

The Use of Community-Based Emergency Assistance Among Kansas City Welfare Leavers

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Section 1.

Introduction and Background

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) resulted in extensive changes to the economic safety net. The implementation of PRWORA generated concerns that many affected people would suffer deepened economic vulnerability.¹ With the loss or limitation of government benefits, it was felt that many persons would turn to private assistance to supplement their household income. As Edin and Lein (1998) wrote, “Perhaps one of the most important but least discussed elements of the new welfare law is the burden that it could potentially place on nonprofit social service organizations.” Yet, despite the importance of this issue, little research has been conducted in this area because of a lack of available data.

In this study, we examine the relationship between the use of public and private assistance for a group of economically vulnerable persons—individuals from the Kansas City area who exited the AFDC system in the fourth quarter of 1996. While information on the status of those who leave the welfare rolls is beginning to emerge, little, if any, information has been available on the role of community-based assistance for low-income individuals transitioning off public assistance. Using a unique data set on private assistance, this study examines the question of whether leavers turn to private assistance as they exit welfare, as well as whether leavers who use private assistance have increased their reliance on the community. We also examine various characteristics of leavers to create profiles of private assistance users.

Given the recent changes in federal and state programs designed to aid low-income Americans, there is concern that individuals, particularly those who exit TANF and Food Stamps, are leaving before they are economically self-sufficient. Such persons may turn to private, community-based organizations for assistance, substituting private for public support. To the extent that this occurs, welfare reform would merely have shifted the cost of supporting vulnerable populations from the public to the private sector.

From the little research that has been published, it appears that use of private assistance nationwide has increased since the enactment of PRWORA. An annual survey of major American cities reported steady increases in the use of, and demand for, community resources (Lowe et al. 2000). These findings, however, are based primarily on the perception of providers, not on data from users. Other research has found increasing demand, at least for food assistance, in specific localities at least from the point of view of providers (Pearlmutter et al. 1998). If individuals are shifting reliance from public to private support, there is concern over the ability of private agencies to assist the growing number of people requesting help (Cook and Brown 1997).

¹ Among other changes, PRORWA eliminated AFDC as entitlement and replaced it with a time-limited program (TANF). Since that time, both the AFDC/TANF and Food Stamp caseloads have fallen dramatically, although some of this decline has been attributed to the strength of the economy.

Additionally, the level of reliance on private assistance speaks to the larger issue of the success of welfare reform. Individuals who leave public assistance may be incorrectly perceived as “self-sufficient,” when in reality they are relying heavily on private charities.

This paper explores the use of private assistance by a cohort of individuals from the Kansas City area who left AFDC in the fourth quarter of 1996, approximately two and one-half years ago. We address the following questions:

- Has deprivation, as measured by receipt of services, increased among this population since leaving AFDC?
- What factors are associated with changes, both increases and decreases, in use of assistance?
- What is the relationship between the use of private and public assistance? Are individuals substituting one for the other, or merely supplementing?

Section 2.

Data Sources

We are able to conduct this analysis because of a unique database maintained by the Mid America Assistance Coalition (MAAC) for emergency assistance in the Kansas City metro area. MAAC is a not-for-profit organization that coordinates community assistance in the Kansas City metropolitan area.² Its database (MAACLink) contains approximately 1.1 million service records from 167 community-based organizations, including all the large food pantries. The organizations that participate in MAACLink range from 13 Salvation Army sites, which together comprise the largest emergency assistance provider in the city, to individual churches who operate food pantries for just a few hours each week. However, the MAAC system does not contain soup kitchens. MAAC officials believe the database, which went into service in January 1994, covers approximately 85 percent of all community assistance provided in the Kansas City area.

Agencies that submit data to the MAAC database provide a fairly complete picture of the recipients. Information collected includes the name and social security number of the recipient, the date service was received, the type of service, and the value of that service.³ Overall, MAAC has more than 207 codes that cover all types of assistance, ranging from food (including holiday food baskets) and clothing to utility assistance and transportation. Moreover, basic demographic information, such as race/ethnicity, education, living arrangement, veteran status, handicap status, and employment status, is also collected on each recipient.⁴

Because MAAC Link contains individual-level information, including social security numbers, it is possible to follow individuals and their use of resources over time. Thus, not only were we able to determine if more individuals were using private assistance, we also determined whether specific individuals were returning to the MAAC system. Moreover, using social security numbers, we linked the MAAC data to state administrative records, on cash assistance and Food Stamps, from 1996 to 1999. Using this matched file, we identified all fourth-quarter leavers and assessed their reliance on the major forms of government assistance (TANF, Food Stamps) over this time frame. We could only identify emergency assistance received by the head of the household (or the Social Security number identified with the case number). Thus, we could not assess

² MAAC's website, <http://www.maaclink.org>, provides more information on their organization and the services they provide.

³ All providers are asked to provide a value for each service given. For in-kind services, such as bags of food or clothing, guidelines are given to all agencies. That is, presumably the same bag of food would be assigned the same value, regardless of the agency used. Those guidelines have remained constant over the study period.

⁴ The reality, however, is that some providers are better than others at collecting demographic information from recipients. All fields, therefore, are not available for all users.

use of private assistance by other household members, such as a spouse, parent, or child. Therefore, it is likely that we underestimated use.⁵

The MAACLink database measures the level of services received, not the level of demand. It may be that leavers would like to have received more assistance, but, for a variety of reasons, help was not available. Possible reasons include: agencies were not open during accessible hours, agencies had limits on how often individuals could receive services,⁶ and of course, that agencies were limited in the resources they had available. For utility assistance in particular, demand often far outstrips supply.

Even with these limitations, however, the MAAC database is the most comprehensive database in the nation regarding private assistance. As such, these data provide us with the unique opportunity to examine the use of both public and private assistance for this cohort of welfare leavers.

⁵ We have, however, compared our results regarding number of services received to results provided by MAACLink staff on *household* receipt (of all users, not just leavers). Our results are similar enough to suggest that the level of bias is small.

⁶ Limits vary widely among the food pantries in the database. However, a common rule is that individuals cannot receive assistance more than twice a month. Utility assistance is the most restricted service; individuals can only receive aid twice per year from utility funds.

Section 3. Findings

As noted, we examined use of private assistance for all individuals from the Kansas City area who left AFDC in the fourth quarter of 1996.⁷ During that time period, 2,436 persons left AFDC. Nineteen were missing social security numbers and, since data were linked by this variable, those individuals were not included in the analyses. Thus, unless otherwise noted, 2,417 persons were included in the analyses.

In this paper, we have three main questions:

- Has the use of private assistance changed since exiting AFDC?
- Are individuals substituting private assistance for public supports?
- What characteristics are associated with different patterns of use, including changes over time?

The first question is whether deprivation, as measured by receipt of private assistance, has increased for individuals with the advent of welfare reform. For the individuals in our study—those who left AFDC in the fourth quarter of 1996—the answer is yes, although the change has not been dramatic.

For this cohort, we compared the utilization patterns of private assistance for roughly equivalent time periods before and after they left welfare.⁸ All individuals used in the analyses left AFDC at some point in the fourth quarter of 1996; precise exit dates ranged from October 1 to December 31, 1996.

The first time period runs from January 1994 until the observed exit. Thus, the exact time frame differs depending on when one left the rolls, but ranges from 33 to 35 months. The second time period runs from immediately after exiting AFDC until the end of 1999, or a period of 36 to 39 months.

There are a number of ways to measure use of private assistance. Yet, regardless of how it is measured, receipt has increased.⁹ More individuals are using some emergency assistance, the number of visits has increased, and both the number and value of these services (as measured per visit and per user) have increased. Nevertheless, it is clear that the average recipient is receiving private assistance as *emergency* assistance, not as a regular source of support. Among those receiving any services, the median number of services received after leaving AFDC was only three, or approximately once per year.

⁷ Residents of Jackson, Clay, and Platte counties were included in this definition.

⁸ Many Kansas City leavers—approximately 40 percent—returned to TANF at some point over the next three years.

⁹ Interpreting any changes over time is difficult. Since 1994, more organizations have begun providing data to MAAC, which could account for any observed change. Additionally, organizations which have been providing data throughout the time period may have become more diligent over time about their collection and reporting procedures.

We find no evidence that leavers are substituting private assistance for public resources. Instead, former recipients are often combining these two sources. Those individuals who received services from private charities more frequently were also the heaviest users of both TANF and Food Stamps. The clearest differences among leavers are between users and non-users of private assistance. Non-users were more likely to be married, to be more educated, and to receive few government supports. Among leavers who did rely on some private assistance, those most in need, as measured by earnings, income, and levels of insecurity, received more services.

3.1 Number Receiving Services

Table 1 illustrates the use of private assistance, as reported to the MAAC database, over the two time periods (before and after exiting AFDC in the fourth quarter of 1996). We will refer to these services as *MAAC services*. Overall, more than 60 percent of leavers had used a provider in the MAAC system at least once. Clearly, private charities are important to a large segment of the low-income population. Seventeen percent turned to MAAC only after exiting AFDC, while 13 percent ceased using MAAC after leaving AFDC. More than 30 percent of leavers used MAAC both before and after exit; of these individuals, more increased their reliance on MAAC than decreased it. Overall, then, more individuals (34%) increased their reliance on MAAC, as measured by the number of taps,¹⁰ than decreased it (24%).

Table 1. Use of MAAC Before (1994-1996) and After (1997-1999) Exiting AFDC Former Kansas City Area AFDC Recipients

	Percent	Number
No assistance either time period	39	949
Used MAAC after exit, not before	17	402
Used MAAC both times, more after exit	17	413
Used MAAC before an exit, not after	12	292
Used MAAC both times, more prior to exit	12	293
Used MAAC both times, taps stayed the same	3	68
Total	100	2,417

Source: MAACLink database and Missouri Income Maintenance Records.

Table 2 provides more details on the number of services leavers received. The first data column shows receipt of private assistance over the entire six-year period, from 1994 through 1999. Among those who used services, the most common pattern was between one and five taps. Only 22 percent received assistance more than twenty times over the six-year time period. The next column shows the number of services received for the years 1994 to 1996. Overall, 44 percent of individuals had relied on providers included in the MAAC system at least once during that time period. Twenty-seven percent of

¹⁰ A tap is defined as each time an individual used a service.

leavers had between one and five taps. Eight percent had used private assistance 6 to 10 times, while only 10 percent received assistance 11 or more times over the three-year period.

The third data column shows the number of MAAC taps for the years 1997 to 1999, or after exit from welfare (and the implementation of PRWORA). More persons had used some assistance (48% vs. 44%) during the latter time period, although the difference is small. Additionally, there was a slight increase in the percent of more frequent users: 23 percent had six or more taps from 1997 to 1999, while only 18 percent received this much assistance during 1994 to 1996. Nevertheless, the overall distribution is similar to that of the earlier time period.

**Table 2. Number of MAAC Services Received
Former Kansas City Area AFDC Recipients**

Number of MAAC taps	Percent		
	1994-1999 (Ever)	1994-1996 (pre-exit)	1997-1999 (post-exit)
0	39	56	51
Any MAAC assistance	61	44	48
1-5	30	27	25
6-10	9	8	10
11-20	10	5	7
20+	22	5	6
Number	2,417	2,417	2,417

Source: MAACLink database and Missouri Income Maintenance Records.

Table 3 shows the median number of services received during each time period. For most tables, we display median values because the distribution of taps is skewed by a few very frequent users.¹¹ What is apparent from Table 3 is that even though many persons used private assistance, use of these services was rather infrequent. It was not the case that individuals were using the system once a week or even once a month. Among all users, the median number of taps from 1994 to 1996 was two, and from 1997 to 1999 it was three. This represents roughly one service visit per year.

Approximately 30 percent of the leavers used some assistance during both periods. For that group, use of assistance was more frequent. Even so, the median number of taps from 1997 to 1999 was only seven, or slightly more than twice a year.

¹¹ One individual went to MAAC organizations almost 200 times over the six-year time span.

**Table 3. Number of Private Assistance Taps
Former Kansas City Area AFDC Recipients**

All users	1994-1996	1997-1999
Mean	4	5
Median	2	3
Leavers who used the MAAC system at least once		
Mean	10	13
Median	5	7

Source: MAACLink database and Missouri Income Maintenance Records.

Of course, looking only at the averages could obscure important variation in patterns of use among various subgroups. Thus, Table 4 displays the median number of taps for each of the groups listed in Table 1. Leavers who first turned to private assistance after exiting AFDC received MAAC three times over the next three years. Those who had used MAAC at both time periods, but increased use after exit, received 11 services, almost a four-fold increase. Thus, a subset of leavers relied on private assistance on a more regular basis.

**Table 4. Median Number of Taps by Change in Receipt
Former Kansas City Area AFDC Recipients**

	Number of taps, 1994-1996	Number of taps, 1997-1999
No assistance either time period	0	0
Used MAAC after exit, not before	0	3
Used MAAC before exit, not after	3	0
Used MAAC both times, more after exit	3	11
Used MAAC both times, more prior to exit	10	4
Used MAAC both times, taps stayed the same	2	2

Source: MAACLink database and Missouri Income Maintenance Records.

3.2 Types of Services Received

The major types of MAAC assistance are food, consumer items, utilities, transportation, and housing. Additionally, less frequently used types of assistance are included, such as medical assistance, employment and education-related services, referrals, child care, counseling and other assistance.¹² Services classified under food include Christmas baskets, bags of groceries, and food vouchers. Consumer items included clothing, fans, and household and personal items. The most frequent items received from this category were clothes, followed by Christmas gifts.

¹² These additional categories comprise only a small percent of the database and are not listed in tables because too few people received them. They are, however, included in the total number of taps or total value received.

For all types of services, more leavers received assistance after exit than before. Moreover, the number of taps for most service categories increased as well, albeit slightly.

Table 5 displays the percent of all leavers who received each major type of assistance during the two time periods. The most common type of assistance was food, followed by consumer items. More than one-fifth of leavers received utility assistance, while a small percent utilized housing and transportation assistance. The overall distribution was very similar for the two time periods, although slight increases occurred in the percent of leavers using each type of service.

**Table 5. Use of Primary Services
Former Kansas City Area AFDC Recipients**

Type of assistance	Percent receiving assistance	
	1994-1996	1997-1999
Food	36	41
Consumer items	26	32
Utilities	21	24
Housing	5	8
Transportation	2	4

Source: MAACLink database and Missouri Income Maintenance Records.

Among those users who received assistance during both periods, the number of food, consumer items, and housing taps increased after exit (Table 6). Utility services remained constant, and reliance on transportation assistance decreased slightly.

**Table 6. Use of Primary Services, for Individuals Receiving
Services during Both Periods
Former Kansas City Area AFDC Recipients**

Type of assistance	Median number of services		Number
	1994-1996	1997-1999	
Food	4	5	583
Consumer items	2	3	347
Utilities	2	2	239
Housing	1	2	29
Transportation	3	2.5	10

Source: MAACLink database and Missouri Income Maintenance Records.

3.3 Value of Services

Another way to assess reliance on MAAC services is by the total dollar amount received, regardless of the number of taps. Overall, the value of services and the value per recipient increased in the latter time period. Sixty percent of users increased their reliance on private assistance, as measured in dollars, while 39 percent decreased the amount received. Dollar value was constant for a small number of leavers. Prior to exit,

the median value of total services received was \$120.¹³ For the period 1997 to 1999, that value had increased to \$212.

The average MAAC service was worth approximately \$63 in the period 1994 to 1996; this increased to \$71 for 1997 to 1999. However, values varied widely depending on the type of service received. Some services, such as utilities, had a much higher value than other items such as food or consumer items. Using the full MAACLink database, the average utility service was worth \$132, while the average food (in-kind) service was valued at \$47 (Mid America Assistance Coalition 1999).¹⁴

Even though the value of services have increased, the overall value received per leaver was still relatively small, especially over a three-year period (Table 7). It was certainly not sufficient to replace the loss of any public supports, such as TANF or Food Stamps.

**Table 7. Value of Private Assistance Received
Former Kansas City Area AFDC Recipients**

	All users (Median)	Leavers who received MAAC during both periods (Median)
1994-1996	\$120	\$275
1997-1999	\$212	\$454

Source: MAACLink database and Missouri Income Maintenance Records.

3.4 Relationship between Individual Characteristics and MAAC Usage

One of our major research goals was determining characteristics associated with different patterns of use. We examined the characteristics of individuals by their total MAAC assistance used since exit as well as the change in MAAC usage since exit. While there were some key differences among users, the most striking differences were between users and non-users.

From the administrative files, we can determine some individual characteristics, including age and number of children. From the income maintenance files, we can determine returns to TANF and Food Stamps. Unfortunately, due to data limitations, we cannot determine if an individual who received MAAC assistance at any time received TANF at the same time. Instead, we only have broad measures, such as the number of

¹³ As noted earlier, most services, with the exception of utility services, are in-kind. Because the guidelines for determining the value of in-kind services has remained constant, dollar values have not been updated. The upper limits for utility assistance, that is, the maximum an organization can provide, have also remained constant.

¹⁴ These numbers are based on all MAAC users, not merely welfare leavers.

months TANF was received since the fourth quarter of 1996. Additionally, through Unemployment Insurance (UI) Records, information is available on quarterly wages.¹⁵

Table 8 shows recipient characteristics by number of MAAC taps after exit, that is, from 1997 to 1999.¹⁶ Interestingly, few differences were seen among leavers regarding their AFDC use prior to exit. Individuals who did not use MAAC had fewer months on welfare (25) for the years prior to exit than those who used private assistance (28 to 30) but the difference was small relative to the number of months AFDC was received.

**Table 8. Key Characteristics of Those Using MAAC after Exit
Former Kansas City Area AFDC Recipients**

Number of Taps:	0	1-5	6-10	11-20	20+
Months on AFDC, 1992-1996	25	30	29	28	28
Percent returning to TANF after exit	25%	44%	51%	58%	48%
Months on TANF, 1997-1998	2.2	4.5	5.4	5.5	5.9
Months on Food Stamps, 1997-1998	3.5	6.5	7.8	9.1	9.4
Number of children	1.7	2	2.1	2.2	2.5
Number of quarters worked, 1996-1998	4.2	4.9	4.7	4.5	4.5
Sum of all wages, 1997-1998 (median)	\$8,031	\$9,314	\$6,325	\$6,382	\$4,818
Number	1,241	607	238	175	156

Source: MAACLink database and Missouri Income Maintenance Records.

Still, use of public support, as measured by months of TANF and Food Stamp receipt after exit, was clearly related to use of private assistance. As reliance on public support increased, so did use of MAAC services. Clearly, many households are combining public and private assistance.

Individuals who did not use private assistance at all had much lower returns to TANF. In other words, families who are progressing toward economic self-sufficiency turn less frequently to public or private assistance. Generally, as the number of taps increased, returns to TANF also increased. Families experiencing financial difficulties turned to multiple forms of assistance. The exception to this pattern were leavers with 20 or more taps. Individuals in this category had lower rates of return than leavers with 11 to 20 taps, although leavers with 20 or more taps spent more months in the TANF system after exit than did other leavers.

¹⁵ UI records do not cover all sectors of employment. The most notable exceptions are agricultural workers and federal employees. Estimates are that 80% to 90% of all employment is included in the UI records.

¹⁶ Taps in 1999 are included in the total. However, since many of our administrative records do not cover 1999, we can only assess information from 1997 to 1998.

Families with more children used more MAAC services than families with fewer children. Leavers with 20 or more taps had, on average, 2.5 children as opposed to 1.7 children among those with no use.

The relationship between employment status and MAAC receipt was less clear than the relationship between private assistance and other variables. Part of this may be because we only have access to data on labor participation for the respondents themselves, not for other household members.¹⁷ However, with the exception of leavers with relatively few taps (1 to 5), earnings decreased as MAAC use increased (or conversely, MAAC use increased as wages decreased). Summing all wages across the quarters, the highest wages were seen for leavers who had between one and five taps, followed by leavers with no taps. Little relationship exists between the number of quarters worked and use of private assistance. In fact, there is almost no variation among the groups. Surprisingly, leavers with no private assistance worked the fewest number of quarters. Nevertheless, it appears that those most in need, as measured by earnings, are turning to private assistance.

Table 9 shows the same characteristics, this time grouped by change in MAAC use over the two time periods. Individuals were divided into three groups: those with no assistance, those whose use increased, and those whose use decreased.¹⁸ Comparing groups on overall well-being, leavers with no MAAC assistance were faring the best; leavers who increased their use of assistance since exit were experiencing the most difficulties and highest level of need. Recipients who decreased their reliance on private assistance fell somewhere in the middle.

**Table 9. Key Characteristics by Change in MAAC Use since Exit
Former Kansas City Area AFDC Recipients**

	No use	Increased Use	Decreased Use
Months on AFDC, 1992-1996	25	29	28
Percent returning to TANF	23%	50%	27%
Months on TANF 1997-1998	2.4	5	2.9
Months on Food Stamps, 1997-1998	3.6	7.8	5.0
Number of children	1.6	2.0	2.0
Number of quarters worked, 1996-1998	4.2	4.8	4.4
Sum of all wages, 1997-1998 (median)	\$7,938	\$7,835	\$7,473
Number	949	815	585

Source: MAACLink database and Missouri Income Maintenance Records.

Individuals who did not use MAAC at all had the fewest months of total AFDC receipt prior to exit. Interestingly, there was little difference in use of AFDC prior to exit between those who increased or decreased use of private assistance.

¹⁷ Analysis of our survey data on welfare leavers indicated that using UI records alone underestimates individual income by 14 percentage points and household income by 41 percentage points.

¹⁸ Because of the small number of leavers whose use remained constant (n = 68), they are omitted from the table.

There were, however, striking differences in use of TANF and Food Stamps after exit. Individuals who increased their use of MAAC assistance had the highest rates of return to TANF (50%). They also received TANF and Food Stamp benefits for more months than other leavers. Consistent with findings in Table 8, leavers who rely heavily on private assistance were also more likely to receive public support.

Turning to wages, leavers who increased their use of MAAC assistance were employed more quarters. Interestingly, those individuals who did not use the MAAC system were employed the fewest number of quarters. Somewhat unexpectedly, median wages were strikingly similar across the groups. Over a two-year period, the difference between the three groups was less than \$600. We assume this similarity reflects the limitation of relying solely on respondent's earnings, particularly from administrative records, as a proxy for total household income.

3.5 Survey Respondents

Using survey as well as administrative data, we are able to provide a richer portrait of private assistance users. In general, as earnings and income increased, assistance from MAAC decreased. Although many leavers relied on some forms of government assistance, those who frequently used private assistance also used more government services. Heavy MAAC users were more likely to interact with the TANF, Food Stamp, and SSI systems, perhaps indicating a stronger economic need than other leavers. This would seem to demonstrate that private assistance is not being substituted for public assistance, but that one source is supplementing the other.

These results are based on a subset of leavers, specifically individuals from the Kansas City area who responded to a survey of overall well-being. This survey was conducted in the spring of 1999, or roughly two and one-half years after exit. Respondents were asked approximately 151 questions in 10 topic areas. Twelve hundred leavers from across Missouri were selected for inclusion into the sampling frame. The response rate for the survey was approximately 74 percent. A total of 318 completed surveys came from the Kansas City metropolitan area. Because of the richness of the survey instrument, more information is available for these leavers, especially for the month of survey. Thus, using this sample, we can more thoroughly examine the relationship between receipt of private assistance and personal and household characteristics.¹⁹

Table 10 describes key characteristics for post-exit receipt of private assistance.²⁰ Consistent with earlier results, for many variables the major difference is between users and non-users. For example, leavers receiving no private assistance after exit had higher

¹⁹ Overall patterns of MAAC receipt for the sample, such as the number of taps and types of services received, were very similar for all leavers who were MAAC recipients. Thus, these tables are not reported here.

²⁰ The sample sizes for some of the categories are quite small, and some results should be viewed with caution.

education levels than other leavers, were more likely to be working when surveyed; they were less likely to have ever received Food Stamps since exit or to be receiving housing assistance. Individuals who used some MAAC assistance, regardless of the number of taps, looked very similar on each of these variables. Additionally, the percent experiencing food insecurity was virtually the same for all leavers who had used MAAC, regardless of the frequency of receipt.

**Table 10. Key Characteristics by Use of Private Assistance After Exit, 1997-1999
Former Kansas City Area AFDC Recipients**

Number of Taps:	0	1-5	6-10	11+
Age	32	34	33	34
Household size	3.4	3.8	3.4	4.0
Presence of spouse/partner	34%	28%	13%	13%
Education—no high school diploma	19%	36%	29%	33%
Months worked, 1997-1999	21	20	16	17
Respondent monthly earnings (median)	\$1000	\$100	\$150	\$0
Household monthly earnings (median)	\$1215	\$800	\$500	\$234
Household monthly income (median)	\$1425	\$946	\$673	\$639
Work history				
Currently working	64%	49%	54%	48%
Formerly worked	24%	42%	40%	40%
Never worked	12%	9%	6%	13%
Number of govt benefits in previous month	1.3	2.0	2.1	2.5
Percent with SSI income in previous month	9%	21%	9%	25%
Percent with TANF income in previous month	10%	22%	26%	25%
Any Food Stamps	66%	88%	89%	96%
Food stamp receipt at time of survey	23%	48%	51%	67%
Public housing at time of survey	18%	33%	34%	40%
Food insecurity ^a	21%	41%	31%	40%
Housing insecurity ^b	18%	36%	31%	35%
Number	154	81	35	48

^a Respondents were asked if they were unable to buy enough food to meet their needs in the past month.

^b Respondents were asked if they were unable to pay for rent, mortgage, or utilities in the past month.

Source: MAACLink database, Missouri Income Maintenance Records, and Missouri Leavers' Survey.

Interestingly, almost 20 percent of leavers with no MAAC use reported experiencing food or housing insecurity in the month prior to survey. According to survey data, the most common reason for not receiving assistance (among those experiencing insecurity) was a lack of need. Clearly, we need a better understanding of this response. Additionally, the most common source of support for those in need were family and friends. Nevertheless, the high levels of insecurity among non-users underscores the fact that we are measuring use of services, not necessarily demand for assistance.

The presence of a spouse or partner appeared to be related to use of private assistance. Thirty-four percent of those who did not use private assistance had a spouse or partner, compared to only 13 percent who received assistance at least six times.

Nevertheless, there was some variation within the group using private assistance, particularly among those using government supports as well.

Finally, Table 11 examines the same characteristics of leavers, but by change in private assistance use since exiting AFDC. Only three groups are displayed: those who had no receipt at either time, those whose use increased, and those whose use decreased.²¹

**Table 11. Key Characteristics by Change in Use of Private Assistance
Former Kansas City Area AFDC Recipients**

	Change in private assistance since AFDC exit		
	No use, 1994-1999	Use increased	Use decreased
Age	32	32	36
Household size	3.4	3.7	3.6
Presence of spouse/partner	35%	17%	26%
Education—no high school diploma	18%	30%	33%
Months worked, 1997-1999	22	18	19
Respondent monthly earnings (median)	\$1,000	\$150	\$775
Household monthly earnings (median)	\$1,250	\$400	\$1050
Household monthly income (median)	\$1,425	\$700	\$1226
Work history			
Currently working	66%	50%	59%
Formerly worked	23%	43%	25%
Never worked	11%	8%	16%
Number of govt benefits in previous month	1.4	2.3	1.4
Percent with SSI income in previous month	8%	20%	14%
Percent with TANF income in previous month	11%	26%	15%
Any Food Stamps	66%	94%	73%
Food Stamp receipt at time of survey	23%	61%	27%
Public housing at time of survey	18%	34%	30%
Food insecurity	18%	36%	35%
Housing insecurity	18%	35%	24%
Number	118	117	71

Source: MAACLink database, Missouri Income Maintenance Records, and Missouri Leavers' Survey.

Interestingly, leavers who received MAAC at both time periods, regardless of the direction of change, looked very similar in several categories. With the additional survey data, the differences are much less striking than reported in Table 9. Leavers in these two groups had worked almost the same number of months since exit, had similar percentages without a high school degree, and similar receipt of housing assistance. Additionally, leavers in the two groups had almost identical levels of food and housing insecurity, as assessed in the survey. More than one-third of those who decreased their use of

²¹ There were a small number of individuals whose receipt of private assistance remained the same, but the sample size was too small to discuss.

emergency assistance still said they were unable to buy enough food to meet their needs in the last month.

Leavers who increased their reliance on MAAC were very similar to the heavy users in Table 10. They had lower earnings and income than did other leavers and made higher use of various government benefits.

Section 4.

Summary and Discussion

Clearly, many AFDC leavers used private assistance after leaving welfare. Approximately 48 percent had some receipt of assistance after exiting; 10 percent received assistance 11 or more times during the three years following exit. Yet, for the most part, those that used emergency assistance did so only sporadically. Even high-end users, defined as 11 or more taps, received only about three services per year. It is clearly not the case that most AFDC leavers are turning to private assistance on a regular basis.²²

Assessing use of services is not identical to measuring demand or insecurity. Twenty percent of leavers who received no MAAC assistance after exit experienced food or housing insecurity in the month of the survey. Maybe these leavers received help from other sources, such as friends or family. Leavers who do not enter the private assistance system may have an extensive support network that provides aid. On the other hand, some leavers may have sought no assistance, from either private or public sources, even though they experienced insecurity.

Even though the variation in use was not as great as might be expected, heavier users of private assistance were somewhat different than less frequent users. More frequent MAAC users worked for fewer months since exit and lived in slightly larger households. Additionally, more frequent emergency assistance users were also the heaviest users of public supports, such as TANF and Food Stamps. Evidence suggests that individuals are not substituting private aid for public assistance, but instead, supplementing public support with private assistance.

One issue of broad interest is whether or not the cost of providing for low-income Americans is shifting from the public to the private sector. This is a difficult question to answer, especially with the data we have available. Leavers' reliance on private assistance increased after exiting welfare (and since the implementation of PWOWRA). More individuals were using some help, and both the number and value of services received increased. Nevertheless, the magnitude of change was not large, and was probably less than commonly expected.

Our results reflect the experience of only one segment of the population, individuals who left AFDC in the fourth quarter of 1996. For that population, total use (as measured by number of users and frequency of visits) has increased overall, although the change has not been dramatic. The total value of services expended on this population increased by approximately \$267,000 in the later time period. While this a relatively small amount, it represents a 50 percent increase in expenditures from the earlier time period.

Additionally, other populations, not included in these analyses, might have made greater use of private assistance over the last several years. We only examined individuals who

²² As noted previously, soup kitchens are not included in the MAACLink database.

left AFDC early in the welfare reform era. As such, they may have been more economically stable than other subgroups, such as persons who left welfare in later years and particularly those who have yet to leave the rolls. Other vulnerable groups include individuals diverted from public assistance under the new rules and low-income working individuals. For these groups, their only option might be private assistance.

In short, it is difficult to address issues of cost shifts without examining the full spectrum of emergency assistance users over time. Our goal is to conduct such an analysis, which is made possible by the richness of the MAACLink database.

Section 5. References

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