17.9	33.8	79.8
26-35	77.2	54.3	35.4	37.3	89.8
36 or more	52.7	31.6	13.6	26.2	72.4
Children under 3 in HH	59.6	40.8	18.9	26.6	83.4
Married	69.5	63.7	64.3	60.2	84.7
Cohabiting	56.5	20.9	24.8	22.8	82.9
Number Adults in HH					
1	64.9	32.9	8.9	24.4	81.3
2	61.5	50.6	48.3	48.5	85.2
Wave 1 Health:					
Poor or Fair	54.8	32.8	10.8	38.2	80.4
Functional Disability	69.6	43.6	14.3	42.3	92.8
Race-Ethnicity:					
Black	59.2	31.2	17.6	31.8	83.1
Hispanic	72.5	56.2	33.8	35.8	83.8
White	19.6	3.1	6.3	38.4	57.3

Table 12 (continued)

	Were Told of Work Req.	Discussed Alt. Plan	Diverted to Given Temp. Other Pgm.	Cash Asst	Experienced Diversion
City:					
Boston	58.8	29.2	16.6	34.8	82.4
Chicago	58.6	30.8	15.9	28.6	80.9
San Antonio	73.2	61.5	38.0	37.0	85.4
Depression Score Above Clinical Cutoff	63.9	39.7	36.5	46.6	80.1
Ever Experienced Domestic Violence	65.7	42.6	26.7	35.3	83.9
Network Support Above Median for Sample	60.7	43.9	21.7	39.3	81.3
Parents Rec'd Welfare	62.8	36.3	17.2	39.0	84.1
Parents Were on Welfare Most of the Time	60.5	44.4	12.9	44.1	88.4

Notes:

All characteristics measured at Wave 1 except when indicated. Diversion questions were those asked at the wave 2 interview. The "Experienced Diversion" column represents those who have experienced at least one of the four types of diversion.

N=294

Table 13

Employment Rates of Wave 2 Applicants at  
Wave 1 and Wave 2, by Diversion Requirement  
(percent)

	Work Requirement		Alt. Plan		Other Program		Temp. Cash Asst.	
	Were Told	Were Not Told	Discussed	Did Not Discuss	Diverted	Not Diverted	Given	Not Given
Employed at Wave 1	45.0	53.8	40.8	53.6	56.0	45.2	45.2	49.4
Employed at Wave 2	46.0	42.0	39.5	48.7	43.7	45.0	42.6	45.8

Notes:  
N=294

Table 14

Entry Rates of Applicants by Demographic Characteristic  
and Diversion Requirement

	Were Told of Work Req.	Discussed Alt. Plan	Diverted to Other Pgm.	Given Temp. Cash Asst
Entry Rate Overall	53.5	62.8	63.5	69.6
Education:				
No degree	53.1	54.7	68.7	67.6
HS/GED	69.5	82.8	89.0	73.4
Above HS/GED	17.7	17.2	13.9	65.0
Age:				
25 or younger	56.5	56.9	85.4	75.0
26-35	69.7	71.6	64.9	78.9
36 or more	28.9	36.0	19.1	30.7
Children under 3 in HH	45.7	54.1	48.8	62.3
No Children under 3 in HH	62.2	72.8	74.3	62.3
Married	81.9	78.7	85.1	93.5
Not Married	44.7	55.1	36.6	53.9
Cohabiting	7.8	35.3	52.6	46.1
Not Cohabiting	55.3	63.3	64.3	70.3
Number Adults in HH				
1	40.2	44.9	28.0	57.0
2	63.8	68.3	69.4	77.4
Health:				
Poor or Fair	34.8	52.0	15.9	40.7
Good or Excellent	57.0	64.5	67.6	77.5
Functional Disability	30.2	43.3	22.7	34.7
No Functional Disability	56.0	64.7	65.7	74.2

Table 14 (continued)

	Were Told of Work Req.	Discussed Alt. Plan	Diverted to Other Pgm.	Given Temp. Cash Asst
Race-Ethnicity:				
Black	30.7	55.0	40.6	49.7
Hispanic	70.2	67.1	73.2	86.4
White	24.7	n.a.	20.4	n.a.
City:				
Boston	40.6	38.1	31.8	52.1
Chicago	22.2	57.8	51.7	51.9
San Antonio	76.8	71.3	75.0	88.7
Depression Score Above Clinical Cutoff	77.7	83.9	81.1	73.0
Depression Score At or Below Clinical Cutoff	49.6	59.6	59.0	68.8
Ever Experienced Domestic Violence	49.1	60.7	62.6	67.3
Never Experienced Domestic Violence	64.8	67.5	66.0	76.4
Network Support Above Median for Sample	54.7	53.0	73.4	68.9
Network Support At or Below Median for Sample	51.3	71.0	70.5	70.6
Parents Rec'd Welfare	48.0	62.6	78.8	63.7
Parents Did Not Rec. Welfare	58.5	62.9	55.9	77.5
Parents Were on Welfare Most of the Time	36.3	57.3	79.0	57.0
Parents Were Not on Welfare Most of the Time	58.1	64.4	61.5	74.9
Base Sample Size	155	101	37	84

Notes: All characteristics measured at Wave 1 except when indicated.

Table 15

Income at Waves 1 and 2 for Wave 2 Applicants  
By Diversion Status

	Diversion Experienced		Diversion Not Experienced	
	Wave 1	Wave 2	Wave 1	Wave 2
Total HH Income				
Not including EITC income	\$1406	\$1276	\$1244	\$1282
Including EITC income	1573	1373	1394	1320
Excluding Work Related expenses	1462	1260	1331	1160
Poverty rate (including EITC income)	0.61	0.67	0.46	0.58
Earnings				
Individual	451	465	685	200
Others in HH	547	141	355	497
TANF				
Individual	0	162	0	129
Others in HH	2	3	0	4
Food Stamps				
Individual	203	239	136	180
Others in HH	4	4	1	4
SSI				
Individual	48	60	21	43
Others in HH	66	3	0	3
SSDI				
Individual	2	0	6	21
Others in HH	11	77	3	1

Table 15 (continued)

	Diversion Experienced		Diversion Not Experienced	
	Wave 1	Wave 2	Wave 1	Wave 2
Child Support	32	35	11	113
Help from friends and relatives	10	22	17	51
Social Security	6	5	3	6
Other	25	61	5	29
Sample Size	134	134	53	53

Notes:

All amounts pertain to month prior to interview

TANF, Food Stamp, and SSI “individual” amounts include the child benefit for child-only cases.

The sample universe is those who applied for TANF benefits in Wave 2 and were asked the diversion questions.

Table 16

Income at Waves 1 and 2 for all Wave 2 Applicants  
By TANF Entry Status

	Diversion Experienced				Diversion Not Experienced			
	Entered TANF		Did Not Enter		Entered TANF		Did Not Enter	
	Wave1	Wave2	Wave1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2
	Wave1	Wave2	Wave1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2
Total HH Income								
Not including EITC income	\$1652	\$1090	\$1073	\$1530	\$855	\$1122	\$1519	\$1394
Including EITC income	1805	1134	1258	1697	951	1119	1706	1460
Excluding Work Related expenses	1689	1086	1153	1496	873	778	1654	1435
Poverty rate (including EITC income)	0.52	0.82	0.72	0.47	0.72	0.77	0.28	0.44
Earnings								
Individual	395	177	528	856	385	77	896	287
Others in HH	825	87	167	214	174	203	483	705
TANF								
Individual	0	281	0	0	0	312	0	0
Others in HH	0	6	5	0	0	10	0	0
Food Stamps								
Individual	270	345	111	94	232	380	68	38
Others in HH	0	7	10	0	0	8	2	0
SSI								
Individual	13	13	94	123	36	48	11	41
Others in HH	111	1	4	6	0	8	0	0

Table 16 (continued)

	Diversion Experienced				Diversion Not Experienced			
	Entered TANF		Did Not Enter		Entered TANF		Did Not Enter	
	Wave1	Wave2	Wave1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2
SSDI								
Individual	4	0	1	0	13	2	2	34
Others in HH	7	114	16	26	8	0	0	2
Child Support	16	30	53	42	5	14	15	182
Help from friends and relatives	1	11	22	37	1	4	28	85
Social Security	1	1	13	9	0	0	6	10
Other	8	17	49	122	1	56	8	9
EITC Income (potential)	153	44	186	167	96	23	187	66
Food Security Below Median	0.18	0.09	0.13	0.15	0.08	0.06	0.17	0.04
Financial Strain Above Median	0.58	0.39	0.46	0.80	0.75	0.51	0.47	0.50
Sample Size	58	58	76	76	20	20	33	33

## Notes:

All amounts pertain to month prior to interview

TANF, Food Stamp, and SSI “individual” amounts include the child benefit for child-only cases.

The sample universe is those who applied for TANF benefits in Wave 2 and were asked the diversion questions.

Table 17

Wave 2 Non-TANF Program Participation Rates of Wave 2 Applicants,  
By Diversion Status

	Experienced Diversion	Did Not Experience Diversion
Food Stamps	73.7	40.7
Medicaid	83.3	86.1
WIC	37.9	56.6
SSI	10.5	20.7
Energy Assistance	20.6	5.7
Emergency Food	5.9	7.2
Free Clothing	4.0	4.9
Reduced/Free School Lunch	74.6	65.7
School Breakfast	79.5	71.7
Public Housing	62.7	74.5
Sample Size	221	73

Notes:

Respondent and child only.

## **Appendix Tables**

Table A-1  
Demographic Characteristics of the Sample at Wave 1  
(percents)

---

Characteristic	
<hr/>	
Education:	
No degree	36.3
HS/GED	36.5
Above HS/GED	27.2
Age:	
25 or younger	23.5
26-35	40.8
36 or more	35.7
Children under 3 in HH	53.2
Married	31.6
Cohabiting	6.3
Number Adults in HH	4.9
Health:	
Poor or Fair	24.3
Functional Disability	14.7
Race-Ethnicity:	
Black	40.8
Hispanic	52.8
White	4.4

---

Table A-1 (continued)

---

Characteristic	
Depression Score Above Clinical Cutoff	7.7
Ever Experienced Domestic Violence	63.6
Network Support Above Median for Sample	44.7
Parents Ever Received Welfare	45.1
Parents Were on Welfare Most of the Time	20.8

---

Notes:

All characteristics measured at Wave 1 and are weighted.  
 N=2402.

Table A-2

## Monthly Income and Financial Indicators of the Sample at Wave 1

---

Total HH Income	\$1345
Not including EITC income	
Including EITC Income	1462
Excluding Work Related Expenses	1357
Poverty rate (including EITC income)	.57
Earnings	
Individual	457
Others in HH	395
TANF	
Individual	108
Others in HH	7
Food Stamps	
Individual	135
Others in HH	10
SSI	
Individual	84
Others in HH	22
SSDI	
Individual	10
Others in HH	17
Child Support	46
Help from friends and relatives	13
Social Security	20
Other	21

---

Notes:

All values are weighted and apply to the month prior to the wave 1 interview.

N=2402

Table A-3

Characteristics and Income Components  
of Applicants and Non-Applicants

	Applicants	Non-Applicants
Education:		
No degree	41.1	28.7
HS/GED	41.7	38.6
Above HS/GED	17.3	32.7
Age:		
25 or younger	24.9	18.2
26-35	49.0	40.6
36 or more	26.0	41.2
Children under 3 in HH	51.0	47.7
Married	23.8	36.9
Cohabiting	3.1	7.7
Number in HH	5.0	4.8
Number Adults in HH	1.8	2.0
Health:		
Poor or Fair	18.4	25.5
Functional Disability	8.2	10.9
Race-Ethnicity:		
Black	36.5	32.0
Hispanic	55.6	58.4
White	6.1	6.9

Table A-3 (continued)

	Applicants	Non-Applicants
City:		
Boston	28.0	36.6
Chicago	24.9	24.1
San Antonio	47.0	39.3
Depression Score Above Clinical Cutoff	15.1	4.9
Ever Experienced Domestic Violence	61.7	60.1
Network Support Above Median for Sample	41.2	45.0
Parents of Respondent Received Welfare	47.3	39.1
Parents Were on Welfare Most of the Time	18.7	15.7
Number of Months on Welfare in Year Prior to W2 Interview	8.4	0.1
Employed in Wave 1	54.1	57.1
Change in Avg. Employment Between Waves	-13.0	8.4
Total HH Income		
Not including EITC income	\$1334	\$1391
Including EITC income	\$1488	\$1526
Change in Total Income Between Waves	\$38	\$696
Poverty rate (including EITC income)	58.4	51.3
Change in Poverty Rate Between Waves	5.2	-20.1

Table A-3 (continued)

	Applicants	Non-Applicants
Earnings		
Individual	\$468	\$587
Change in Earnings Between Waves	-\$84	\$210
Others in HH	\$442	\$483
Change in Others' Earnings Between Waves	-\$190	\$364
Food Stamps		
Individual	\$175	\$56
Participation Rate	55.2	19.6
Change in Food Stamp Participation Rate Between Waves	11.0	-1.3
Sample Size	251	1083

Notes:

Universe: those not on welfare at Wave 1

Table A-4

Demographic Characteristics of all Applicants in Wave 1 or Wave 2  
Who Experienced Diversion of Any Kind  
By Welfare Status in Subsequent Interview

	Entered Welfare	Did Not Enter Welfare
Education:		
No degree	43.6	39.6
HS/GED	38.0	30.1
Above HS/GED	18.5	30.2
Age:		
25 or younger	30.5	32.1
26-35	52.7	44.4
36 or more	16.8	23.4
Children under 3 in HH:		
Wave 1	67.4	52.6
Wave 2	62.3	46.4
Married:		
Wave 1	28.8	15.9
Wave 2	16.5	18.8
Cohabiting:		
Wave 1	2.5	9.1
Wave 2	7.7	14.0
Number in HH	5.5	5.0
Number Adults in HH:		
Wave 1	1.8	1.7
Wave 2	1.7	1.8

Table A-4 (continued)

	Entered Welfare	Did Not Enter Welfare
Wave 1 Health:		
Poor or Fair	19.6	25.8
Functional Disability	13.8	18.7
Wave 2 Health:		
Poor or Fair	27.7	29.5
Functional Disability	21.0	23.2
Child's Health Poor or Fair (Wave 2)	5.0	10.4
Race-Ethnicity:		
Black	51.0	53.8
Hispanic	46.5	40.6
White	1.5	3.7
City:		
Boston	22.6	28.8
Chicago	37.5	46.7
San Antonio	40.0	24.6
Depression Score Above Clinical Cutoff	17.3	10.8
Ever Experienced Domestic Violence	71.0	62.5
Network Support Above Median for Sample	44.9	45.6
Parents Rec'd Welfare	51.4	56.1
Parents Were on Welfare Most of the Time	29.2	25.5
Number of Months on Welfare in 25 Months Prior to W1 Interview	15.4	11.7
Sample Size	336	234

## Notes:

All characteristics measured at Wave 1 except when indicated. Sample consists of those who applied and were asked at least one of the diversion questions at the wave 1 or wave 2 interview and answered "yes" to at least one (N=570).

Table A-5

Income at Waves 1 and 2 for all Diverted Applicants  
By Wave 2 Welfare Status

	Were Told of Work Req				Discussed an Alternate Plan			
	Went on TANF		Did Not Enter		Went on TANF		Did Not Enter	
	Wave1	Wave2	Wave1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2
Total HH Income								
Not including EITC income	\$1766	\$1100	\$953	\$1525	\$1889	\$1132	\$1071	\$1257
Including EITC income	1924	1146	1125	1674	2013	1173	1300	1438
Excluding Work Related expenses	1812	1096	1015	1456	1909	1145	1181	1155
Poverty rate (including EITC income)	0.51	0.81	0.76	0.51	0.52	0.84	0.62	0.60
Earnings								
Individual	387	183	537	951	273	179	680	857
Others in HH	916	82	113	197	1123*	117	128	182
TANF								
Individual	0	271	0	0	0	253	0	0
Others in HH	0	6	8	0	0	8	12	0
Food Stamps								
Individual	301	357	92	91	303	362	106	103
Others in HH	0	7	15	1	0	10	22	0
SSI								
Individual	8	8	77	107	0	0	21	57
Others in HH	125	1	6	9	154	1	0	1

Table A-5 (continued)

	Were Told of Work Req				Discussed an Alternate Plan			
	Went on TANF		Did Not Enter		Went on TANF		Did Not Enter	
	Wave1	Wave2	Wave1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2
SSDI								
Individual	3	0	1	0	3	0	2	0
Others in HH	8	128	1	42	5	157	0	0
Child Support	15	27	55	33	17	40	52	53
Help from friends and relatives	2	11	14	35	0	5	13	3
Social Security	1	0	0	15	0	0	31	0
Other	0	19	34	46	10	0	3	2
EITC Income (potential)	159	46	172	148	124	42	229	180
Food Security Below Median	0.18	0.08	0.12	0.10	0.19	0.03	0.08	0.15
Financial Strain Above Median	0.60	0.37	0.55	0.83	0.56	0.25	0.52	0.74
Sample Size	40	40	51	51	30	30	31	31

## Notes:

All amounts pertain to month prior to interview

TANF, Food Stamp, and SSI “individual” amounts include the child benefit for child-only cases.

The sample universe is those who applied for TANF benefits in wave 2.

\*The unweighted mean for others’ earnings is \$320; this is a result of several outliers being weighted heavily

Table A-6

Income at Waves 1 and 2 for all Diverted Applicants  
By Wave 2 Welfare Status

	Given Temp. Cash Assistance			
	Went on TANF		Did Not Enter	
	Wave 1	Wave 2	Wave 1	Wave 2
Total HH Income				
Not including EITC income	\$1485	\$1279	\$1524	1287
Including EITC income	1647	1339	1723	1444
Excluding Work Related expenses	1511	1298	1633	846
Poverty rate (including EITC income)	0.72	0.78	0.29	0.51
Earnings				
Individual	362	249	519	593
Others in HH	568	60	230	116
TANF				
Individual	0	327	0	0
Others in HH	0	11	24	0
Food Stamps				
Individual	282	369	180	191
Others in HH	0	13	41	0
SSI				
Individual	18	16	190	195
Others in HH	210	0	0	0

Table A-6

	Given Temp. Cash Assistance			
	Went on TANF		Did Not Enter	
	Wave 1	Wave 2	Wave 1	Wave 2
SSDI				
Individual	7	0	0	0
Others in HH	7	215	73	5
Child Support	15	10	34	43
Help from friends and relatives	0	7	48	67
Social Security	0	2	60	0
Other	14	0	123	77
EITC Income (potential)	162	60	199	156
Food Security Below Median	0.28	0.07	0.17	0.34
Financial Strain Above Median	0.79	0.39	0.62	0.61
Sample Size	25	25	19	19

## Notes:

All amounts pertain to month prior to interview

TANF, Food Stamp, and SSI “individual” amounts include the child benefit for child-only cases.

The sample universe is those who applied for TANF benefits in wave 2.

Income was not tabulated for those diverted to another program, since there were only 25 applicants in this group (12 who went on TANF in W2, and 13 who did not).

**PART B: ETHNOGRAPHIC ANALYSIS**

**AN ETHNOGRAPHIC STUDY OF TANF NON-ENTRANTS: WELFARE  
EXPERIENCES, DIVERSIONS, AND MAKING ENDS MEET**

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## **INTRODUCTION**

In this report, we identify and describe factors (e.g., families' attitudes and beliefs about welfare; local institution and kin diversion practices; families' abilities to garner and "package" resources to "make ends meet") related to TANF non-entry among low-income families. Using in-depth, longitudinal ethnographic data gathered about the lives of 256 economically-disadvantaged families residing in low-income neighborhoods in three cities, this report addresses several important policy-relevant questions: (1) What keeps low-income families, many of whom are in need, from applying for or receiving TANF? (2) What impact do families' experiences and perceptions about the welfare system have on TANF non-entry? (3) Do certain institutional (e.g., social service agencies) and kinship practices divert in-need families from applying for TANF? (4) How do non-entrant low-income families "make ends meet" without TANF cash benefits? These issues are discussed in the contexts of welfare reform, state TANF policies, and families' daily experiences of "*living poor*."

We begin with an overview of the *Three-City Study Ethnography* from which we draw our findings. We describe the ethnography in some detail and the demographic characteristics of the families involved including their histories of welfare-receipt. Next, we discuss the influence of proximal factors on TANF non-entry—that is, how families' perceptions, beliefs, and experiences with local welfare agencies, and institutional and kin network diversion practices, impact their decisions to apply for TANF cash benefits. We then describe how non-entrant families garner and "package" resources to "make ends meet." We conclude with several policy recommendations relevant to TANF non-entry among low-income families.

## **STUDY METHODS**

### ***The Three-City Study Ethnography: A Description***

The data on non-entrant families featured in this report derive from the ethnographic component of the *Three-City Study*. Ethnography is a method of studying, over time, the day-to-day activities and experiences of a group of people through close observation and in-depth interviewing. It results in holistic analysis that seeks to depict the complex influences of people's lives, the constraints and opportunities they manage, and how they think and act in the various worlds they encounter (e.g., family, work, schools, public assistance programs, health care agencies).

To gather ethnographic data on families we employed a method of "structured discovery" in which in-depth interviews and observations focus on specific topics, but allow flexibility to capture unexpected findings and relationships (Burton et al., 2001; Winston et al., 1999). Topics addressed in the interviews include: experiences with TANF, SSI, Medicaid, WIC, and other public assistance programs; education and work experiences; health care and health access; how families garner resources and "make ends meet;" child development, parenting, and intimate relationships; intergenerational support networks; family routines; and home and neighborhood

environments. In addition to these interviews, ethnographers engaged in participant observation with families. Participant observations often involved ethnographers accompanying the mothers and their children to welfare offices, doctors' offices, hospital emergency rooms, child care centers, schools, grocery stores, or the workplace, and taking note of personal interactions that occur in those places.

Two hundred and fifty-six families low-income residing in the same Boston, Chicago, and San Antonio neighborhoods as the survey families (see previous section on the *Three-City Study Survey*) were recruited into the ethnography between April 1999 and September 2001. Ethnographers met with each family once a month for 12-18 months and then for follow-up interviews, 6- and 12-months thereafter. We recently concluded the follow-up stage of the ethnography, in which families were interviewed to identify any changes in their lives, including in TANF receipt. The last follow-up interviews with families were completed in June 2003.

Families who participated in the ethnography were recruited at formal childcare settings (e.g., Head Start), Women, Infants, and Children's offices (WIC), neighborhood centers, local welfare offices, churches, and other public assistance agencies. Of the 256 families participating in the ethnography, nearly all families had at least one target child aged 2 to 4 years. Forty-four families were specifically recruited because they had a child aged 8 or younger, with a moderate to severe physical or mental disability. All 256 families had household incomes below 200% of the Federal Poverty Line. Forty-seven percent (n=120) of the families were receiving TANF cash benefits at the time they enrolled in the study, and 53% (n=136) were not. Of the 136 participants who were not receiving TANF benefits when, 28 went on the TANF rolls for six months or longer at some point thereafter.

Here, we report on the experiences of a sub-sample of the ethnography participants—namely, 108 families we defined as TANF non-entrants. We classified families as non-entrants if they were not receiving TANF cash benefits at the time they enrolled in the study and continued non-receipt while participating in this study. Many of the non-entrant families were eligible for, and clearly needed TANF cash benefits to provide shelter, food, clothing, and health care for their children. However, a number of these families applied for benefits, but were rejected or diverted by caseworkers. Still others, for a variety of reasons, never applied for TANF benefits. In the non-entrants sub-sample we also included three families who received TANF once during the time they participated in the study, but only for a period of two to three months. These families represent “special” non-entry cases in that they used TANF cash benefits short-term to help them weather an unexpected catastrophic event in their lives (e.g., homelessness). It is important also to note that in discussing the lives of the non-entrant families that appear in this report, we use pseudonyms rather than actual names to protect the families' identities.

### **Demographic Characteristics of the Families**

Table 1 describes the demographic characteristics of the ethnographic sample of families we highlight in this report. These characteristics reflect the status of our sample when they were

recruited into the study. For the sake of sample comparison, we also feature the characteristics of families involved in the *Three-City Study Survey*. As shown in Table 1, the demographic characteristics of the ethnographic sample are in many ways comparable to those for the survey sample. The characteristics described are based on the primary caregivers' (usually children's biological mothers) attributes unless otherwise specified. The majority of ethnography participants (42%) were of Latino or Hispanic ethnicity (e.g., includes Puerto Ricans, Mexican Americans, and Central Americans). Of the remaining participants 38% were African American and 20% were non-Hispanic white. Over half of the mothers were aged 29 or younger and a majority of the respondents had a high school diploma or a GED, or attended trade school or college. Forty-seven percent of the families were receiving TANF when they entered the study; one-third of these, in compliance with welfare regulations, were also working. Fifty-three percent of the sample were non-TANF working or non-working poor—that is, the family was not receiving TANF benefits and the primary earner in the household was either working a low-wage labor job or unemployed. Twenty-five percent of the primary caregivers were responsible for one child, and 27%, 25%, and 23% for two, three, and four or more children, respectively. (Although not reported in the table, the 256 primary caregivers identified a total of 685 children in their households, with 53% aged 4 or younger and 47% elementary school-age and adolescent.) Fifty-six percent of primary caregivers were not married and did not have a partner (e.g., boyfriend) living with them; another 17% were not married but were cohabiting with a partner; 17% were married and living with their spouse; and 10% were married or separated with the spouse not living in the home.

Table 2 highlights the demographic attributes of TANF non-entrant and entrant families in both the ethnography and survey samples. The non-entrants in the ethnography tended to be slightly older and had completed more years of schooling than TANF entrants. Not surprisingly, in both the survey and ethnography, non-entrants were more likely to have a job than entrants, however approximately half of the non-entrants in both the survey and ethnography were not working when they were recruited for the study. Hispanics in both samples were more likely to be TANF non-entrants. Overall, non-entrants and were not substantially different in the number of children they had, nor were they particularly distinct in their marital and living arrangement status, although a slightly higher percentage of entrants in the survey identify themselves as single parents who are not cohabiting.

An important point worth noting in Table 2 is the number of Chicago non-entrants in the ethnography. Comparatively speaking, the Chicago ethnography sub-sample comprises a larger number of non-entrants than do the Boston and San Antonio sub-samples. Although the same pattern is not reflected in the size of the survey's Chicago sub-sample, the ethnographic participants clearly indicated to us that their situation reflected the drastic trimming of the welfare rolls in the state of Illinois. Illinois' welfare caseload dropped by over 75% between August 1996 and March 2002 (Office of Family Assistance TANF Fifth Annual Report to Congress, 2003). Many Chicago ethnography non-entrants report that they were actively dissuaded by caseworkers from applying for TANF even though the assistance was genuinely needed. While watching a local television show, one Chicago participant made the following observation concerning the Illinois' strong emphasis on "*keeping folks off welfare*:"

*They were talking about welfare reform. And they had a guy on there [television]. And he was giving like non-answers to the questions they were approaching. But they eventually got him to say point blank that the purpose of welfare reform was not to eliminate poverty. **It's to get people off of welfare.** [They say] any job is better than no job. There are some people that they are forcing to get a job, where... their income is actually less than what they were getting when they were on welfare. OK. The minimum wage is \$5.15 an hour. That's \$9, 888 a year, assuming you work full time. But the poverty line for a family of three is \$13,000 and still...people still need \$30,000 or \$35,000 to really be able to live comfortably. Now there's something wrong with that.*

### **Starting Points: Non- entrants Lifetime Experiences with Welfare Receipt**

The non-entrant families involved in the ethnography come from a variety of social backgrounds and contexts and had diverse lifetime experiences with welfare receipt. While some primary caregivers in the non-entrant families spent long durations of their childhood or adulthood on TANF or AFDC, others knew little more about the programs than what they heard on the streets or read in the newspaper. Tables 3 and 4 describe the lifetime welfare experiences of the primary caregivers in non-entrant families by race and ethnicity and by city, respectively. Five patterns of life-time welfare receipt among the non-entrants emerged in the data--those who had: (1) no history of receiving welfare; (2) only received welfare during childhood in their family of origin; (3) only received welfare as an adult; (4) received welfare in as both a child and an adult; and (5) could not specify lifetime experience with welfare receipt.

Two caveats accompany the discussion of lifetime welfare experiences among non-entrants and should be heeded when studying Tables 3 and 4. First, stigma associated with welfare receipt may have hindered some of the primary caregivers from disclosing the full extent of their lifetime welfare use. For example, after working with families for some time, ethnographers occasionally reported corrections to data about welfare receipt experiences primary caregivers noted during the early stages of the study. As the ethnographers and primary caregivers forged their relationships over time, a greater degree of disclosure often occurred and some families noted they were ashamed of their welfare experiences and previously had not been truthful in reporting their lifetime welfare receipt.

Additionally, the introspective and reflective nature ethnographic methods engender for participants has often resulted in spurring the memories of the primary caregivers over time. Thus subjects involved in the project for three years have had more time to recall details from their pasts than those few who were involved for less than a year. Ethnography is a cumulative process, built partially upon trust between the ethnographer and the subject. Therefore, more time spent with a subject often results in greater and richer disclosure.

Second, the reporting of childhood welfare receipt by primary caregivers might well be compromised by two issues. First, most of the primary caregivers would have been covered under AFDC as children, not the TANF program. Therefore, the change in terminology between

childhood and adulthood experiences may result in underreporting of childhood welfare receipt. Second, the primary caregivers may not be informed of the complete welfare history of their family of origin. In some cases, primary caregivers' parents may not have discussed welfare receipt with them as children.

With these caveats in mind, slightly over 10% of the non-entrant primary caregivers report having received welfare as a child within their family of origin. Two-fifths of the non-entrant primary caregivers report having never received TANF or AFDC<sup>1</sup> and one-third of the sample reports receiving TANF or AFDC only as an adult, prior to entering the study. Finally, the figure that nearly half of the Hispanic primary caregivers never received TANF or AFDC partially reflects the fact that several of these families are first-generation immigrants, making them potentially ineligible for some welfare benefits throughout their lifetimes. To provide further insights on the figures provided in Tables 3 and 4, representative case studies from each lifetime welfare receipt category are presented below.

**Mary: No History of Welfare Receipt.** Coming to the ethnography as single mother working to support herself and her son, Ethan, Mary admits to having little experience with the welfare system. Mary is a 29 year-old non-Hispanic white mother of one. She has never applied for TANF, food stamps, Medicaid or disability benefits, largely because she believes she was ineligible and would just end up wasting her time in doing so. She also worries about the bureaucratic hassles surrounding these programs, particularly: *“If they make mistakes and put you in wrong, you have to pay them back. You have to meet the standards.... I heard you have to wait a long time there.”* Mary also said she had never considered applying for TANF because she did not want Ethan growing up with a mother who wants to *“sit on her butt and collect”* for the rest of her life. When discussing the welfare system and her experiences, Mary often expounded on the issues in a manner that both expressed her frustrations with living among the ranks of the working poor and implied the sentiment that many who utilize welfare benefits were not doing their part to improve their situations. Mary said,

*I just think it's ridiculous...there's people out here that need it, and these people are lying...I see it all the time,...I know people that do it, write people's names off on income tax that they have no money, that is so sick and they never get caught...if you try to do it because you really need it...you would get caught.*

In other words, the welfare system is pulled out of balance by those who depend wholly and fraudulently upon the system, thereby eliminating help for those like herself, who need minimal aid.

---

<sup>1</sup> Reporting that one has never received TANF or AFDC does not preclude the receipt of other welfare-related benefits, such as Food Stamps, WIC, Medicaid, child care vouchers/subsidies or housing assistance. On the contrary, many of the non-entrant primary caregivers currently rely upon a number of these other services in order to supplement their incomes. See section on “How are non-entrant families faring?” for more details.

Mary's sentiments apparently stemmed from anecdotes provided by friends, as well as her personal dealings with the welfare office for other forms of assistance including childcare. For instance, Mary had been receiving a childcare voucher from the welfare office. However, when she received a slight raise by her employer and Ethan's father began making regular child support payments, the voucher was revoked immediately, with little warning. She now pays nearly two and a half times as much for childcare as she did with the voucher, an amount that exceeds the gains she made from her raise and child support. Mary is also attempting to find affordable health insurance for Ethan; he is currently covered on her employer-offered plan, which Mary finds too expensive. Her income over-qualifies her for Medicaid coverage, but she may be eligible for a state-sponsored rebate program, whereby she will receive a monthly stipend that can be put toward the cost of his health insurance premium. Obviously frustrated by this situation, Mary says,

*What I should have done if I was smart, I would have applied for it before and say I didn't have insurance. Even though I would have been lying, but it would have been the point that...I wouldn't be paying so much...The things you have to do to try to have them help you.*

Instead of pursuing these wearisome means of support, Mary tends to look for alternative sources of aid. She felt conflicted in that she would prefer to never deal with the welfare system but remains within that gray area of need for certain services that many working poor families also experience.

**Nelly: Childhood Welfare Receipt.** Nelly, a 23 year-old Latina mother of two, grew up in a household that depended upon AFDC. Her mother, Roberta, received AFDC for at least twenty years; however, Roberta has not received AFDC or TANF over the past six or seven years. Although Nelly gave birth to her first child at the age of 16, she has never established a welfare case file of her own. On the contrary, Nelly harbors very distinct feelings about welfare receipt, partially in reaction to her own childhood experiences with the welfare system:

*If you're going to get pregnant, you are going to depend on welfare. Don't get pregnant and live that way. There's abortions, get Mass Health or something, do something... I'm sorry, but to bring a kid into this world, to be on welfare, to live off welfare?...You call that living?...Why do that to that kid?... I just hate the fact that girls actually aren't even careful about pregnancy; automatically decide that welfare's gonna freakin' support them. I don't think that's fair...Like there's other situations that are more, you know that are major and then, these people that are just taking it, that are just doing whatever they want off of welfare, messin' it up for the people who really do need it...So basically the purpose of welfare is good, but the way it's being used is not.*

Although she admits that she cannot rule out the possibility of never having to use TANF, Nelly remains adamant in her resolve to make the most of the resources available to her before turning to the welfare office for cash assistance.

Despite her seemingly harsh statement concerning welfare receipt, Nelly also acknowledges her access to a strong and extensive set of social networks, as well as the importance such resources have played in her ability to stay off TANF. She says,

*Ever since I got pregnant, I never wanted to [be on welfare], I felt like, the government didn't get me pregnant, so why should you have to pay for my son, and buy him things or whatever...So, and I know I had a lot of support and that has a lot to do also... 'cause sometimes you don't have nobody and you have to [go on welfare].*

**Sharon: Welfare Receipt as an Adult.** Sharon, a 30 year-old first generation African-Caribbean immigrant mother of two, utilized AFDC and TANF for three years as an adult, following a separation from her husband. Sharon and her children, Brittany and Johnny, are all United States citizens. Following her separation, Sharon moved in with her foster mother (she immigrated to the United States on her own as a teenager and was eventually placed with a foster family when housing arrangements with relatives fell through) and established a welfare case for the first time. She continued to receive AFDC/TANF when she moved from her foster mother's house to a homeless shelter for six months. After getting her current apartment through public housing, Sharon says that she left welfare on her own, even though she still had time left on her clock. She left because she "didn't want to be on it - it wasn't really enough to live decently on." Additionally, when Sharon received AFDC, she asked about attending job training but was told that she was ineligible since Johnny was only 2 years old. This frustrated Sharon because she was not offered anything else in lieu of job training. Sharon views receiving welfare as something she just did because she had to. She does not view it negatively or positively. She hopes to never receive welfare payments again.

In light of Sharon's wishes to avoid utilizing TANF in the future, she has taken a number of extreme steps throughout the duration of the study. Most significantly, Sharon made the difficult decision to send her children to live with her mother in the Caribbean for nearly one and a half years following the receipt of a large bill requesting payment of back-rent by the housing authority and the impending loss of her childcare vouchers due to her rising income. Sharon's rent is determined according to her income and a number of raises at her full-time job, as well as money earned through part-time jobs, resulted in constant rental rate increases. While her children were away, she averaged 70-80 hour work weeks between a steady full-time job and a number of part-time jobs. Unfortunately, Sharon received two bills for back-rent during this time and each one was later revoked and attributed to accounting errors; had she not received the initial bill, Sharon states that she never would have sent her children away. When reviewing this series of exasperating circumstances with her ethnographer Sharon says,

*It's like they give you a dollar and then they take it away from you...if you don't have no childcare, it's like the extra money you make, you're gonna be paying it on childcare, plus extra, and then, so you just end up right back where you were at, so it's like they're not really helping you...*

**Gina: Welfare Receipt as a Child and as an Adult.** Gina, a 31-year-old Latina mother of three, reluctantly reports having received AFDC or TANF at various times throughout her life. Gina's abusive and alcoholic father left her mother and sister when Gina was a child. She remembers that her mother would work six months out of the year and receive AFDC when she was unemployed. She recalls that her mother received AFDC, food stamps, Medicaid and free school lunches for her children. Finding herself pregnant and uninsured at the age of 20, Gina decided to apply for Medicaid. However, she was told, "It goes together, the medical card and the money," so she received Medicaid, AFDC and food stamps for about one year and a half. She stresses the fact that her AFDC case was only open for a short period of time and harbors some of the common negative generalizations about welfare recipients. Since leaving AFDC, Gina has received food stamps, WIC and Medicaid on separate occasions over the past ten years.

Gina does not work outside of the home and her husband, Robert, has gone through several career changes in the time they have been together. Therefore, Gina indicates that their financial situation is precarious at times. Supplemental welfare benefits, such as WIC and food stamps, have helped to provide for the family's essential needs. Gina says,

*WIC has been very helpful because if you don't have money or any extra dollars toward the end of the week, you don't have to worry if they [the kids] can have milk or juice. They can always have milk and juice if you're on WIC.*

Gina, Robert and the children lived free of charge in an apartment building owned by Robert's brother for the majority of Gina's participation in the study. Other offers for aid of this magnitude seem to have kept Gina and Robert afloat and away from TANF for the time being.

### **FACTORS THAT INFLUENCE NON-ENTRY TO TANF**

The ethnographic data suggest that several inter-related factors influence TANF non-entry among the families involved in our study. These influences include: (1) families' attitudes about welfare receipt and their opinions about those who receive TANF; (2) families' perceptions of the welfare system, how it operates, and what understanding they have about their eligibility for benefits; and (3) "diversionary" practices implemented by caseworkers and non-entrants own kin network

#### **Non-entrant Families Attitudes and Beliefs About Welfare Receipt**

The ethnographic data indicate that the attitudes and belief systems of low-income families constitute a significant influence in non-entry to TANF. Overall, we found non-entrant families' attitudes and beliefs about: (1) self-reliance; (2) altruism; (3) stigma; (4) the perceived need to socially and morally differentiate oneself from those who were poor, or abused the welfare system (the ideology of distinctiveness); and (5) their personal experiences with the "intentions and operations of welfare agencies" significantly deterred eligible families from applying for TANF benefits.

In addition, attitudes and beliefs about the welfare system held by immigrants include special features. Immigrant families in our sample include individuals with varying resident status and complicated eligibility for welfare benefits. Most, but not all the immigrants in our sample are from Mexico and Central America. In most instances, some or all of the children in an immigrant family were born in the U.S., while one or both parents were born outside the U.S. To be eligible to participate in the ethnography, individuals had to be legally eligible to apply for TANF. However, many of the immigrant families who were eligible for benefits did not apply because they were concerned about the Immigration and Naturalization Service. At times, this was because the family included individuals illegally resident in the U.S. In other families all members were legal residents, but residual anxieties and misperceptions about their status contributed to a reluctance to apply for TANF. The cultures of other countries and experiences with social welfare that differ from the U.S. were additional factors affecting immigrant family attitudes about welfare (Capps et al., 2002).

**Self-Reliance.** Some non-entrants saw themselves as, wanted to be, or wished to be seen as self-reliant. They viewed self-reliance as a positive value and understood TANF receipt as contrary to that value. Vicky, for example, has received welfare cash benefits in the past and seems pleased that she no longer relies on it. She has great respect for Theresa, an African American woman whose child used to attend the preschool where Vicky worked. Vicky admires the fact that Theresa is a single mother and that she went to school and got a good job at a store. Vicky says, "*She should be proud of herself.*" She adds,

*I think welfare is good for people at the beginning, but then it is good for them to get you off because otherwise I would have never worked. I feel more responsible now. Everybody goes through a stage, you know, and I am so hard headed. I had to learn the hard way and I am glad that welfare allowed me to do that. If others need it more, then they should get it. I didn't do nothing. I didn't deserve it. You only deserve it if you are willing to do something with your life, you know. Like my friend Theresa, she is done it all on her own.*

An ability to advocate relatively successfully for one's needs characterized a number of non-entrants. Diane, for example, takes action and is not one to sit calmly and let things happen to her. Diane, with a bachelor's degree, has adopted four children (one of whom is now grown, with two children of her own). The three younger children had been abused, which was why they were removed from their home and placed for adoption. Raising these children as a single parent, in addition to working as a nurse, keeps Diane busy. She faces and resolves problems, including those that arise through her contact with government agencies that assist in the care of her adopted children. Diane makes things happen. She persistently called and visited public assistance offices until an error was resolved, but describes that experience with the Department of Child and Family Services and public aid as, "*A dumping process; somebody wanted to help me, so they dumped me into somebody else's lap, who was either powerless or unwilling to help me.*" Despite all of this, Diane continued to "rattle cages."

**Altruism.** Some non-entrants took an altruistic, compassionate perspective toward those who rely on TANF cash benefits, and believed others to need TANF more than them. This perspective is related to the understanding that the nation's economic resources and the resources of private charitable organizations are limited, that there is only so much to go around, and that others need assistance more than the participant.

Laura's behaviors, for example, epitomize altruism. Laura is a 42-year old divorced parent with two biological and two young foster children (whose grandmother lives in an apartment in Laura's building). Laura agreed to take care of her two foster children after the Department of Social Services would not grant custody to their grandmother. When that happened, the children's mother's lawyer contacted Laura to ask her to take them into her care. Her biological children are now adults, but one lives with her on a permanent basis (and has ADHD) and the other lives in the household intermittently. Both of the foster children in her care have developmental delays in motor skills and speech. One shows signs of having a learning disorder. In addition, Laura has been diagnosed with a bipolar disorder, for which she receives SSI disability payments in addition to government assistance for the foster children. The household income for this family of four, and sometimes five is \$1,017 per month (\$12,204 per year). In 2000, when Laura was recruited to our study, the poverty guideline (federal poverty level) for a family of three (Laura, the custodial adult and two minor children) was \$14,150 annually, and \$17,050 for four (Federal Register, 2000). Despite living in poverty in addition to the health challenges she and her foster children face, Laura sees herself as receiving as much assistance as she needs, and does not want to reduce the resources available to others who may need the assistance more than she. When asked whether she was "getting enough services" to deal with everything she had to do for the boys, Laura responded by talking about the services she was not accessing. She said that she could have applied to Make-a-Wish Foundation, or Globe Santa, but didn't want to:

*I feel like, even with my own kids, I never did. It was like, whatever I can afford, I'll buy them. To me, those things are for people, like, that are homeless; people that, you know, like, really, really can't afford it. I mean, I have income comin' in the house; my bills are paid, there's food on the table, somethin' extra - hah! If not, what can I do?*

Similarly, Laura never accessed WIC benefits, saying,

*I don't tend to, like, go for a lot o' programs; I always think that there's somebody else out there that's a whole lot worse off than I am that can use it, and me, sittin' back and takin' all these things, is just deprivin' that person of it.*

**Stigma.** Stigma is an attitude about welfare receipt that deserves special attention. Many non-entrants felt welfare receipt to reflect upon them negatively. They anticipated, or had experienced the receipt of TANF as something that would cause others—including caseworkers, neighbors, family, and friends—to look down upon them. Receiving TANF cash benefits, disbursing them in public, and being seen to do so, often was perceived to be a stigmatizing activity. Thus, avoiding stigma appears to be another factor in non-entrance.

As a child, Cathy reports that her mother worked hard to provide for the family. The family did not receive welfare benefits, but Cathy was aware of neighbors and friends who received such benefits. She reports that when she was a child, welfare benefits were not perceived in the same way they are today. Cathy feels that recipients today are stigmatized by society and that it is unfair for the children involved. She agrees with the general idea of welfare reform, but thinks that it should have happened in a different manner. She feels that the sanctions placed upon families are unfair and are meant to penalize children.

Cathy reports that receipt of welfare benefits is stigmatized widely by professional people working with poor families. She has seen and overheard situations where professionals have stated, “Why don’t they find a job?” This statement, Cathy feels, is degrading to individuals receiving the benefits and she wonders if this is one of the reasons why individuals tend to give in easily when confronted with discrepancies in their benefits.

Non-entrants also perceive the stigma of welfare receipt among caseworkers, and do not wish to be the object of it. Marissa, a 21-year old mother of one, received food stamps and Medicaid, and was placed on a waiting list for eight months when she applied for a childcare voucher. When her turn for the childcare voucher came, she had obtained a temporary job and was denied benefits despite the low wages of that job, which she subsequently lost. Later, Marissa took a permanent clerical job, which reduced her housing subsidy and made her ineligible for food stamps. The father of Marissa’s child assists, both financially (with household bills) and with childcare every other weekend. Marissa has little confidence in the caseworkers she has encountered in various, non-TANF agencies. In addition to the little money she thinks she would receive through TANF (\$167), Marissa perceives the attitudes of caseworkers to be stigmatizing. She describes caseworkers as,

*The typical, kind of smelly caseworkers, ‘I’ve been working in social work too long’ kind of people, don’t even care who is getting benefits. And then there are the people who are, like, ‘working for the government, get a job now, proud to be a social worker, gonna get a private investigator on your ass.’ They want to know when you went to the bathroom and what kind of toilet paper you use if you did. I’ve had every kind of caseworker you can have. There are some caseworkers that do not treat you like you are a human, and they are talking down at you like you’re a little single mother non-working person. That’s kind of good in a way for me [Marissa appreciates the stimulus to be self-reliant], but there are people out there who don’t need that; they don’t need to be talked down to because they have had enough hardship in their life; they don’t know what to do to get a job. With someone like me, where I have the skills and the know-how—and half the time it was, like, circumstances or laziness that prevented me from getting up and getting a job. I don’t want to be a person that someone can talk down, where they look at me like I’m a piece of trash.*

Marissa also finds the stigma of welfare reliance among the general public. She continues,

*It's so embarrassing to go and use the Lone Star Card. 'Hello, I'd like to withdraw my welfare money,' you know? Yeah, it's like a credit card, but it's a Lone Star Card. Everybody knows what the Lone Star Card is. It's so big. To me, it was so humiliating and degrading to use it. I feel so much better when I go into the store and buy food and pay with cash, because I guess I feel like I'm getting some kind of respect from the people that work there, the checkers, the people back of me in line. I just don't like people to look down on me. They don't know me, who I am or how I was raised, but they already have this preconceived notion of what I am. 'I'm a welfare mom.'*

**The Ideology of Distinctiveness.** In addition to the role played by one's values and competencies in non-entrance, perceptions about oneself in relation to others also shape the decision of whether to apply for TANF. An "ideology of distinctiveness" further undergirds the perspective on TANF receipt taken by some of our participants (Burton & Jarrett, 2000). In these instances, an individual's sense of identity and worth is, in part, constructed through differentiation from those considered to be less well-off or morally inferior. In other words, a factor in some individuals' non-entrance to TANF is the wish to maintain a positive sense of self worth, and not entering TANF helped to provide that sense.

Martina, for example, has a negative image of people in welfare. She feels that welfare assistance makes people not want to work. Clarice, too, has negative feelings toward many welfare recipients. She says that she knows people (she gives an example of a couple of her aunts and some friends) who have received welfare for long periods of time and who have never worked. She feels they take advantage of the system. Clarice feels as though she has always been honest about her financial situation (i.e., changes in income, changes in health insurance status at work, etc.) with the welfare office and gets mad when she thinks about people trying to cheat the system. She feels that people who take advantage of welfare decrease the amount available for those who really need aid. She agrees with the imposition of time limits on welfare receipt and agrees with the methods employed by the welfare office to motivate recipients to work. She thinks these methods will enhance the self-esteem and self-discipline of recipients.

June takes a similar position, but adds a key distinction. June believes that people with children who are disabled deserve to receive welfare, but says about others, "*They have no respect for themselves or others. That family is living on welfare but I don't know that they value work. They have no ambitions, no drive to get ahead.*" June draws on an ideology of distinctiveness toward some, but not all of those who receive welfare. The care of a child with a disability is seen by June to exempt the person from the negative perception she holds toward others who receive welfare.

Some non-entrants contrast their values to others in the neighborhood, but do not perceive that to make them better than the others. They do not express an ideology of distinctiveness so much as a sense of personal responsibility, which recognizes that others differ but does not condemn them for those differences. These non-entrants felt that their values shaped their behavior and led them to make responsible decisions, yet they were understanding

of others who do not always act responsibly—seeing their neighbors as doing the best they can with the resources available to them.

When asked what values guide her life, June, for example, answers, *“I have always told you that it was the way that I was raised. It is in many of your notes.”* When asked to be more specific, she elaborates, *“Values like work and respect, both mutual and self-respect; responsibility. With all of those we can go ahead in life.”* June recognizes that others do not share her values. *“Well of course, I have told you how differently children are reared here. It is different.”* Citing an example of a young girl from the neighborhood that she often sees wandering around unattended, June assumed that the girl’s family (who are on welfare) does not share her values of work, respect, responsibility, etc. She states, *“They have no respect for themselves or others. That family is living on welfare and I don’t know, but I don’t know that they value work. They have no ambitions, no drive to get ahead. They are the consequences of dependency and easiness.”* In another instance, June adds, *“I don’t share in bad behavior...those street kids out there that have no manners and they behave badly in front of kids and old people...I don’t have time for those kids.”* Nonetheless, June does not disparage those who act less responsibly than her, *“But don’t misinterpret what I am saying. I think that everyone tries according to what they have at their disposal. We do what we have to do.”*

**Personal Experiences With Welfare Agencies.** Attitudes and beliefs about welfare also derive from direct and indirect experience with the welfare system. These attitudes are associated specifically with welfare, its policies and the institutions that implement them, rather than one’s general values. Most non-entrants to TANF have had some experience with governmental assistance programs. Thus, their attitudes toward TANF are rooted in a history of interactions with the welfare system. These attitudes appear to play a significant role in non-entrance.

Sometimes primary caregivers’ attitudes about welfare were expressed in response to direct questions, however many were communicated spontaneously. The welfare system—its policies as well as its staff—occupies a salient position in the lives of the low-income families in this study. Virtually all of the low-income, urban, multi-ethnic families in this study (1) receive or have received some form of cash or non-cash government assistance, or (2) know a family member or friend who receives or has received cash or non-cash government assistance. Some of the attitudes about welfare are based on an individual’s previous experience—whether in childhood (with the family in which one was raised), or as an independent adult. Among other non-entrants, the attitudes appear based in the experiences of those in the individual’s social network. Thus, government welfare offices and the use of welfare in public spaces were quite familiar to those in our study—even when they were non-entrants to TANF. Although not all experiences with the institutions that implement TANF and other assistance programs are negative, the predominant attitude about such institutions is that they require applicants to undergo a great deal of “hassle.”

Most non-entrants in our study felt that applying for TANF was an unpleasant, time-consuming experience that resulted in little financial benefit. Non-entrants who had received

AFDC or TANF in the past reported feeling patronized, misunderstood, and made to feel uncomfortable by caseworkers. Many felt the application process to be overly intrusive. Poor levels of literacy and not being a native speaker of English could worsen the interaction problems. Francine says that she views welfare as more of a hindrance now than it was when she first received it; she is now better equipped to find a good job on her own and TANF job requirements would just get in the way. Janet is tired of having to “prove how poor” she is to everyone in order to receive public assistance. She says, “*Rich people don’t have to go around provin’ how rich they are, and poor people have to constantly, like...every place they go, no matter where they are, how much money they bring in.*” Janet becomes frustrated that, on top of this observation, caseworkers have the nerve to ask how one lives on her income. While, Rae seems to bear an intense dislike for caseworkers. She describes welfare caseworkers she encountered during her two years on AFDC as “evil.” Rae continues, “*They would make you wait, just to be spiteful...They treat you like you a piece a meat waiting to be cut up by the system.*” Susan says simply, “*They be too much in your business.*”

Requests for documentation often were perceived to be unreasonable, overly complex, too frequent, to include too many types of documents, and difficult to comprehend. Some of those who had been sanctioned or had their case closed for administrative reasons may not have been eligible for TANF during our study. Others felt little interest in reapplying and repeating that experience. Moreover, the process seemed to take too long and to involve interactions with caseworkers who did not care about the delay. Darlene, for example, says,

*Right, it was, I was in a period of time where I cut off for like four months. Then had to recertify. And reapply to get right back on. Yeh, I been cut off a public assistance, that’s what’s been the gripe on and off, they’ll cut you off, you gotta, it’s the time period that you have to go, wherever, and they have so much time to, like 45 days, to get to your case; they had a certain limit of time that they put you on inside of saying, ‘OK, well we’re gonna get out this soon as possible, these people need this food,’ and that’s their job, ‘this what we start, go and do every day.’ And then they have you waiting and waiting and then it was always, just, that was a big gripe. And I hated that, you know, I mean, you been receiving it since, I felt like, they, long’s anything in my household did not change or if I didn’t die, anything, and if I didn’t call you and tell you that something was changed, you shouldn’t harass me about it. I been receivin’ \*\*\* all my life. OK, when I was 21, they cut off.*

In addition to the “hassle,” itself, some felt that the relatively small cash benefit provided by welfare did not make the effort to comply with eligibility and documentation requirements worth their time and energy. Susan, for example, received AFDC cash benefits plus food stamps in 1993-1994 and considered applying for TANF cash benefits in 1999, however: “*They threatened to take the AFDC if you don’t fill out paperwork.*” Susan says she has not applied for food stamps now because it is too much of a hassle. She had been in the welfare office earlier in the year and she had to explain to them five times about Charlie’s death [the father of Susan’s children]. Susan said, “It was just too much.” She figures that making welfare so hard is done intentionally, to keep people off it. Susan left AFDC in 1994 because she did not want to file for

child support enforcement against Charlie. *“As a matter of fact...they was going to make him pay one fifty five [\$155]. Why would I want that one fifty five once a month when he’s basically giving me that every other week?”*

One kind of “hassle” is the institutional setting of many social service offices. These offices were not perceived to be aesthetically pleasing, waiting rooms often were crowded and not always clean, and waiting time for service often extended into hours. Susan says, “I know that damn line was long. In ‘92, since I was a walk in, it was a four-hour wait.” In addition to the time involved in complying with welfare office requirements, the cost of travel to a welfare office was perceived to be an obstacle. Virtually all of our participants relied on public transportation at times. It was not uncommon for trips to require changing from one line to another, which added to the total time spent waiting. Sometimes, participants could not afford the price of the ride. Transportation, thus, was sometimes included in one of the “hassles” of the welfare system. Lucinda reports receiving a letter from the office that issues her food stamps. In the letter, those re-certifying are requested not to bring their children with them to the office. Lucinda was irritated by this request, and said, *“I am not going to find someone to baby-sit and pay them just to go up to that office.”*

Though the predominant perception non-entrants held toward the welfare system was that it was a hassle, it should be noted that not all participants had negative experiences with the system. Vicky, for example, appreciated the thoughtfulness of a caseworker with whom she had an ongoing relationship prior to leaving TANF. Jennifer, Vicky’s caseworker for some time, had helped her navigate the welfare system.

*Jennifer was always very nice; I never had to wait more than five minutes; as soon as she knew that I was there she would come out and talk to me. She even got me an extension to get training. I would get letters and stuff when I forgot to do something but I always got it fixed. She used to tell me, “You have to do this because I don’t want you to be in trouble.”*

On the other hand, Cathy, who works in childcare, has contact with parents and families who are receiving welfare benefits and who discuss with her their difficulties in providing the complex documentation to become and remain eligible for a variety of benefits. Although some of our participants report having had positive experiences with welfare case workers or having encountered caseworkers they perceived to be competent, more often than not, the personal interactions with caseworkers were perceived as unpleasant. Cathy often hears from families about issues such as being cut off from food stamps, losing childcare vouchers, and having monthly checks reduced or cut off completely. She feels that she is in a position to help the families of the children in her classroom receive correct, up-to-date information about changes in the system. Many times parents would inform her of a change, which may not be clear to them and Cathy would help them to interpret the change. She feels that non-English speaking parents are at an even greater disadvantage because no one takes the time to understand their needs.

In addition, negative experiences with other governmental social service agencies sometimes were generalized to apply to agencies that administer TANF benefits. Diane, the mother of four adopted children mentioned above, said she wanted her ethnographer to know what she and her children were going through. She wanted people to understand that while there is a “skeleton of social services” they do not always function satisfactorily. She said that, because the public assistance system has not provided the services it should, she has undergone a number of difficult experiences. Despite a restraining order against him “*for pedophilia*,” for instance, Diane’s child care center allowed her younger children’s biological grandfather to enter the center’s campus to obtain an identification card for social services. The center’s staff knew about the restraining order and have cooperated to keep him from “stalking” the children (in Diane’s words), but another agency had decided to use the child care center’s campus to issue the cards and would not deny him access. Diane, who has always been in the business of helping people, cannot comprehend how and why there are people working in social services who actually do not care enough to make sure that those who need help receive it.

In another instance, Diane went through a particularly ineffective and frustrating series of contacts with several public assistance offices to cope with *administrative* error that cost Diane cash that she depended upon to support her adopted children. The Department of Child and Family Services had sent Diane’s adoption stipend to the wrong address and was unable to stop payment and re-issue the check, which was one-half of Diane’s household income. Instead, Diane was investigated for fraud and her stipend suspended. She was referred to another office for emergency food stamps and the referring caseworker said that, if any problems arose, workers at the second office should call her to clarify Diane’s eligibility for emergency assistance. Diane, however, was informed that she was ineligible, and the denying caseworker refused to contact the first caseworker. It took Diane a full week of telephone calls and documentation to have her stipend reinstated. This experience has not left her eager to apply for TANF, to again cope with an additional system of caseworkers and documentation.

Moreover, Diane was angered that a caseworker would presume to expect that she should borrow money from family or friends, rather than receive public assistance to which she was entitled. One of her caseworkers asked Diane if she had any family members or friends who could loan her money. Diane was outraged. She had no one from whom she could borrow money, but more importantly, she felt it was not an appropriate option for the caseworker to suggest. Diane was angry and said that it was none of DCFS’ business as to whether she had people in her network who could loan her money.

It should be noted, though, that attitudes about TANF did not always generalize to other forms of cash and non-cash government support, or to non-governmental support. Participants for example, generally quite favorably viewed the Supplemental Nutrition Program for Women, Infants, and Children (WIC), its purpose and staff.

Perceptions and misperceptions of TANF regulations (“local knowledge”) deriving from experience with the welfare system also affected entrance. Katie’s non-entrance, for example, was affected by her understanding of TANF time limits. Katie is a 20 year-old mother of a 4

year-old daughter, Kristin, and lives with her mother, grandmother, four minor siblings, and a minor cousin. Katie went on TANF after giving birth to Kristin because Katie was concerned about finding someone she could trust to provide childcare. Although living in a household full of kin, Katie does not seem to want to spend time at home. Katie received Medicaid and TANF/AFDC benefits 1995–1998. Currently, however, Katie is not on TANF or Medicaid, and does not receive food stamps. She works at a fast food restaurant and spends a lot of time with Jake, Kristin’s father, who lives nearby. Katie believes that the only thing her present income would entitle her to would be Medicaid and says she makes too much money to receive food stamps. Katie found receiving TANF/AFDC easy. She says, “*It was easy for me. It mostly depends on the caseworker and how, I don’t know, how they communicate.*” When welfare reform occurred, however, Katie “knew” that,

*I was going to be cut off. It just said...eventually you have to find a job because you have to work your way off of welfare, so when they cut it off you won’t be just...I mean, they said it in a different way, but that’s pretty much what they were telling you, that you have to get yourself together so you can better yourself and not be homeless with your kids. Katie says this didn’t scare her, that ...it’s common sense.*

A few non-entrants perceived themselves not to be eligible for TANF cash benefits and, like Katie, did not always investigate the accuracy of this assessment. Sometimes, it was thought that, by definition, being an immigrant or married would disqualify one from TANF. Some who were able to make ends meet financially considered that to indicate their ineligibility. Such, sometimes erroneous, perceptions appear to be related to a sense that welfare rules are confusing, difficult to navigate, and thus likely to exclude one. For example, Vicky, in Boston—cited above as someone who believes in self-reliance—is also shown in the above illustration to perceive that she is ineligible for TANF because she does not “deserve” it. While Katie in San Antonio (mentioned above), who works at a fast food restaurant, believes that her earned income and the time limits associated with PRWORA make her currently ineligible. Some, like Doris, perceived themselves to ineligible for TANF due to regulations that did not take into account an unusual circumstance. Although legally married, Doris has been separated from her husband for the past four years. When asked whether she has applied for TANF, Doris responds,

*I tried it already. I tried to get welfare for me, and I tried to get Medicaid for me. And they said that I’m not qualified because my husband still lives here at the house. [But] He’s just in and out of the house. And it’s like I’m still married to him [as far as TANF-eligibility is concerned].*

Informally, primary caregivers were diverted from receiving TANF in several respects. Some primary caregivers perceived that they were ineligible for receipt of benefits. Other primary caregivers were dissuaded from applying for TANF because they did not want to be treated poorly by caseworkers. Moffitt (2003) estimated that nearly 17% of individuals who visited the welfare office were dissuaded from completing the application process because the staff treated them poorly. Other primary caregivers regarded the application process as too

complicated. Receipt of a meager TANF benefit was not worth the hassle in their opinion. More than a third of survey respondents reported that they did not apply for TANF because it was too much of a hassle. Moffitt (2003) notes that, this reason was “consistent with the notion that the cost of application was too great” (p. 15). Ella, an African-American mother of one who participated in the ethnography, expressed her frustration with applying for TANF:

*I thought that it would be more hassle than what it was worth...I spent so much time there when I did have to go, and I was very fortunate that the only thing I needed from them was at the time just medical assistance to be able to go and get prenatal care, so I didn't really have to spend as much time there as people who would need help with other things from rent to food to medical assistance. I was glad that I did not have to spend a lot of time there, but I did know, the few times I did have to go there, it was just a lot of waiting. Sometimes the people that I would talk to were okay. Other times, they were really crabby, so it was like, I am here because I need this, not because I want this, and if I don't really need this I am not going to be here. That was kind of where I was coming from when I decided not to continue with it.*

## **DIVERSION: THE ROLE OF POLICY, INSTITUTIONAL PRACTICES, AND KIN DEMANDS IN TANF NON-ENTRY**

### **Institutional Diversion Practices**

Non-entrant families' experiences with institutional diversion practices were also examined in the ethnography. Before we review the patterns that were found in the data, it is important to note that the 1996 PRWORA legislation did not make a provision for diversions. Yet, many states have enacted such programs (Moffitt, 2003). Across the three states in which the *Three-City Study* families reside there is variability in diversion policies. In only one of these three states, Texas, was a formal diversion policy in place (Moffitt and Roff, 2000). In Texas, a person in financial crisis and eligible for TANF can receive a payment of up to \$1,000. This “OT-TANF” (One Time-TANF) Program was devised as a policy to respond to family economic crises. The purpose was to help families in a financial emergency with a one-time cash payment that would enable them to cope with the financial crisis and keep them off the TANF role. This one-time payment is less than the state would distribute to a family on TANF for a full year and makes the recipient ineligible for welfare cash benefits for the following 12 months (State Policy Documentation Project, 1999; Texas Department of Human Services, 2001).

Despite the fact that Texas is the only state in our study that has an official diversion policy, families' experiences also could occur in Boston and Chicago given that under welfare reform, staff members in local welfare offices have considerable discretion in how they can implement TANF policies (Cherlin et al., 2000; Moffitt, 2003; Morgen, 2001). Therefore, although primary caregivers may have reported that their case workers diverted them from applying for TANF, the primary caregivers may in fact have been subjected to case workers who were “exercising latitude in helping families to locate and secure other services or support.”

Consider the case of Yvonne. Yvonne, who lives in Chicago, had taken a second job, which involved making deliveries between 1:00 a.m. and 5:00 a.m. Since she had no other childcare, Yvonne brought pillows and blankets and for three months her two children slept in the family car while Yvonne used it to make deliveries. She arrived home in time to shower, dress, and eat before starting her daytime job at 7:30 a.m. When she lost both jobs, however, Yvonne applied for TANF, only to feel that the office merely increased her stress. However, the policy of immediately directing applicants to an employment office had the effect of diverting her from TANF. The ethnographer writes,

*Yvonne believes that welfare reform has affected her health, because it increased the stress level in her life. She says that she called her social worker right after she got laid off. The caseworker asked Yvonne to come to the office right away, so that she could fill out the paper work to receive food stamps, TANF, and help with her rent. Yvonne says that before even waiting to find out if she was going to be eligible for compensation or not, the caseworker gave her an appointment for the employment placement office three days away from that date. That was the condition they put to give her the assistance. The social worker told Yvonne that if she didn't start looking for another job right away they were going to cut off the benefits. Yvonne went to apply to the compensation office the day after her interview with the social worker; a prospective employer was there at the time, accepting applications, so Yvonne applied and got accepted right away. She was going to work the night shift because she didn't speak English (from 3:00 to 9:30 a.m.) at a starting salary of \$8.50 per hour.*

Four forms of institutional diversion practices were found in the ethnographic data. First, some caseworkers formally diverted individuals from receiving TANF by sending them to food banks and local charities for help with paying bills. San Antonio respondents who sought assistance from TANF may have been provided with a “one-time cash payment, with the stipulation that the individual not reapply for some length of time like 3 or 6 months” (Moffitt, 2003, p. 6).

Second, primary caregivers recalled being discouraged from applying for public assistance if their TANF receipt would be influenced by child support payments. By law, TANF recipients are required to cooperate with child support enforcement efforts by providing information about the fathers of their children. However, as a result of the meager TANF benefit in San Antonio, for example, receipt of child support payments boosts the income of a primary caregiver above the income restrictions for TANF receipt. Naomi recounts, “*If you get child support, you can't also receive TANF. Because your household income has to be less than fifty dollars a month or something ridiculous like that.*” Betty's experience was slightly different. She refused to apply for TANF in order to protect her former husband from paying more child support. This Latino mother said,

*I am not on TANF because it would require that I put down all five children, and I don't want to do that because I am concerned that they would ask my first husband for more*

*child support, and I feel that it is not fair to him to support the children from my second marriage in addition to his.*

Third, receipt of childcare proved to be an important diversion tactic. In some situations, caseworkers advocated for their clients and pointed out that by applying for TANF, the primary caregiver would lose other important resources. Janie, a European-American mother of three, recalls having a very positive experience at the TANF office. She says, *“Though I applied for TANF, she advised me against taking it because I would lose almost all of my child care in exchange for a lower benefit.”* In other instances, caseworkers assured would be TANF applicants that they would be guaranteed child care if they secured employment before they received their TANF benefit. In sharing her experience, Sharon, an African-American mother of two, said:

*When you’re actually getting into the process of applying for TANF, you have to do a work force orientation and that’s when they tell you all of the bad points of getting TANF. They do everything they can to get you to not get on TANF. They give you good reasons too. They tell you if you leave the orientation and get a job before you get certified for TANF, before you receive your cash benefits, they will give you day care. They will make sure someone is going to take of your kid while you’re at work.*

Fourth, caseworkers often acted as gatekeepers to TANF receipt. Many primary caregivers recalled caseworkers failure to follow procedure and instead determined, on their own, whether individuals were TANF-eligible. Marva said, *“I believe that he was supposed to put the information into the computer, which would determine my eligibility, rather than just glancing over my documentation and then saying that I was ineligible.”* As described by Morgen (2001, p. 748), “how (and sometimes even whether) policy is implemented depends on the frontline workers who carry out policies in their day-to-day work.”

### **“When Other Members of the Household Receive TANF”: A Complex Story of Diversion and Non-Entry**

An important finding in the ethnography concerns complex kin household and living arrangements that can give primary caregivers the appearance of being non-entrants. Maria’s story illustrates. Maria, a Latina mother, was 15 years-of-age when she enrolled in the ethnography. Her complex story of TANF non-entry began soon after the birth of her daughter when Maria found herself living with her boyfriend at his parents’ home and struggling to provide basic necessities for her newborn child. Though her 18 year-old boyfriend was working full-time, he shouldered the responsibility of financially supporting his family of origin and his own new family. Maria did not earn much money at her part-time job, which she worked in the evenings after attending a GED program in the daytime. Often, their combined earnings were not enough to cover the expenses for their child.

In order to provide for her child, Maria decided to apply for TANF. She was denied

TANF benefits because she was a teenager and did not reside with her own mother. The fact that Maria had not lived with her mother for over a year was not considered by the caseworker. The caseworker recommended that Maria go through the process of declaring herself an emancipated minor in order to receive benefits. Maria regarded this process as too much of a hassle and opted to ask her boyfriend's mother, Yolanda, to collect benefits to provide for Maria's daughter. Maria recounts her experience:

*I was fifteen when I had my first child and I couldn't get services. I would have to go through all this red tape and become officially emancipated, and you know, lucky for me I could get services with his mother [her boyfriend's mother]. But if I didn't have them [her boyfriend's family], what would I be doing? Waiting till I was eighteen to get services? That would've been for three years. This kid would be starving for three years till I turned eighteen.*

Since Maria's boyfriend was 18 years of age, he was required to consent for Yolanda to collect TANF for his child. Yolanda was already collecting benefits for her own two young children. Therefore, Maria was sure that she would be eligible to collect TANF benefits for a third child.

This arrangement proved to be beneficial for Maria and Yolanda in important ways. Maria was able to receive a cash benefit, food stamps, and a medical card for her child. Moreover, Maria was able to continue her education and hold a part-time job since she had regular and reliable child care with Yolanda. Since Yolanda cared for her granddaughter daily while Maria went to school, Maria allowed Yolanda to keep the food stamps, some of the cash benefit, and a portion of the goods she secured from WIC. These resources undoubtedly helped Yolanda to provide basic necessities for her own children as well.

Maria believes that she was very fortunate that Yolanda was able to help her until Maria was old enough to open her own TANF case at age 18. She said, "*I was lucky I had somewhere there, and someone trustworthy to collect benefits for my child. But other teens do not. I wonder how they make it. I know other girls my age that experienced this trouble.*" To conclude, this case illustrates the point that classifying individuals as non-entrants is complicated because their connections with kin and other recipients matter.

### **Kinship-enforced "Diversions"**

From a "kin network perspective", husbands, boyfriends, parents, and grandparents were important in diverting primary caregivers from applying for TANF. They were more likely to convince the primary caregivers that they were investing too much energy to receive benefits and that life would be better without the hassle of repeatedly going to the TANF office. Rosa, a Latina mother of four, recalls, "*I did not re-certify after I got married. I was with my husband, and he told me to get off it. It was too much of a problem.*"

Also, kin sometimes would stigmatize the primary caregivers for receiving public

assistance. For example, one fieldworker recounts the experience of an African-American mother of three:

*Ramona has not worked in a while, but is not on welfare. She still feels defensive about having been on welfare in the past, and is quick to deny that she is on it now. Her family gave her a difficult time when she was receiving welfare, and she still feels the sting. She has cut off ties with some family members. She has not been on welfare for five years, but had received benefits for two years while she was on it.*

### **Banking Time**

We define “banking time” as occurring when primary caregivers consciously decide not to go on TANF in order to reserve the time that they can receive benefits. In essence, primary caregivers opt to work or utilize other resources to sustain the family in order to preserve the time that they would be eligible to receive TANF assistance in the future. Among primary caregivers who consciously decide to bank their time, TANF typically is used to sustain the primary caregivers through periods of job searching. Mothers also use TANF to support their families when they are unable to work, such as when a child is chronically ill or when the mothers themselves are in the last trimester of their pregnancies. Vivian’s case highlights the strategy of “banking time”.

Vivian is a 33 year-old Latina mother of five. Vivian is a long-time recipient of public assistance, having been on AFDC as a child and continuing into adulthood when she first became a mother at the age of 23. Under the new federal guidelines for TANF, Vivian was required to work. Unfortunately, Vivian was unable to maintain her employment because the approved childcare facility was not open during the hours that she worked. Soon thereafter, Vivian’s third child became chronically ill. Desiring to stay with her son through his illness, Vivian sought the help of her son’s doctor so that she would be exempt from the work and school requirements for TANF. After some thought, Vivian reconsidered her position and decided that she would be willing to work if she could find a friend or a family member to care for her children. In light of this change of heart, Vivian secured other employment. This was a better option for her as a single parent and the sole breadwinner for her family. Vivian explains her decision to return to work:

*I was thinking since they had sent me to go to work [for three months], I’m thinking the five years already are starting. I think they say once they send you, it’s five years. When they sent me to work, I had worked for three and a half months, so I still have those three and a half months saved. And I was telling my friend, I want to go to work and close my welfare completely, and use it as an emergency. I’m thinking of asking them one of these days [how much time is left] because I want to save those for when I necessarily need it. I don’t want to just waste it... I’m thinking I’m just going to close my case, my food stamps, everything. You just never know what could happen, if I lose my job or quit again, I could just go right there and have my benefits there. I’ll just save my benefits for emergencies.*

## **“MAKING ENDS MEET?:” TANF NON-ENTRY AND “PACKAGING” RESOURCES**

Given the factors that influence TANF non-entry for families, and the difficult life circumstances most of these families faced, an important question that emerged in our analysis was: How do non-entrant, low-income families “make ends meet” without TANF cash benefits? We learned that TANF non-entrants drew upon a wide range of resources, which precariously enabled them to support themselves and their children without relying upon TANF cash benefits. In this section, we provide an overview of the resources that non-entrants had available to them. The resources are governmental and non-governmental; take the form of cash, goods, services, and emotional support; some are long-term while others are temporary; and they are varyingly insufficient in providing support. Some of the resources are based in the personal characteristics or behaviors of the individuals in our study, such as, education, good health, and a job. Other resources are provided by families and friends. We also examined how families’ “packaged” these resources to make ends meet.

### **Resources in Non-Entrant Families**

**Education.** Education is, indeed, a resource that several non-entrants possessed. Education can open doors for jobs that pay moderately well, offer benefits, and may be more permanent. Such jobs, though, were relatively uncommon among participants in this study (see below). Among others, education and training are more an “investment” than a resource for which rewards are quickly garnered. Non-entrants who attended post-secondary educational institutions or were working toward a GED clearly understood this principle. They anticipated that these efforts would enhance the likelihood of remaining or becoming self-reliant workers. They also felt a heightened sense of self-esteem as a result of their education (past or present), which, when coupled with a desire to be self-reliant, reduced the likelihood of entrance to TANF.

Rae, who thinks there is a connection between self-esteem, a decent income, and avoidance of drug abuse, was 41-years old, divorced, and the mother of four children when she enrolled in the study. Rae and her oldest child, who lives outside the household, are both attending college full-time and working toward a Bachelor’s degree. After getting her other children off to school and child care, Rae spends her mornings studying for her college courses and regularly helps her two adolescent children with their homework—because she places a high value on their education, as well.

This seemingly untroubled depiction, however, disguises the turbulence and challenges she has experienced. Preston, her boyfriend and the father of Rae’s youngest child has: sold drugs and been in jail, been verbally abusive to Rae, is living with another woman, and insisted that Rae take Depo-provera to prevent pregnancy—even though it appears to cause Rae hair loss. Rae’s mother suffers from schizophrenia, one of her daughters was raped a couple years ago, and

a 24 year-old goddaughter committed suicide. Rae's income has always been low and somewhat unstable. She has needed to rely on AFDC cash benefits in the past. Rae is covered by Mass Health for her health care and her rent is subsidized, however her only cash income is the \$520 she receives every two weeks from Preston in child support. Despite her many challenges, Rae has volunteered for the past three years at her daughter's child care center and persists with her college education—working toward a degree she hopes will prepare her for a social service position. Rae's behavior demonstrates the powerful pull of education for some non-entrants, and that the promise of education can be a motivating factor in overcoming significant challenges.

**Jobs.** Jobs provide direct income, but among the non-entrants in this study, work income is low, uncertain, and often carries a cost in the loss of other resources (Lein et al., 2002). Among some of our participants, work income played a significant role in their non-entrance to TANF while, among others, income from work was a relatively small—and sometimes temporary—proportion of their household resources. Some non-entrants relied on the work income of a spouse or cohabiting intimate partner, rather than on their own job income.

Forty-six percent of the non-entrants were working at least part-time when enrolled in our study (Table 2) and thus, at that point in time, relied upon their own work income for at least a portion of their financial support. Through our longitudinal contact with non-entrants, however, we saw that jobs did not always last throughout the study period, and some of those who continued to work changed jobs during the study. Moreover, some part-time jobs were for few hours per week. Thus, work income from the primary caregivers who were participating in this study was less consequential than it may appear.

For example, Veronica has a relatively stable, but low-wage job. She is a 19 year-old mother of one, who works evenings at a nursing home. The father of her child is supposed to pay for childcare every other week, but does not always do so. Those weeks, Veronica absorbs the cost. After some difficulty with the application process, Veronica was determined to be eligible for \$16.00 in food stamps each month. Lucinda works part-time, but wants to work more hours in a job with benefits. She has worked 10-hour days every Saturday and Sunday for the past eight years, selling items at a weekend market. The pay is not bad, but there are no benefits. During the study, she was offered a weekday job in a bank. However, she would have to begin work at 5:00 a.m. and would be unable to find childcare at that time for her two children. She is waiting to see whether the bank can offer her better hours.

Not all of the non-entrants who worked received job-related non-cash benefits, such as, health insurance and pension contributions (the latter of which were virtually nonexistent among these relatively low-wage jobs). Some received job-related non-cash benefits only temporarily. When Iris, for example, worked as a census enumerator, she had a good paying job with benefits, which was temporary. Sometimes the lack of job-related benefits was due to the position being less-than-full-time; in other instances study participants were self-employed, for example, as housecleaners and taxi drivers. Some non-entrants in our study have sold Avon and Mary Kay products or jewelry that they crafted.

Dorothy, a 22 year-old mother of two, is engaged and resides with her fiancé, who now has a disability. Until reaching age 21, Dorothy depended upon her mother's health insurance, which was provided through her mother's employer. Since then, Dorothy went for a short while without health insurance coverage until taking a job at which it was provided. Dorothy has worked fairly steadily, in a nursing home, as a bartender and waitress, in a clerical position, and now as a dispatcher.

When she enrolled in our study, Robin was working in a low-wage factory job, which paid her \$5.75 per hour. Robin is a 23 year-old, separated mother of four, who usually did not work during the summer in order to be home when her children were not in school. When the factory job required her to work on Saturdays, Robin decided to look for another job due to the difficulty in providing childcare. She found a different factory job, in which her hourly wage began at \$5.50. Robin's wage rate has increased since then, and at the end of our study she was promoted to a supervisory position in the factory. Nonetheless, for most of the period we studied her, Robin relied on Medicaid for health insurance for herself and her children, and on multiple additional sources of support, including housing assistance, WIC, food stamps, food pantries (she sometimes ran out of food at the end of the month), and child support from the father of her children.

Robin relied on newspaper ads to find her jobs, but also acknowledges she was helped by the welfare office (when she was receiving AFDC in the early 1990s). Robin says, "*They helped me. They told me everyday, 'You have to look for jobs.' They told me I had to keep numbers. So that's how I got my first job.*" Robin was required to keep track of all the places that she visited to find a job in order to receive welfare. She went door to door and also looked in the newspaper. She notes that she preferred looking in the newspaper and that friends also were helpful in her job search.

Among some non-entrants, the majority of work-related income is provided by another member of the family, such as a spouse. Noreen is a case in point. Noreen's husband works full-time in construction, and provides most of the family's cash income. However, his income does not suffice for all their needs and the family employs additional strategies to make ends meet. For example, Noreen sells her plasma twice weekly. The family had been living in a homeless shelter, but while in our study was placed in a transitional housing program. Noreen is married with two children. A third child, born just months before Noreen enrolled in our study, was given up for adoption. Noreen has worked for six weeks in a fast food restaurant while waiting to return to her vocational training program.

Another analysis from this study (Lein et al., 2002) found that jobs held by primary caregivers of young children were a less significant resource than might be expected. The jobs that study participants (including entrants to TANF) found tended to be low paying and unstable. In addition, full-time and close-to-full-time jobs were not very common among primary caregivers. Lein and colleagues report that, from among a sub-sample of 155 participants in the

ethnographic component of the Three-City Study,<sup>2</sup> only 33 (21%) worked in a job that was close to full-time for at least six months while enrolled in the study. Another 9 families (6%) worked multiple part-time jobs that added-up to an almost full-time (i.e., 40-hour) work week. Nonetheless, 10 of these families were entrants to TANF.

**Cash and Non-cash Government Supplemental Support.** Table 5 provides an overview of the use of cash and supplemental government support among non-entrants and entrants in the ethnography and survey. These figures suggest that a higher percentage of ethnography non-entrants (54%) are using WIC as compared to the other sub-samples. Non-entrants also use Medicaid, food stamps,<sup>3</sup> and SSI, albeit comparatively speaking, in fewer numbers. Overall, roughly half of the ethnography non-entrants reported receiving several forms of government assistance with housing, transportation, educational assistance (loans and grants), utilities, and school lunches. These supplemental government benefits made it possible for non-entrants to make ends meet with less cash, thus facilitating their TANF non-entry.

Gina, for example, (mentioned below and in a previous section) was pleased at how quickly she began receiving food stamps after applying for them. She thought that it would take a month, but they arrived within two weeks. Gina receives \$182 a month in food stamps and says, “[They] *helped a lot. It helped me get groceries. It was a big, big, big help.*” Gina thinks that when she and her nuclear family move out of her sister-in-law’s apartment, they might receive more food stamps. Once she shows “Public Aid” that she needs to pay rent and other expenses, she thinks the amount of food stamps will increase. She also appreciates the benefits of the WIC program:

*WIC has been very helpful because if you don’t have money or any extra dollars toward the end of the week, you don’t have to worry if they [the kids] can have milk or juice. WIC doesn’t give you junk food or money to buy junk food. They give you good stuff. Financially and nutritionally, it helps in a big way.*

Despite her positive perception of food stamps and WIC, Gina did not apply for TANF cash benefits. She was deterred from TANF by the amount of documentation she had to obtain, and the challenge of obtaining all those documents. Gina says that, when applying for TANF, they required a statement from her bank and information, such as, the number of people on the account, the amount of money they have, and whether they have direct deposit. Gina had to approach Robert’s [her husband] former employer and ask him to complete forms about Robert’s three final paychecks. In addition, she was required to obtain documentation of his current earnings from his present employer. In order to provide proof of her living arrangements, Gina needed someone to verify that she lives with her sister-in-law. She also needed Robert to sign papers that said he was her husband and they were both applying for TANF.

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<sup>2</sup> Drawing on preliminary data, the authors of that paper decided to limit their analysis to families for which a relatively complete data set existed at the time of analysis.

<sup>3</sup> The average monthly food stamp benefit nationwide was \$163 in fiscal year 2001, and almost 77% of food stamp recipients had no TANF income (Rosso, 2003).

**Child Support.** Some non-entrants received cash from the father or fathers of their child or children. The amounts varied. In some instances, child support was a substantial source of the non-entrant's household income, while in other cases the amount provided was low or irregular. In many instances, child support was provided directly to the non-entrant primary caregiver in our study, rather than through an institutional intermediary such as a child support enforcement program. Sometimes the child support was paid to comply with a court order, and in other instances it was provided freely. The father of Joan's three children works at a convenience store. She calls him her boyfriend, but the intimacy of their relationship appears uncertain. He intermittently resides with Joan and visits the children. Similarly, he intermittently contributes non-mandated financial support for the children.

**Emergency Cash and Non-cash Assistance.** A number of non-entrants report having received emergency assistance from a public agency. In a few instances, a non-entrant reports availing herself of some form of public assistance, for example, with a health crisis, utility bill, rent payment, or cash payment through a TANF diversion program. The amounts received in most cases were relatively small and, by definition, temporary. The sources of assistance could be from a wide range of government agencies—federal, state, and local—with interests in a range of domains. Paula, for example, is a mother of four who considers herself married but has not married legally. Paula's "husband" works, but because they are not married she is not covered by his health insurance. During a recent illness, Paula incurred a hospital bill of \$1500. She applied for medical assistance, which would cover \$1200. In the meantime, she has not yet been able to pay the other \$300 and continually receives bills for the difference.

Non-entrants also reported receiving assistance from private sources—churches, food pantries, etc. This assistance was more likely to be in the form of goods than cash and, like governmental emergency assistance, tended to be temporary and of relatively low cash value. Helene, for example, has requested Christmas presents from three charitable organizations in an effort to give her children a memorable holiday.

Although not set-up specifically as a means of assistance to low-income families, second-hand retail business (sometimes referred to as "thrift stores") also provide a means to make it through hard times or acquire "extras." Paula, for example, often buys goods at a flea market. During one outing, she purchased five bottles of nail polish for \$1.00 and books for class (a book about John F. Kennedy, a dictionary for \$2.00, a travel book, and an old magazine). During the same shopping outing, Paula bought a purse for \$2.00 at a second hand store. In another instance, she was able to buy 64 diapers for \$10.00, two cookbooks for \$1.50, and another cookbook for \$0.95. Bargain prices such as these, although not providing cash income or assistance in key areas of need (i.e., for food and housing), sometimes play a significant role in the lives of non-entrants. Although their monetary value is relatively small, these items help non-entrants purchase goods necessary to their households and provide an opportunity simply to buy things, as so many other Americans do.

The significance of emergency assistance is that it played a role in keeping people off the TANF role at times of crisis, when they may otherwise have had to apply for TANF. The low-incomes of those in our study, including the non-entrants, resulted in a high degree of economic insecurity and vulnerability to the vicissitudes of life. A child's illness could lead to the loss of a job; an old car could break down and leave one without a way to get to work; child support might not arrive; a marriage could dissolve. Without emergency assistance, these and similar situations can leave those with few economic means nowhere to turn but to TANF.

Valerie, for example, received AFDC for two years when she became pregnant at 16. Now married with three children, she and her husband, both 25-years old when they enrolled in our study, do not receive any regular government assistance—not housing or utility assistance, and not health insurance or help with childcare, though Valerie is considering applying for WIC. The family does, however, use “free care” at a health clinic or hospital emergency room when someone in the family needs medical attention. Valerie's husband runs his own small business, which Valerie helps with on a part-time basis. Nonetheless, Valerie relies on a local food pantry for help when the bills become too high. She has received cereal, milk, juice, and potatoes from that source.

**Credit.** In a few instances, non-entrants could provide temporarily for some of their needs through credit card debt or furniture rental retailers (Williams, 2001). Too often, these strategies led to bankruptcy or repossession of goods, but some non-entrants used them to get through periods of need, to pay for a treat or a holiday gift, or to supplement meager household furnishings. When her cash flow will not cover household expenses, Paula (mentioned elsewhere) prioritizes their bills, putting off some for a later date and occasionally uses a credit card to make it through such periods. As a result, she pays \$100 each month on their credit card debt. While Janet (mentioned in a previous section and below), who divorced and faced numerous financial challenges during our study period, has at least \$10,000 in credit card debt but has not entered TANF; she perceives applying for TANF as an intrusive process, which she wishes to avoid. She is tired of having to “prove how poor” she is.

When Helene (mentioned elsewhere) was fired from a job for what was described as her “gruff attitude,” she borrowed \$500 from a “loan shark,” which she pays back at \$30 per week. Helene, a married 23 year-old woman who gave birth to her third child while enrolled in our study, spends her days mostly at home with their children. She says the household income makes her ineligible for child care assistance. Her husband, Fernando, provided most of that income through his two jobs, but late in our study quit his night job because it was making him too tired. He currently brings home about \$300 per week. Helene has received assistance through the WIC program and the Earned Income Tax Credit. She also employs strategies to make ends meet, such as, emergency assistance for Christmas gifts and concealing her husband's residence in the household. Helene's brother, who occasionally lives with them, contributes small amounts of cash to the household. He will, for example, pay the cable TV bill. Fernando occasionally relies on unregulated loans and, when Helene lost her job, she took out such a loan on her own. She considers TANF a hassle and prefers to make ends meet through other means. During one interview, while our ethnographer was present, Helene used Caller ID to identify and

avoid a telephone call to collect on a loan that Fernando had taken out. Apparently, that was less of a hassle than TANF.

**Informal and Underground Economies.** Some non-entrants augmented their economic support through bartering or temporary, unreported work. For example, Paula (mentioned above) receives \$100 per week for the informal child care of two of her nephews. She hides this income from her husband, who only provides her with \$20 per week from his salary, and sends much of this income to her parents. Noreen (mentioned above) sells plasma. Corinna (mentioned below) collects aluminum cans to sell for recycling.

**Doubling-Up.** To make ends meet, one of the resources non-entrant families in the ethnography often used was “doubling up” or moving in with another family. The Greene family provides insight on this resource. When the ethnographer meets Melanie Greene, the primary caregiver, for the first time, she and her 8-year-old daughter are living at her mother’s house. Meanwhile, her partner, Patrick, is living separately with their two youngest children, who are 1 and 2 years of age. They are unable to locate housing that will accommodate the five of them. They are both employed; Patrick works for a car rental business and Melanie works at a movie theatre. Melanie’s friend Tom provides childcare for the children. He picks them up from daycare and takes care of them until their father returns from work. In exchange, Melanie either cleans for Tom or provides him with food. Eventually, the Greene family moves in with Tom because he has a large enough place to accommodate them. After moving in with Tom, Patrick loses his job and it is unclear whether or not he is able to secure other employment. As a result, they are completely reliant on the income that Melanie brings home from her job at the movie theatre where she earns \$7.25 per hour or approximately \$160 to \$220 per week. It is therefore not surprising that the Greene family is unable to acquire or maintain an independent household. Other than the housing and child care support they receive from their friend, they do not receive other financial assistance from either social networks or governmental agencies. Melanie is socially isolated and distrustful of those around her.

**Kin Assistance.** A significant source of ongoing and emergency support is the kin of non-entrants. In some cases, kin were the non-entrant’s primary source of support. In other instances, they provided or shared, for example, a few dollars for diapers or some meat; emergency and gap childcare; rental costs; and a temporary supply of medication from their own prescription. Kin assistance came from one’s parents, one’s spouse or boyfriend (cohabiting or not), and from a wide range of (close and distant) biological and fictive relatives. Many of the non-entrants provided reciprocal support through a system of exchange. Moreover, each of the non-entrants in our study provided intergenerational kin support to someone else, as the primary caregiver of at least one young child (an eligibility criterion for recruitment to this study). Some kin were co-resident with the primary caregiver, others lived in the same building or nearby, and in some instances support was provided to and from those living outside the country.

Sometimes kin assistance was, in effect, a continuation of parenting. Jessie fits this pattern. She gave birth to her son, Ben, when she was 16 years old. Living rent-free with her mother and stepfather was an important element in Jessie’s support. In addition, her parents

provided free childcare while Jessie was at her part-time job. Later, after graduating high school, Jessie went to work full-time. Her mother and stepfather continued to help, for example, by taking Jessie with them to buy groceries. In addition, Jessie receives assistance from biological, but not legally related kin. Ben's paternal grandmother (his father's mother) and his paternal aunt and uncle help Jessie out, too—primarily with child care—even though she no longer sees Ben's father.

Some non-entrants receive assistance from (and provide it to) a network of family and friends. These exchanges include cash, goods, services, and emotional support, for example, although Paula's kin and friend support is less essential to her household, it plays a role in her subsistence. In Paula's case, the support goes both ways. She participates in an ongoing system of exchange with family and friends that includes cash, emotional support, and services. She borrows and loans small amounts of money (less than a couple hundred dollars at a time); regularly sends cash to her parents in Mexico; and earns \$100 per week for five days of informal childcare of her two nephews. A sister telephoned Paula one evening because the sister would be making a trip to Paula's neighborhood. Paula asked the sister to bring over some tortillas on the way, but then had to interrupt her studies to socialize with the sister. A neighbor and Paula help each other prepare tax returns. Paula and her "husband" are godparents to another neighbor's child. A sister gives Paula rides and helped her find a job (which Paula turned down), and so forth. These exchanges constitute one of a variety of factors that help Paula to remain off of TANF, as well as benefiting those in her social network.

Forty-one of the non-entrants were married or cohabiting when they enrolled in the study. In some families, kin assistance for the primary caregiver (of a young child) was provided primarily by a co-resident or nonresident spouse or by a cohabiting boyfriend. Gina and Robert (mentioned above) are married with three children. Robert has worked fairly consistently throughout our study, but has changed jobs and careers several times, which makes his income somewhat uncertain. He generally has worked in "blue collar" positions. In one of his jobs, as an industrial worker, he earned \$12.00 per hour at one point and later earned \$14.00 an hour. He sometimes earns extra income through part-time car repair work. The family receives WIC. While enrolled in our study, the family applied for and began to receive food stamps and Kid Care. Robert has had health insurance through his employer, but Gina has no health insurance coverage.

### **"Packaging Resources"**

Virtually all the non-entrants in the study relied on a combination of the above capital and resources, or what others have termed "complex supports" (Zedlewski et al., 2003). The combination of elements in a package could be few or many; could rely on others or primarily on self-effort; could be from government agencies or entirely from kin. Some packages included a cash income, while the make-up of others was heavily weighted toward services. Some packages included a consistent source of cash income, while others were dependent on small, changing amounts of cash in combination with services and non-cash benefits. The latter

packages tended to be less sustainable than the former. Medicaid, food stamps, and a part-time job, for example, along with housing assistance, was a fairly common combination of resources.

It was rare for a non-entrant in our study to construct a package of resources for her support that would remain constant. Instead, the makeup of these packages usually changed, among some non-entrants more frequently than others. As packages changed, so did their sufficiency as a means of support. Packages provided relatively better or worse support and varied over time as well as among non-entrants. Factors that contributed to changes in a non-entrant's package included, but were not limited to: (1) beginning or ending a relationship with a boyfriend or husband and one's co-residence with that person; (2) birth of a child; (3) beginning, ending, or changing one's job, or the job of someone who provided support; (4) a health crisis; (5) death of a significant other; (6) changes in eligibility for government cash and non-cash assistance that accompany, for example, changes in age, residence, number of children, work status, and marital status; (7) incarceration; (8) mandated child support enforcement; (9) experiences with the welfare system; and (10) changes to others in one's social network. Previous sections have included partial illustrations of the packaging we found among non-entrants. Below we present four cases more extensively.

**Elise: Making Just Enough to Qualify.** Elise, an African American single mother of three, runs her San Antonio household on tight time and financial budgets, working a nontraditional shift of three days on, four days off as a flight attendant. She uses the four days off to work on an associate's degree at a local college and to complete the household domestic work required for family functioning.

Often couples who work nontraditional shifts report doing so to spend more time with their children, to avoid leaving their children with "strangers" in daycare, or to provide the best child care they can within their financial means, and they maintain such "shift work" as a team (see Coltrane, 1998). Elise, however, maintains her shift-work routine without the help of a live-in partner.

She says she chooses this employment routine because it allows her to make enough money to make ends meet but not enough to disqualify her eligibility for public housing assistance—a strategy for providing the best possible home environment for her children within the double constraints of her ability to produce a family income combined with public assistance income thresholds.

*"I am what you call the "working poor,"" she says. "The only difference between me and [someone else] is that I was smart enough to go to [public housing] and not to the regular rent. Because regular rent, you just cannot do it. If you lose your apartment—I did it before!—you lose your apartment; that's it! You're evicted! Whereas here, they'll work with you, you know."*

Elise's rent is low enough to be affordable for her, but is not subsidized at the level provided single mothers who receive TANF. She has worked as a flight attendant for almost 20 years, since dropping out of college as a young adult, and in 2000 was earning around \$1800

each month—leaving \$1000 monthly after she pays childcare expenses. Her rent was costing \$350 at our last interview with Elise and was expected to increase to \$400 later in the year, which will leave her \$600 in monthly earnings to purchase food, household goods, clothing, diapers, transportation, and entertainment (including child-development aids such as books and puzzles) for her household of four. The only other assistance she receives is an irregularly provided \$179 in child support for her three toddlers and Medicaid and Texas Health Steps benefits for her children. She receives neither TANF cash assistance nor food stamps. Elise has been working 55 to 65 hours each month; to improve her family's financial position, she says she would need to work 85 hours each month, but the trade-off would be tragically expensive. As she says,

*I could fly and never see these kids...have a brand new house, you know, brand new car, but I'd never see them, see. And I would be paying [a] mortgage and be in a higher tax bracket. But with four kids, it's not worth it. I would be just working to pay for them and my place and the material things. I could do it, but of course, I'd never see them, and it would be like that. We could have it all, but, she pauses, I prefer to fly just enough to where I am below the income level, where I can afford something halfway decent.*

Elise never lived in public housing until now, but her family does know what it is like to be without a place to call home. After dropping out of college in her early 20s, Elise became an airline stewardess for a major airline, where she worked steadily until she was 30 and became pregnant with her first child. Separated from the child's father during that pregnancy, she drew sick leave from the airline as well as collecting unemployment benefits. Upon discovering her second pregnancy 7 years later, Elise again filed for unemployment benefits only to find that her earlier benefit receipt had been fraudulent and she was ineligible to receive further unemployment benefits. This financial crisis resulted in the Elise's inability to afford the apartment in which they were living, forcing her to move, with an 8 year old and twin infants, into a Salvation Army shelter—an experience sufficiently stressful to change Elise's sense of adult responsibility for independence from her own parents.

She had felt that grown children should take care of themselves and their own families, and not move in with relatives. Next time, she says, she will turn to her father to spare herself and her children. "Honey," she says, "proudness, pride, tail between my legs, I will go back home to my dad, deal with my father, instead of putting my children through what we went through as far as shelter and transitional housing. Never again in life." This conviction adds to her strategic resolve to keep her children in their public housing apartment, even if it means foregoing an improvement in their financial state.

**Alicia's Story.** In packaging resources to make ends meet, Alicia and her husband, a Hispanic couple living in Chicago, rely on their combined income and some public assistance, primarily in the form of food stamps. Over the course of this family's involvement with the study, Alicia's husband is fired from his job and she is laid off from her job. While she receives unemployment, she says that their "daily needs" do not always get met. Even though Alicia's husband's monthly income is needed to make ends meet, the occurrence of only one of these

events may not have been so bad. Conversely, the simultaneous occurrence could be disastrous, if this couple was not so determined. Alicia will often “find” employment picking up side jobs. For example, after getting laid off, she sells Tupperware. While Alicia says she and her family have never had to skip meals or go hungry, she has decreased the portions so that everyone could eat. Moreover, when she does “fall on hard times”, other than food stamps, she has been unsuccessful in securing other forms of public aid.

Alicia and her husband get little support from their extended family network. They also have difficulty securing public aid during challenging times. Fortunately, with their determination and hard work and their willingness to do with less, they are able to survive these arduous periods.

**Lorraine and Jerry.** This case describes a family with a relatively high income (in comparison to others in our study), a relatively strong social network (of kin, friends, and clients), and other significant resources, such as, home ownership, a stable marriage, self-confidence, and a willingness to do what it takes to get things done. For this family, however, a faltering economy led to unemployment, and the costs of participating in their social network were high, at least for a time. Their package appeared stable and to suffice for their needs. Even so, the package included some government assistance and began to “fray” toward the end of our study.

When we met Lorraine and her husband, Jerry, they had a relatively stable package of support that primarily relied upon income from work, but which was supplemented by government cash and non-cash assistance. Both Lorraine and Jerry had jobs. Lorraine worked independently as a housecleaner and Jerry worked full-time in the manufacturing sector. In addition, they owned the building in which they lived—renting out two apartments in it. Lorraine had custody of her granddaughter, Emily, who has a partial disability, for which the family received SSI and WIC (which, since, has ended), and a \$10 per month discount on their utility bills. Therapy and special education for Emily have been provided through the school system and programs such as Jump Start. Emily is provided breakfast, lunch, and a snack at school. Two teenage children also were living in the home. The younger son wears hand-me-down clothes from the elder, and Lorraine buys her housecleaning clothes at thrift stores.

When enrolled, Lorraine was barely eligible for our study. The family’s household income was just under twice the federal poverty guideline. In addition to her relatively comfortable income (for our study), Lorraine has a relatively high level of human capital or personal skills. Although she has little formal education beyond her GED, Lorraine actively seeks out advice from her clients and others, uses the public library, and searches for information on the Internet. From her description of her encounters with the social service system, Lorraine appears to be assertive and to be relatively effective in advocating for her needs—which is not to say that she does not feel enormous frustration at times.

However, during the study, Lorraine’s mother-in-law became ill and dependent on others for care. She had to be brought from out-of-town to Lorraine and Jerry’s home and then placed in

a nursing home. During the same general period, Jerry was laid-off from his job and became dependent on unemployment benefits. In addition, Emily's mother, Naomi, (Loraine's adult daughter from her first marriage) was arrested because Naomi's boyfriend was dealing drugs. The financial consequences of these events were that the household income diminished considerably. Unemployment provides only about 25% of Jerry's former salary. He has cashed-in his IRA account. The older, teenage son has graduated high school and taken a job, and the family has incurred \$12,000 in credit card debt in addition to \$16,000 in debt through an equity line of credit on their home.

Despite these financial challenges, Loraine has not entered TANF and the family has been able to make ends meet; nonetheless, their means have worsened. Currently, they can get by, though their financial situation is uncertain. Loraine had raised her hourly rates shortly before these financial challenges took place. Jerry has taken the opportunity that being out of work has provided to make improvements to their home. However, their package is less stable and provides less support than in the past. They are more vulnerable to new crises, such as the loss of rental income and unemployment benefits. Were Loraine to become ill and unable to clean homes, their primary work income would disappear. Were they to lose custody of Emily, their SSI income would end. On the other hand, if Jerry could find a new job, the family would once again be in relatively good financial shape.

**Corrina and Larry.** Corrina's case illustrates a less-stable, more government-reliant package of support than Loraine and Jerry's. This household, like the previous one, includes a married couple (Corrina and Larry) and multiple children. Unlike the previous case, this household derives almost none of its income from work. Instead, disability payments for two chronically ill members of this household until recently provided the majority of their support.

Corrina (37 years old) was married to Larry, who was about 55 years old and residing in the household when she enrolled in our study. This is Corrina's second marriage. Larry has four additional children, who were born before he and Corinna met. This bi-racial couple had five children, 3 months to 15 years old at the time of enrollment. Corrina and her family packaged a combination of government cash and non-cash assistance, non-governmental assistance, cash assistance and exchange with friends in Corinna's social network, and a small, insignificant cash income from informal work. She also employed a credit card and a very small, irregular, illegal source of cash in her "package."

Corrina has received WIC since her first child. She and the children are on Medicaid (Kid Care). Corrina's children receive free and reduced-priced school lunches, and those whose schools charge tuition have the fees waived. The family's primary cash income is Larry's disability check from the Veteran's Administration (approximately \$2,500 per month). A second significant, but fluctuating source of cash is a disability, SSI check for the support of Corrina's autistic 14 year-old daughter, Lily, (which reaches a high of \$500 per month). The third significant source of support is Corrina's social network. One key member of that network is a neighbor and friend, Calvin, who Corinna refers to as a brother-in-law. Calvin and his wife (who Corinna refers to as her sister) had lived with Corinna and Larry for 10 years, until two

years ago. Now Calvin often takes Corrina grocery shopping, paying the bills, which can reach \$300 a trip. Corinna also often earns about \$100 per month babysitting for another friend and neighbor, Brooke, with whom Corrina exchanges small household items as needed. Corrina occasionally supplements this cash by collecting cans to recycle and selling access to her television cable to a neighbor. These amounts are quite low, in the \$10-\$20 range. The autistic daughter may earn \$25 in a month sweeping floors. Corinna, who has not worked since she was 21-years old and met Larry, says about work, *“I really don’t have any career aspirations, because Lily is my career and my children are my career, and that’s what I chose.”*

Corinna takes a tolerant attitude toward those reliant on TANF, *“The average welfare recipient receives public aid because he or she has to, in order not to starve.”* Corinna’s perception of government assistance is that it should be used when necessary. She does not hesitate to apply for assistance that she feels she needs. However, she has never received AFDC or TANF cash benefits, housing assistance, or food stamps.

This extensive range of items in Corinna’s package and the relatively high level of support they provided, nonetheless, were unstable. The family lived “month-to-month,” unable to save any cash, and often had to put off paying some bills in order to pay others. Then, during our study, Lily’s SSI check was cut-off, because it was determined that the VA disability check made the family income-ineligible for SSI. Moreover, it was determined that Corrina needed to pay back to the government a year’s worth of SSI cash assistance, for cash support that should not have been provided. Credit card debt on the gasoline for their car was mounting, they received a letter of foreclosure on the mortgage for their home, and the family filed for bankruptcy. During roughly this same period, Corinna’s oldest daughter was accepted as an undergraduate student, and received financial aid to a major research university.

Corinna and Larry’s package of support was indeed extensive, and drew from multiple sources. It did not depend on work income, but did depend on eligibility for government assistance and social network ties. As the support from these sources fluctuated, their package became less sufficient for the household needs and may be leading to residential and other changes. TANF cash benefits, however, do not appear to be a direction that will be pursued for support.

**Janet.** In Janet’s case, we focus on temporal change in a package. Janet (mentioned above) has a variety of items in her package of support, which often change. She became reliant on outside support in the wake of a divorce, when her previously comfortable income was diminished significantly. Janet learned to find and then to draw upon a variety of sources of assistance for support. From June 2000 to January 2003, her package of assistance improved markedly.

Janet, a 33 year-old mother of one when enrolled in our study, had just recently divorced her husband, Bernie. Bernie had the utilities turned off when he moved out, emptied their bank account, and left Janet the household bills to pay, while Bernie took with him their credit cards and car. Janet was concerned about Bernie’s violence, and obtained a court order restraining

him from contacting her. In short, Janet was struggling in many ways in the wake of an acrimonious ending to a marriage that had deteriorated badly. Janet and Bernie had been together for seven years, and were married during their last year together. They have one child, who was three years old when Janet enrolled in our study.

Each bullet point below indicates a change in Janet's package of support. The period covers June 2000 through January 2003. In order to protect Janet's confidentiality, we do not report the precise dates of each change.

- When she enrolled in our study, Janet was making ends meet primarily through child support from her ex-husband, but also with a worker's compensation payment and food vouchers provided by a church.
- She added a Section 8 housing voucher to her package, and her worker's compensation payment came to an end. She received emergency assistance with clothing, food, a haircut, and household items through a child care center.
- The amount of child support decreased by approximately 40% and she concurrently began to receive food stamps and transportation assistance. During this period Janet went without health insurance for a few weeks, when dropped from her ex-husband's insurance. She then began to receive coverage through Mass Health.
- Janet receives state and Pell grants for her college tuition. (She is the first person in her immediate family to attend college.)
- Janet receives a scholarship through her college and becomes ineligible for food stamps.
- Janet gets a small amount of financial help from her parents by sending her child to visit them in tattered clothes. They react and buy new T-shirts for the child. Janet sews curtains and makes other small improvements to her home from raw materials to save on decorating costs.
- Janet receives a full tuition scholarship and continues to receive financial aid.
- Janet's parents pay for an extra-curricular course for her child.
- Janet begins to receive disability income through SSI.

The changes in support that Janet experienced over a two and a half year period are not unusual. She started with a package that primarily consisted of a combination of child support from her ex-husband, combined with worker's compensation. As those ended or diminished, she replaced them with a variety of relatively unstable assistance that provided elements in her support. These started out as non-governmental and then became increasingly governmental programs, as the permanence of Janet's low-income became clear and as she became eligible for them. Surprisingly (and in contrast to work-first initiatives), assistance related to her college education became increasingly central to Janet and her child's support. Then, as with many families we have encountered, SSI disability assistance, which is relatively stable and provides an income that usually is sufficient for one's support, became Janet's primary means of support, keeping her off the TANF rolls.

## **HOW ARE NON-ENTRANT FAMILIES FARING?**

To make ends meet, non-entrants must rely on a variety of sources for income and support. Therefore, as exemplified above, many of our non-entrants attempt to make ends meet by “packaging” an intricate combination of work, various forms of public assistance (i.e., food stamps, health care, childcare, and housing), and family support. We must first explore what making ends meet means to our families in order to address the following questions: How are TANF non-entrants faring? What distinguishes non-entrants who are able to make ends meet (who have sustainable packages) from those who are not (who are struggling)?

### **What Does Making Ends Meet Mean to Non-entrant Families?**

Making ends meet is comprised of both objective and subjective dimensions. Edin and Lein (1996) address the more objective components of well-being in their book, *Making Ends Meet*. For example, they assessed well-being by examining how often a family goes without food, necessary medical care, adequate housing or warm clothing over the course of the year. As Edin and Lein suggest, well-being extends beyond material survival and can have ramifications for both psychological and social dimensions of well-being. While Edin and Lein (1996) discussed the more objective and presumably more measurable aspects of well-being, we are interested in understanding what our families think it means to make ends meet. Their own evaluations of what it means to make ends meet and how they are doing by these standards might be especially salient. What may differ between objective and subjective assessments of well-being may be related to researchers’ and participants’ differential understanding of what is sufficient and/or necessary to get by or make ends meet.

Perceptions may also vary across families depending on whom they use as their comparison group. In general, to many of the non-entrant families, “making ends meet” means maintaining housing and having enough food to eat and clothing to wear. For other families, it means being able to consistently pay all of their bills throughout the month. And for still others, making ends meet means having a little extra money to spend on entertainment and outings for their family. For example, as one participant states, *“I have income comin’ in the house; my bills are paid, there’s food on the table, somethin’ extra – hah!”* Later she goes on to say, *“We live from check to check, but we’re surviving”*. After another non-entrant talks about the disadvantages of being a hotel room cleaner, she does discuss the advantage or what makes this job worthwhile, *“At the end of the week comes the reward. It is nice to get that check. It’s not that one has too much but it is nice to be able to have Chinese food or give my child money she needs...”*

While some participants talked about what making ends meet means or how they were doing, others approached this topic in a different way. For example, when one participant is asked about how she thinks people in her neighborhood are making ends meet, she states that she doesn’t know and that it is stressful enough thinking about how her own family is going to do it. Overall, there seems to be consensus among our non-entrant families. They believe that if they are able to bring in enough money from income, along with family or governmental support, to

cover the monthly expenditures related to maintaining a household, they are indeed making it. Given this criteria, are our non-entrant families making ends meet?

### **Are Non-entrant Families Making Ends Meet?**

In one sense, yes, non-entrant families are making ends meet. They *generally* manage the bare minimum of obtaining food and a place to stay. However, food and shelter are not assured and when acquired may last only for temporary periods. Contrary to the assumption that if a family is not using TANF they must be making ends meet and getting by, the ethnographic data suggest that large numbers of low-income families with a young child struggle and suffer, bear the consequences of difficult lives, and find making ends meet to be a continuing challenge.

While some non-entrants to TANF seem to be doing fairly well on the surface, they often experience struggles and hardships that are not readily apparent (see June, below). Alicia (mentioned above), for example, sometimes has to reduce the size of her family's food portions. Some families do well temporarily, but then encounter conditions that lead to the breakdown of their packages of support, as was the case with Corinna and Larry (mentioned above), who had to declare bankruptcy at a moment of coalescing financial crises.

Moreover, despite PRWORA's emphasis on getting TANF recipients and potential TANF recipients into jobs, most of our non-entrants did not rely on their own full-time employment to make ends meet (see section on "packaging resources"). One thing is abundantly clear from these data--families would not be able to survive or make ends meet without using a variety of resources in addition to some paid work. Few if any of the non-entrant families were truly self-sufficient.

While some families got by with minimal costs to themselves, others experienced negative consequences in their attempts to make ends meet. For example, mothers jeopardized their own health and well-being when trying to provide for their families by taking on second, third, and fourth jobs, working odd hours, or commuting long distances via public transportation. Yvonne (mentioned above), for example, took a second job working from 1:00 to 5:00 a.m. and to manage that job along with child care brought her children with her to sleep in the car while she worked. In order to acquire and maintain affordable housing, many families were forced to live in unsafe neighborhoods. The ethnographer describes Yvonne's neighborhood as having "an air of poverty...with garbage on the streets,...old houses [with] walls falling apart, broken windows, deteriorating paint...and grown weeds everywhere." Mothers with young children consistently had trouble securing stable care for them, including Sharon (mentioned above), who took the extreme measure of sending her children outside of the country--to the Caribbean for a year and a half to live with their grandmother--when she could find no other alternative for good quality child care during a period of financial insecurity.

In addition, few families that appear to be making ends meet are able to save money and get ahead. As one Chicago mother says, “*We live paycheck to paycheck. We aren’t able to save anything.*” Low-income and poor non-entrant families understand the importance of saving for a rainy day and having a cushion for situations that may result in financial hardship (e.g., job loss, change in supplemental support, and an illness in the family), but rarely are able to act on that understanding.

The experiences of June, a 36 year-old Latina mother of three children, illustrate the unpredictability of resources and that sustaining packages of resources is a continuing challenge, which families are unevenly effective in meeting. In addition, June’s experiences illustrate that even a person who appears to be doing well at making ends meet may be coping with the consequences of the virtually inevitable breakdowns in resource packages that occur among low-income families. June faces challenges in her income, health, child care, and neighborhood, but finds ways to surmount them.

For example, June works in the tourism industry, which is seasonal. The result is that she occasionally is laid-off or has her hours reduced. Later she is re-hired or has her hours increased, and her income from work rises. One problem occurs in the timing of these events because, in addition to income from work, June depends on housing assistance and food stamps to make ends meet. At one point, June was determined to be ineligible for food stamps, because her income was relatively high at the same time that she was required to re-certify. On the other hand, re-certification for her housing assistance occurred when June’s work hours were decreased, leading to a significant reduction in her rent. June cannot be certain of the timing of the increases and decreases in her income from work, nor of how they will coincide with the availability of other means of assistance. In addition, the relatively low amount of her work income results in her being unable to save for periods of financial need. Although June’s income and benefits from work, along with other assistance, leave her reasonably able to make ends meet when her package of resources “come together,” she still faces periods of financial need.

June considers herself to be in good health. Nonetheless, at age 36 she suffers from migraine headaches, high levels of cholesterol, and high blood pressure. At differing times medications provided through government- and employer-provided health care coverage have helped keep these conditions under control. June’s job, however, is relatively demanding physically—she is required to engage in repetitive motions—and at one point she had to take off work for a week to recover from damage to the tendons in her wrist. Her job, thus, helps her to make ends meet but also carries a cost to her health.

June and her husband have three young children (three, four, and seven years-old when the family enrolled in this study). June relies on a combination of formal and family child care for her children. However, as her husband moves in and out of the home and June’s work hours change, she regularly has to scramble to arrange for child care.

The neighborhood in which June lives seems pretty good to her—though its reputation is not universally so: ethnic and racial tensions can be high and weekends are “rougher” than

during the week. Even so, June is content with her public housing unit and finds considerable community resources to be available nearby. However, June does not feel entirely safe in the neighborhood and will not allow her children to play outside unless a specific police officer is *walking* the beat. Lately, however, police patrols have been conducted primarily by automobile and that officer no longer patrols at all. June can make ends meet by living in this neighborhood, but it carries a cost in her and her children's peace of mind.

Nevertheless, June is a very resourceful woman and a virtual "pro" at making ends meet. She has "*never experienced hunger.*" One way or another, she has created income from work almost continuously since her enrollment in the study. When the ethnographer first met June, she was watching a child in her home. She often took children in when her own children were young so that she could afford to stay at home with them. A few months after her enrollment into the study, she obtained a job working evenings from 8 p.m. to midnight as a janitor at a college. Four months later she quit that job and became a housekeeper at a hotel, where she worked daily from 9 a.m. to 5:30 p.m. A month after that, she took a new job working from 8 a.m. to 4 p.m. at another hotel. With each job change she experienced an increase in pay (from \$9.25 per hour to approximately \$10.50 per hour) and her last job also provided benefits. If this was all one knew about June she might be perceived to have no problems making ends meet, which as we have seen is not the case.

June is an example of a low-income, non-entrant mother who generally makes ends meet despite significant challenges in doing so. Similarly, high levels of non-entrance to TANF among low-income and poor families may appear to indicate that PRWORA has been an unqualified success, but such an outcome fails to capture the difficult experience of making ends meet among such families.

## CONCLUSIONS

The purpose of this report was to identify and describe factors (e.g., families' attitudes and beliefs about welfare; institutional and kin diversion practices; families' abilities to garner and "package" resources to "make ends meet") related to TANF non-entry among low-income families. Using in-depth, longitudinal ethnographic data gathered about the lives of 256 economically-disadvantaged families residing in low-income neighborhoods in three cities, we examined several important policy-relevant questions: (1) What keeps low-income families, many of whom are in need, from applying for or receiving TANF? (2) What impact do families' experiences and perceptions about the welfare system have on TANF non-entry? (3) Do certain institutional (e.g., social service agency) and kinship practices divert in-need families from applying for TANF? (4) How do non-entrant, low-income families "make ends meet" without TANF cash benefits? These issues are discussed in the contexts of welfare reform, state TANF policies, and families' daily experiences of "*living poor.*"

The findings from the ethnography indicate that:

- Non-entrant attitudes and perceptions about welfare exerted a strong influence on the decision to apply for TANF or not, often predisposing families toward non-entry despite their need for financial assistance.** Overall, we found that the attitudes, beliefs, and experiences of non-entrant families significantly deterred eligible families from applying for TANF benefits. These attitudes, beliefs, and experiences include the following: (1) self-reliance; (2) altruism; (3) stigma; (4) the perceived need to differentiate oneself socially and morally from those who are poor or have abused the welfare system (an ideology of distinctiveness); and (5) personal experiences with the *“intentions and operations of welfare agencies.”*
- Non-entrants were diverted from applying for, or receiving TANF cash assistance (1) by the institutional, gatekeeping policies and informal practices of social service agencies, (2) by the “no welfare receipt” beliefs held by members of their kin networks, and (3) through self-imposed diversion in response to time limit policies.** Four forms of institutional diversion practices were identified in the ethnographic data. First, some caseworkers formally diverted individuals from receiving TANF by sending them to food banks and local charities for help paying bills. Second, primary caregivers who received child support payments were discouraged by caseworkers from applying for public assistance. Third, receipt of childcare vouchers proved to be an important diversion tactic. In some situations, caseworkers pointed out that by applying for TANF, the primary caregiver would lose other important government assistance resources, such as childcare assistance. Fourth, caseworkers often acted as independent gatekeepers to TANF receipt. Many primary caregivers recalled caseworkers failure to follow welfare policy procedures and instead determined on their own whether individuals were TANF-eligible. In addition, kin networks, including husbands, boyfriends, parents, and grandparents were important in diverting primary caregivers from applying for TANF. Relatives convinced some primary caregivers that they were investing too much energy to receive benefits and that life would be better without the hassle of repeatedly going to the TANF office. Finally, primary caregivers implemented a self-imposed diversion by *“banking time.”* Some primary caregivers decided not to go on TANF in order to preserve the time left for receiving benefits and to save their TANF eligibility for future need.
- Non-entrants create complex “packages of resources” to “make ends meet”. The packages are quite variable, comprising different sets of resources at any given time. Moreover, the sustainability and effectiveness of the resource packages tend to be unpredictable across time.** Virtually all the non-entrants in the study relied on a combination of resources to “make ends meet.” These “packages of resources” provided relatively better or worse support and varied over time, as well as among non-entrants. The combination of elements in a

resource package could be few or many; could rely on others or primarily on self-effort; or could be from government agencies or entirely from kin. Some packages included a cash income, while the make-up of others was heavily weighted toward services. Some packages included a consistent source of cash income, while others were dependent on small, changing amounts of cash in combination with services and non-cash benefits. The latter packages tended to be less sustainable than the former. Medicaid, Food stamps, and a part-time job, for example, along with housing assistance, was a fairly common combination of resources. In addition, it was rare for a non-entrant in the study to construct a package of resources for family support that would remain constant.

The makeup of these packages usually changed, among some non-entrants more frequently than others. As packages changed, so did their sufficiency as a means of support. Factors that contributed to changes in a non-entrant's package included, but were not limited to: (1) beginning or ending a relationship with a boyfriend or husband and one's co-residence with that person; (2) birth of a child; (3) beginning, ending, or changing one's job, or the job of someone who provided support; (4) a health crisis; (5) death of a significant other; (6) changes in eligibility for government cash and non-cash assistance that accompany, for example, changes in age, residence, number of children, work status, and marital status; (7) incarceration; (8) mandated child support enforcement; (9) experiences with the welfare system; and (10) changes to others in one's social network.

- **Many non-entrant families were not “making ends meet,” and often creatively generated resource packages that compromised the physical and mental health of primary caregivers and the well-being of children.** Contrary to the assumption that if a family is not using TANF, they must be making ends meet or getting by, the ethnographic data reveal this is not always the case. While some non-entrants to TANF seemed to be doing fairly well on the surface, they often experience many struggles and hardships. One thing is abundantly clear from these data-- families would not be able to survive or make it without using a variety of resources in addition to some paid work. Few if any of the non-entrant families were truly self-sufficient. Furthermore, while some families got by with minimal costs to themselves, others put themselves at risk of experiencing negative consequences in their attempts to make ends meet. For example, mothers jeopardized their own health and well-being when trying to provide for their families by taking on second, third, and fourth jobs, working odd hours, or commuting long distances via public transportation. Moreover, in order to acquire and maintain affordable housing, many families were forced to live in unsafe neighborhoods. And finally, mothers with young children consistently had trouble securing stable care for their children.

## Policy Implications

The findings above lead us to suggest that the “front door” of TANF policies and implementation is a place to focus further attention. The main principles of welfare policy in the 1990s have been the encouragement of work—through the provision of assistance to enable work and the use of penalties for those who do not comply--and the idea of temporary assistance for those not working at a given moment, until work can be found. These features have been applied to varying degrees to the “front-door” policies that affect those who apply for TANF. Work-related and job search requirements are often a feature of application procedures, with the ‘penalty’ for not complying being the denial of benefits, and the idea of temporary assistance has been introduced with the policy of one-time cash payments for staying off TANF for some specified period.

Application of the new TANF policies should be expected to generate a tradeoff between serving those who are most in need while also ensuring that those who are able to stay off welfare do in fact stay off. State- and local-level policies work best when they achieve a satisfactory compromise between these two goals. Our study implies that there are many families who fall through the cracks and appear not to be getting either the long-term or short-term benefits they deserve. Generally speaking, the implications of our findings are that front-door policies should be improved to encourage more families who need long-term or short-term assistance to receive it.

We suggest five different broad areas where states and localities could work for improvement.

First, rules governing eligibility and other requirements for application and entry onto TANF could be simplified and more clearly laid out. It is clear from our ethnographic studies that many non-entrants are confused by the requirements for TANF application and benefit receipt and feel that the rules are so complex as to be very difficult to understand. Many women who are in need do not apply for the program because of this. This is a long-standing issue in welfare, and was an issue in the AFDC program. However, with the introduction of new front-door policies, it has grown to be more of a problem.

Second, consistency in the application of the rules both over time and across caseworkers would alleviate some of the concerns among non-entrants who have encountered the system and feel that the rules are applied differently depending on the caseworker. This comes out clearly in many of the ethnographic accounts, and partly explains the feelings of unfairness that some of the women feel which lead them not to apply for welfare even though they are in need.

Third, an improved appeals process for entry and diversion decisions could be fruitfully set up to allow women who have been denied benefits and feel that it was the result of a misapplication of a rule or an overly discretionary judgement on the part of their caseworker. Just as states are working on appeals processes for recipients who have been sanctioned or denied benefits for noncompliance with other rules, the process for applicants could also be

improved.

Fourth, more effort needs to be devoted to refining measures of short-term need. As the ethnographic analysis shows, most non-entrants have to rely heavily on sources of income other than their own earnings. Many of these sources of income (child support, help from friends and relatives, etc) are highly unstable, which, when added to the instability of many low-wage labor market jobs, implies that income can fluctuate widely over short periods of time. While families cope with these problems in a variety of ways--by obtaining assistance from kin, from other government programs, or from private charity--it is clear that many are discouraged from applying for TANF because of the barriers involved in application for short-term benefits. One type of policy that might help families who face periodic and recurrent financial crises is to allow families to stay in a semi-qualified status after their have established eligibility once, and then to have a simplified reapplication process in the future when their income dips temporarily below adequate levels.

Fifth, outreach programs like those used in the Food Stamp program could be used to encourage those truly in need to apply for the program. There need be no relaxation in the front-door policies or rules accompanying such outreach but this could help those who, like many in the ethnography, are fearful of requesting benefits that they need.

With improvements in the front-door policy of these and related types, the system could serve more of those truly in need without sacrificing the goal of raising the standards for welfare receipt through job search requirements and other devices aimed at assuring that those who enter TANF cannot make ends meet off the rolls.

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Table 1. Demographic Characteristics of Total Samples, Ethnography (n = 256)<sup>1</sup> and Survey (n = 2402)<sup>2</sup>

Demographic Characteristics	Ethnography		Survey <sup>3</sup>	
	n	%	n	%
City				
Boston	71	28%	926	39%
Chicago	95	37%	762	32%
San Antonio	90	35%	714	30%
Ethnicity / Race				
African American	98	38%	1009	43%
Hispanic	108	42%	1137	48%
Non-Hispanic White	50	20%	209	9%
Ages of Primary Caregivers				
15-19	21	8%	122	5%
20-24	67	26%	412	17%
25-29	62	24%	464	19%
30-34	36	14%	466	19%
35-39	35	14%	419	17%
40+	35	14%	517	22%
Education				
Less than high school	110	43%	843	35%
Completed high school or GED	67	26%	567	24%
College or trade school	79	31%	986	41%
TANF Status				
TANF	120	47%	894	37%
Non-TANF	136	53%	1499	63%
Work Status				
Working	104	41%	828	36%
Not Working	152	59%	1502	64%
Number of Children Primary Caregiver Is Responsible For				
1 child	64	25%	530	22%
2 children	70	27%	775	32%
3 children	63	25%	570	24%
4 or more children	59	23%	526	22%
Marital Status / Living Arrangements				
Not married, not cohabiting	144	56%	1642	69%
Married, spouse in home	43	17%	324	14%
Married, but separated	25	10%	276	12%
Cohabiting (any marital status)	44	17%	151	6%

<sup>1</sup> Frequencies reported represent families' statuses at the time of recruitment.

<sup>2</sup> Frequencies and percentages are based on all non-missing cases.

<sup>3</sup> Percentages do not sum to 100 due to rounding.



Table 2. Demographic Characteristics of Non-entrants and Entrants in the Ethnography and Survey Samples.

Demographic Characteristics	Ethnography							Survey Non-entrant (n=1185) n
	Entrant		Non-entrant (n=108)		Entrant <sup>1</sup> (n=481)			
	%	n	%	n	%	n		
City								
Boston			31	29%	40	27%		475
39%	451	38%						
Chicago			47	44%	48	32%		318
26%	444	37%						
San Antonio			30	27%	60	41%		424
35%	290	24%						
Ethnicity / Race								
African American			34	32%	64	43%		460
39%	549	47%						
Hispanic			51	47%	57	39%		616
52%	521	45%						
Non-Hispanic White			23	21%	27	18%		111
9%	98	8%						
Ages of Primary Caregivers								
15-19			11	10%	10	7%		70
6%	52	4%						
20-24			21	19%	46	31%		165
14%	247	21%						
25-29			27	25%	35	24%		218
18%	246	21%						
30-34			16	15%	20	13%		247
20%	219	19%						
35-39			15	14%	20	13%		229
19%	190	16%						
40+			18	17%	17	12%		288
24%	229	19%						
Work Status								
Working			50	46%	54	36%		636

53%	354	31%					
Not working			58	54%	94	64%	563
47%	796	69%					
Education							
Less than high school			34	31%	76	51%	376
31%	517	44%					
Completed high school and GED			32	30%	35	24%	471
39%	387	33%					
College or trade school			42	39%	37	25%	370
30%	280	24%					
Number of Children Primary Caregiver Is Responsible For							
1 child			33	31%	31	21%	331
27%	223	19%					
2 children			23	21%	47	32%	376
31%	339	29%					
3 children			31	29%	33	22%	285
23%	290	24%					
4 or more children			21	19%	38	25%	225
18%	332	28%					
Marital Status / Living Arrangements							
Not married, not cohabiting			59	55%	85	57%	728
60%	914	77%					
Married, spouse in home			22	20%	21	14%	256
21%	68	6%					
Married, but separated			8	7%	17	12%	149
12%	127	11%					
Cohabiting (any marital status)			19	18%	25	17%	78
6%	73	6%					

<sup>1</sup> Entrants are defined as cases whereby the primary caregiver received TANF for more than 6 months at any point during the study. These cases can also be regarded as leavers, stayers, and cyclers.

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Table 3. Previous Welfare Receipt of Non-entrants by Race/Ethnicity: Ethnography (n=98)<sup>1</sup> and Survey (n=1217)

Race/Ethnicity and Welfare Receipt	Ethnography		Survey	
	n	%	n	%
African-American				
Never	7	24%	202	44%
Childhood Only	1	4%	167	36%
Adult Only	16	55%	25	5%
Childhood and Adult	3	10%	49	11%
Unspecified	2	7%	17	4%
Hispanic				
Never	24	52%	367	60%
Childhood Only	3	7%	163	26%
Adult Only	7	15%	40	6%
Childhood and Adult	5	11%	40	6%
Unspecified	7	15%	6	1%
Non-Hispanic White				
Never	10	44%	51	46%
Childhood Only	1	4%	37	33%
Adult Only	8	35%	9	8%
Childhood and Adult	0	0%	12	11%
Unspecified	4	17%	2	2%

<sup>1</sup> Ten families have been omitted from this analysis due to insufficient information concerning their lifetime welfare receipt.

Table 4. Previous Welfare Receipt of Non-entrants by City: Ethnography (n=98)<sup>1</sup> and Survey (n=1217)

City and Welfare Receipt	Ethnography		Survey	
	n	%	n	%
Boston				
Never	12	40%	264	56%
Childhood Only	2	7%	139	29%
Adult Only	11	37%	27	6%
Childhood and Adult Only	2	7%	34	7%
Unspecified	3	10%	11	2%
Chicago				
Never	20	48%	180	57%
Childhood Only	3	7%	81	25%
Adult Only	9	21%	15	5%
Childhood and Adult Only	5	12%	32	10%
Unspecified	5	12%	10	3%
San Antonio				
Never	9	35%	197	46%
Childhood Only	0	0%	151	36%
Adult Only	11	42%	33	8%
Childhood and Adult Only	1	4%	37	9%
Unspecified	5	19%	6	2%

<sup>1</sup> Ten families have been omitted from this analysis due to insufficient information concerning their lifetime welfare receipt.

Table 5. Cash and Non-cash Governmental Support Among Non-entrants in the Ethnography and the Survey

Receipt of Cash and Non-cash Governmental Support	Ethnography				Survey			
	Non-entrant (n=108)		Entrant <sup>1</sup> (n=148)		Non-entrant (n=1217)		Entrant (n=1185)	
	n	%	n	%	n	%	n	%
Medicaid – Primary Caregiver								
Yes	58	54%	118	80%	793	65%	1106	93%
No	50	46%	30	20%	422	35%	78	7%
Medicaid – Focal Child <sup>2</sup>								
Yes	83	77%	136	92%	n.a.		n.a.	
No	25	23%	12	8%	n.a.		n.a.	
Food Stamps								
Yes	42	39%	117	79%	435	36%	935	79%
No	66	61%	31	21%	780	64%	249	21%
SSI (death benefit or disability)								
Yes	27	26%	56	38%	20	2%	30	3%
No	81	74%	92	62%	1044	98%	908	97%
WIC								
Yes	55	51%	51	33%	474	39%	510	43%
No	53	49%	97	66%	740	61%	675	57%
Child Care Subsidy for Focal Child								
Yes	23	21%	42	28%	124	10%	175	15%
No	72	67%	93	63%	1081	89%	1002	85%
Does not know	13	12%	13	9%	1	0%	3	1%

<sup>1</sup>Entrants are defined as cases whereby the primary caregiver received TANF for more than 6 months at any point during the study. These cases can also be regarded as leavers, stayers, and cyclers.

<sup>2</sup>In the main survey, respondents were asked whether the focal child had health insurance, and then asked which kind of insurance they had. However, it appears that many respondents do not consider Medicaid to be health insurance, and thus they reported that the child was not covered by insurance. As a result, these data are not reliable.