

Arizona
Cash Assistance Exit Study
First Quarter 1998 Cohort
Final Report
January 2000
Administrative and Survey Data Results

Arizona Department of Economic Security
Office of Evaluation

Prepared by:
Karen L. Westra, Ph.D.
John Routley

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Executive Summary

Overview

On September 14, 1998, the Arizona Department of Economic Security (ADES) was awarded a grant from the U.S. Department of Health and Human Services (DHHS) for research into the status of individuals and families who leave the Arizona Temporary Assistance for Needy Families (TANF) program. The grant is helping Arizona answer the question:

What consequences, both intended and unintended, do recipients and their dependents experience once their link to cash assistance is severed?

The research is based on all cash assistance cases that were closed from the three-month period, January 1998 through March 1998 (10,647 cases). These cases were matched with information from ADES Unemployment Insurance, cash assistance, food stamps, Medicaid, childcare, child support, child protective services and community services automated systems to determine wages, recidivism and use of ADES benefits.

A random sample (821 respondents) was selected for intensive follow-up survey data collection. The survey was used to obtain more in-depth information about reasons for exiting cash assistance, use of other services and to capture respondents' perceptions of their experiences and current status.

The report is divided into five sections: Background, Demographic Characteristics of the Research Study, Case Closure and Recidivism, Employment and Earnings, and Utilization of Other Services. Analyses were conducted to determine differences between cases closed due to sanctions and those closed for any other reason. The information and data contained in this report are based on administrative and survey data.

Key Findings

Key findings of the report are summarized below.

- ◆ The top two reasons for leaving cash assistance as reported in the survey were:
 - employment, i.e., the individual got a job or had increased earnings (54%);
 - lack of compliance with program requirements, leading to sanctions (11%).

- ◆ Administrative data indicate that twenty percent (20%) of the cases were closed due to a sanction. Individuals from these cases are different, both demographically and experientially, than their non-sanctioned counterparts. Specifically, the adults in the sanctioned cases:
 - are less likely to have completed high school (45% vs. 54%);
 - are more likely to have reached the 24-month time limit (27% vs. 9%);
 - have less income from reported quarterly wages (\$1,090-\$2,216 vs. \$1,359-\$2,717);
 - are more likely to say they are worse off now than when they were on cash assistance (23% vs. 13%);
 - are more likely to have never married (55% vs. 50%);

- are more likely to be of African American (13% vs. 9%) or Hispanic origin (39% vs. 33%), and less likely to be Native American (8% vs. 15%) or Caucasian (39% vs. 42%);
 - are more likely to live in Maricopa County (62% vs. 49%).
- ◆ Sixty-five percent (65%) of all closed cases did not return to cash assistance within twelve months of case closure according to administrative data.
 - ◆ Those who returned to cash assistance reported that the top three reasons for their return were:
 - loss of employment, or decreased wages (54%);
 - divorce, separation, or moving away from a partner or family member (11%);
 - change in household circumstance, such as an eligible child moved into the home, or a disability was certified (10%).
 - ◆ Fifty-seven percent (57%) of those surveyed reported that they were working approximately one year following cash assistance case closure.
 - ◆ Individuals who were employed at the time of the survey gave the most credit to the following four reasons:
 - individual effort/a desire to work (45%);
 - education and training (25%);
 - personal contacts (9%);
 - childcare (6%).
 - ◆ Individuals who were not employed at the time of the survey cited the following as the top three barriers to employment:
 - health issues (23%);
 - childcare (22%);
 - education and training (15%).
 - ◆ Approximately one year following exit from cash assistance, individuals were receiving the following ongoing services and support based on administrative and survey data:
 - 14% were utilizing ADES childcare services;
 - between 13% and 15% were receiving child support dollars;
 - 51% were receiving the Earned Income Tax Credit;
 - 44% were receiving food stamps. Of those who were not receiving food stamps, 58% reported that they believed they were not eligible.
 - ◆ When asked about health care coverage, survey respondents indicated that:
 - they are more likely to go without needed medical attention when they are no longer receiving cash assistance;
 - 23% had one or more children in their home with a chronic health condition;

- a little more than one year following exit from cash assistance, 40% of the adults and 26% of the children had no health insurance, either through Medicaid, an employer or any other source. Of those who were not receiving publicly funded medical assistance, 66% said they did not believe they were eligible, and 56% said they did not believe their children were eligible.
- ◆ Individuals were asked to report on their experiences both while they were receiving cash assistance, and again during the months when they were not receiving cash assistance. They reported that when they were off cash assistance they were:
 - less reliant on additional supports such as free or discounted meals for their children, WIC benefits or assistance from food banks;
 - less likely to be without food and less likely to be forced to move or have their utilities shut off because they were unable to pay their bills;
 - more likely to go without needed medical attention;
 - more likely to be receiving free housing from a relative.
- ◆ While individuals generally reported improvement in well-being following exit from cash assistance, many still need assistance:
 - 37% got behind in rent or housing payments;
 - 24% do not have enough to eat at times;
 - 21% receive food from shelters or food banks.
- ◆ When asked: “In general, would you say that your situation now is much better, better, about the same, worse, or much worse than it was when you were receiving cash assistance?” respondents gave the following answers:
 - Much better off: 31%
 - Better off: 37%
 - About the same: 16%
 - Worse off: 12%
 - Much worse off: 3 %

Summary

The federal welfare legislation, the Personal Responsibility and Work Opportunity Act of 1996, changed the nation’s welfare program. One of the key questions raised by the public, advocates, and policy makers has been the impact of these welfare policies on families who leave cash assistance. The information and data included in this report indicate that while a majority of the individuals feel better about their situation after they leave cash assistance, these families point to the importance of ongoing supportive services that will enable them to continue on the path toward self-sufficiency.

Chapter 1 Background

On September 14, 1998, the Arizona Department of Economic Security (ADES) was awarded a grant from the U.S. Department of Health and Human Services for research into the status of individuals and families who leave the Arizona Temporary Assistance for Needy Families (TANF) program. The grant is helping Arizona answer the question:

What consequences, both intended and unintended, do recipients and their dependents experience once their link to cash assistance is severed?

The research cohort consists of all cash assistance cases that closed from January 1998 through March 1998.

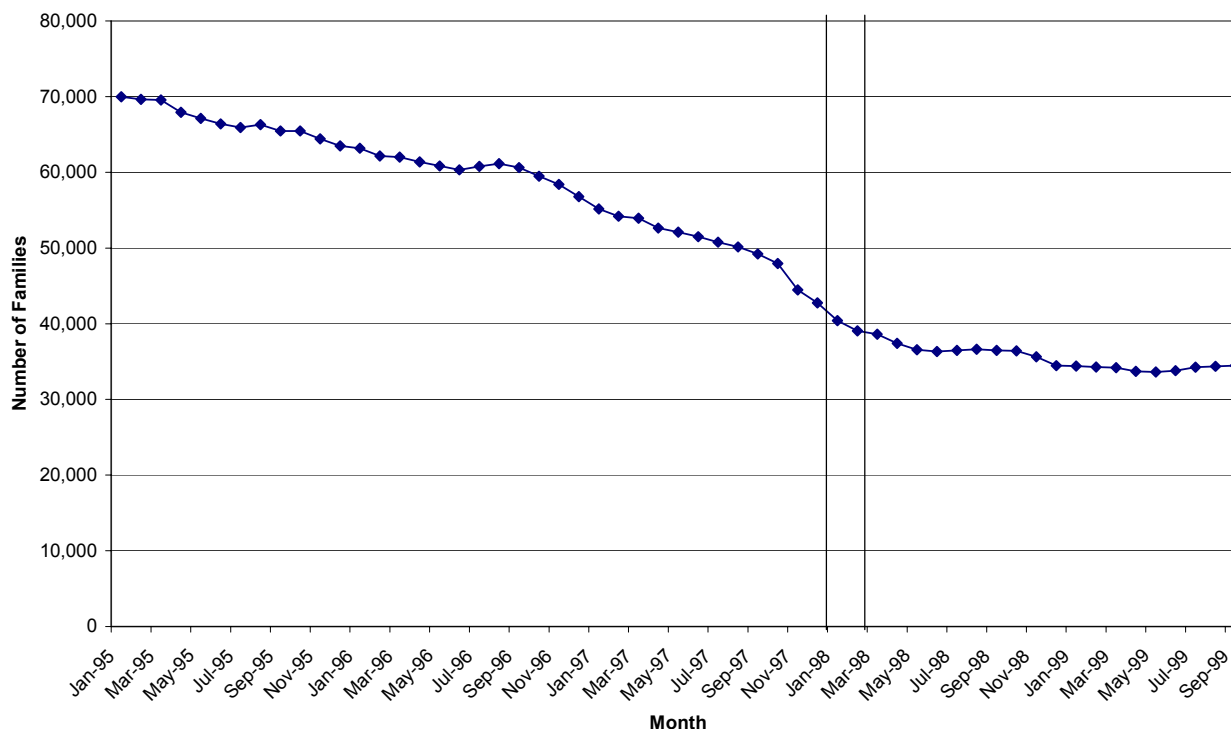
Caseload Context

Since January 1995, there has been a dramatic decline in the number of families in Arizona receiving cash assistance. In 1995, Arizona had a caseload size of approximately 70,000 families. That number fell to 40,000 by January 1998, dropping to 34,000 by January 1999. However, the caseload stabilized in 1999, so that by September 1999, there were still approximately 34,000 families receiving cash assistance in Arizona.

This study examines cash assistance cases that closed from January 1998 through March 1998. This was during the tail end of the period of caseload decline.

Graph 1

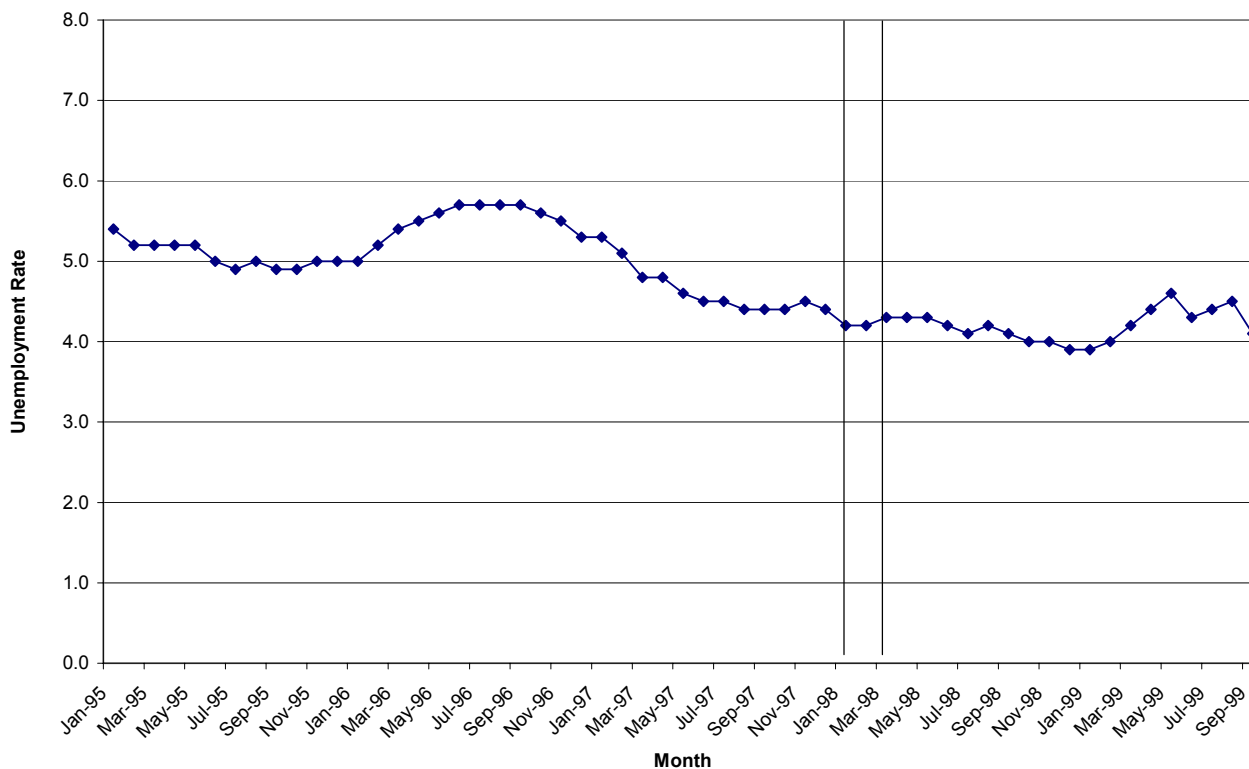
**Number of Families in Arizona Receiving Cash Assistance by Month
1995-1999**



Economic Context

Graph 2

Arizona Unemployment Rates by Month 1995-1999



Over the last few years, Arizona has enjoyed relatively low unemployment rates, ranging from a high of 5.7% in mid 1996, to a low of 3.9% in January of 1999. The unemployment rate hovered between 4.2% and 4.3% during the months that define the cohort for this study (January – March 1998).

Policy Context

In 1995, Arizona obtained federal approval for a comprehensive welfare reform initiative, “Employing and Moving People off Welfare and Encouraging Responsibility” (EMPOWER). The EMPOWER program was designed to help clients move off of cash assistance and into employment and greater self-sufficiency. Some of the key provisions of the original EMPOWER program included a 24-month time limit on cash assistance, a family benefit cap (the restriction of benefits to only those children who were in the case when the case was opened), the extension of Transitional Medical Assistance (TMA) and Transitional Child Care (TCC) from 12 to 24 months, and the requirement that unwed minor parents live with their own parents or legal guardians in order to receive cash assistance.

With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, some of the original EMPOWER provisions were modified. The two most salient changes were the application of a lifetime federal cash assistance time limit of 60 months, and automatic progressive sanctioning for non-compliance with the Arizona Jobs program, Child

Support Enforcement, school attendance and immunization. The resulting program is known as EMPOWER Redesign.

The study cohort consists of all cash assistance cases that closed from January 1998 through March 1998. These are cases which exited cash assistance under the current EMPOWER Redesign policies, including the automatic progressive sanctioning provision.

Under the automatic progressive sanctioning provision, heads of households must comply with program rules such as Arizona Jobs program participation, immunization, school attendance and child support requirements. Failure to meet program requirements on the part of the client results in a reduction of the cash assistance grant amount by 25% in the month following noncompliance. Clients who remain in noncompliance have their cash assistance reduced to 50% of the original grant amount in the second month. If the program requirements still are not met by the third month, the cash assistance case is closed. The case must then remain closed for one month before clients can comply with program rules and reinstate their benefit.

Throughout this report comparisons are made between those individuals who exited cash assistance due to sanctions, and those who exited for any other reason. This is in an effort to assess the impact of the automatic progressive sanctioning provision described above.

The Study Cohort

The selection of cases for the cohort was based upon several criteria:

1. Cases must have received a cash benefit in December 1997, January 1998 or February 1998 and must have subsequently closed, i.e., have received no cash benefit, in the following month regardless of the reason for the case closure. By defining case closure as at least one month of severance, rather than, for example two or three months, those cases closed due to sanctions, and re-opened one month later due to re-compliance with program rules were included.
2. Some cases were excluded from the study. These are cases that were subject to different sets of policies from those included in this study. Including such cases would have confounded interpretation of the findings. The following cases were excluded from the study:
 - a. cases in which there are two parents in the household.
 - b. cases which are comprised of the children only, for example, children who reside in a foster home. In these cases, the adults are not subject to any of the EMPOWER Redesign requirements, including those for which sanctions may be applied.
 - c. cases that are under the jurisdiction of tribal nations that have taken the option of administering their own welfare policies (Pasqua Yaqui and White Mountain Apache tribes). Those cases under the jurisdiction of tribal nations that have taken the option of participating in the ADES-operated welfare system were included in the study.

The Survey Sample

Twelve months of administrative data analysis were conducted on the study cohort, i.e., the full population of closed cases. Two random samples were selected for intensive follow-up survey data collection. The samples were stratified according to the reason for case closure. One stratum consists of those cases closed due to sanctions, that is, welfare reform policy imposed upon recipients. The other stratum consists of those cases closed for any other reason (e.g., excess income, or failure to re-certify). The random sampling of all closed cases allows for a probability sampling in which every sampling unit in the population has a known, non-zero chance to be included in the sample. Each stratum consists of at least 400 completed surveys so that statistically reliable comparisons ($\pm 5\%$) can be made between the two subgroups.

Out of a random, statewide sample of 1140 individuals, 821 individuals completed the surveys, for a response rate of 72%. Due to the intentional stratification of the sample, 405 of the survey respondents left cash assistance due to a sanction, while 416 left for other reasons. Attempts were made to contact potential respondents by telephone to invite them to complete the survey with the telephone interviewer. For those who did not have telephones, but had an address, attempts were made to contact the individuals at their homes. Those who completed the surveys were each sent a check for \$20 as an incentive for their participation.

Research Questions

The following research questions were addressed in this study utilizing data available through the ADES automated administrative databases, as well as survey data:

1. Are there differences between those whose cases were closed due to the automatic progressive sanctioning provision and those whose cases were closed for any other reason?
2. What are the demographic characteristics of the research sample?
3. What are the primary reasons cases were closed?
4. What is the rate of recidivism?
5. What are the primary reasons individuals returned to cash assistance?
6. What is the rate of employment?
7. For those who are employed, what are the primary facilitators to employment?
8. For those who are not employed, what are the primary barriers to employment?
9. What is the amount of earnings for the research sample?

10. What is the rate of receipt of:
 - Food Stamps;
 - Medicaid;
 - Child Care;
 - Child Support?

11. For those who do not receive State-administered Food Stamps, Medicaid and/or Child Care, what are the reasons?

12. What is the rate of utilization of:
 - child protective services;
 - out of home placement (foster care)?

13. Did individuals seek emergency assistance from community, neighborhood, or religious organizations (e.g., food pantries, homeless shelters)?

Finally, respondents were asked, “In general, would you say that your situation now is much better, better, about the same, worse, or much worse than it was when you were receiving cash assistance?”

Chapter 2 Demographic Characteristics of the Research Sample

One of the first research questions addressed by this study asks, “What are the demographic characteristics of the research sample?” Comparisons were made between those whose cases were closed because they were sanctioned off the caseload and those cases closed for any other reason. In addition, comparisons were made between the study cohort, i.e., all closed cases, and those whose cases were open during December 1997.*

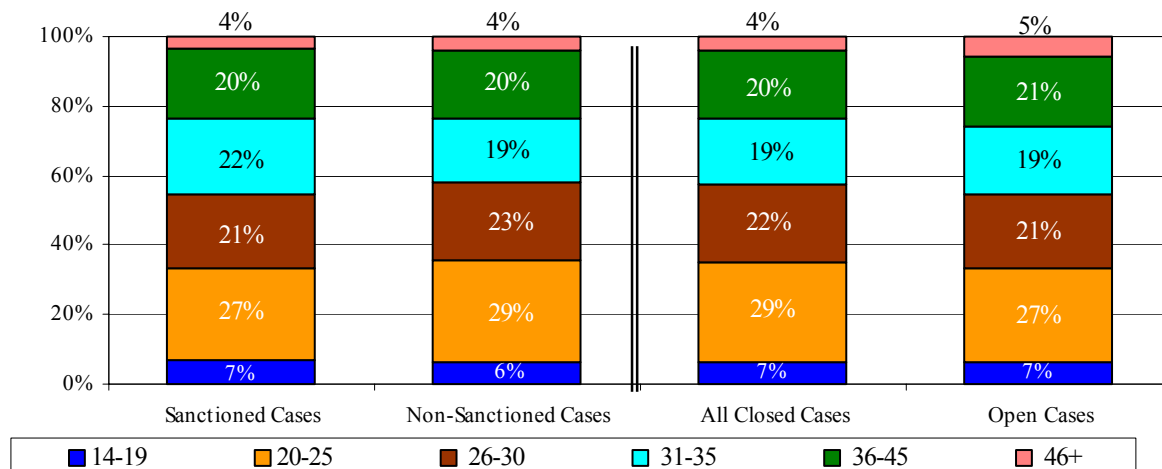
There were 10,647 cases that closed in the first quarter of 1998. According to ADES administrative records:

- 20% (2155) of the cases examined were closed due to a sanction being imposed on their case;
- 80% (8492) of the cases closed for reasons ranging from employment to failing to have their benefits reviewed for renewal.

The following graphs illustrate some of the major features of each group.

Age

Graph 3: Head of Household Age (Administrative Data)



Sanctioned Cases vs. Non-Sanctioned Cases

With respect to age, there was little difference between the sanctioned cases (average age of 30.1 years) when compared to the non-sanctioned cases (average age of 29.7 years).

Closed Cases vs. Open Cases

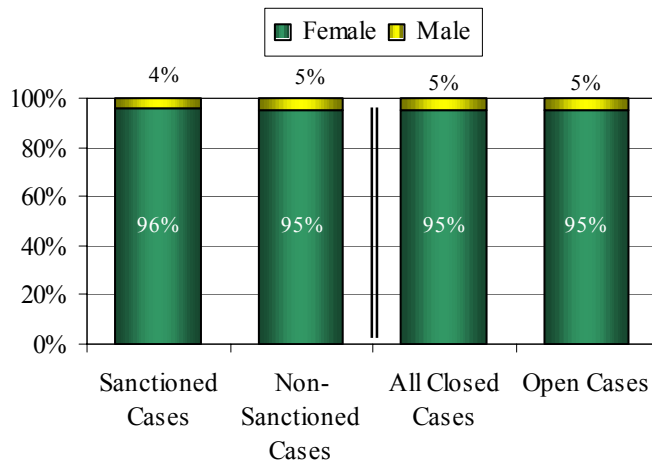
There was also very little difference between closed and open cases with respect to age. The average age of the adult in the households of closed cases was 29.8 years, whereas the average for open cases was 29.1 years.

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* Two-parent cases, child only cases, and Tribal TANF cases were excluded from analysis in order to be comparable with the selection of closed cases.

Gender

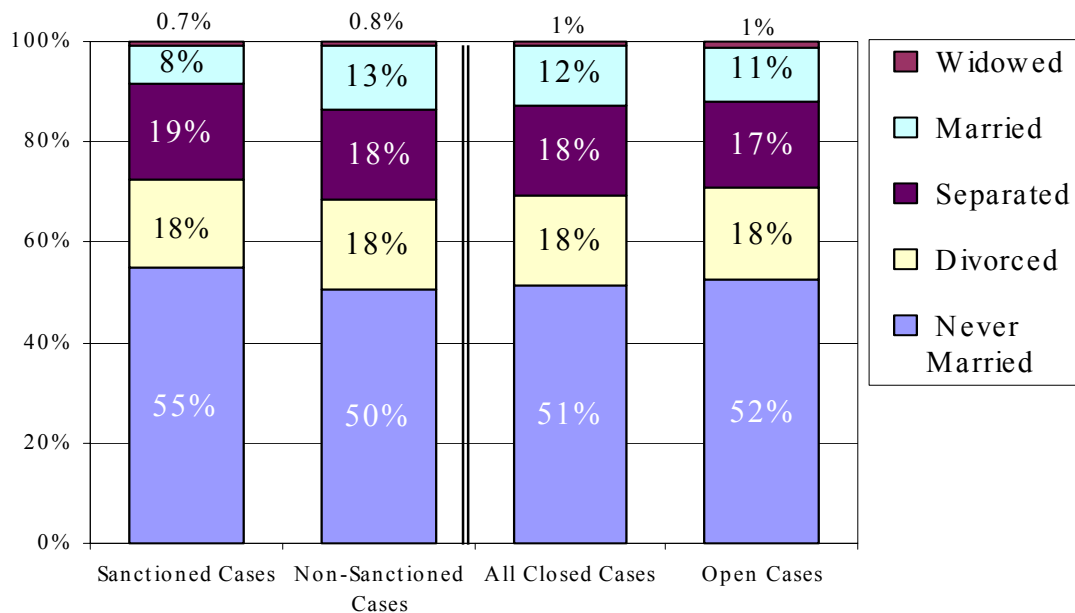
Graph 4: Gender (Administrative Data)



There was little to no difference between sanctioned cases and non-sanctioned cases or closed cases and open cases with respect to gender. A female caretaker headed most households in all categories.

Marital Status

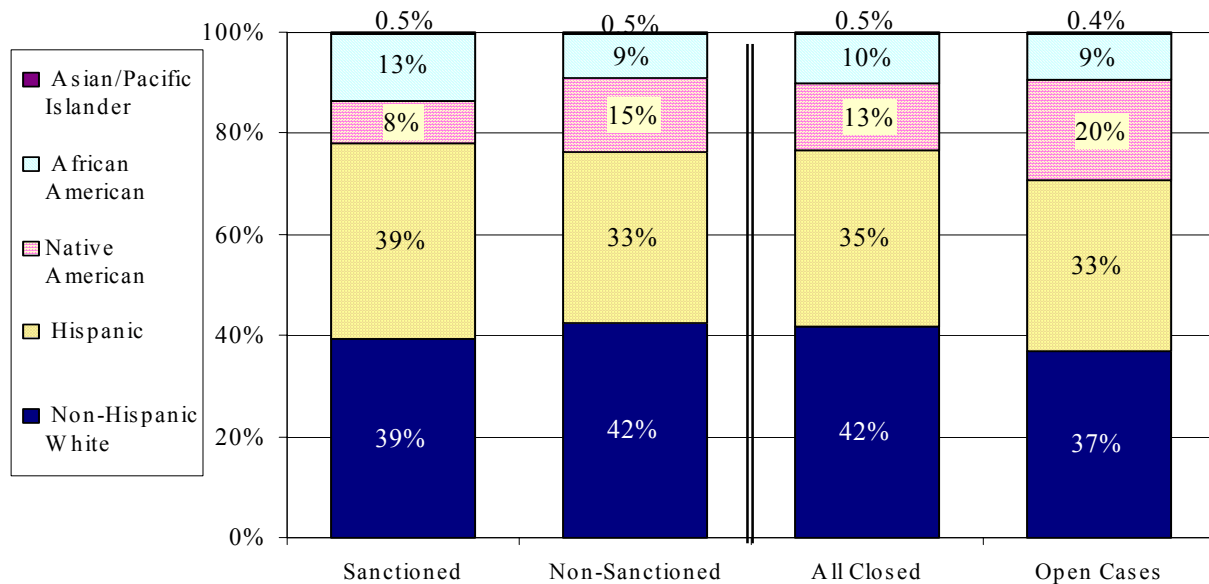
Graph 5: Marital Status (Administrative Data)



A person who had never been married headed the majority of all cases. This finding was slightly stronger for those whose cases closed due to the imposition of a sanction. A longitudinal study of Arizona's cash assistance population conducted by the ADES Office of Evaluation (May 1998) found that marital status was a predictor of length of time on cash assistance. Specifically, those who were never married were more likely to remain on cash assistance for longer periods of time.

Ethnicity

Graph 6: Ethnicity (Administrative Data)



Sanctioned Cases vs. Non-Sanctioned Cases

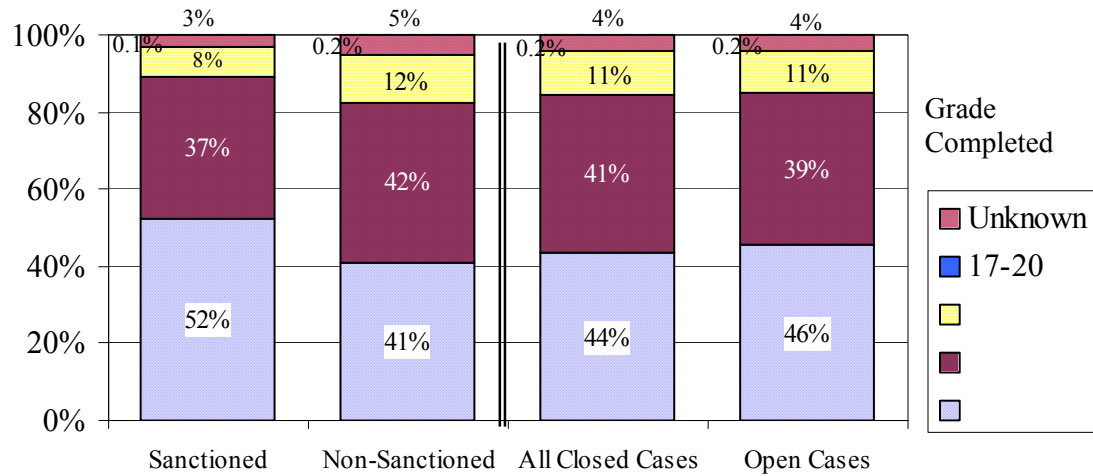
There was a slightly higher percentage of people from African American and Hispanic ethnic origins in the sanctioned group, while there was a slightly higher representation of Native Americans and Caucasians in the non-sanctioned group. Individuals who reside in areas of high unemployment (greater than 50%) are not subject to the Jobs program job search requirements, thus reducing their likelihood of receiving a sanction. This may explain the lower incidence of sanctioning among Native Americans, who have a higher incidence of living in areas of high unemployment.

Closed Cases vs. Open Cases

Among the open cases there was a higher percentage of Native Americans (20% vs. 13%), and a lower percentage of non-Hispanic white individuals (37% vs. 42%). The caseload will continue to be tracked to see if there are changes in the ethnic composition of open cases over time.

Education Level

Graph 7: Education Level (Administrative Data)



Sanctioned Cases vs. Non-Sanctioned Cases

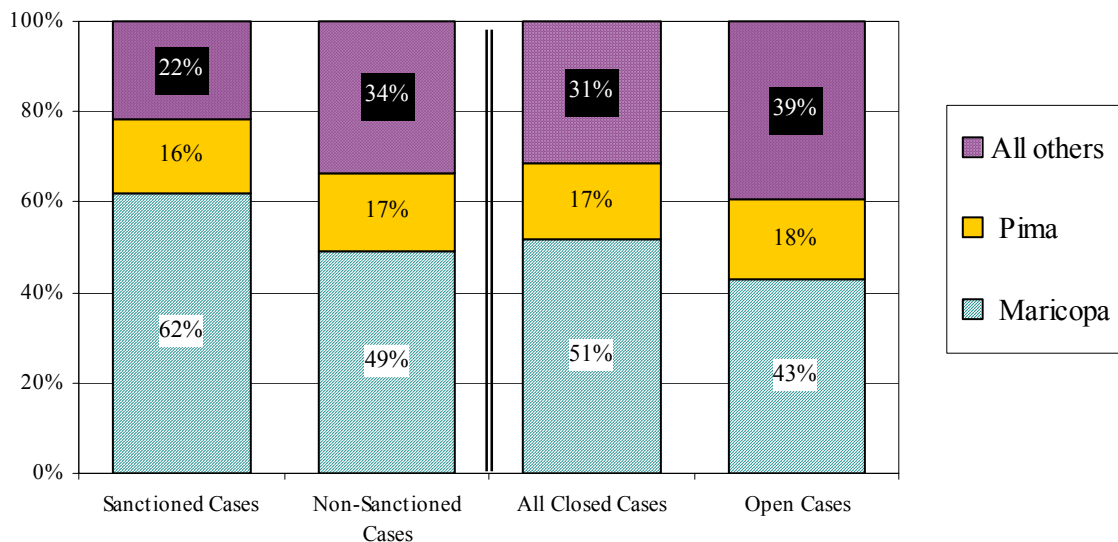
Individuals whose cases closed due to sanctions were less educated than individuals whose cases were closed for other reasons. Only 45% of the sanctioned individuals had completed high school (as represented by the grade 12, 13-16 and 17-20 categories above), while 54% of the non-sanctioned individuals reported having at least a high school degree.

Closed Cases vs. Open Cases

Persons from closed cases were slightly more likely to have a high school degree (52%) than persons from open cases (50%).

County

Graph 8: County (Administrative Data)



Sanctioned Cases vs. Non-Sanctioned Cases

Among cases closed due to sanctions, there was a higher percentage (13 percentage points) of cases from Maricopa County when compared to those cases closed for other reasons. Conversely, the rural counties (represented as “all others”) had a lower percentage of cases that were closed due to sanctions in comparison to closures for other reasons (22% vs. 34%).

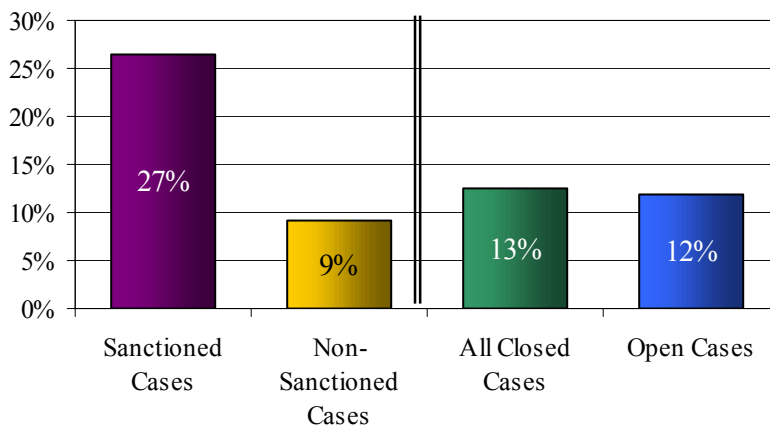
Closed Cases vs. Open Cases

There is a higher representation of rural cases among the open cases (39% vs. 31%), while there is a higher representation of people from Maricopa County among the closed cases (51% vs. 43%). Pima County has almost identical representation (17% vs. 18%) within both closed and open cases.

Time-Limited Cases

Cases that reach the 24-month time limit are neither considered to be sanctioned, nor are they closed. Upon reaching the time limit, only the adult member of the household is removed from the cash assistance grant. The adult continues to be eligible for supportive services. However, the cases may be subsequently closed for other reasons.

Graph 9: Time Limited Cases (Administrative Data)



Sanctioned Cases vs. Non-Sanctioned Cases

Adults in cases closed due to sanctions are almost three times more likely to have reached the time limit prior to case closure than adults in cases closed for other reasons. This suggests that the sanctioned cases have a higher percentage of people who have been on cash assistance for a longer period of time.

Closed Cases vs. Open Cases

There is little difference (one percentage point) between closed cases and open cases with respect to time limits.

In summary, cases that are closed due to sanctions appear to be demographically different from cases closed due to other reasons. Specifically, the adults in the sanctioned cases are:

- more likely to have never married;
- more likely to be of African American or Hispanic origin, and less likely to be Native American or Caucasian;
- less likely to have completed high school;
- more likely to live in Maricopa County;
- more likely to have reached the 24-month time limit.

Entire Study Cohort vs. Survey Sample

While the administrative data reflect the entire study cohort, the survey data reflect a sample of that cohort. In order to increase the likelihood that the survey respondents would be representative of the entire study cohort, the two sample strata, i.e., a sample of sanctioned cases and a sample of non-sanctioned cases, were selected at random. Random sampling allows for a probability sampling in which every case in the cohort has a known, non-zero chance to be included in the sample.

Two additional steps were taken to increase the likelihood the survey respondents were representative of the entire study cohort. First of all, each of the two samples consists of at least 400 completed surveys so that statistically reliable comparisons ($\pm 5\%$) can be made between the two subgroups. Secondly, through repeated telephone calls and in-person interviews, Arizona was able to achieve a 72% response rate.

Even with a high response rate, researchers are concerned with discovering patterns of non-response. In other words, are there unique characteristics of those who do not respond resulting in response bias?

One way to explore the issue of non-response bias, is to compare those who completed the survey to the entire study cohort on salient, available characteristics. Table 1 (page 17) presents some of those characteristics as found in the administrative database.

There were few differences found between the study cohort and the survey sample with respect to the demographics of age, gender, and county. People who completed the survey were slightly more likely to be of Hispanic origin, and have a high school degree than those in the study cohort. They were also slightly more likely to be married or divorced.

There were small differences between the two groups with respect to participation in programs. People who completed the survey were more likely to have been enrolled in food stamps or Medicaid than those in the study cohort, and were slightly more likely to have returned to cash assistance within 12 months. Additionally, survey respondents were slightly more likely to have reported earnings.

A possible explanation for the slight over-representation in the survey of individuals who participated in cash assistance, food stamps and Medicaid, is that their participation provides a more current address and phone number. There is a greater chance of losing track of those who do not receive any of these services.

**Table 1: Characteristics of the Study Cohort as Compared to the Survey Sample
(Administrative Data)**

Characteristic	Study Cohort	Survey Sample
Average Age	29.8	30.3
Gender		
• Female	95%	95%
• Male	5%	5%
Marital Status		
• Widowed	1%	1%
• Married	12%	15%
• Separated	18%	17%
• Divorced	18%	20%
• Never Married	51%	47%
Ethnicity		
• Asian/Pacific Islander	.5%	.6%
• African American	10%	8%
• Native American	13%	12%
• Hispanic	35%	37%
• Non-Hispanic White	42%	42%
Education Level		
• Less than 12 years	44%	42%
• 12 years or more	52%	55%
• Unknown	4%	3%
County		
• Maricopa County	51%	51%
• Pima County	17%	16%
• Balance of State	31%	33%
Time-limited Cases	13%	12%
Returned to cash assistance within 12 months of case closure	35%	36%
Enrolled in food stamps within 12 months of case closure	69%	72%
Enrolled in Medicaid within 12 months of case closure	74%	77%
Any earnings in quarter of exit or 4 quarters after exit	73%	77%

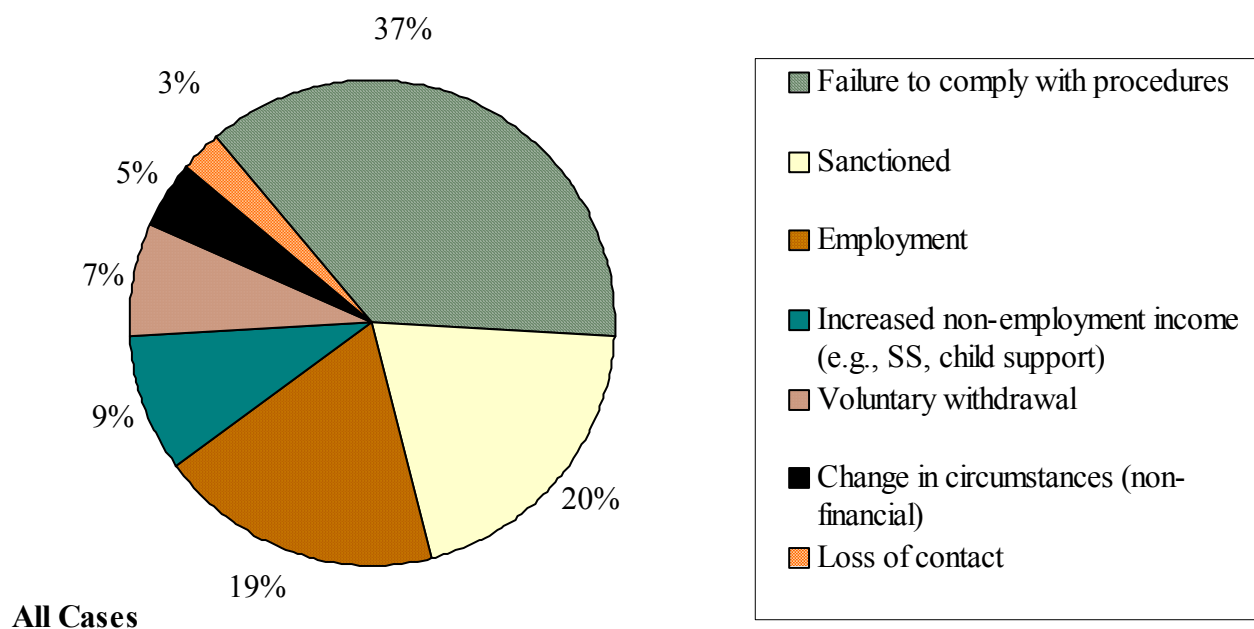
The available data suggest that the survey sample is a fairly good representation of the study cohort. However, since survey results are not available for non-respondents, we cannot say with certainty that comparisons have been made on all critical variables.

Chapter 3 Case Closure and Recidivism

Reasons for Case Closure

The ADES administrative database includes a record of case closure reasons. For example, there is record of those cases that were closed due to sanctions. As another example, when clients make it known to an ADES employee that they have become employed or have excess earnings, the record will show that the case was closed due to employment. Similarly, clients may report that they have increased non-employment income such as Social Security or child support. Sometimes there is a change in circumstances so that the case is no longer eligible. For example, a formerly eligible child may turn 18, or may move out of the home. This would be recorded as a non-financial change in household circumstances. Some clients do not complete the re-application procedure when their review period expires. This results in a case closure due to failure to comply with procedures. In some instances, clients simply “disappear,” resulting in a case closure due to loss of contact.

Graph 10: Reasons for Case Closure (Administrative Data)



According to the administrative data, failure to comply with procedures is the most common closure reason (37%). Sanctioned closures make up the second largest category of reasons for case closure (20%). The third largest closure reason is employment (19%). These cases most likely qualify for transitional services such as childcare and medical assistance.

The administrative data record reasons for case closure known to the program. For example, when an individual informs the program that they have become employed, or have higher earnings, the program is able to record that as the reason for case closure. The ADES has long suspected that with more complete knowledge, those percentages would be much higher. For example, those who “fail to comply with procedures” may actually have found employment,

resulting in their aborting the re-application process. The survey data are a valuable supplement as ADES tries to fill in the gaps in knowledge.

Data obtained through the survey provide case closure reasons from the perspective of the clients. Survey data indicate that the most common reason for case closure (54%) was employment, i.e., the individual got a job or had increased earnings. For reasons cited above, this is much higher than the 19% reported in the administrative database. Non-sanctioned individuals were more likely to cite employment or increased earnings as the reason for leaving cash assistance (58% vs. 35%).

Table 2: Reasons for Case Closure (Survey Data)

Reason for Leaving	All Surveyed Individuals	Sanctioned Individuals	Non-Sanctioned Individuals
New Employment/Increased Earnings	54%	35%	58%
Non-compliance with Program Rules	11%	33%	6%
Married/Moved in With Others	9%	5%	10%
Did Not Complete the Eligibility Process	9%	10%	8%
No Longer Eligible	4%	5%	4%
Child Support	3%	3%	3%
Avoid Hassles	3%	2%	3%
Adult Time Limit Reached	3%	4%	3%
Other	1%	1%	1%
Did Not Answer	3%	3%	4%

According to the survey data, the second most common reason for leaving cash assistance (11%) was non-compliance leading to sanctions. Another 9% indicated that they had married, moved in with a partner or had moved in with other family members. An additional 9% indicated that they did not complete the reapplication process.

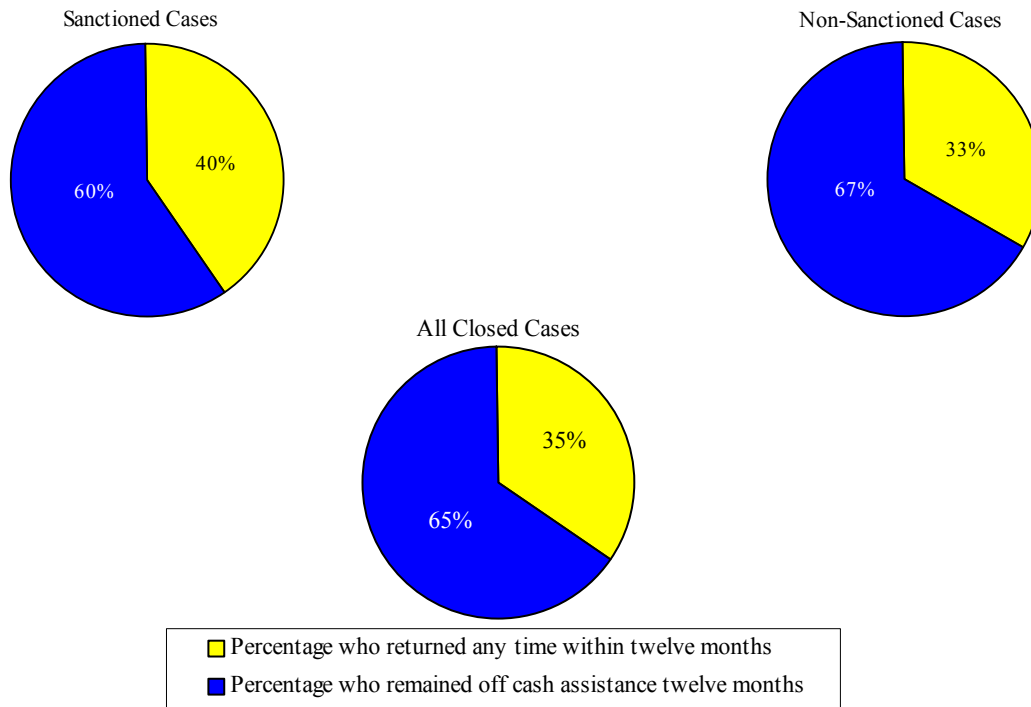
From the administrative data, the least information is known about cases closed under the categories of “failure to comply with procedures,” “loss of contact” and “voluntarily withdrawal.” There were 232 survey respondents who fell into these categories. A sub-analysis was conducted to uncover information about this group of individuals.

Of the individuals in the sub-analysis, the greatest percentage of individuals (48%) reported that their case was closed because they either got a job, or increased their earnings. An additional 4% said that their case was closed due to child support payments. In this sub-analysis, the second highest reason cited for leaving cash assistance (12%) was that individuals either got married, moved in with a partner or moved in with a family member. Running a close third, 11% of the individuals said they did not complete the interview process. Nine percent (9%) said that they were not in compliance with sanction-related obligations. Approximately 5% were no longer eligible in Arizona, either because a child in the household was no longer eligible, or because they moved out of state. An additional 3% said they did not want to be bothered by the hassles associated with benefit receipt.

Recidivism

Another research question addressed by this study is: “What is the rate of recidivism (cash assistance) for the research sample?” Graphs 11 and 12 display the results of analyses on return to cash assistance.

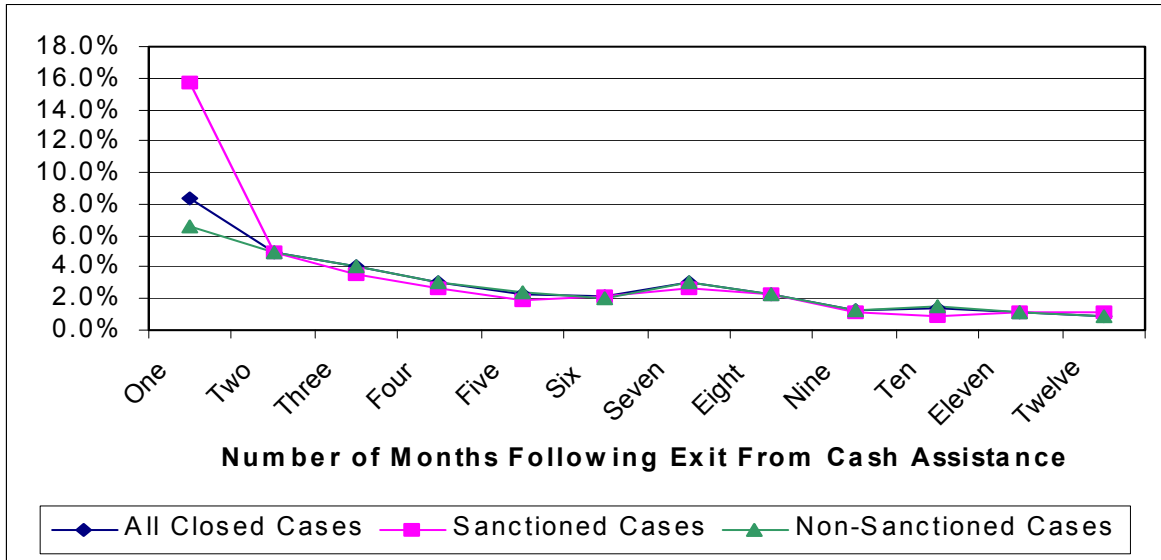
Graph 11: Cash Assistance Recidivism Within 12 Months of Exit (Administrative Data)



For all cases in the study cohort, 65% did not return to cash assistance within twelve months of case closure. The recidivism rates are higher for those cases closed due to a sanction.

Cases that closed due to a sanction were more likely to return to assistance in the month following case closure (graph 12). This is due to program rules that allow for re-compliance on the client’s part. When clients comply with the program rule that caused case closure, their cases are restored to full benefits. This is driving the dramatic recidivism rate seen in the first month after exit from the program.

Graph 12: Monthly Cash Assistance Recidivism Rates (Administrative Data)



While the administrative data indicate if and when cases returned to cash assistance, survey data indicate why they returned. Graph 13 and Table 3 display those results.

Of those who returned to cash assistance, 54% said they did so because they lost their job, or had a reduction in earnings. This was a less prevalent reason for those who left due to sanctions (40%) when compared to those who left for other reasons (58%).

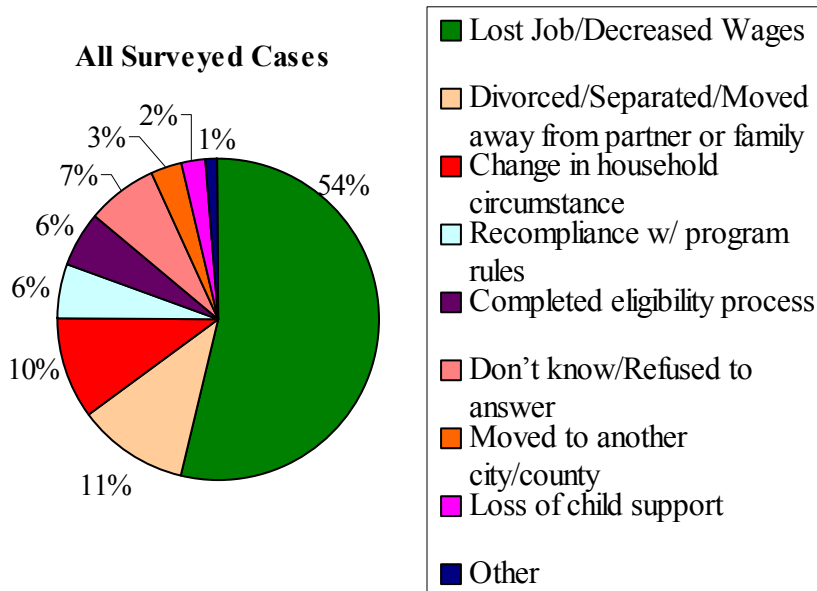
Individuals from sanctioned cases were more likely to report that they began receiving cash assistance again due to a change in their circumstances, such as an eligible child moved into the home, or a disability was certified than were their non-sanctioned counterparts (17% vs. 9%).

Seventeen percent (17%) of individuals whose cases were closed due to sanctions reported that their return to cash assistance was due to re-compliance with program rules. Three percent (3%) of individuals from cases closed due to other reasons cited the same reason for their return to cash assistance.

Six percent (6%) reported that they completed the eligibility process, or followed through with required documentation (11% of the sanctioned individuals, vs. 4% of the non-sanctioned individuals) allowing them to receive cash assistance once again.

Finally, 4% of the sanctioned individuals, and 13% of non-sanctioned individuals, cited divorce, separation, or moving away from a partner or friend as the primary reason for returning to cash assistance.

Graph 13: Reasons for Cash Assistance Recidivism (Survey Data)



**Table 3: Reasons for Cash Assistance Recidivism (Survey Data)
Sanctioned vs. Non-Sanctioned Cases**

Reasons for Returning to Cash Assistance	All Surveyed	Sanctioned	Non-Sanctioned
Lost Job/Decreased Wages	54%	40%	58%
Divorced/Separated/Moved away from partner or family	11%	4%	13%
Change in household circumstance	10%	17%	9%
Re-compliance with program rules	6%	17%	3%
Completed eligibility process	6%	11%	4%
Don't know/Refused to answer	7%	7%	7%
Moved to another city/county	3%	2%	4%
Loss of child support	2%	1%	3%
Other	1%	2%	1%

In summary, from the perspective of the survey respondents, employment or higher earnings is the primary reason individuals leave cash assistance. Conversely, loss of employment, or a reduction in earnings is the primary reason for returning to cash assistance.

Chapter 4 Employment and Earnings

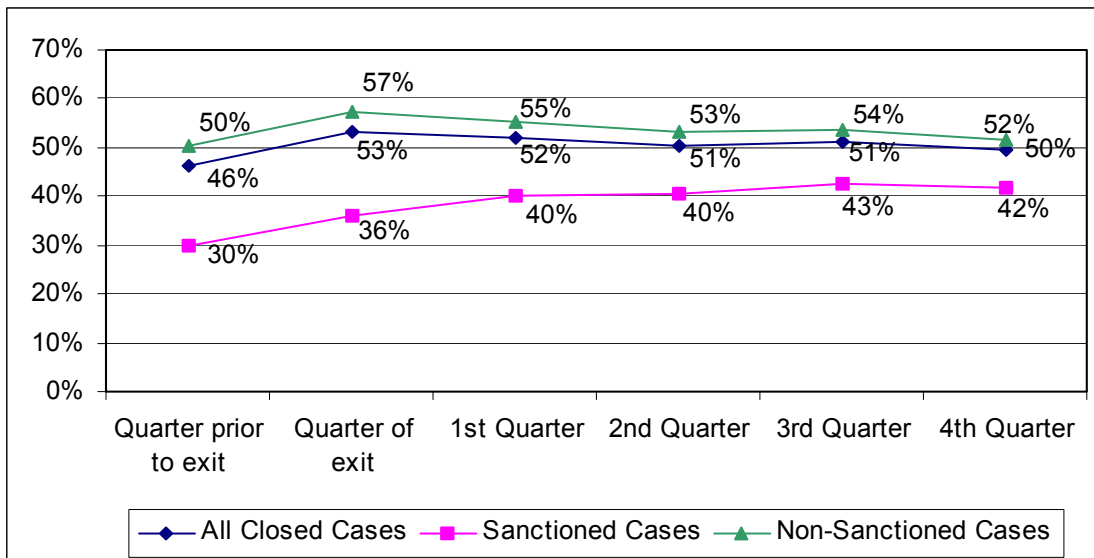
Employment

Six time frames were observed to compare reported wages in the sample cases: the calendar quarter prior to case closure, the calendar quarter during which the case closed, and the four calendar quarters following case closure. The unemployment insurance wage database was used to identify heads of households with reported wages in each of the quarters. The database is a fairly comprehensive record of earnings. However, it does not capture a few categories of employment such as self-employment and employment with the Federal government.

An examination of all of the study cases shows that 50% of the heads of households had reported wages four quarters following exit from cash assistance, indicating that they had some employment. Conversely, 50% had no reported wages. There was only a 4 percentage point increase in the number of households with reported wages four quarters following exit from cash assistance compared to the quarter prior to exit from cash assistance (graph 14). Cases closed due to the imposition of a sanction were less likely to have reported wages in any of the six time frames than cases closed for other reasons. However, sanctioned cases experienced a 12 percentage point increase in the number of people with reported wages when comparing wages from the quarter prior to exit with wages four quarters following exit, while cases closed for other reasons experienced only a 2 percentage point increase over the same period of time.

Over time, there appears to be a slight decrease in reported wages for the non-sanctioned individuals. On the other hand, the trend for sanctioned individuals, with the exception of the final quarter, is consistently in the positive direction. These measures will be tracked over the next year to see if the trends continue.

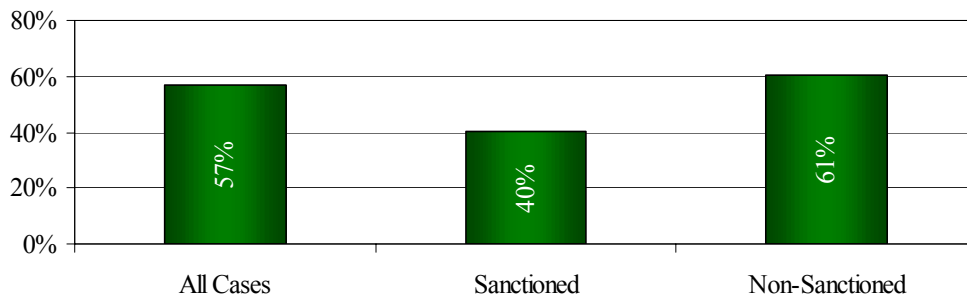
Graph 14: Heads of Households with Reported Wages (Administrative Data)



The survey asked individuals to report whether they were employed at the time of the interview (approximately 12-18 months after leaving cash assistance). More than one half of all

respondents (57%) reported that they were working. This is higher than the 50% reported in the administrative data four quarters following exit from cash assistance. This is likely due to the fact that the administrative data do not capture wages from self-employment, employment in agriculture or employment in the federal government.

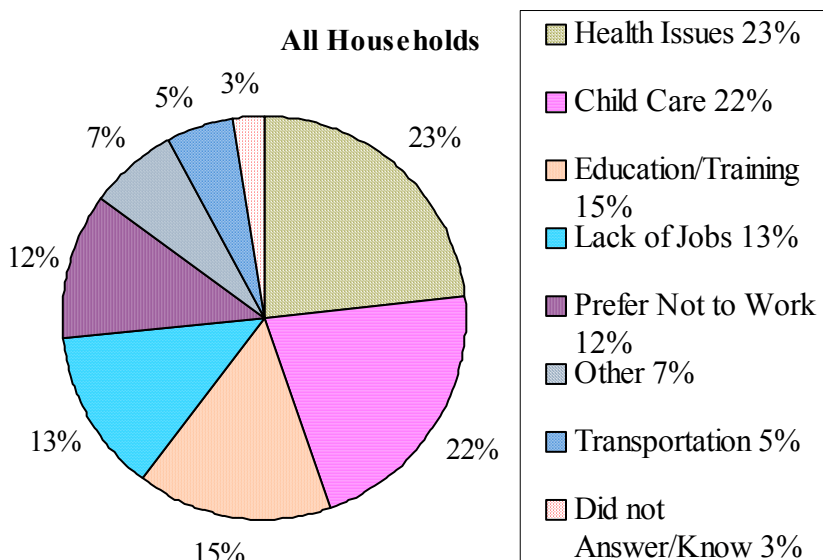
Graph 15: Heads of Households with Reported Wages (survey data)



Barriers and Facilitators to Employment

Those individuals who reported that they were not employed at the time of the interview were asked to identify their primary barrier to employment (graph 16). The two largest categories of responses were issues related to health and the care of children (approximately 45% of all respondents). Individuals reported health issues such as long term disability, long term illness, short term disability and pregnancy. These health issues were more slightly more prevalent among sanctioned cases (26% vs. 23%).

Graph 16: Surveyed Barriers to Employment (Of Those Not Employed)

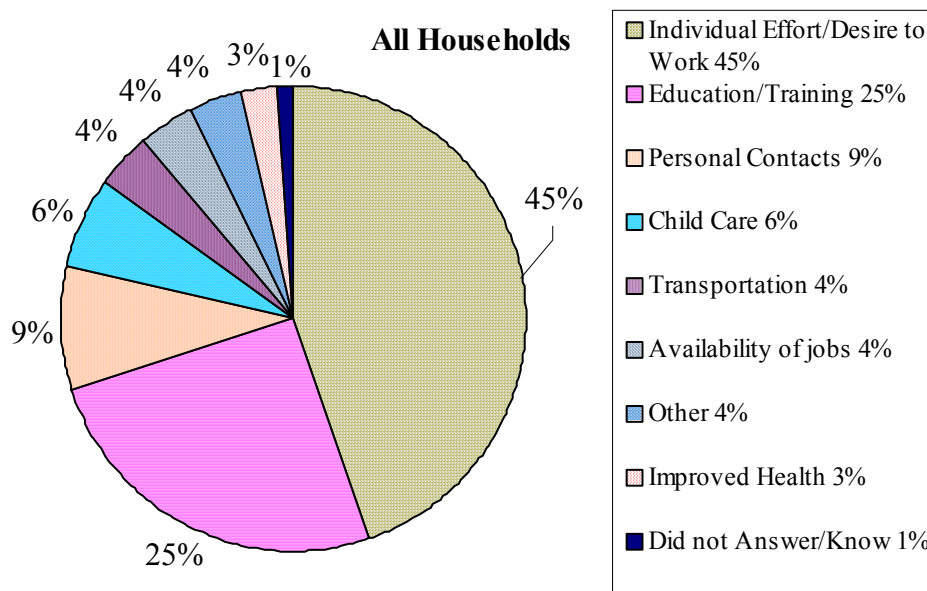


Slightly more than one fifth (22%) of the respondents indicated that childcare was the primary barrier to employment. Of those 22%, some reported that they could not find childcare (21%), could not afford childcare (13%), could not find childcare for specific times (1%), or could not find care for a child with a disability (9%). Of those with childcare issues, an additional 55% reported that they preferred to stay at home to care for their child or someone in their home with a disability. Once again, these childcare issues were more prevalent for sanctioned individuals than non-sanctioned individuals (26% vs. 20%).

Non-sanctioned individuals were more likely to report a lack of job availability (15% vs. 7%) as the primary barrier to employment, while both groups (15% each) identified education and training as the primary barrier to employment. Of those who indicated that education and training was an issue, 41% said they were currently in school, 35% said they lacked specific skills, and an additional 20% said they lacked a general education. An additional 3% cited a language barrier.

Sanctioned individuals were more likely to cite transportation as their primary barrier to employment (11% vs. 4%). Finally, 12% of the respondents indicated that they were not employed because they preferred not to be. This was slightly more prevalent among non-sanctioned individuals (13% vs. 10%).

Graph 17: Surveyed Keys to Finding Current Employment (Of Those Currently Employed)



Those individuals who reported that they were employed at the time of the interview were asked to identify the primary contributor to their success. By far (45%), the number one answer given was individual effort, or a desire to work. Education and training was the strong number two response (25%).

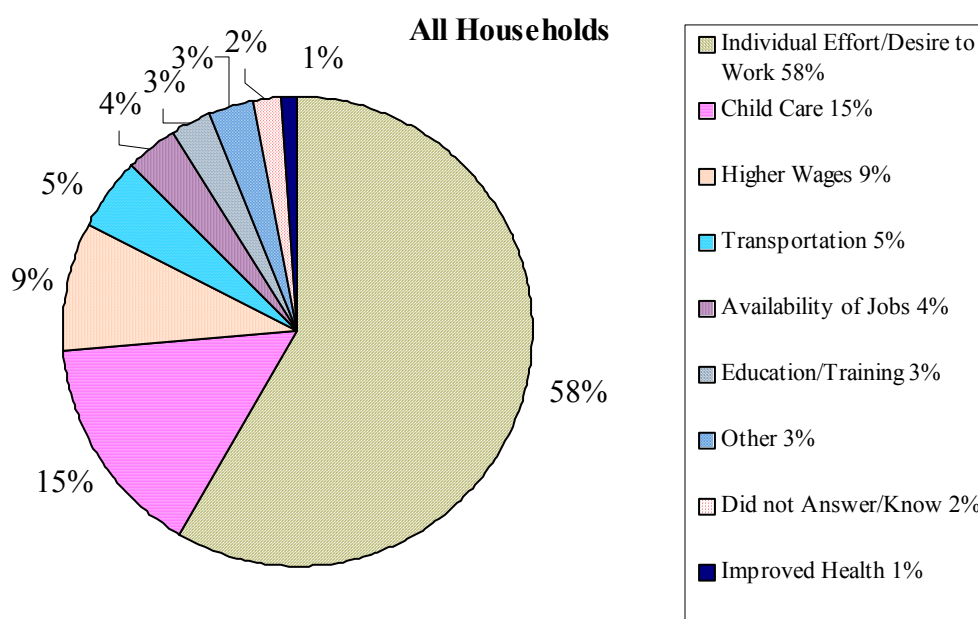
Of those who credited education and training, some cited formal education. Sixteen percent (16%) said they finished school, while 5% said they completed language education. However,

the largest percentage (54%) cited the acquisition of specific job skills with an additional 11% citing job-seeking training.

Next in order of prevalence, 9% of the respondents said that personal contacts were their primary contributors to employment. Six percent (6%) gave credit to the resolution of childcare issues, while 4% gave credit to the resolution of transportation issues, or the availability of jobs.

When these same individuals were asked what helps them keep their jobs (graph 17), 58% said it was their own hard work. Childcare was given credit for 15% of the success, while another 5% gave credit to transportation. Nine percent (9%) listed the receipt of higher wages as the key to maintaining employment.

Graph 18: Aids in Keeping Current Employment (Survey Data)



In summary, those who are not working are primarily facing challenges of health and childcare, with additional issues related to education and training, and lack of job availability as the primary barriers to employment.

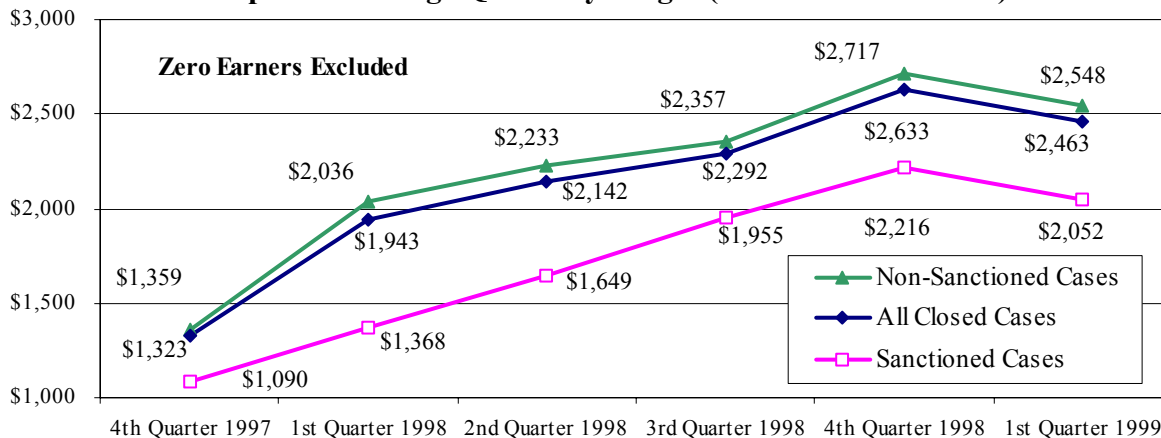
Those who successfully found employment were able to do so through individual effort and through education and training. They were also aided by personal contacts and the resolution of childcare or transportation issues. A large percentage of these same individuals gave themselves the credit for maintaining their jobs, while others pointed to childcare and increased wages.

Wages

For the analysis of the administrative data, the threshold for considering a case to have reported income was set at \$1 or more for the quarter, i.e., any reported wages in the quarter. In order to get a more definitive idea of the financial stability of these households, we also considered the average reported earnings per head of household. Average earnings are reported two ways: for

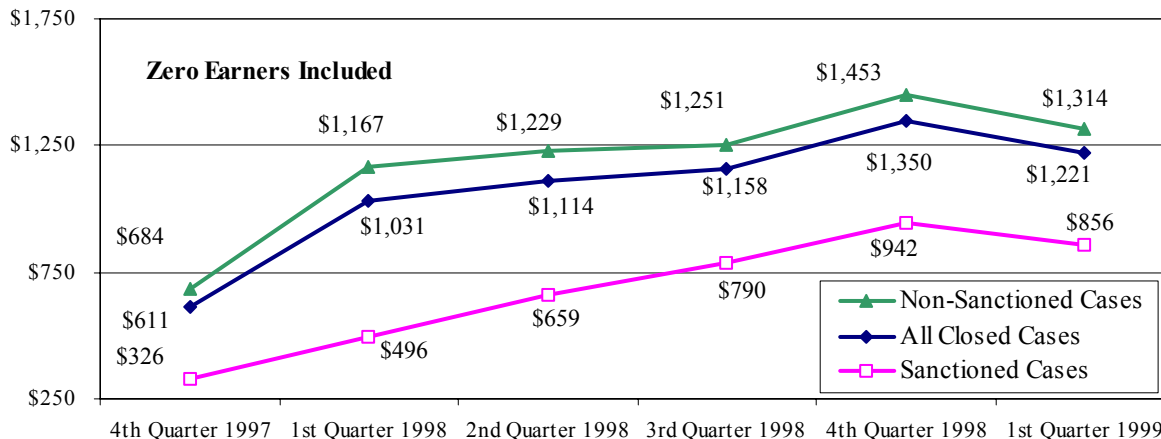
those who had earnings (i.e., individuals with zero reported income were not included), and for everyone (i.e., individuals with zero reported income were included).

Graph 19: Average Quarterly Wages (Administrative Data)



Cases that closed for a reason other than the imposition of a sanction, on average, had more reported wages per quarter than those cases closed due to a sanction. Over time, individuals continued to make gains in average earnings, with the exception of the final quarter. We will continue to track this measure to see if a new trend is beginning, or if the final quarter is an anomaly or a seasonal trend.

Graph 20: Average Quarterly Wages (Administrative Data)



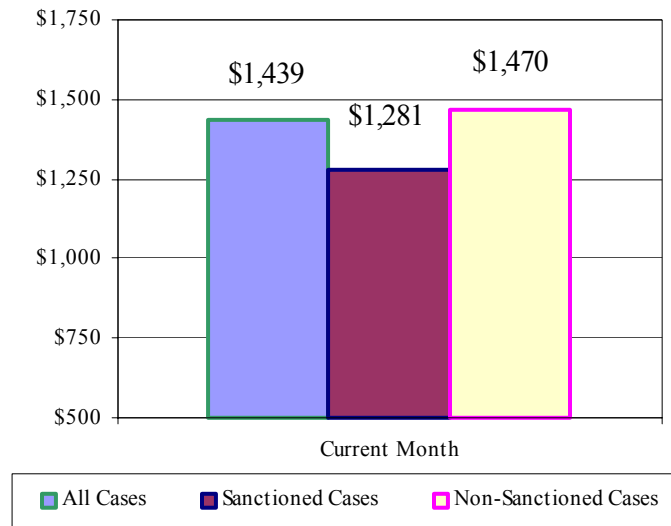
The Unemployment Insurance Wage Data Files are an important source of information to help us understand the circumstances in which client find themselves once they leave cash assistance. However, income reported in the Unemployment Insurance Wage Data files is only a part of the picture. The survey asked questions to find out the other financial supports on which clients may be relying. This included, for example, child support, Social Security or income from someone else in the household.

The survey asked a sequence of questions regarding individuals' employment and income situations at the point of the interview. Respondents were asked about the number of hours they worked and their hourly wage. They were asked to report all sources of income such as their

own take home pay, the take home pay of other adults in the home, as well as income from any other source such as cash assistance, food stamps, child support, social security and general assistance.

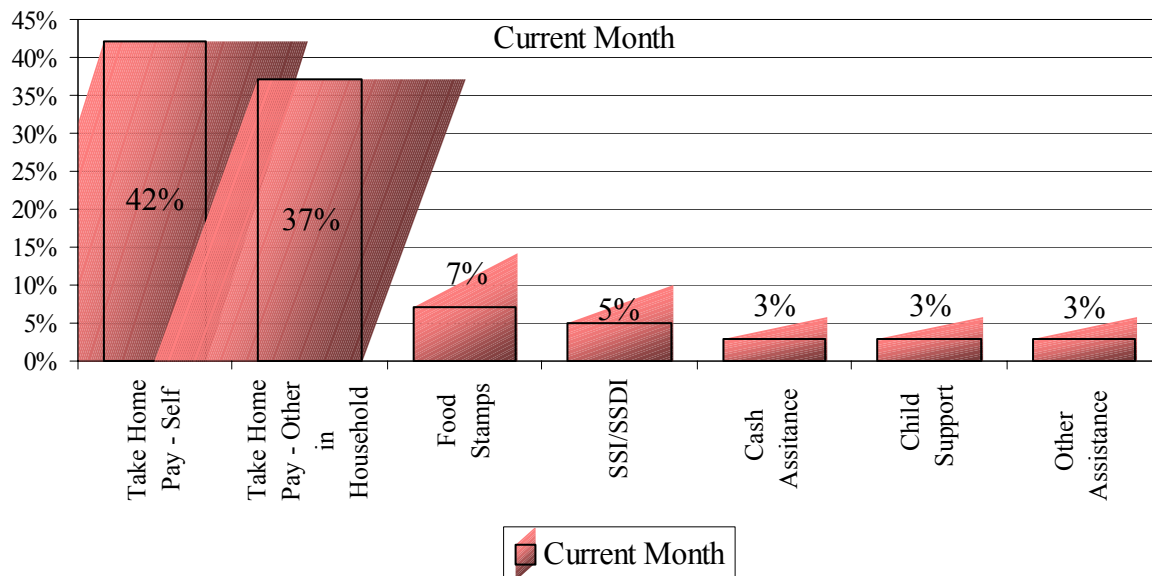
Fifty-seven percent (57%) reported that they were working at the time of the interview. For those individuals, the average number of hours worked was approximately 35 hours, with an average wage of \$7.47 an hour. At the time of the interview, the average total household income for all surveyed individuals was \$1,439 per month. The average total income for non-sanctioned cases was about \$200 higher than for sanctioned individuals (graph 21).

Graph 21: Average Total Monthly Income (Survey Data)



Graph 22 provides a view of the sources of income. It appears that the largest source of income is earnings from the individual (42%), with earnings from another adult in the home contributing almost as much (37%).

Graph 22: Sources of Income (Survey Data)



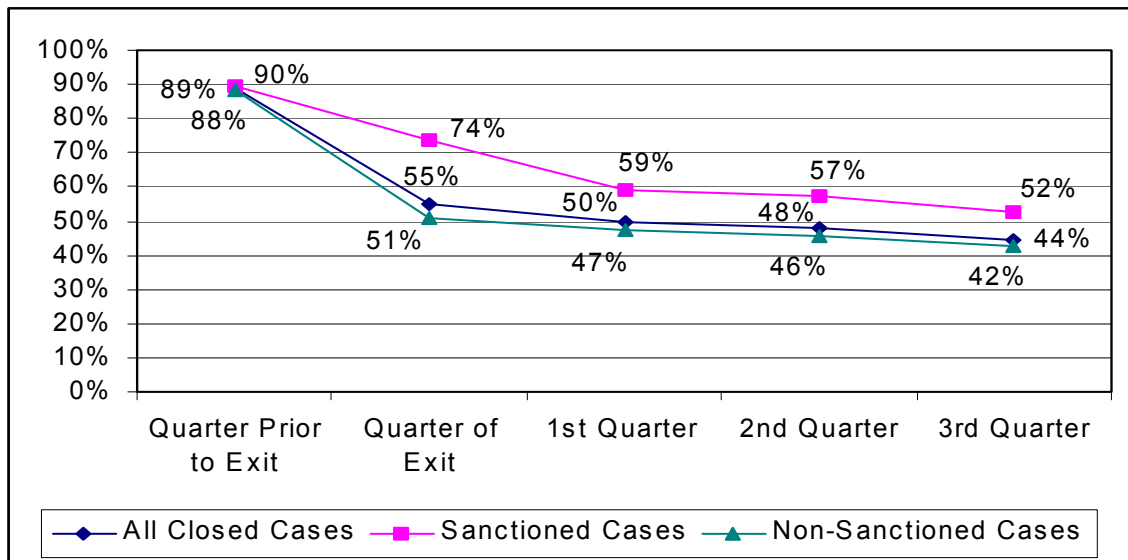
Chapter 5 Utilization of Other Services

Food Stamp Receipt

To better understand if clients who leave cash assistance are utilizing other programs to help move to self-sufficiency, other supportive service usage rates were investigated. The first of these programs to be examined was the food stamp program. In the quarter prior to leaving the cash assistance program, nearly 90% of all cases in the sample received food stamps. The cases closed due to sanctions were more likely to continue receiving food stamps than those cases closed for other reasons.

Graph 23 shows the percentages of cases that received food stamps during the quarter of exit from cash assistance and the three quarters following exit. In the quarter of closure 74% of sanctioned cases continued to receive food stamps, compared to 51% of the non-sanctioned cases. By the third quarter after cash assistance closure, 52% of sanctioned cases remained in the food stamp program, while only 42% of the non-sanctioned cases were still enrolled. Policy requirements that lead to a cash assistance sanction do not necessarily lead to a food stamp sanction. Therefore, food stamp eligibility may continue even when a cash assistance case is closed due to a sanction. Also, a higher food stamp participation rate might be expected for the sanctioned group considering their lower average wages and higher cash assistance recidivism rates.

Graph 23: Food Stamp Receipt (Administrative Data)



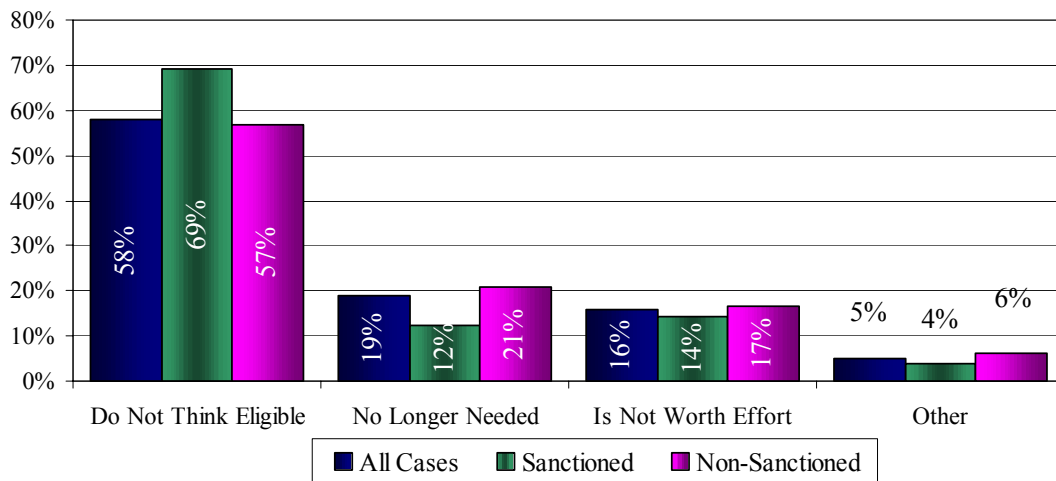
It is desirable to have everyone who is eligible for and needs food stamps receive this assistance. The survey asked people if they were aware of their potential eligibility for food stamps, even after leaving cash assistance.

Approximately 50% of the survey respondents recalled that they received information from ADES letting them know that they might be able to continue to receive food stamps. Those

percentages are higher among the sanctioned cases (58% vs. 48%). While ADES communicates the information through letters and personal contact, many seem to be missing the message.

Of those who are not receiving food stamps, 58% believe they are not eligible. An additional 19% indicated that they do not need food stamps, while 16% said it was not worth the effort. Sanctioned individuals were more likely to believe they were not eligible, while non-sanctioned individuals were more likely to report that they did not need food stamps. It should be noted that sanctioned individuals tend to be poorer than non-sanctioned individuals. Thus, the fact that more sanctioned individuals think they are not eligible is likely to be a reflection of their perception, and not of their underlying income and eligibility.

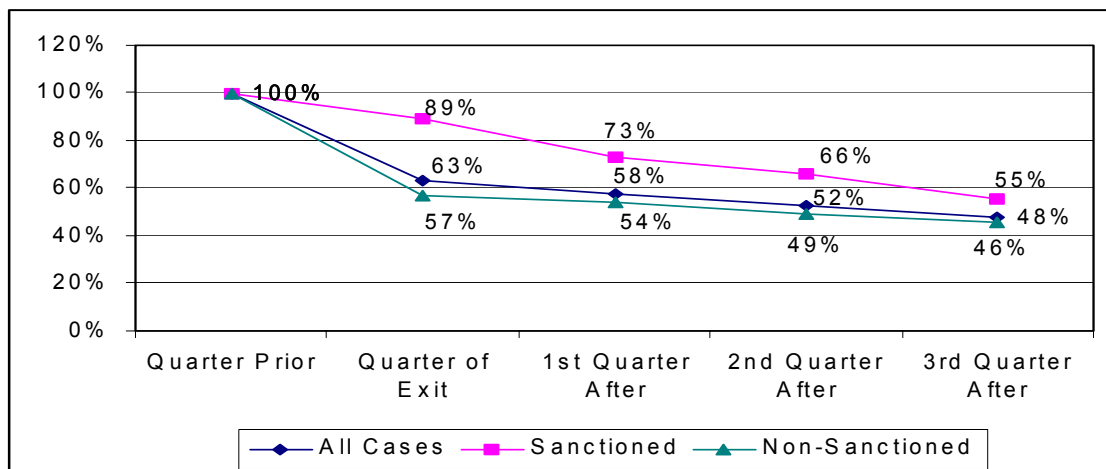
Graph 24: Reasons for Not Receiving Food Stamps (Survey Data)



Medical Assistance

In combination with childcare, medical insurance coverage is recognized as a fundamental need for parents to maintain employment. The costs associated with a medical emergency can contribute to a family’s return to the cash assistance rolls if they do not have other means with which to meet their financial and medical needs.

Graph 25: Adult Medical Assistance Authorization (Administrative Data)

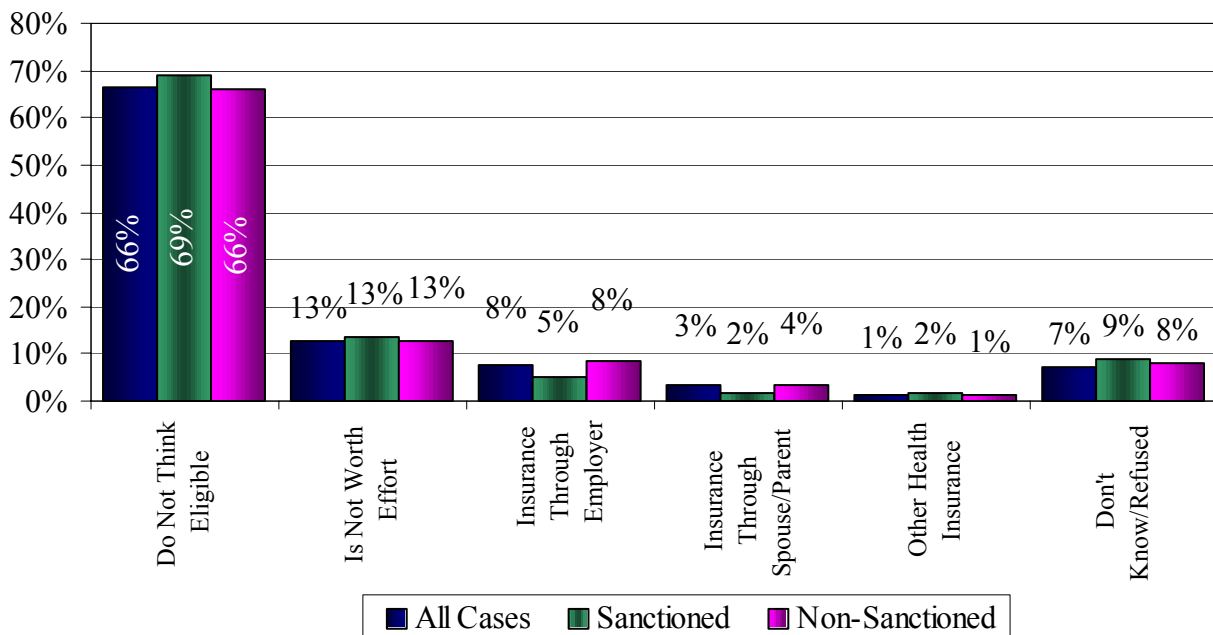


All cash assistance cases were found to be eligible for Title XIX medical assistance in the quarter prior to exiting. Further analysis of medical eligibility reveals that by the third quarter following exit from cash assistance, 48% of the heads of households continued to be authorized for medical assistance through the ADES (graph 25). Heads of households from sanctioned cases maintained medical eligibility at much higher rates than their non-sanctioned counterparts.

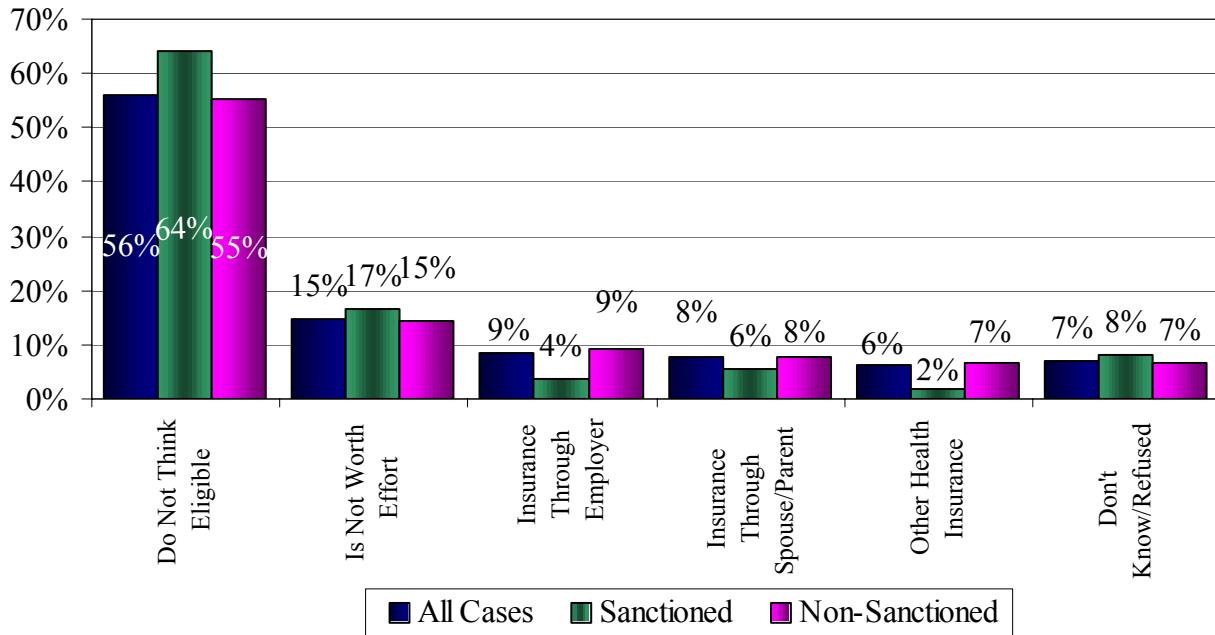
Survey respondents were asked if ADES had let them know that they might still be eligible for Medical Assistance when they stopped receiving cash assistance. Fifty-six percent (56%) said they received information that they as adults might still be eligible, while 64% said they received information that their children might still be eligible. There was a higher percentage of sanctioned individuals who reported having received information than non-sanctioned individuals (66% vs. 54% with respect to the adult in the case; 73% vs. 62% with respect to the children in the case). This may account for some of the differences in medical assistance coverage for the two groups.

Respondents who did not continue with Medicaid coverage after leaving cash assistance were asked why. Sixty-six percent (66%) said they did not believe they were eligible as adults, and 56% said they did not believe their children were eligible. Sanctioned individuals were more likely to believe their children were not eligible (64% vs. 55%). Twelve percent (12%) of the adults, and 23% of the children had health insurance through their employer, through their spouse or from another source. Another 13% indicated that it was not worth the effort to get Medicaid for themselves, while 15% indicated it was not worth the effort to get Medicaid for their children.

Graph 26: Reasons for Adult Not Receiving Medicaid (Survey Data)



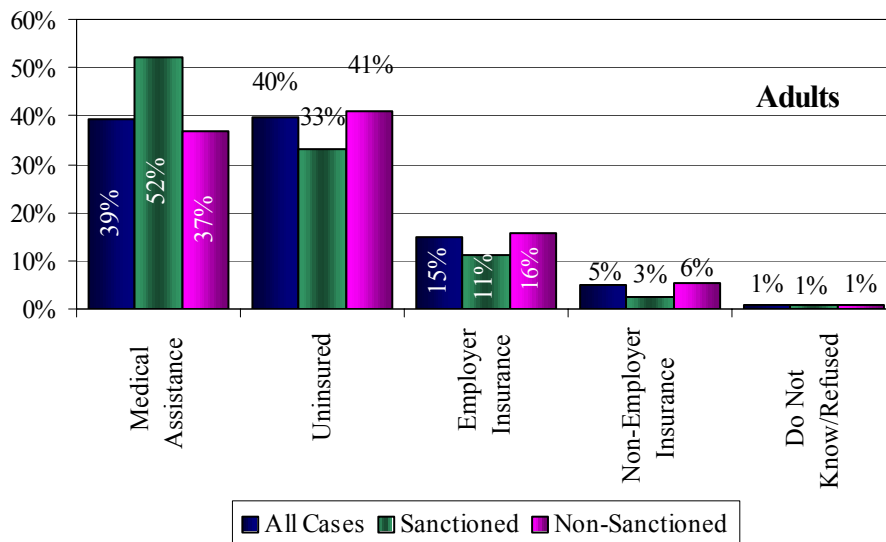
Graph 27: Reasons for Children Not Receiving Medicaid (Survey Data)



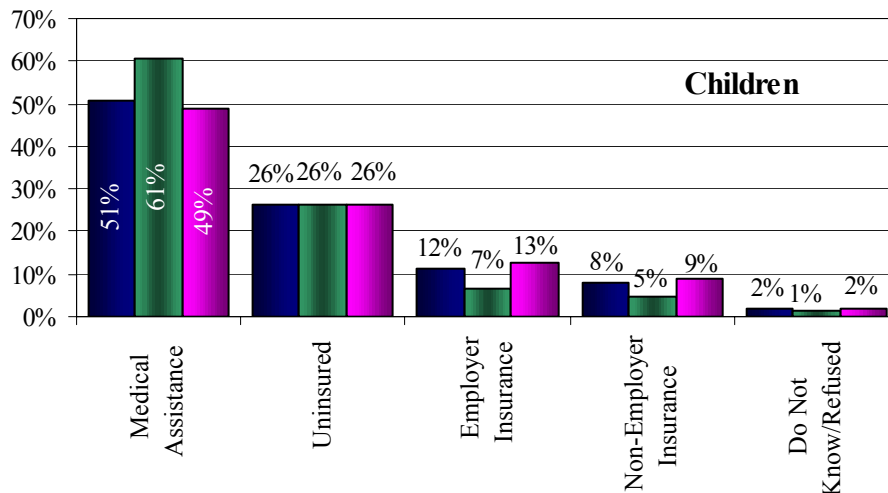
Finally, individuals were asked about their current health care coverage. Respondents indicated that for the adult, 39% were covered by Medicaid, 15% were covered by their employer, 5% were covered by other insurance. Forty percent (40%) indicated that they had no health insurance. Non-sanctioned individuals were more likely to have no insurance for themselves (41% vs. 33%).

At the time of the interviews, fifty-one percent (51%) of the children were covered by Medicaid; 12% were covered by insurance through an employer; 8% were covered by other insurance. Twenty-six percent (26%) of the respondents reported that their children had no insurance at all.

Graph 28: Type of Current Medical Coverage (Survey Data)



Graph 28 (Continued): Type of Current Medical Coverage (Survey Data)



Twenty-three percent (23%) of the respondents said that they had one or more children in their home with a chronic health condition. This coupled with the high incidence of individuals with no health insurance, makes health care coverage an issue of deep concern.

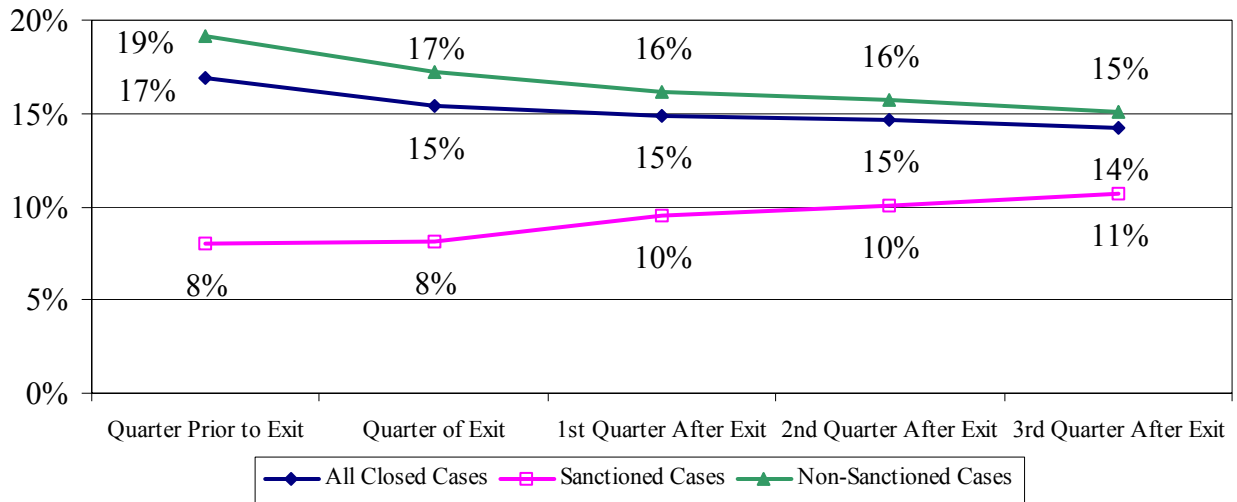
Childcare

Another supportive service that is recognized as essential to clients' independence is childcare. The administrative data analysis performed for this study examined ADES childcare utilization rates compared against the entire study cohort of 10,647 cases. It is important to remember that not everyone in the population would be eligible for or need childcare assistance. There are several issues including income guidelines and children's ages that are considered when determining eligibility for the ADES childcare subsidy. For example, only children under the age of 13 are eligible for ADES subsidized childcare.

According to ADES administrative data, overall, between 14% and 17% of the cases in the study utilized ADES childcare (graph 29), depending upon which time frame is examined. While the percentages are substantially smaller for those whose cases were closed due to sanctions, there is a rising trend in usage over the quarters examined.

It is likely that ADES childcare represents only a portion of the childcare needed and utilized by participants in this study. The survey asked additional childcare questions such as whether or not people need childcare, what kind of childcare they use (family, friends, childcare center, etc.), and their satisfaction with the childcare.

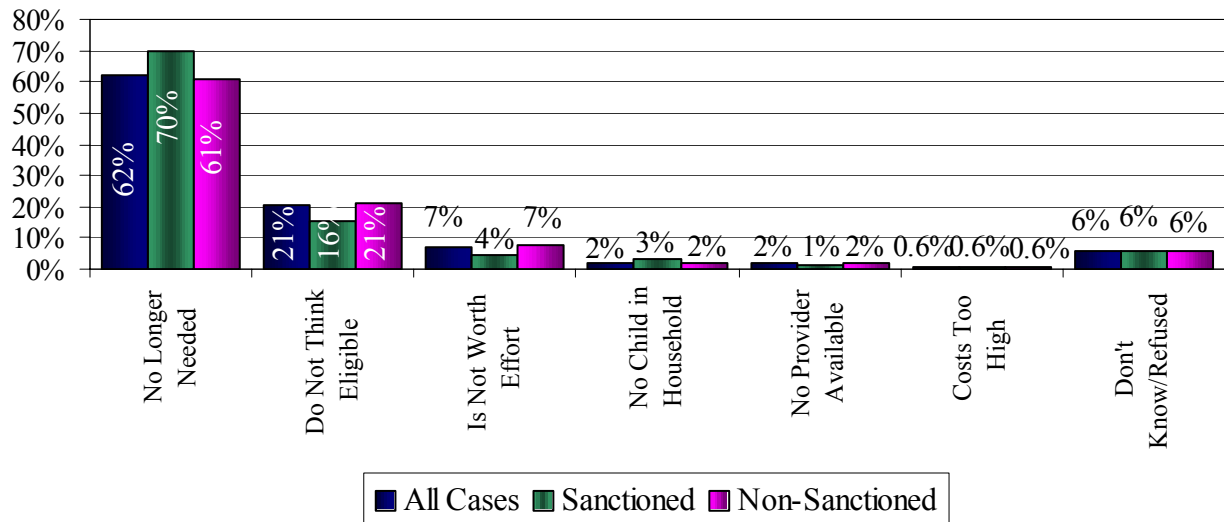
Graph 29: Childcare Utilization (Administrative Data)



Survey respondents were asked if they had received information that they might be able to get, or continue to get assistance to pay for childcare. Forty-six percent (46%) indicated that they had. Again, sanctioned individuals were more likely to have received the message than non-sanctioned individuals (52% vs. 45%).

Those who were not receiving ADES childcare subsidy were asked why. Sixty-two percent (62%) reported that they did not need it; 21% said they did not think they were eligible; 7% said it was not worth the effort; 2% said there was no provider available; and, .6% said that, even with the subsidy, the costs were too high.

Graph 30: Surveyed Reasons for Not Utilizing Childcare Subsidy

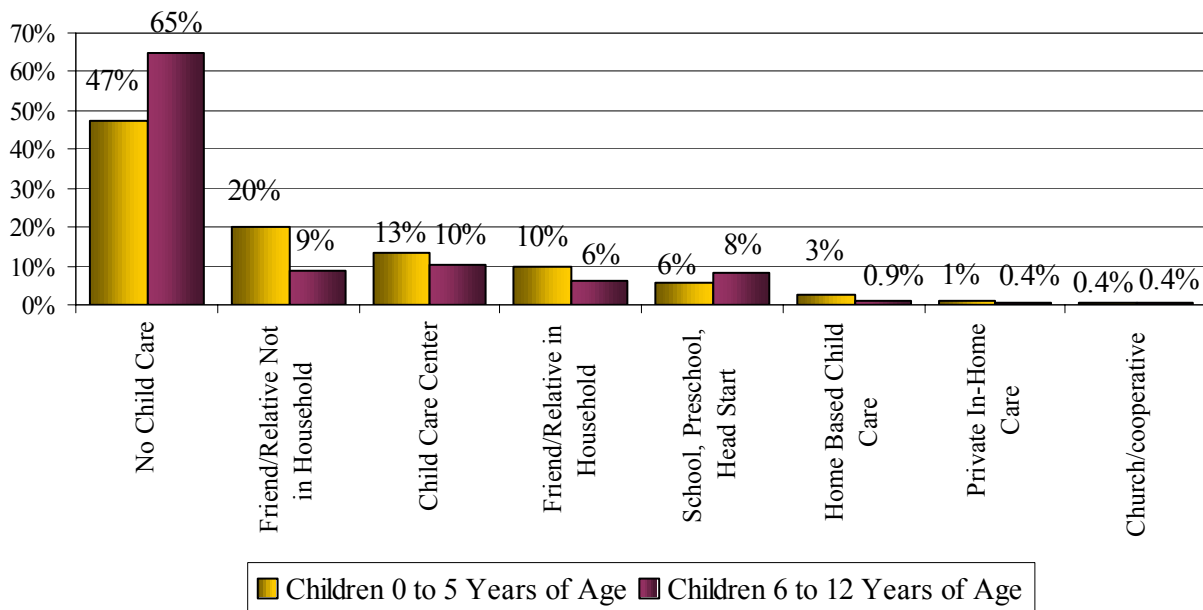


Survey respondents were asked a series of childcare questions to find out if they had children in their homes who might be of an age to be eligible for childcare, what kind of childcare they were receiving, and how satisfied they were with their current childcare provider. Fifty-seven percent

(57%) indicated that they had one or more children between the ages of zero and five in the household, while 55% indicated that they had one or more children between the ages of six and twelve in the household.

Of those with children age five or under, 47% indicated that they had no childcare. Of those with children ages 6-12, 65% had no childcare. In order of prevalence, those with children 0 to 5 years old were most likely to receive childcare through a relative or friend, not in the home (20%), through a childcare center (13%), or through a relative or friend in the household (10%). Those with children ages 6 to 12 years of age also received care from friends, relatives, and childcare centers. However, they were more likely to utilize the schools for care (8%) than were their counterparts with younger children (6%).

Graph 31: Types of Childcare Utilized (Survey Data)

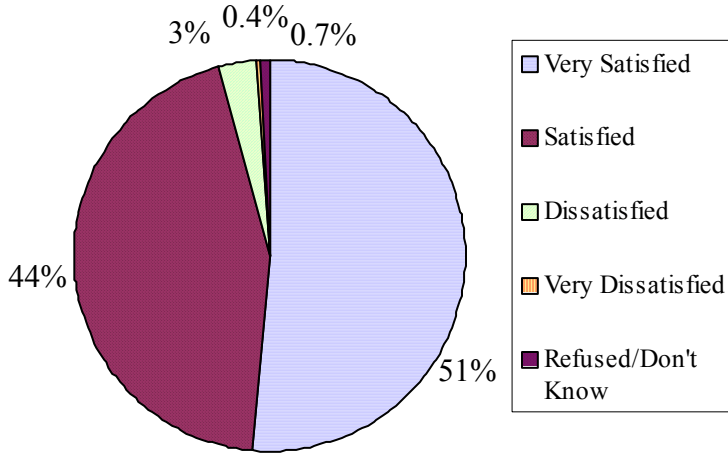


It appears that friends and relatives account for the largest percentage of childcare for children from both age ranges. Childcare centers and schools also contribute to the care of children.

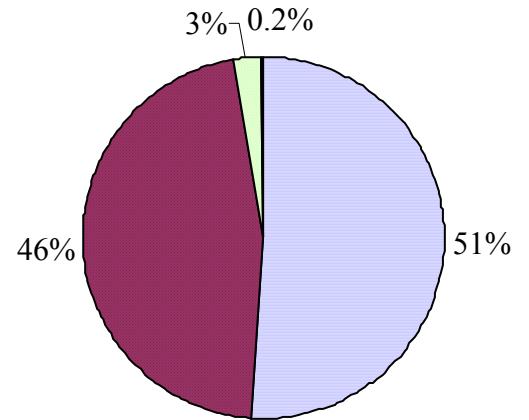
Finally, individuals with children in any type of childcare were asked to indicate their satisfaction with childcare. Ninety-five percent (95%) of those with children between the ages of zero and five indicated that they were either satisfied or very satisfied with the care their child received. Four percent (4%) were either dissatisfied or very dissatisfied. The results were very similar for individuals with children ages 6-12. Ninety-seven percent (97%) indicated that they were either satisfied or very satisfied with the care their child received. Three percent (3%) were either dissatisfied or very dissatisfied.

Graph 32: Satisfaction With Childcare (Survey Data) – All

Parents With Children 0 to 5 Years of Age

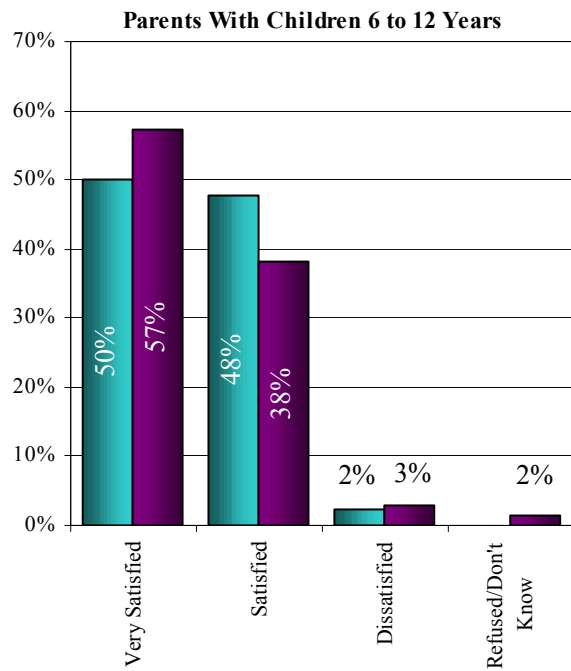
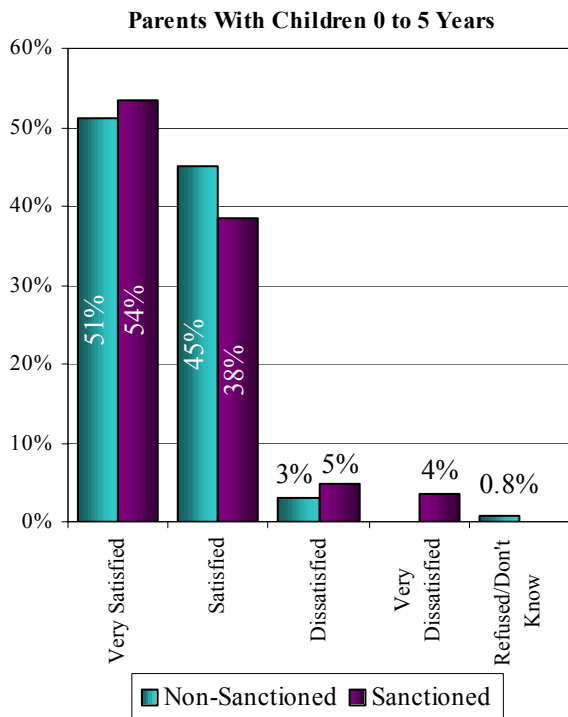


Parents With Children 6 to 12 Years of Age



Sanctioned individuals were somewhat more likely to be dissatisfied with their childcare arrangements than were non-sanctioned individuals. Among those sanctioned individuals who had children from age zero through age 5, 9% were either dissatisfied or very dissatisfied, compared to 3% of the non-sanctioned individuals.

Graph 33: Satisfaction With Childcare (Survey Data) – Sanctioned vs. Non-sanctioned



Child Support

Data were available in the ADES administrative database recording the amount of child support money received by study participants during the twelfth month following exit from cash assistance. This is a record of how much money actually went into the pocket of the custodial parent, as opposed to money that is retained by the state while individuals are receiving cash assistance. From the administrative data, we learned that 13% of the individuals were receiving child support dollars (12% of the sanctioned, and 13% of the non-sanctioned individuals). For those with income from child support, the average dollar amount was \$269 (\$244 for sanctioned individuals, and \$276 for non-sanctioned individuals).

Survey respondents were asked a series of questions about their child support to ascertain whether this was a viable source of income for them. Twenty-four percent (24%) of the individuals surveyed reported that they received some child support from the absent parent. An additional 28% said they had a court order, but had not received any payments.

Seven percent (7%) of the respondents reported that they had received child support dollars in the month prior to their exit from the cash assistance rolls. More than twice as many individuals (15%) reported that they had received child support dollars the month prior to the survey interview. While the number of individuals receiving child support payments increased over time, the average reported payment remained stable at approximately \$250.

As a point of validation, it was reassuring to note the congruity between the administrative data and the data provided by individual self-report for the latter period of time (13% per administrative data, 15% per survey data). Unfortunately, administrative data are not available for the earlier period of time, that is, while people were on cash assistance.

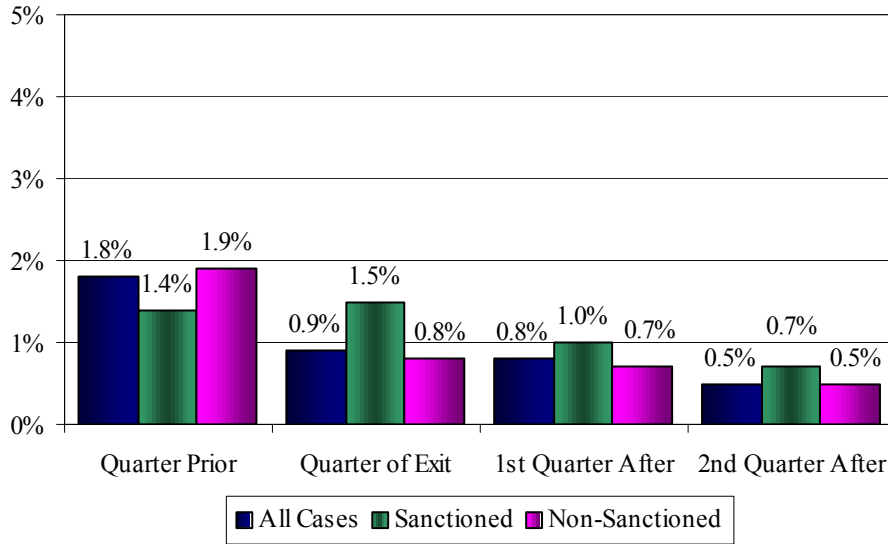
It appears that following exit from cash assistance, child support is a significant source of income for at least 13% (per administrative data) of the individuals in the study. This may be an important replacement for losses in cash assistance dollars.

Child Protective Services

Welfare reform initiatives were formulated with the goal of increasing recipient families' self-sufficiency and independence from government interventions. Supportive services, including childcare and medical assistance are offered as short-term measures to assist families during the transition period between welfare dependence and self-sufficiency. One method of measuring the success of welfare reform policies is to look at the incidents of substantiated child abuse reports, and the incidents of out of home placements for children in the family. A successful program is one that helps parents manage the difficulties of transitioning away from benefit receipt without causing a rise in substantiated abuse reports.

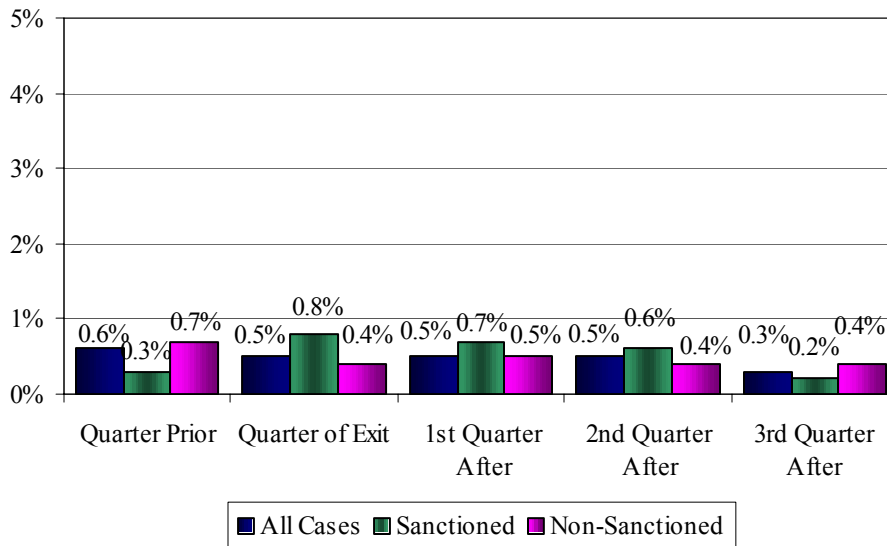
Graph 34 displays the number of cases with a substantiated child protective services report each quarter. Graph 35 displays the number of cases with an out-of-home placements each quarter.

Graph 34: Percentage of Households With Substantiated Child Protective Services Reports (Administrative Data)



In general, this study found no increase in the number of substantiated child protective services reports or out-of-home placements following exit from cash assistance. While it is encouraging to note the decline in substantiated child protective services reports over time (graph 34), due to the small percentages (less than 2%), there are not enough cases to come to any conclusions regarding the relationship between participation in or lack of participation in cash assistance and substantiated reports of abuse. Similarly, due to the small numbers, any changes over time with respect to out-of-home placements could be due to chance

Graph 35: Percentage of Households With Out-of-Home Placements (Administrative Data)



Earned Income Tax Credit

The earned income tax credit is available to individuals who are working, but whose earnings are small. These individuals are often referred to as the working poor. Survey participants were asked whether they were aware of the earned income tax credit, and whether they were receiving the credit.

Approximately two-thirds (66%) of the survey respondents indicated that they had at least heard of the earned income tax credit. Conversely, 34% were not aware that such a credit existed. Approximately 51% reported that they were actually receiving the credit. Of those who were aware of the credit, but were not receiving it, approximately half (45%) reported that they did not believe they were eligible for the credit. Another 29% said they did not apply. Two percent (2%) indicated that it was not worth the effort, while others indicated that they were not sure why they had not received the credit.

Other Support Services

The ADES administrative database has record of utilization of emergency services administered through the ADES. This includes services such as assistance with rent, mortgage, utilities, shelters, hotels and care repair. The data tell us that while there is utilization of these services by individuals in the study, the percentages are very small (less than 1%). For example, during the month prior to exit from cash assistance, .4% received assistance with utilities, and .1% received assistance with a combination of rent and utilities. By the twelfth month off cash assistance, the percentages were exactly the same, except there were an additional .1% who received just rent assistance. Due to the small percentages, any changes over time could just as well be attributed to chance as to any changes due to an exit from cash assistance.

While it was hoped that the ADES administrative database would provide one measure of individual well-being, the study survey was able to expand our knowledge base. Individuals were asked to tell us about their experiences both while they were receiving cash assistance (during the six months prior to exit), and again during the months when they were not receiving cash assistance. It should be noted that the comparison from pre-exit to post-exit is difficult to measure, because it requires the respondent to compare well-being today with their memory of well-being in the past. Because of recall concerns, the data for the current period are probably more reliable than recollections of the past.

As can be seen from Table 4, for the most part, both sanctioned and non-sanctioned individuals were less reliant on additional supports such as free or discounted meals for their children, Women's Infants and Children (WIC) benefits or assistance from food banks when they were not receiving cash assistance as compared to when they were receiving cash assistance. They were also less likely to be without food and were less likely to be forced to move or have their utilities shut off because they were unable to pay their bills.

While the picture looks somewhat better for individuals when they are not receiving cash assistance, there are a couple of areas of increased deprivation. Sanctioned individuals were more likely to get behind in their housing costs, and both sanctioned and non-sanctioned individuals were more likely to be receiving free housing from a relative when they were not

receiving cash assistance. It appears that relatives may be shouldering some of the burden of reduced benefit income.

A second area of increased concern, is that individuals are reporting that they are more likely to go without needed medical attention once they are no longer receiving cash assistance. This supports the survey findings already cited indicating that there are individuals who do not have any health insurance coverage.

Table 4: Additional Measures of Well-Being

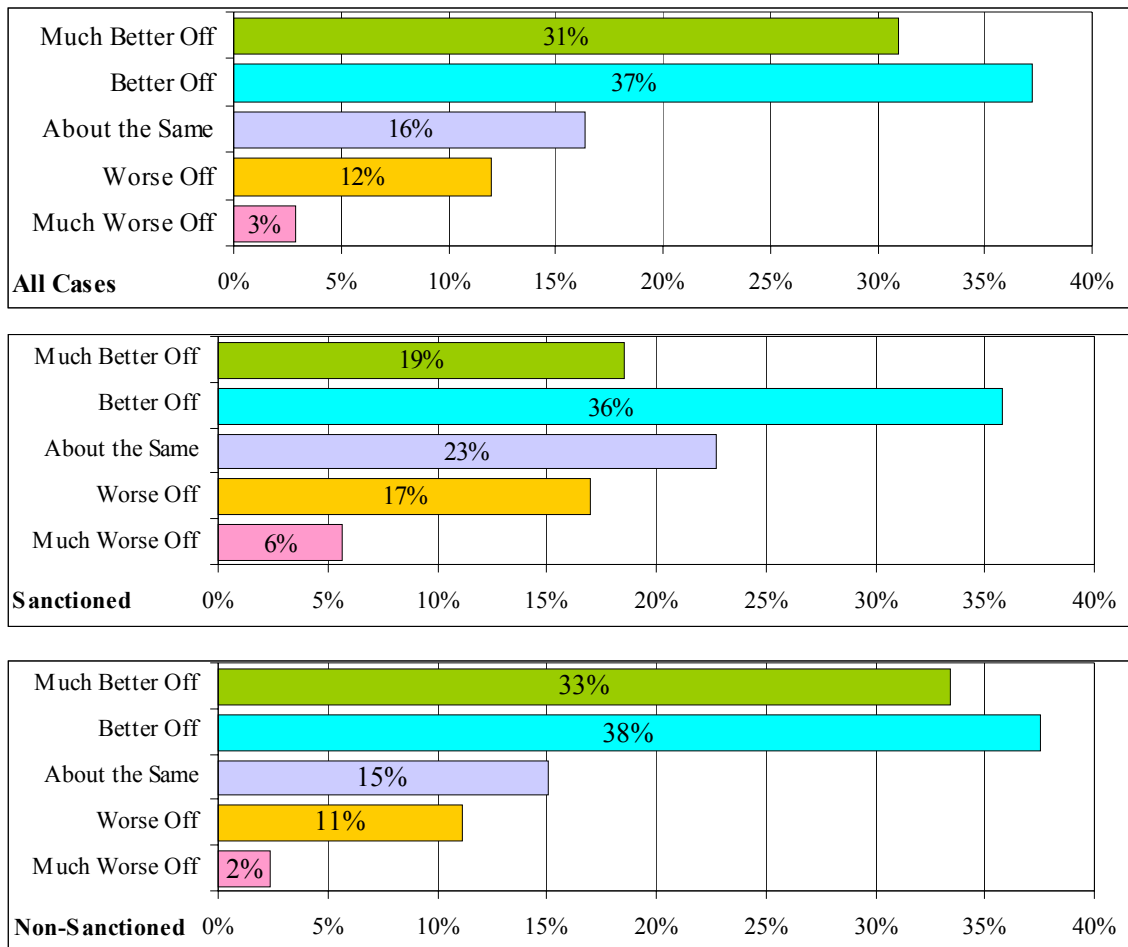
	All Participants		Sanctioned		Non-Sanctioned	
	Prior to Exit	After Exit	Prior to Exit	After Exit	Prior to Exit	After Exit
Behind in housing costs	41%	37%	35%	36%	43%	37%
Forced to move because unable to pay for housing	21%	17%	24%	19%	20%	17%
Forced into homeless shelter	4%	3%	3%	3%	4%	3%
Utilities turned off because unable to pay	18%	12%	26%	16%	16%	11%
Children forced to live elsewhere	9%	8%	9%	7%	9%	9%
Unable to get needed medical attention	14%	24%	12%	17%	15%	25%
Not enough to eat at times	30%	24%	31%	25%	28%	24%
Receive WIC benefits	35%	25%	30%	25%	35%	24%
Children on free/discounted meals	61%	57%	70%	65%	59%	56%
Receive subsidized housing	21%	18%	29%	24%	20%	16%
Free housing from relative	23%	26%	22%	26%	23%	26%
Receive subsidized utility payments	20%	11%	20%	13%	20%	11%
Bills paid by others in household	16%	15%	22%	17%	15%	15%
Receive money or food from family or friends	24%	21%	25%	22%	24%	21%
Receive money or food from religious organization	15%	12%	16%	12%	16%	12%
Receive food from shelters or food banks	29%	21%	28%	22%	29%	21%
Substance abuse counseling for anyone	5%	4%	5%	5%	5%	4%
Abuse counseling for anyone	12%	11%	9%	8%	13%	11%
Other help	7%	10%	8%	10%	7%	10%

While it is encouraging that in many of the areas explored in the survey individuals are not experiencing increased deprivation, it is evident that they continue to struggle. Thirty-seven percent (37%) still get behind in rent or housing payments; 24% do not have enough to eat at times; 21% receive money or food from family members or friends; 21% receive food from shelters or food banks; and, 12% receive money or food from religious organizations. It appears that many individuals struggle, and are in need of a variety of supports both when they are receiving cash assistance and during the months following exit from cash assistance.

Better or Worse Off

In a final attempt to assess, from the perspective of the survey respondents, whether their situation had improved or had deteriorated, respondents were asked, “In general, would you say that your situation now is much better, better, about the same, worse, or much worse than it was when you were receiving Cash Assistance?” Sixty eight percent (68%) said that their situation had improved, i.e., they were either much better off, or better off (graph 37). Another 16% indicated that their situation was about the same. Twelve percent (12%) indicated that their situation was worse, with an additional 3% indicating that their situation was much worse.

Graph 37: Satisfaction With Current Situation Compared to During Receipt (Survey Data)



Non-sanctioned individuals view their situation more positively than their sanctioned counterparts. Seventy-one percent (71%) of the non-sanctioned individuals indicated that their situation had improved compared to 55% of the sanctioned individuals. Sanctioned respondents were more likely to report that their situation stayed the same (23% vs. 15%) or deteriorated (23% vs. 13%).

Utilizing an open-ended question, respondents were asked to explain why they thought their situation had improved, deteriorated or stayed the same. Their answers were coded into categories to facilitate analysis.

Of those who said they were better off or much better off, a majority of respondents (71%) said it was because they were working – either they got a new job, got a better job, or were making more money. Others (10%) indicated that they were better off because of help they received from others such as spouses, family members and friends. Four percent (4%) said they were better off because they were better trained, were more qualified for their work, or were receiving training. Another 4% indicated that they had more financial resources available to them through benefits such as cash assistance, food stamps or childcare. There were a spattering of other types of responses such as, those who reported enjoying having more money to spend, those who had gotten married, and those who indicated they were better off simply because they were no longer on welfare.

Those who reported they were worse off told another story. About 42% indicated that they either lost their job, had troubles keeping a job, were working fewer hours or their wages were too low. Another 17% indicated that the loss of benefits such as cash assistance and food stamps was a burden on them and their families. Eight percent (8%) reported that their situation was worse because they simply did not have enough money. An additional 7% reported that their health, or the health of someone in their family had deteriorated. Again, there were a spattering of other comments including those who were now in jail or a rehabilitation program (3%) and those who were negative about ADES and the new requirements for participation (2%). There were a few (4%) who reported they were receiving more benefits from sources such as cash assistance and food stamps, and that this was why they felt they were worse off now.

In summary, the federal welfare legislation, the Personal Responsibility and Work Opportunity Act of 1996, changed the nation's welfare program. One of the key questions raised by the public, advocates, and policy makers has been the impact of these welfare policies on families who leave cash assistance. The information and data included in this report indicate that while a majority of the individuals feel better about their situation after they leave cash assistance, these families point to the importance of ongoing supportive services that will enable them to continue on the path toward self-sufficiency.