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Department of Social Services*

Welfare Leavers and Diverters Research Study

One-Year Follow-Up of Welfare Diverters

Executive Summary and Extended Research Summary

June 2001

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The opinions expressed in this report are those of the authors.

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EXECUTIVE SUMMARY AND DISCUSSION

This report presents the results of a study of families who “diverted” from welfare in South Carolina between October 1998 and March 1999. The diverter population consists of families who did not go on welfare even though they appear to have been eligible for benefits.

A. POLICY BACKGROUND OF THE STUDY

South Carolina’s welfare reform program – known as the Family Independence program – was implemented in January 1995. Full family sanctions and a two-year time limit on benefits were implemented in October 1996. The state’s welfare caseload declined sharply after FIP was implemented.

Part of the decline in South Carolina’s welfare caseload was the result of families leaving the welfare rolls more quickly than before. However, the decline in welfare cases was also due partly to a drop in the number of *new applications and case openings*.

Unlike some other states, South Carolina does not have a formal lump-sum diversion program under which welfare applicants may receive a cash payment instead of going on welfare. However, policy makers in South Carolina and at the federal level are interested in the population of families who may be diverting *informally* from welfare – families who are not applying for benefits even though apparently eligible. It is believed that many of these families may be choosing not to go on welfare because of the new time limits, work requirements, and sanctions. In addition, there is broader interest in families who are choosing not to go on welfare for whatever reason.

The study of welfare diverters was commissioned by the South Carolina Department of Social Services (SCDSS), with the support of the Office of the Assistant Secretary for Planning and Evaluation (ASPE) of the U.S. Department of Health and Human Services. The research was also sponsored by the Administration for Children and Families (ACF). SCDSS and federal officials were interested in the following key policy issues:

- What are the characteristics of the families who are choosing not to apply for welfare benefits even though they appear eligible?
- What are the exact reasons why they do not apply for welfare benefits?
- Do the “diverters” have the opportunity to find out about the full range of benefits available to low-income families besides cash assistance?
- Are the diverters making use of these benefit programs even though they are not on welfare?
- Do the diverters have unmet needs because they have not had the opportunity to find out about programs for low-income families?

- In the absence of welfare benefits, are the diverter families able to meet their needs in terms of income and food security?
- What is the long-term status of the diverters in terms of employment, earnings, hardship, child well-being, and use of benefit programs?

For the purpose of the study, diverters were defined as families who went on Food Stamps and who appeared at the time to be eligible for welfare but did not go on welfare. The sample consisted of 360 families who went on Food Stamps statewide between October 1998 and March 1999 and who did not apply for TANF at any time in the one year period following their application for Food Stamps. Each of the families had dependent children and was eligible for TANF based on gross income. To gather information on the families in the sample, telephone interviews were conducted with sample members approximately 12 months after they went on Food Stamps. Surveys were conducted with 254 families.

B. SUMMARY OF THE MAJOR FINDINGS

The major findings from the study are presented in the following sections.

Reasons Given for Not Going on Welfare

Very few of the families reported that time limits, work requirements, or similar factors were the major reasons why they did not apply for welfare. Fewer than 2 percent specifically mentioned time limits or work requirements. About 4 percent mentioned not wishing to comply with child support requirements, and 5 percent said that they did not wish to deal with the “hassle” of administrative requirements.

In contrast, about 58 percent of the respondents reported that they did not go on welfare because “they didn’t want to be on welfare, only Food Stamps.” Almost 16 percent reported that they did not go on welfare because they did not know that families could get cash assistance. About 12 percent reported that they did not go on welfare because they did not think they would be eligible for cash assistance.

Characteristics of the Respondents

The “diverters” were older than typical TANF recipients. Almost 43 percent of the diverters were aged 35 or older. In terms of education, 69 percent had completed high school or a GED. Almost 42 percent of whites had not completed high school, compared to only 24 percent of blacks.

About 19 percent of the respondents were married and living with their spouse, 36.3 percent were divorced, separated, or widowed, and the remaining 44.1 percent were never married. About 29 percent of the whites were currently married and living with their spouse,

compared to only 14.3 percent of blacks. In addition, only 18 percent of the whites had never been married, compared to almost 60 percent of blacks.

Almost 32 percent of the respondents were living with at least one other adult. The majority of these were living with only one other adult. Almost 7 percent of the respondents no longer had children under 18 living with them. About 38 percent of the respondents had only one child under 18, and 55 percent had two or more children under 18.

Employment, Earnings, And Total Household Income

Almost 62 percent of the respondents were working for pay at the time of the surveys. Employment rates were much higher for females (64.4 percent) than for males (40 percent). Employment varied considerably by education. Only 42.7 percent of high school drop-outs were employed, compared to 68.9 percent of respondents who had completed high school only, and 74.5 percent of respondents who had attended college.

About 67 percent of the employed respondents were earning more than \$1,000 per month. Employed high school drop-outs had much lower median monthly earnings than respondents who had completed high school or attended college. About 25 percent of employed respondents were working in jobs that paid less than \$6 per hour, while 63 percent were working in jobs that paid \$7 or higher.

About 41 percent of the *unemployed* respondents reported that they had worked for pay in the past 12 months, while 59 percent had not worked in the past 12 months. Combining this data with the data presented above, we find that 22.5 percent of all respondents were not currently working and had not worked in the last 12 months.

The most common reason given by unemployed respondents for not working was physical or mental illness/injury – cited by 31.2 percent of the unemployed respondents as a reason. The next most common reason was wanting to stay home with the children (18.2 percent), followed by lack of transportation (15.1 percent) and lack of child care (12.9 percent).

Overall, 66.4 percent of all respondents were either working themselves or were living with an employed spouse or partner. Almost 71 percent of all respondents were either working themselves or were living with another employed adult (including a spouse or partner).

Adverse Events Reported By Respondents

About 52 percent of all respondents reported that they had fallen behind in paying for rent or other housing in the past year. In contrast, only 22.5 percent reported problems paying for housing prior to the last year. However, only 16.4 percent of respondents reported that they had moved in the last year because of not being able to afford housing – compared to 20.9 percent who reported having to move before the last year.

About 58.2 percent of the respondents reported that they had fallen behind in paying a utility bill in the past year, compared to only 23.4 percent who reported this problem prior to the last year. About 13 percent of respondents had gone without electricity at some time in the past year, compared to 5.3 percent in the period before the past year. There were also increases in the percentage who had gone without water and heat. About 12 percent had gone without heat at some time in the past year, and almost 10 percent had had their water cut off.

Very few respondents had gone to live in a homeless shelter in either time period. In addition, very few respondents had been forced to send their children to live with someone else for financial reasons in either time period.

About 23 percent of the respondents reported that there had been times in the past year when they needed child care but could not *find* it. About 25 percent reported that there had been times in the past year when they needed child care but could not *afford* it. Both of these percentages were increases from the time period before the past 12 months.

About 12 percent of the respondents reported that there had been times in the past year when a household member got sick or hurt but could not get medical care. This was an increase from 6.6 percent for the period before the last year.

Non-working respondents were more than twice as likely to have had their electricity, heat, and water cut off in the past year. About 17 percent of non-working respondents reported that there had been times in the past year when someone in their home needed medical care but could not get it, compared to only 9.3 percent of working respondents.

Food Security

About one-third of the respondents reported that there had been times in the past year when their families had cut the size of meals or skipped meals because there was not enough money to buy food. This compares to 14.8 percent of respondents who reported experiencing this problem before the past year. Almost 42 percent of unemployed respondents reported that they had cut the size of meals or skipped meals in the past year due to lack of money. This compares to only 28.5 percent of employed respondents.

Respondents who reported that they had cut the size of meals or skipped meals were asked how they dealt with the situation. About 15 percent of these respondents reported that they went hungry, compared to 9.6 percent of the respondents who had experienced the problem before the past year.

Combining the 15 percent with the 33.6 percent who reported cutting the size of meals in the past year, 5.2 percent of all respondents reported that there had been times when they went hungry in the past year.

About one-third of the respondents reported that, in the last 12 months, there had been occasions when they had eaten less than they felt they should. This compares to 13.9 percent who reported having similar problems before the past year. About 15 percent of the respondents reported that there had been times in the past year when they were hungry but did not eat because they could not afford food. This compares to only 7.0 percent in the period before the past year.

Health Insurance Coverage

About 76 percent of the respondents reported that they, or the people who lived with them, had some type of health insurance coverage, including Medicaid, while almost 24 percent indicated that they did not have insurance coverage. Of the respondents with health insurance, 86 percent reported that they or someone in their household had Medicaid coverage, while 19 percent reported that someone in their household had private insurance coverage.

About 17 percent of currently unemployed respondents reported that there had been times in the past year when someone in their home had been sick or hurt but could not get medical care. This compares to only 9.3 percent of employed respondents. Current Medicaid status had no impact on the percentage of respondents who reported problems with health care access in the past year. Whites were almost three times as likely to report having had a problem (20.8 percent) than blacks (7.8 percent).

Life Since Diverting from Welfare

About 83 percent of the respondents agreed that they felt better about themselves than a year ago. However, 54 percent of the respondents agreed that they worried more about their families than a year ago. About 42 of the respondents reported that they felt more stress than a year ago, while 58 percent did not feel more stress. About 89 percent of working respondents agreed that they felt better about themselves than a year ago, compared to 73 percent of unemployed respondents.

Child Outcomes

Respondents were asked a series of questions about changes in their child's behavior, attitudes, temperament, school performance, and health in the past year. In general, 14 percent or fewer of the diverters thought that their child's behavior, temperament, or school performance had deteriorated in the past year. In contrast, between 35 and 60 percent of the diverters saw improvements in their child's behavior, temperament, or school performance in the past year, depending on the specific questions asked.

In terms of child health, 46 percent of all respondents rated their child's health as excellent, and 19 percent rated it very good. About 32 percent considered their child's health to be better than a year ago, while almost 5 percent rated it worse. However, 14 percent of blacks rated their child's health as fair or poor, compared to only 6 percent of whites. In

addition, 82 percent of those who had attended college rated their child's health as excellent or very good, compared to only 66 percent of those who had not completed high school.

Receipt of Public Assistance

About 36 percent of the respondents were still receiving Food Stamps at the time of the surveys. Almost 67 percent of the respondents were receiving Medicaid for themselves or a family member. Only 2.9 percent of the respondents reported that they were receiving assistance in paying for child care. Almost 36 percent reported that they were receiving child support. About 8 percent of the respondents reported that they were receiving SSI benefits.

About 19 percent of the respondents were participating in WIC, and 46 percent reported that they had children participating in the school lunch program. About 13 percent of the respondents were in subsidized housing or public housing, and 6.6 percent were living rent-free with a family member. About 23 percent of all respondents reported that their children had received shots or vaccinations through the local health department.

C. POLICY IMPLICATIONS OF THE FINDINGS

Under welfare reform, there has been significant interest in the concept of diversion from welfare. At the policy level, states have implemented formal and informal programs to encourage diversion in appropriate cases. The interest in diversion is partly the result of concerns that the former AFDC program often encouraged long-term dependency on welfare among some segments of the welfare population. By diverting applicants from welfare and encouraging them to explore other options and services, states hope to ensure that fewer applicants will enter the welfare system and become long-term recipients.

Under the former AFDC program, states often focused simply on issuing benefit checks to welfare recipients, with little or no focus on addressing the underlying factors that caused them to become reliant on welfare. Under the new model common in many states, diversion programs often try to link welfare applicants with a variety of support services and community programs designed to help applicants with their needs. These services and programs may include subsidized child care, low-cost housing, expedited child support referrals, student financial aid, job training programs, food and clothing resources, legal services, domestic violence counseling, mental health services, and substance abuse treatment. Diversion programs also emphasize non-welfare public assistance programs, such as Food Stamps, Medicaid, and WIC.

The interest in diversion is also a reflection of the new time limits on cash assistance, including the five-year federal limit on TANF benefits and the shorter time limits imposed by states such as South Carolina. The time limits have provided an inducement for states to promote diversion programs as a way of ensuring that welfare applicants do not use up their benefits unnecessarily. A key element of diversion programs is to identify applicants who face crisis situations that can be dealt with through other programs or services besides cash assistance.

Although the various diversion initiatives have apparently been relatively successful in reducing the number of new TANF case openings, concerns have been expressed about applicant diversion. The major concerns are as follows:

- ensuring that diverted applicants are appropriate for diversion;
- ensuring that diverted applicants are adequately informed about alternative programs and services; and
- ensuring that diverted applicants are receiving services and benefits that they need.

One concern about the new time limits and work requirements under TANF is that some welfare applicants may choose to divert from TANF without receiving adequate information about alternative programs and services.

Much of the research in the diversion area has focused on families who file an application for welfare benefits and who subsequently do not go on welfare for reasons unrelated to financial eligibility. Researchers have examined whether these families are diverting because of the new time limits, work requirements, and sanctions, and whether their needs are being met over the long-term in the absence of cash assistance.

The current study suggests that, in addition to families who divert from welfare due to time limits or work requirements, there may be a broader population of families who are not going on welfare even though they are apparently eligible based on income and dependent children. When asked why they did not go on welfare, the large majority of the families in the current study did not specifically mention time limits, sanctions, or work requirements as the reasons. A majority of the families stated that they simply wanted Food Stamps, not welfare. In addition, many of the families did not think that they would be eligible for welfare or did not seem to know much about cash assistance.

The study suggests, therefore, that in addition to the families who make a conscious decision to divert from welfare, there may be a larger population of low-income families who appear to qualify for welfare benefits but who do not utilize these benefits for different reasons. These reasons seem to involve a lack of understanding or knowledge about welfare benefits, as well possibly a concern about welfare “stigma,” or simply not wishing to deal with the “hassle” factor. The procedures followed by local welfare offices may also play a role in explaining why some of these families do not apply for welfare.

In South Carolina, a total of 3,766 families went on Food Stamps between October 1998 and March 1999 but did not go on welfare even though they had dependent children and met the gross income test for TANF. These families were the sample frame for the study. It is not possible to determine whether all of these families would have actually qualified for TANF if they had applied and gone through the full eligibility determination process. However, it appears, based on the survey responses, that many of these families may have had

similar needs for benefits and services as actual TANF families -- such as health care coverage, employment services, child care, and other services to help them remain self-sufficient over the long-term.

The findings indicate that, while most of the families had an attachment to the labor force at the time of the surveys, perhaps 20 percent had serious barriers to employment. It was also found that employment rates and incomes were especially low among persons who had not completed high school.

The findings also show that about 12-16 percent of the sample had experienced moderate hardship in the past year, such as having to move for financial reasons or having heat or water cut off. In addition, about 5 percent reported that they had gone hungry at some time in the past year due to lack of money to buy food. Few of the sample members, however, had gone to a homeless shelter or had been forced to send their children to live with someone else. The findings also show that almost a quarter of the families did not have health care coverage, and that very few were getting assistance in paying for child care.

In combination, these findings suggest that there is a population of low-income families who appear to be eligible for welfare but who are not receiving benefits for a variety of reasons. A small but significant percentage of these families appear to be experiencing material hardships, employment barriers, and lack of needed services.

EXTENDED SUMMARY

This chapter presents an “extended summary” of the key findings from the study. The extended summary provides more detail than the executive summary but does not include the entire report.

The report presents the results of a study of families who “diverted” from welfare in South Carolina. The diverter population consists of families who did not go on welfare even though they appear to have been eligible for benefits. The South Carolina Department of Social Services (SCDSS) is interested in finding out more about these families. In particular, there is interest in the following issues:

- What are the reasons why they do not apply for welfare benefits?
- Are they aware of the full range of benefits available to low-income families?
- Are they making use of these benefit programs even though they are not on welfare?
- Do they have unmet needs because they have not had the opportunity to find out about programs for low-income families?
- What is their long-term status after they “divert” from welfare in terms of key indicators such as employment, earnings, food security, and child well-being?

A. OPERATIONAL DEFINITION OF “DIVERTERS”

South Carolina does not have a formal welfare diversion program involving lump sum payments to families in lieu of going on welfare. For the purpose of the study, diverters were defined as families who went on Food Stamps and who appeared at the time to eligible for welfare but did not go on welfare.

Operationally, a sample of 360 families was selected from a population of 3,766 persons who went on Food Stamps statewide between October 1998 and March 1999 and who met the following criteria:

- They did not apply for TANF at any time in the one year period following their application for Food Stamps;
- They received at least two months of Food Stamps greater than or equal to \$10 in value;
- They had dependent children; and

- The household's gross income fell below the TANF need standard, given its composition at the time of Food Stamp application.

B. STUDY OBJECTIVES

To gather information on the families in the sample, telephone interviews were conducted with sample members approximately 12 months after they went on Food Stamps. The primary goal of the surveys was to gather information on the characteristics and status of the families in terms of a number of key variables, including the following:

Application for Benefits

- reasons for not applying for welfare benefits; and
- awareness of welfare benefits.

Use and Awareness of Benefit Programs and Child Care

- continued use of Food Stamps, Medicaid and other benefit programs;
- reasons for not using these programs;
- use of child care, including types of child care provider;
- quality of child care; and
- assistance in paying for child care.

Current Employment and Total Household Income

- current employment status and earnings;
- work hours and non-traditional work schedules;
- reasons for not working, if currently unemployed;
- work history and type of employment; and
- total household income.

Indicators of Family Well-Being

- adverse events before and after going on Food Stamps;
- food security before and after going on Food Stamps;
- changes in quality of life, self-esteem, and stress; and
- health care coverage.

Child Outcomes in the Past Year

- changes in children's behavior and adjustment;
- changes in children's mood and temperament;
- changes in children's school performance and attitudes to school; and
- changes in children's health.

The surveys were conducted by telephone from the MAXIMUS Survey Research Center in McLean, Virginia, using computer-assisted telephone interviewing (CATI). Of the 360 families in the sample, a total of 254 (70.6 percent) were contacted. However under the study design, 9 of the 254 were excluded from a complete survey because they indicated that they had applied for welfare and been denied because of income or assets. The remaining 245 were administered the complete survey.

C. SUMMARY OF KEY FINDINGS

The major findings from the study are presented in the following sections.

1. REASONS GIVEN FOR NOT GOING ON WELFARE

Reasons Given

- Of the 245 respondents, 9 reported that they applied for cash assistance but decided not to go through with their applications because of concerns about paperwork requirements and other administrative “hassles.” The remaining 236 respondents indicated that they did not apply for welfare.
- About 58 percent of the respondents reported that they did not go on welfare because “they didn’t want to be on welfare, only Food Stamps.”
- Almost 16 percent reported that they did not go on welfare because they did not know that families could get cash assistance.
- Almost 12 percent reported that they did not go on welfare because they did not think they would be eligible for cash assistance.
- About 5.3 percent reported that they did not want to deal with the hassle or that it was not worth the money to put up with the administrative requirements. This percentage includes the 9 respondents who applied for welfare but decided not to go through with their applications because of the hassles involved.
- Relatively few of the respondents reported that they did not apply for welfare because of work requirements (0.8 percent), time limits (1.6 percent), or child support requirements (3.7 percent).

Implications for the Definition of “Diverter”

- Based on these findings, we would conclude that the sample consisted of “diverters” only in the broadest sense of the term. Very few of the respondents actually made a conscious decision to divert from welfare because of concern about time limits, work requirements, or similar factors.

- Essentially, the respondents consist of families who were apparently eligible to go on welfare but did not do so for a variety of reasons. The sample is of interest as a source of information on the overall population of low-income families who appear to qualify for welfare benefits but who do not utilize these benefits for many different reasons.
- These reasons may include a wish to avoid time limits and work requirements, but they mostly seem to involve a lack of understanding or knowledge about welfare benefits, possible concern about welfare “stigma,” or simply not wishing to deal with the “hassle” factor.
- The sample is of interest, therefore, as a way to gain insight into the attitudes, experiences, and well-being of low-income families who do not go on welfare, regardless of whether they are “diverting” in the narrow sense.

2. CHARACTERISTICS OF THE DIVERTERS

Basic Demographics

- Almost 90 percent of the diverters were female. Almost 43 percent of the diverters were aged 35 or older.
- About 63 percent were black and 36 percent were white. Almost 31 percent had not completed high school or a GED.

Age by Gender

- About 48 percent of the male respondents were aged 40 or older, compared to only 21.5 percent of the female respondents. About 60 percent of the female respondents were under 35, compared to only 36 percent of the male respondents.

Ethnicity by Gender

- About 48 percent of the male respondents were white, compared to only 35 percent of the female respondents.

Education by Gender

- About 71 percent of the females had completed high school and/or attended college, compared to only 56 percent of the males.

Ethnicity by Age

- A very high percentage of the 18-24 year old respondents were black (85.0 percent). In contrast, older respondents included a higher percentage of whites.

Education by Ethnicity

- Almost 42 percent of whites had not completed high school, compared to only 24 percent of blacks. However, whites were slightly more likely than blacks to have attended college.

Marital Status

- About 19 percent of the respondents were married and living with their spouse, 36.3 percent were divorced, separated, or widowed, and the remaining 44.1 percent were never married.

Marital Status by Gender

- About 48 percent of the males were married, compared to only 16.4 percent of the females. Conversely, 45 percent of the females were never married, compared to only 32 percent of the males.

Marital Status by Ethnicity

- About 29 percent of the whites were currently married and living with their spouse, compared to only 14.3 percent of blacks. In addition, only 18 percent of the whites had never been married, compared to almost 60 percent of blacks.

Marital Status by Age

- About 90 percent of 18-24 year olds had never been married, compared to only 19-20 percent of respondents aged 35 or older.

Presence of Other Adults

- Almost 32 percent of the respondents were living with at least one other adult. The majority of these were living with only one other adult.

Number of Children

- Almost 7 percent of the respondents no longer had children under 18 living with them. About 38 percent of the respondents had only one child under 18, and 55 percent had two or more children under 18.

Number of Children, by Gender

- About 28 percent of male respondents no longer had any children under 18 living with them, compared to only 4.5 percent of females. Conversely, 58.2 percent of the female respondents had two or more children, compared to only 28 percent of males.

3. EMPLOYMENT, EARNINGS, AND TOTAL HOUSEHOLD INCOME

Employment Status

- Almost 62 percent of the respondents reported that they were working for pay at the time of the surveys.

Employment Status by Selected Characteristics

- Employment rates were much higher for females (64.4 percent) than for males (40.0 percent).
- Employment rates also varied by ethnicity. About 66 percent of blacks were working for pay, compared to only 54.5 percent of whites.
- Almost 67 percent of never married respondents were employed, compared to 62 percent of divorced/separated respondents, and only 49 percent of currently married respondents.
- Employment varied considerably by education. Only 42.7 percent of high school drop-outs were employed, compared to 68.9 percent of respondents who had completed high school only, and 74.5 percent of respondents who had attended college.

Types of Occupations and Employers

- The most common occupation in which respondents were employed was assembly/production, accounting for 14.6 percent of employed respondents. The next most common occupation was cashier/checker, representing 10.6 percent of employed respondents.
- Almost 26 percent of the employed respondents were working in factories or at other manufacturing business. The next most common type of employer was hospital/health care facility, accounting for 10.6 percent of employed respondents.

Hours Worked Per Week

- Almost 58 percent of the employed respondents were working 40 or more hours per week. Overall, 83.4 percent of the employed respondents were working 30 or more hours per week.
- Only 50 percent of high school drop-outs were working 40 or more hours per week, compared to about 60 percent of the respondents who had completed high school and/or attended college.

Non-Traditional Daily Work Schedules

- About one-third of the employed respondents had non-traditional work schedules, consisting of evening work hours or night shifts.

Percent Working Weekends

- About 22 percent of employed respondents worked every weekend and another 20 percent worked most weekends.
- Employed males were much more likely than females to be working non-traditional daily work schedules and weekends.
- Respondents who had not completed high school were more likely to be working non-traditional daily work schedules and weekends than respondents who had completed high school and/or attended college.

Overall Earnings

- The median monthly earnings among employed respondents, from all jobs combined, were \$1,207. About 67 percent of the employed respondents were earning more than \$1,000 per month.
- Employed high school drop-outs had much lower median monthly earnings (\$1,039) than respondents who had completed high school or attended college.
- About 55 percent of employed high school drop-outs were earning more than \$1,000 per month, compared to 69 percent of the respondents who had completed high school only, and 73 percent of those who had attended college.

Hourly Wage Rates

- About 25 percent of employed respondents were working in jobs that paid less than \$6 per hour.

- About 63.5 percent of employed respondents were working in jobs that paid \$7 or higher.

Length of Time in Current Job

- About 18.5 percent of employed respondents had been in their current job for 12 months or more, and 55 percent had been in their jobs for 6 months or more.

Work History of Unemployed Respondents

- About 41 percent of the unemployed respondents reported that they had worked for pay in the past 12 months, while 59 percent had not worked in the past 12 months. Combining this data with the data presented above, we find that 22.5 percent of all respondents were not currently working and had not worked in the last 12 months.

Reasons for Not Working Now

- The most common reason given by unemployed respondents for not working was physical or mental illness/injury – cited by 31.2 percent of the unemployed respondents as a reason. The next most common reason was wanting to stay home with the children (18.2 percent), followed by lack of transportation (15.1 percent) and lack of child care (12.9 percent). Almost 11 percent of the unemployed respondents indicated that they could not find a job.

Presence of Employed Spouses/Partners

- Overall, 66.4 percent of all respondents were either working themselves or were living with an employed spouse or partner.
- The remaining 33.6 percent were not employed and were not living with an employed spouse or partner.

Presence of Other Employed Adults

- Almost 71 percent of all respondents were either working themselves or were living with another employed adult (including a spouse or partner).

Total Household Income of Respondents

- Respondents were asked to estimate their total household income from employment, child support, SSI, and other sources except Food Stamps.

- On an adjusted basis, about 53 percent of respondents had monthly household income of \$1,000 or more, while 47 percent of income below \$1,000.

Total Household Income, by Education

- Exhibit III-33 shows that household income varied considerably by education.
- Only 36 percent of high school drop-outs had household income of \$1,000 or more, compared to 52 percent of persons who had completed high school only, and 65.9 percent of respondents who had attended college.
- Household income did not vary much by ethnicity.
- Almost 30 percent of the respondents who reported their household income cited child support as a primary source of income
- Almost 16 percent of respondents mentioned SSI or Social Security as a primary source of household income.
- High school drop-outs were more likely than respondents who had completed high school to identify SSI or Social Security as a primary source of income.
- Almost 19 percent of whites identified SSI or Social Security as a primary source of income, compared to only 13.6 percent of blacks.

4. INDICATORS OF FAMILY WELL-BEING

Adverse Events Reported By Respondents

- About 52 percent of all respondents reported that they had fallen behind in paying for rent or other housing in the past year. In contrast, only 22.5 percent reported problems paying for housing prior to the last year.
- However, only 16.4 percent of respondents reported that they had moved in the last year because of not being able to afford housing – compared to 20.9 percent who reported having to move before the last year.
- Overall, 43.4 percent of the respondents reported that they had moved in the past year, either for financial reasons or for other reasons.
- About 58.2 percent of the respondents reported that they had fallen behind in paying a utility bill in the past year, compared to only 23.4 percent who reported this problem prior to the last year.

- About 13 percent of respondents had gone without electricity at some time in the past year, compared to 5.3 percent in the period before the past year. There were also increases in the percentage who had gone without water and heat. About 12 percent had gone without heat at some time in the past year, and almost 10 percent had had their water cut off.
- Almost 36 percent had had their telephone service cut off in the past year, compared to only 25.8 percent before the past year.
- Very few respondents had gone to live in a homeless shelter in either time period. In addition, very few respondents had been forced to send their children to live with someone else for financial reasons in either time period.
- About 23 percent of the respondents reported that there had been times in the past year when they needed child care but could not *find* it. About 25 percent reported that there had been times in the past year when they needed child care but could not *afford* it. Both of these percentages were increases from the time period before the past 12 months.
- About 12 percent of the respondents reported that there had been times in the past year when a household member got sick or hurt but could not get medical care. This was an increase from 6.6 percent for the period before the last year.

Adverse Events by Employment Status

- Non-working respondents were more than twice as likely to have had their electricity, heat, and water cut off in the past year.
- About 17 percent of non-working respondents reported that there had been times in the past year when someone in their home needed medical care but could not get it, compared to only 9.3 percent of working respondents.

Adverse Events by Ethnicity

- About 59 percent of whites reported that they had fallen behind in paying rent in the past year, compared to only 48 percent of blacks.
- Whites were also somewhat more likely to have fallen behind in paying utility bills and to have gone without electricity and heat.
- About 35 percent of whites reported that their telephone service had been cut off in the past year, compared to 26 percent of blacks.

- Almost 21 percent of whites reported that someone in their home had needed medical care in the past year but could not afford it. This compares to only 7.8 percent of blacks.

Cutting the Size of Meals or Skipping Meals

- About one-third of the respondents reported that there had been times in the past year when their families had cut the size of meals or skipped meals because there was not enough money to buy food. This compares to 14.8 percent of respondents who reported experiencing this problem before the past year.
- Almost 42 percent of unemployed respondents reported that they had cut the size of meals or skipped meals in the past year due to lack of money. This compares to only 28.5 percent of employed respondents.
- About 28 percent of the respondents who were currently receiving Food Stamps reported that they had cut the size of meals or skipped meals in the past year due to lack of month. This compares to 36.3 percent of respondents who were not currently on Food Stamps.
- Almost 39 percent of respondents who had dropped out of high school reported that they had cut the size of meals or skipped meals in the past year, compared to only 27.7 percent of the respondents who had attended college.
- About 38 percent of whites reported that they had cut the size of meals or skipped meals in the past year, compared to only 30.5 percent of blacks.

Frequency of Cutting the Size of Meals or Skipping Meals

- Almost 38 percent of the respondents who had cut the size of meals in the past year reported that it had happened every month. This compares to 30.6 percent for the period before the past year.

Actions Taken by Respondents

- Respondents who reported that they had cut the size of meals or skipped meals were asked how they dealt with the situation. About 15 percent of these respondents reported that they went hungry, compared to 9.6 percent of the respondents who had experienced the problem before the past year.
- Combining the 15 percent with the 33.6 percent who reported cutting the size of meals in the past year, 5.2 percent of all respondents reported that there had been times when they went hungry in the past year.

Eating Less Due to Lack of Money

- About one-third of the respondents reported that, in the last 12 months, there had been occasions when they had eaten less than they felt they should. This compares to 13.9 percent who reported having similar problems before the past year.

Not Eating When Hungry

- About 15 percent of the respondents reported that there had been times in the past year when they were hungry but did not eat because they could not afford food. This compares to only 7.0 percent in the period before the past year.

Health Insurance Coverage

- About 76 percent of the respondents reported that they, or the people who lived with them, had some type of health insurance coverage, including Medicaid, while almost 24 percent indicated that they did not have insurance coverage.
- Of the respondents with health insurance, 86 percent reported that they or someone in their household had Medicaid coverage, while 19 percent reported that someone in their household had private insurance coverage.

Profile of Respondents Who Reported Problems with Health Care Access

- About 17 percent of currently unemployed respondents reported that there had been times in the past year when someone in their home had been sick or hurt but could not get medical care. This compares to only 9.3 percent of employed respondents.
- Current Medicaid status had no impact on the percentage of respondents who reported problems with health care access in the past year.
- Respondents who had not completed high school were twice as likely to report having a problem as respondents who had attended college.
- Whites were almost three times as likely to report having had a problem (20.8 percent) than blacks (7.8 percent).
- Only 5 percent of respondents aged 18-24 reported having a problem, compared to 13-14 percent of older respondents.

Life Since Diverting From Welfare

- About 83 percent of the respondents agreed that they felt better about themselves than a year ago.
- However, 54 percent of the respondents agreed that they worried more about their families than a year ago.
- About 42 of the respondents reported that they felt more stress than a year ago, while 58 percent did not feel more stress.

Life Since Diverting from Welfare, by Employment Status

- About 89 percent of working respondents agreed that they felt better about themselves than a year ago, compared to 73 percent of unemployed respondents.
- About 57 percent of non-working respondents reported that they worried more about their family than a year ago, compared to 53 percent of working respondents.

5. CHILD OUTCOMES AND WELL-BEING

- Each respondent was asked a series of questions about changes in behavior, attitudes, temperament, and well-being of their children in the past year. For each family, questions were asked about a “focal child.”

Child's Behavior

- About 42 percent of the respondents felt that their child was getting along better with other children than a year ago, 4.6 percent thought that the child was getting along worse with other children, and 53.2 percent thought that there was no change.
- Almost 10 percent of the respondents who were not currently working thought that their child was getting along worse with other children, compared to only 1.8 percent of working respondents
- Respondents who had not completed high school were more likely than other respondents to think that their child was getting along worse with other children.
- Almost 36 percent of all respondents thought that their child was behaving better than a year ago, 12.7 percent thought that their child behaved worse, and 51.4 percent saw no change.

- About 15 percent of blacks thought that their child was behaving worse than a year ago, compared to only 7.8 percent of whites.
- About 20 percent of the respondents who had attended college believed that their child was behaving worse than a year ago, compared to only 12.2 percent of persons who had completed high school only, and 8.3 percent of those who had not completed high school.
- About 16 percent of all respondents said that their child's behavior bothered them more often than a year ago, 25 percent said it bothered them less often, and 59 percent said that there was no change.
- Almost 19 percent of blacks said that their child's behavior bothered them more often, compared to only 11 percent of whites.
- Almost 26 percent of the respondents who had attended college that their child's behavior bothered them more often, compared to only 13-14 percent of respondents who had not attended college.

Child's Happiness and Temperament

- Almost 55 percent of all respondents thought that their child was more outgoing than a year ago, 6.9 percent thought that the child was less outgoing, and 38.2 percent saw no change.
- Working respondents were more likely than non-working respondents to think that their child was more outgoing.
- Almost 9 percent of the respondents who had completed high school and/or attended college thought that their child was less outgoing, compared to only 2.1 percent of respondents who had not completed high school.
- Almost 45 percent of the respondents said that their child was more happy than a year ago, 10.4 percent said that their child was less happy, and 45.1 percent saw no change.
- Only 41 percent of working respondents thought that their child was more happy than a year ago, compared to 50.8 percent of non-working respondents. However, non-working respondents were slightly more likely to think that their child was less happy.
- About 57 percent of the respondents who had attended college thought that their child was more happy than a year ago, compared to only 37.5 percent of respondents who had not completed high school.

- About 39 percent of all respondents thought that their child was more calm and easy-going than a year ago, 13.3 percent thought their child was less calm and easy-going, and 47.4 percent saw no change.
- About 41 percent of working respondents thought their child was more calm and easy-going, compared to only 36.1 percent of non-working respondents.
- About 17 percent of the respondents who had attended college thought that their child was less calm and easy-going, compared to only 12 percent of less educated respondents.
- Almost 52 percent of all respondents thought that their child showed more concern for the feelings of others, 6.9 percent thought that their child showed less concern, and 41.6 percent saw no change in their child.
- Almost 66 percent of the respondents who had attended college thought that their child showed more concern for the feelings of others, compared to only 41.7 percent of the respondents who not completed high school only. Also, 8.3 percent of high school drop-outs thought that their child showed less concern for the feelings of others, compared to only 2.9 percent of the respondents who had attended college.

School Performance and Attitudes

- About 50 percent of all respondents thought that their child was doing well or very well in school, while 12.7 percent thought that their child was doing below average or not well at all.
- Almost 45.9 percent of the respondents who were not working thought that their child was doing very well in school, compared to only 36.6 percent of those who were working.
- However, 14.8 percent of non-working respondents thought their child was doing below average or not well at all in school, compared to only 11.6 percent of working respondents
- Almost 55 percent of whites thought that their child was doing very well in school, compared to only 31.8 percent of blacks.
- Almost 23 percent of the respondents who had attended college thought that their child was doing below average or not well at all in school, compared to only about 10 percent of less educated respondents.

- About 53 percent of the respondents thought that their child was doing better at schoolwork, 9.8 percent thought their child was doing worse, and 37.0 percent thought the child was doing about the same.
- About 16 percent of non-working respondents thought that their child was doing worse at schoolwork, compared to only 6.3 percent of working respondents.
- About 10 percent of blacks thought that their child was doing worse at schoolwork, compared to only 7.8 percent of whites.
- About 61 percent of all respondents thought that their child cared more about doing well in school, 10.4 percent thought their child cared less, and 28.3 percent thought there was no change in their child.
- About 72 percent of working respondents thought that their child cared more about doing well in school, compared to only 55.4 percent of non-working respondents.
- Blacks were more likely than whites to think that their child cared more about doing well in school.

Child's Health Status

- Almost 46 percent of all respondents thought that their child's health was excellent, and another 19.3 percent thought that their child's health was very good.
- About 15 percent of non-working respondents thought that their child's health was only fair or poor, compared to only 9.8 percent of working respondents.
- About 14 percent of blacks thought that their child's health was only fair or poor, compared to only 6.1 percent of whites.
- About 82 percent of the respondents who had attended college thought that their child's health was excellent or very good, compared to 66.1 percent of high school drop-outs and 63.3 percent of those who had completed high school only.
- Almost 32 percent of respondents thought that their child's health was better, than a year ago and 4.8 percent thought that their child's health was worse.
- About 38 percent of whites felt that their child's health was better, compared to only 28.3 percent of blacks.

- About 86 percent of all respondents reported that their child had a regular source of medical care.

Quality Of Neighborhood As A Place To Raise Children

- Almost 36 percent of the respondents rated their neighborhood as very good, while 12.8 percent rated their neighborhood as not too good or very bad.
- About 16 percent of non-working respondents rated their neighborhood as not too good or very bad, compared to only 10.5 percent of working respondents.
- Almost 14 percent of blacks rated their neighborhood as not too good or very bad, compared to only 9.9 percent of whites.
- About 21 percent of the respondents who had not completed high school rated their neighborhoods as not too good or very bad, compared to only 8.8 percent of the respondents who had attended college.

6. PUBLIC ASSISTANCE, CHILD CARE, AND TRANSPORTATION

Receipt of Assistance Among the Overall Sample

- About 36 percent of the respondents were still receiving Food Stamps at the time of the surveys.
- Almost 67 percent of the respondents were receiving Medicaid for themselves or a family member.
- Only 2.9 percent of the respondents reported that they were receiving assistance in paying for child care.
- Almost 36 percent reported that they were receiving child support.
- About 8 percent of the respondents reported that they were receiving SSI benefits.
- About 19 percent of the respondents were participating in WIC, and 46 percent of the respondents reported that they had children participating in the school lunch program
- About 13 percent of the respondents were in subsidized housing or public housing, and 6.6 percent were living rent-free with a family member.

- About 8 percent of the respondents reported that they received financial assistance from family or friends on a regular basis.
- About 23 percent of all respondents reported that their children had received shots or vaccinations through the local health department.

Receipt of Assistance, by Current Employment Status

- About 46 percent of unemployed respondents were on Food Stamps, compared to only 29.8 percent of currently employed respondents.
- Almost 70 percent of unemployed respondents were in a Medicaid household, compared to 64.9 percent of working respondents.
- Only 4.0 percent of working respondents reported that they were receiving help with child care.
- About 13 percent of non-working respondents were receiving SSI benefits, compared to 5.3 percent of working respondents.

Receipt of Food Stamps and Medicaid, by Selected Characteristics

- Blacks were slightly more likely to be on Food Stamps than whites.
- Respondents aged 18-24 were the most likely to be on Food Stamps
- Blacks were also slightly more likely to be on Medicaid than whites.

Reasons for Not Being on Food Stamps

- About 40 percent of the respondents no longer on Food Stamps stated that they had been told that they were no longer eligible due to income or assets. Another 12.8 percent did not think they were eligible anymore, and 16.7 percent said that they no longer needed Food Stamps.
- About 46 percent of the employed respondents reported that they were no longer on Food Stamps because they had been told they were no longer eligible due to income or assets. This compares to 28 percent of those not currently working.
- About 16 percent of those who were not currently working and not getting Food Stamps thought that they were not eligible.

- About 18 percent of those who were not working indicated that they simply did not reapply after they left the program.

Child Care for School-Age Children

- About 18 percent of all respondents with school-age children reported that they used before-school or after-school child care.
- Almost 65 percent of these respondents were using “informal” child care provided by a friend or relative.
- Almost 55 percent of the respondents who were using child care for their school-age children.
- Of these, 11.8 percent were receiving help from the state in paying for the care.

Child Care for Pre-School Children

- About 59 percent of the respondents with pre-school children were using child care for these children. Of these respondents, 32.7 percent were using a child care center. Overall, 73.6 percent of the respondents were using informal child care in the form of a friend or relative (respondents could identify more than one provider).
- About 63 percent of the respondents who were using pre-school children were paying for the care.
- Of those who were paying, 8.3 percent were receiving help in paying for the child care.

Transportation

- Almost 53 percent of the respondents reported that they used their own vehicle to get around.
- Another 34 percent relied upon rides with relatives, friends, or neighbors.
- Very few respondents relied upon public transportation.