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*North Carolina Department of*  
*Health and Human Services*

**TANF Recipients, Leavers, and Diverters  
in North Carolina**

**Final Report of Administrative  
Records Data**

**June 2001**

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## CHAPTER I: EXECUTIVE SUMMARY

This report is the sixth and final in a series of quarterly reports involving an analysis of administrative data for the Evaluation of the Work First program. The data examined in the reports are extracted from the administrative data systems maintained by the North Carolina Division of Social Services, the North Carolina Employment Security Commission, and other state agencies.

### A. OBJECTIVES OF THE REPORT SERIES

The major goals of the ongoing analyses of administrative data for the Work First evaluation were as follows:

- examine patterns of welfare participation, employment, earnings, and other key outcomes among families who enter and leave the Work First program, as well as among families who receive Diversion Assistance;
- compare these patterns with welfare participation, employment, and earnings among persons who first entered welfare under the former Aid to Families with Dependent Children (AFDC) program;
- compare different sub-groups of welfare recipients in terms of their welfare participation, employment, and return to welfare (recidivism) in order to identify “harder-to-serve” groups;
- compare welfare and employment outcomes among selected counties to help identify issues relating to the effectiveness of different county Work First programs; and
- analyze trends in the characteristics of families entering and leaving Work First.

Overall, the analysis of administrative data was designed to provide DSS with useful information and feedback on key policy issues and program impacts relating to the Work First program.

**B. NEW INFORMATION IN THIS REPORT**

This final quarterly report presents new information for the Work First evaluation as follows:

***Addition of Four New Cohorts***

- The report includes follow-up data on four new cohorts, consisting of entry and exit cohorts for June 1999 and June 2000.

***Analysis of Employment and Earnings after Diversion***

- Chapter III of the report presents new information from the Unemployment Insurance Wage Data file on post-diversion employment and earnings among families who have received lump-sum payments under the Diversion Assistance program.
- Chapter III also provides additional data on the employment patterns after diversion compared with employment patterns prior to diversion.
- Data are presented for the state as a whole and for the counties with the largest number of diversion cases.

***Analysis of Additional Data on Welfare Participation After Diversion***

- The report provides additional follow-up data on welfare participation after diversion among families that have received Diversion Assistance. The report also examines post-diversion welfare use by prior welfare use and work history

***Analysis of Trends in the Characteristics of Families Entering and Leaving Welfare***

- The report contains additional analyses focusing on changes in the characteristics of families entering and leaving welfare. Specifically, Chapter VIII of the report presents analyses of administrative data on the characteristics of 12 entry and exit cohort families covering the period from February 1995 to June 2000.
- The purpose of the analysis is to determine whether families entering welfare have more potential barriers than previously. The analysis also examines whether the characteristics of those leaving welfare are changing over time.

***Additional Follow-up Data on the Entry and Exit Cohorts***

- The report presents an additional 3-9 months of follow-up data on the entry and exit cohorts that we have been tracking. The follow-up data include information

on welfare participation, welfare recidivism, employment, earnings, and Food Stamp participation.

## C. COMPARISONS BETWEEN THE AFDC AND WORK FIRST COHORTS

The report compares the experiences of families under the former Aid to Families with Dependent Children (AFDC) program with the experiences of families under Work First. It should be emphasized that the comparisons between the AFDC and Work First cohorts *do not necessarily provide a measure of the full impact of the Work First program*. This is because members of the AFDC cohort were themselves assimilated into the Work First program in July 1999, although not all of them necessarily became subject to the work requirements or time limits. In examining the follow-up data for the AFDC entry cohort, therefore, it must be recognized that these families were involved in the traditional AFDC program only for about 16 months after they entered welfare.

## D. SUMMARY OF KEY FINDINGS IN THE CURRENT REPORT

The key findings from the analyses in this report are as follows:

### 1. DIVERSION ASSISTANCE

#### *Welfare Participation before Diversion*

- Given the focus of the Diversion Assistance program, it might be expected that relatively few diverters would have been on welfare in the past. However, our analyses showed that 38.4 percent of the families receiving Diversion Assistance statewide between May and August 1999 had been on welfare at some time since January 1995.

#### *Work History before Diversion*

- Statewide, almost 16 percent of those receiving Diversion Assistance between May and August 1999 **had not worked** at any time in the six months before diverting.

#### *Employment and Earnings after Diversion*

- The UI wage data show that, statewide, 82 percent of the families receiving diversion assistance between May and August 1999 had earnings in the first quarter after diversion. About 79 percent were working in UI-covered employment in the second quarter after diverting, declining somewhat to 74 percent in the fourth quarter.
- In the counties with the most diversion cases, families in Mecklenburg County were the least likely to work in the fourth quarter after diverting (64.8 percent



worked). The counties with the largest percentage working in the fourth quarter after diverting were Catawba (85.0 percent) and Durham (84.1 percent).

### *Employment Before and After Diversion*

- The likelihood of working after diverting from welfare was influenced by prior employment history. Among those who had not worked before diverting, only 48 percent worked after diverting. Among those who did work before diverting, 85 percent also worked after diverting.

### *Welfare Participation after Diversion*

- During the 18-month period after diversion, 20.9 percent of diverters statewide had received a Work First welfare payment at some time.
- Diverters who had been on welfare before diverting (since January 1995) were more likely to go on welfare after diverting. Almost 32 percent of those who had been on welfare before diverting received a welfare payment at some time in the 18 months after diverting. In contrast, only 14 percent of persons who had never been on welfare received a welfare payment in the 18 months after diverting.
- However, 68 percent of the persons who had been on welfare before diverting did not go on welfare in the 18 months after diverting
- Prior work history did not have any impact on whether families went on welfare in the 18 months after diverting.
- Among counties with the largest number of diversions between May and August 1999, the percentage of diverters who received welfare in the 18 months after diverting was highest in Guilford County (36 percent), followed by Wake County (25 percent) and Mecklenburg County (25 percent).
- A relatively small percentage of diverters received welfare in Catawba (7.5 percent) and Gaston (9.5 percent) counties in the 9 months after diverting.
- Almost none of the diverters received welfare payments during the first two months after diverting.. In month three, however, 4.2 percent of the diverters were receiving welfare, increasing to 6.2 percent in month 4, and reaching a high of 8.1 percent in months 7 and 8.
- The data suggest that the rate of welfare participation reached 8 percent in month 8 after diversion and remained at about that level through month 18.

## **2. WELFARE PARTICIPATION AMONG FAMILIES ENTERING WORK FIRST**

### *Overall Participation*

- Families in Work First cohorts continue to leave welfare earlier than families in the original AFDC cohort.
- Among the families in the AFDC entry cohort, 10 percent were on assistance 54 months after initial entry, compared to 6.9 percent of the families in the Work First September 1996 entry cohort.
- At 30 months after initial entry, about 14-15 percent of the June 1997 and June 1998 cohorts were on welfare, compared to 16 percent of the September 1996 cohort and 25 percent of the AFDC cohort.
- Over a standardized 10-month period after entry to welfare, 42 percent of the AFDC cohort was on welfare for all 10 months, compared to 38 percent of the September 1996 entry cohort and 33 percent of the June 1999 and June 2000 entry cohorts.

### *Welfare Participation among Child-Only Cases*

- Within each cohort, the child-only cases received benefits for a longer period of time on average than did cases with adults and children.
- About 19.7 percent of the child-only cases in the AFDC entry cohort and 18.8 percent in the September 1996 Work First entry cohort were receiving benefits 54 months after initial program entry. The figures for the adult-child cases were much lower — 8.5 percent for the AFDC cohort and 4.5 percent for the Work First cohort.
- The data indicate that the Work First program has had far less impact on child-only cases than on other cases.
- The data show a similar pattern for the four new cohorts, except that the child-only cases in the June 1998 cohort seem to be leaving welfare more rapidly than in the earlier cohorts.
- For example, among the June 1998 cohort, 28.6 percent of the child-only cases were on welfare 30 months after initial program entry, compared to 36 percent for the AFDC cohort, 34.3 percent for the September 1996 cohort, and 31.4 percent for the June 1997 cohort.

### *Cash Payment Amounts after Entry*

- When follow-up periods are standardized for comparison, 49 percent of the AFDC cohort had cash payments of \$1,500 or more during the 10-month period after entering welfare, compared to 46.5 percent for September 1996 cohort, and 43 percent for the June 1997, June 1998, June 1999, and June 2000 entry cohort.

### *Factors Associated with Length of Stay on Welfare*

- For all of the four cohorts, length of stay on welfare was longer for families without a work history, younger families, non-whites, and families living in large cities. Data for the AFDC cohort, and for the September 1996 June 1998 cohorts support previous findings that persons without a high school diploma or equivalent were more likely to have longer stays. However, data for the June 1997 cohort are less clear.

### **3. WELFARE RECIDIVISM (RETURN TO WELFARE)**

- Recidivism rates continued to be lower among the Work First exit cohorts than the AFDC exit cohorts.
- Among families in the AFDC exit cohort, 56 percent never returned to welfare in the 54 months after leaving in February 1995. By comparison, 60.7 percent of the families exiting from Work First in September 1996 never returned during the 54 months after leaving.
- About 15.4 percent of the families in the AFDC cohort received welfare for more than 18 months in the 54 months after exit, compared to only 11.6 percent of the September 1996 Work First cohort.
- Using a standardized 9-month follow-up period for all four cohorts, 30.3 percent of the AFDC exit cohort returned to welfare at some time, compared to only about 27 percent on the Work First exit cohorts.
- As indicated in Exhibit I-2, a smaller percentage of the families in the Work First exit cohorts returned to cash assistance in each follow-up month than the families in the AFDC cohort. At 24 months after exit, 15.5 percent of the AFDC cohort were back on welfare, compared to only 11.4 percent of the September 1996 exit cohort, 10.1 percent of the June 1997 exit cohort, and 8.1 percent of the June 1998 exit cohort.
- Recidivism rates were found to be relatively high immediately after exit, but then decline over time.

**Exhibit 1-2**  
**WELFARE RECIDIVISM AT SPECIFIC INTERVALS, BY COHORT**  
 (Percent of cohort receiving cash benefits in the month)

<b>MONTHS AFTER EXIT</b>	<b>AFDC COHORT FEB 95 (N=7,217)</b>	<b>WORK FIRST COHORT SEP 96 (N=7,531)</b>	<b>WORK FIRST COHORT JUN 97 (N=7,236)</b>	<b>WORK FIRST COHORT JUN 98 (N=6,349)</b>	<b>WORK FIRST COHORT JUN 99 (N=5,553)</b>	<b>WORK FIRST COHORT JUN 00 (N=4,553)</b>
Exit Month	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	21.2%	18.0%	18.7%	15.5%	16.6%	17.0%
12	19.7%	17.2%	15.1%	13.9%	13.6%	-
18	18.8%	14.5%	12.3%	11.2%	12.1%	-
24	15.5%	11.4%	10.1%	8.6%	-	-
30	21.9%	9.6%	8.6%	8.3%	-	-
36	10.6%	7.5%	6.4%	-	-	-
42	8.4%	6.4%	5.7%	-	-	-
48	6.7%	5.4%	-	-	-	-
54	5.3%	4.5%	-	-	-	-

*Welfare Recidivism among Child-Only Cases*

- Within each cohort except the June 2000 exit cohort, child-only cases were much less likely to return to welfare in the first six months after exit than the cases with adults.
- About 16 percent of the cases with adults in the Work First June 1998 cohort had returned to welfare within six months, compared to only 10 percent of the child-only cases. This general pattern was also true for the other cohorts, except the June 2000 exit cohort.

*Cash Payment Amounts after Exit*

- Using a standardized 9-month period after exiting welfare for all six cohorts, 12 percent of the June 1998 exit cohort had payments of \$1,000 or more during the first 9 months after leaving welfare, compared to 14.9 percent of the AFDC exit cohort.

*Factors Associated with Welfare Recidivism*

- Among all six exit cohorts, recidivism was highest among families with work experience, younger families, non-whites, families with more than one child, and families living in large cities.

## 4. WELFARE PARTICIPATION AND RECIDIVISM IN SELECTED COUNTIES

- County-level welfare participation rates and recidivism rates were examined for the June 1997 cohorts. The data were examined for each of the seven largest counties and for the “rest of state.”
- It was found that rates of welfare participation at each follow-up month were higher in each of the seven largest counties than in the rest of the state.
- For example, at 6 months after entry, 53.9 percent of families in the rest of the state were receiving welfare, compared to between 58.8 percent and 75.3 percent in the seven counties.
- However, at 42 months after entry, there was less of a difference. About 9.2 percent of families were receiving welfare in the rest of the state, compared to between 9.1 percent to 16.9 percent in the seven counties.
- Among the seven largest counties, there were some variations in the percentage of families receiving welfare at different follow-up periods. For example, the percentage of families still on welfare at 42 months was highest in Robeson (16.9 percent), Mecklenburg (13.1 percent), and Forsyth (12.9 percent) counties.
- Recidivism rates were also generally higher among the seven largest counties than in the rest of the state – at least for the first 18 months after exit.
- At 42 months, the counties with the highest recidivism rates were Robeson (10.7 percent) and Forsyth (10.6 percent).

## 5. EMPLOYMENT, EARNINGS, AND FOOD STAMP RECEIPT AFTER EXIT

### *Employment after Exit*

- The data continue to indicate that there was not a substantial difference between the AFDC exit cohorts and the Work First exit cohorts in terms of the percentage employed after exit.
- Specifically, the Work First cohorts had somewhat higher rates of employment than the AFDC cohort did during the first quarter after exit. However, in subsequent quarters, the percentage employed in the Work First cohorts declined slightly until it matched the percentage employed in the AFDC cohort at about 60-61 percent.
- Using a standardized follow-up period, the data show that the percentage who were never employed during the first 5 quarters after exit was slightly higher

among the AFDC exit cohort (18.6 percent) than among the more recent Work First exit cohorts (15 percent).

- Another key finding is that rates of employment are apparently affected by seasonal factors. In each year, rates of employment among all of the cohorts are lowest in the first quarter (January to March) and highest in the fourth quarter (October to December)
- Employment patterns among the six cohorts were similar in terms of type of employment. However, persons in the more recent exit cohorts were somewhat more likely to be engaged in services and retail industries compared to the earlier cohorts.

### *Earnings after Exit*

- The data show that significant wage progression occurred for families in all six exit cohorts.
- Comparing the AFDC and September Work First cohorts, we see that the AFDC cohort experienced a slightly larger earnings increase than the September 1996 cohort. Earnings among the AFDC cohort increased from \$2,073 in the first quarter after exit to \$2,992 in the 16<sup>th</sup> quarter, an increase of 44.3 percent. Earnings among the September 1996 cohort increased from \$2,251 in the first quarter after exit to \$3,093 in the 16<sup>th</sup> quarter, an increase of 37.4 percent.
- Looking at a standardized fifth quarter after exit, data show that earnings in the June 1997, June 1998, and June 1999 exit cohorts are higher than in the February 1995 and September 1996 cohorts.
- Among the Work First exit cohorts, 11-13 percent of the employed persons had earnings of \$5,000 or higher, compared to 9.1 percent for the AFDC cohort.

### *Food Stamp Receipt after Exit*

- At almost every follow-up month, the four most recent exit cohorts were utilizing Food Stamps at a higher rate than the earlier exit cohorts.
- For example, 35.1 percent of families in the June 1998 Work first cohort received Food Stamps 24 months after leaving welfare, compared to 29.4 percent of the AFDC cohort.
- One year after leaving welfare, 40.5 percent of the families in the June 1999 exit cohort were on Food Stamps, compared to 33.2 percent of the families in the AFDC exit cohort.

## **6. TRENDS IN THE CHARACTERISTICS OF CASES ENTERING AND LEAVING WELFARE**

- To examine trends in the characteristics of families entering and leaving welfare, we analyzed data on the four original sets of cohorts as well as two new sets of cohorts consisting of the June 1999 and June 2000 entry and exit cohorts.

### *Trends in the Characteristics of Cases Entering Welfare*

- The percentage of families with no high school diploma or equivalent when they went on welfare declined somewhat between the February 1995 AFDC entry cohort (39.8 percent) and the early Work First cohorts. In the June 2000 entry cohort, the percentage was slightly lower (36.9 percent) than among the AFDC entry cohort.
- Persons aged 18-24 accounted for 39.8 percent of new entrants to welfare in the February 1995 AFDC entry cohort. This percentage declined for the September 1996 and June 1997 cohorts. However, 18-24 year olds accounted for 44.5 percent of the new entrants in the June 2000 entry cohort.
- In the more recent Work First cohorts, blacks accounted for about 50 percent of all new entrants – about the same as in the AFDC entry cohort. The percentage of whites fell from 41.3 percent in the AFDC entry cohort to only 33.3 percent in the June 2000 entry cohort. The percentage of Hispanics increased from 2.2 percent in the AFDC entry cohort to 5.1 percent of the June 2000 entry cohort.
- Families with only one child increased from 55.7 percent in the AFDC entry cohort to 60.2 percent in the June 2000 entry cohort. This may be related to the large number of 18-24 year olds among new entrants.

### *Trends in the Characteristics of Cases Leaving Welfare*

- Persons without a high school diploma accounted for 43-45 percent of the welfare leavers in the June 1999 and June 2000 exit cohorts, compared to only 38 percent of the AFDC exit cohort.
- There was not a major change in the age distribution of welfare leavers between the AFDC exit cohort and the more recent Work First exit cohorts.
- Blacks accounted for a greater share of welfare leavers, increasing from 52.3 percent of the AFDC exit cohort to 56 percent of the June 2000 exit cohort. Whites accounted for only 28.2 percent of the June 2000 exit cohort, compared to 41 percent of the AFDC exit cohort.

## **CHAPTER II: INTRODUCTION**

This report is the sixth and final in a series of reports being prepared by MAXIMUS as part of the Evaluation of the Work First Program. In this report, we present continued analyses of data from the administrative data systems maintained by the Division of Social Services, the Employment Security Commission, and other components of the North Carolina State Government. The report compares the experiences of families under the former Aid to Families with Dependent Children (AFDC) under Title IV-A of the Social Security Act, with the experiences of families under Work First.

To focus our analysis on the differences in outcomes among families in the AFDC and Work First programs, we concentrated the analysis on "cohorts," of families --two groups from the AFDC program and 10 groups from the Work First program. The families from the AFDC caseload consisted of two groups:

- o those who entered AFDC in February 1995, the earliest month for which we can identify program entry ("AFDC entry cohort"); and
- o those who left AFDC in February 1995 ("AFDC exit cohort).

The families from the Work First caseload include the following groups:

- o September 1996 entry and exit cohorts -- the first month after all counties had implemented the Work First Waiver Program;
- o June 1997 entry and exit cohorts;
- o June 1998 entry and exit cohorts;
- o June 1999 entry and exit cohorts; and
- o June 2000 entry and exit cohorts.

This report compares the experiences of the members of these groups of families with regard to the length of time they received public assistance, their success in remaining off public assistance, their employment experiences, and their earnings. Within each group, we examine the experiences of families with different characteristics, such as those with greater or lesser amounts of education, larger or smaller families, and those who had or did not have work experience prior to receiving cash assistance.

The report also provides an updated analysis of administrative data on families who received benefits under the Work First Diversion Assistance program between May and August 1999.



The data analyzed for this report are from the longitudinal database of public assistance recipients assembled and maintained by the Jordan Institute for Families of the University of North Carolina, Chapel Hill, under contract to the Division of Social Services. The database is composed of extracts from the administrative information systems that support the Work First Program and the Food Stamps program, and from the Employment Security Commission's Wage Data from the Unemployment Insurance program.

## **A. BACKGROUND**

North Carolina launched its comprehensive statewide approach to moving families from welfare to work on July 1, 1995, through the Work First program, which was Governor James B. Hunt, Jr.'s welfare reform initiative. From the beginning, Work First represented a fundamental shift in the state's welfare policies and focused on breaking the cycle of welfare dependency in North Carolina.

In September 1995, Governor Hunt submitted a Section 1115 waiver application to the United States Department of Health and Human Services (DHHS). His application requested that a number of federal regulations be waived to allow North Carolina to further expand the Work First Program. North Carolina's waiver package was approved on February 5, 1996, and the changes to the Work First program were implemented on July 1, 1996.

In response to the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, North Carolina established the Work First program as its Temporary Assistance for Needy Families (TANF) program with only minor programmatic changes needed to comply with the new law. Written certification of the TANF State Plan was received from DHHS on January 10, 1997, reflecting an implementation date of January 1, 1997.

### **1. HOW THE WORK FIRST PROGRAM DIFFERS FROM AFDC**

The philosophy behind Work First is that parents have a responsibility to support themselves and their children. Through Work First, parents can get short-term training, support services such as child care, and other services to help them become self-sufficient, but ultimately the responsibility is theirs, and they have two years to move off welfare.

The Work First Program described in the 1996 Work First Waiver Program differed from AFDC in several important ways, as shown in *Exhibit II-1: Comparison of the Work First and AFDC Programs*.

**Exhibit II-1  
COMPARISON OF THE WORK FIRST AND AFDC PROGRAMS**

<b>KEY WORK FIRST PROVISIONS</b>	<b>AFDC PROVISION</b>
Adults must participate 30 hours per week in employment and training activities (unless exempted)	Participation in employment and training was voluntary in some counties and exemptions were much broader
Parents must sign a mutual responsibility contract (MRC) agreeing to participate in work activities, have their children immunized, have regular medical exams, and assure regular school attendance. Cash assistance is denied to a family if the parent refuses to sign the contract.	No comparable requirements
Fiscal sanctions are applied to families when they do not comply with the provisions of the PRC. There is no conciliation period required before a sanction takes force.	Fiscal sanctions were applied under the JOBS program, with a conciliation process
Families are limited to 24 cumulative months of benefits when the parents are participating in employment and training activities	No time limits
There is a family benefit cap – benefits are not increased if additional children are born more than 10 months after a recipient enrolls in the program	No family benefit cap
Work First raised the level of assets and the value of a family motor vehicle that are disregarded when calculating benefit levels	Lower asset levels and motor vehicle disregard allowed
Diversion payments equivalent to up as much as three months of benefits are allowed in lieu of receiving regular Work First cash assistance	No diversion payments allowed

**B. DATA SOURCES AND THE SELECTION OF COHORTS**

This report is based on the analysis of a longitudinal database being assembled and updated by the Jordan Institute for Families at the University of North Carolina, Chapel Hill. The database is maintained as part of a project to support the Work First evaluation conducted by MAXIMUS, and to support the development of performance measures for county Departments of Social Services for self-assessment and program improvement.

**1. THE ADMINISTRATIVE DATABASE**

The longitudinal database constructed by the Jordan Institute tracks all families and individuals who have participated in AFDC and Work First program between January 1, 1995

and the present. It contains information on whether each family participated in a particular month, the amount of the benefits, the size of the family each month, the number of months the family participated, and whether the family left assistance. The database also contains information on all members of the family. The database indicates whether members of each family participated in employment or training activities, the types of activities, and the time spent completing each activity. It contains information about family members who received income either while on Work First or after leaving the program, the amount of earnings, the type of business (based on industry code), and the zip code of the employer.

To construct the longitudinal database, information from a check history file is merged with monthly extracts from the Eligibility Information System (EIS), and updated on a regular basis. Families are followed once they receive Work First benefits to determine whether they leave the program and, once they leave, whether they return.

A separate longitudinal file containing information on individual Work First participants is also maintained. This file contains information on individuals who are or have been members of AFDC or Work First households. This file contains information on an array of items, including the person's date of birth, race, sex, Social Security number, and a ten-digit identification number assigned by EIS. This ten-digit number can be used to link information on individuals across programs.

The information from EIS and the check history file is supplemented with extracts from the Employment Programs Information System (EPIS), which contains information on family members who have received employment program services. EPIS contains information on an individual's level of education and literacy, and the types of activities in which the individual has participated, such as training, job search, or community work experience. The database also contains information on:

- the number of months of eligibility remaining for households relative to the 24-month Work First time limit and the 60-month TANF time limit; and
- the number of times a household has been sanctioned.

Information on individuals who participate in Work First is linked with earnings data provided through the state's Employment Security Commission. The earnings data are collected through the individual's Social Security number. These data can be used to evaluate the effectiveness of various employment program activities, identified through the EPIS extracts, or to assess a family's transition to self-sufficiency, by linking the individual's earnings to his or her case number.

Extracts from the Food Stamp Information System (FSIS) are used to create a set of longitudinal files at the household and individual level, merging them into the current longitudinal database. FSIS contains information on household income and expenses and includes earned as well as unearned income.

## 2. CONSTRUCTING COHORTS OF FAMILIES

This report compares the experience of families receiving cash assistance under the AFDC program with that of families receiving cash assistance under Work First. To focus the analyses, MAXIMUS selected 12 pairs of cohorts. Each cohort pair was selected to emphasize particular outcomes among public assistance participants.

February 1995 was selected because this was the earliest month when data were available in the database to allow us to determine whether a family was entering AFDC after not participating in the prior month, or was exiting AFDC after participating the prior month. September 1996 was selected to represent the first cohorts to be subject to the provisions of the Work First program. The June 1997, June 1998, June 1999, and June 2000 cohorts were selected to provide a more current picture of the Work First program after the initial implementation issues were resolved and after a broader range of welfare recipients were brought into the program.

The entry cohorts provide the best information on the overall experiences of families entering welfare. The February 1995 cohort consisted of families who were not receiving benefits under the AFDC program in January 1995, but were receiving benefits in February 1995. This allowed us to establish a starting date for their entry to welfare, and measure how many months they received benefits before going off welfare.

Although the Work First Program was initiated in July 1996, we selected the September 1996 cohort for our analyses to allow for start-up activities related to implementation of the Work First program by individual counties. These start-up activities included staff training and the routine implementation of policies and procedures. The cohort was made up of families who did not receive benefits under AFDC or Work First between January 1995 and August 1996.

The second group of cohorts -- the exit cohorts -- are designed to allow for a detailed follow-up and analysis of the status and experiences of families after they leave welfare. An exit cohort constitutes a sizable group leaving welfare at one time, rather than being limited to the few people from our entry cohorts who left welfare in any given month. The exit cohorts are useful for examining recidivism to public assistance, employment and earnings, and continued participation in other assistance programs such as Food Stamps. The February 1995 exit cohort was defined as the families who received a cash assistance payment in the prior month,<sup>1</sup> January 1995, but did not receive a check in February 1995. Similarly, the September 1996 Work First exit cohort is made up of the families who received a cash assistance payment in August 1996 but did not receive one in September 1996. The same general principle applied to the June 1997, June 1998, June 1999, and June 2000 exit cohorts.

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<sup>1</sup> Included are families who were eligible for a very small payment, one that was below the threshold for which checks were actually issued -- less than \$10. These are sometimes referred to as "zero-pay" cases.

**CHAPTER III: WELFARE PARTICIPATION AND EMPLOYMENT  
AMONG PERSONS RECEIVING DIVERSION ASSISTANCE**

This chapter presents additional data on families who received benefits under the Work First Diversion Assistance program. For the analysis, we selected all families who entered the Diversion Assistance program between May and August 1999. This time frame was selected because important changes were made to the Diversion Assistance program in the early part of 1999. By selecting cohorts from the May to August time frame, we are able to examine how the modified Diversion Assistance program is working.

The policy changes that were introduced in early 1999 were designed to increase participation in the program. The new policies eliminated the requirement that families must pay back amounts received under the program if they subsequently received Work First Family Assistance. The new policies also eliminated the provision that diversion payments could be received only once per lifetime. Under the new policy, diversion payments can be received as often as once per year. In addition, under the new policy, counties may consider future prospects for *unearned income* as well as earned income in determining whether an applicant is appropriate for diversion. As a result of these policy changes, the number of Diversion Assistance cases began to increase in many counties in the second quarter of 1999.

**A. NUMBER OF CASES ANALYZED**

Exhibit III-1 shows the number of Diversion Assistance cases that were analyzed for this report. As indicated, a total of 925 families received Diversion Assistance statewide in the four-month period from May to August 1999. The number of cases increased over time between May and July, but fell in August. The cases in each month are analyzed in this chapter as cohorts for tracking purposes. In future reports, we will compile additional follow-up data on the four cohorts.

**Exhibit III-1  
NUMBER OF DIVERSION CASES STATEWIDE IN THE  
FOUR MONTHLY COHORTS**

Month	Number	Percent
May 1999	196	21.2
June 1999	249	26.9
July 1999	260	28.1
August 1999	220	23.8
Total	925	100.0

**B. NUMBER OF DIVERSION CASES IN SELECTED COUNTIES**

Exhibit III-2 shows the number of diversion cases in the eight counties with the most diversion cases in the four-month period. As indicated, Mecklenburg County had by far the most cases, accounting for 17.5 percent of all diversion cases statewide. Wake County had the second highest number of cases, accounting for about 9 percent of all cases statewide.

**Exhibit III-2  
NUMBER OF DIVERSION CASES IN SELECTED COUNTIES**

<b>County</b>	<b>Number</b>	<b>Percent</b>
Mecklenburg	162	17.5
Wake	84	9.1
Guilford	50	5.4
Durham	44	4.8
Pitt	42	4.5
Gaston	42	4.5
Catawba	40	4.3
Cumberland	36	3.9
Other	425	45.9
Total	925	100.0

**C. NUMBER OF DIVERSION CASES IN RELATION TO THE OVERALL WORK FIRST CASELOAD IN SELECTED COUNTIES**

Exhibit III-3 shows the number of Diversion Assistance cases in selected counties in relation to the overall TANF caseload for July 1999. The counties include the 12 counties with the highest number of diversions. In addition, the exhibit provides data for Forsyth and Robeson counties. These two counties have high TANF caseloads, but relatively few diversion cases.

Under Work First, Diversion Assistance is not an entitlement and the counties are free to determine whether assistance is appropriate in specific cases. As indicated in the exhibit, some counties were making extensive use of the program and other counties were making relatively little use of the program despite the recent policy changes.

As indicated in Exhibit III-3, the statewide average for the number of diversion cases in relation to caseload was 1.8 percent. The number of diversions in relation to caseload was much higher than the statewide average Cowan (10.6 percent), Catawba (7.4 percent), Randolph (6.5 percent), and Iredell (6.0 percent) counties. The number of diversions in relation to caseload was also higher than average in Wake (3.5 percent), Gaston (3.3 percent), Mecklenburg (3.2 percent), Pitt (3.0 percent), Durham (2.4 percent), and Halifax (1.9 percent) counties. In contrast, the number of diversions in relation to the TANF caseload was much lower than the statewide average in Forsyth and Robeson counties (0.2 percent in each).

The data suggest that, within the overall policy framework of the Diversion Assistance program, each county was taking its own approach to the program. This includes determining how extensive the program should be and what types of applicants are appropriate for the program.

## EXHIBIT III-3 NUMBER OF DIVERSION CASES IN RELATION TO TANF CASELOADS, IN SELECTED COUNTIES

County	Diversions (5/99-8/99)	TANF Caseload - July 1999	Diversions as a Percent of TANF Caseload
Cowan	24	226	10.6
Catawba	40	541	7.4
Randolph	22	337	6.5
Iredell	20	332	6.0
Wake	84	2,395	3.5
Gaston	42	1,279	3.3
Mecklenburg	162	5,118	3.2
Pitt	42	1,408	3.0
Durham	44	1,868	2.4
Halifax	23	1,226	1.9
Guilford	50	3,230	1.5
Cumberland	36	3,025	1.2
Forsyth	5	2,267	0.2
Robeson	5	1,992	0.2
Statewide	925	51,752	1.8

### D. WELFARE PARTICIPATION BEFORE DIVERSION

Given the focus of the Diversion Assistance program, it might be expected that relatively few of the families who receive assistance under the program would have been on welfare in the past. However, in the recent MAXIMUS surveys of 242 families who had received Diversion Assistance in seven counties, 44.6 percent of the respondents reported that they had been on welfare at some time in the past.<sup>1</sup> The survey found that the percentage who reported being on welfare before varied significantly by county.

#### *Overall Welfare Participation before Diversion*

Exhibit III-4 presents administrative data on the percentage of families in the four monthly cohorts who had received a welfare payment at any time between January 1995 (the earliest month for which data were available) and three months prior to the date when Diversion Assistance was received. Families who received their first welfare payment in the

<sup>1</sup> Study of the Work First Diversion Assistance Program, MAXIMUS, January 2000.

three months immediately preceding the diversion month (only a few cases) were not included as having been on welfare in the past. Because our survey data were not limited to welfare receipt in the period beginning January 1995, the administrative data and the survey data are not strictly comparable.

The data show that 38.4 percent of the families receiving Diversion Assistance had been on welfare at some time since January 1995. In addition, 9.5 percent of families had been on Work First in the six months immediately preceding the diversion month (this again excludes families who did not receive their first welfare check until three months prior to diversion). In summary, the administrative data are generally consistent with the survey findings showing that a relatively large percentage of diverters have been on welfare in the past.

### **Exhibit III-4 PERCENT OF DIVERTERS WHO HAD BEEN ON WELFARE BEFORE**

<b>Welfare History</b>	<b>Number</b>	<b>Percent</b>
Not on welfare before	570	61.6
On welfare before*	355	38.4
(On welfare during the six months before diversion)	(88)	(9.5)
<b>Total</b>	<b>925</b>	<b>100.0%</b>

\* On welfare at any time between January 1995 and three months before diversion.

#### ***Welfare Participation before Diversion in Selected Counties***

Exhibit III-5 presents data for individual counties on the percentage of diverters who had been on welfare at some time since January 1995. Data are provided for the eight counties with the largest number of diversions between May and August 1999.

The data indicate that Cumberland County had by far the highest percentage of former welfare recipients among its diverters (58.3 percent). In Pitt and Guilford counties, close to half of all diverters had been on welfare before. In contrast, only about one-quarter of diverters in Catawba and about one-third of diverters in Mecklenburg and Wake counties had been on welfare before.

To a great extent, the variations among the counties appear to be due to differences in the way that the Diversion Assistance program was being used by individual counties. In a 1999 site visit to Mecklenburg County, for example, it was reported to MAXIMUS that Diversion Assistance was in part being used to provide short-term assistance to refugees. This may account for the relatively small percentage of families who had received welfare in the past in the county.



The findings on prior welfare history indicate that the counties were not simply targeting Diversion Assistance to families who were new to the welfare system. Instead, many of the counties appear to have been using the program to assist families who have previously been on welfare but who were now interested in the diversion option. It is possible that many of the families with a prior welfare history were choosing diversion in order to avoid activating the 24-month time limit on benefits. Some families with a prior welfare history may also have been choosing diversion because they prefer to stay in the workforce rather than going on Work First and having to deal with the work activity requirements.

**EXHIBIT III-5  
PERCENT OF DIVERTERS WHO HAD BEEN ON WELFARE BEFORE,  
IN SELECTED COUNTIES**

County	Not on Welfare Before		On Welfare Before*		Total	
	Number	Percent	Number	Percent	Number	Percent
Cumberland	15	41.7	21	58.3	36	100.0
Guilford	26	52.0	24	48.0	50	100.0
Pitt	22	52.4	20	47.6	42	100.0
Durham	27	61.4	17	38.6	44	100.0
Gaston	26	61.9	16	38.1	42	100.0
Wake	54	64.3	30	35.7	84	100.0
Mecklenburg	109	67.3	53	32.7	162	100.0
Catawba	30	75.0	10	25.0	40	100.0
All other	261	61.4	164	38.6	425	100.0
Total	570	61.6	355	38.4	925	100.0

\* On welfare at any time between January 1995 and three months before diversion.

**E. WORK HISTORY BEFORE DIVERSION**

Although the policy changes in 1999 were designed to broaden the range of applicants who might be considered appropriate for the Diversion Assistance program, the program is still designed primarily for persons who are thought to have good prospects for returning to the work force in a short period of time. Having a prior work history is likely to improve prospects for returning to the work force quickly.

To examine the work history of the families who began receiving Diversion Assistance between May and August 1999, we compiled data on the earnings of the families from the Unemployment Insurance (UI) wage reporting system. For each family, a match was conducted against the wage records for the two quarters preceding the diversion month. For the May and June cohorts, wage record data were available for the last quarter of calendar year 1998 and the first quarter of 1999. For the July and August cohorts, data were available for the first two quarters of 1999.

*Overall Work History Before Diversion*

The data in Exhibit III-6 show that 15.5 percent of the persons receiving Diversion Assistance **had not worked** at any time in the six months before diverting.

**Exhibit III-6  
WORK HISTORY OF DIVERTERS DURING  
THE SIX MONTHS BEFORE DIVERTING**

<b>Work History</b>	<b>Number</b>	<b>Percent</b>
Did not work	143	15.5
Did work	782	84.5
<b>Total</b>	<b>925</b>	<b>100.0</b>

*Work History Before Diversion, in Selected Counties*

Exhibit III-7 presents data on the work history of the families for each of the eight counties with the largest number of diversions. The data show that most of the counties were clustered around the statewide average of 15.5 percent. However, the percentage of families with **no work history** in the six months before diverting was much higher in Mecklenburg County (almost 26 percent) than in other counties. This is consistent with our survey findings and may reflect the fact that diversion assistance in Mecklenburg County was being used to help refugees. In contrast, almost all of the families in Durham (93.2 percent) and Pitt (90.5 percent) counties had a work history in the six months before diverting.

**Exhibit III-7  
WORK HISTORY OF DIVERTERS DURING  
THE SIX MONTHS BEFORE DIVERTING, IN SELECTED COUNTIES**

<b>County</b>	<b>Did Not Work</b>		<b>Worked</b>		<b>Total</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Mecklenburg	42	25.9	120	74.1	162	100.0
Wake	13	15.5	71	84.5	84	100.0
Catawba	6	15.0	34	85.0	40	100.0
Cumberland	5	13.9	31	86.1	36	100.0
Guilford	6	12.0	44	88.0	50	100.0
Gaston	5	11.9	37	88.1	42	100.0
Pitt	4	9.5	38	90.5	42	100.0
Durham	3	6.8	41	93.2	44	100.0
Other	59	13.9	366	86.1	425	100.0
<b>Total</b>	<b>143</b>	<b>15.5</b>	<b>782</b>	<b>84.5</b>	<b>925</b>	<b>100.0</b>

**F. EMPLOYMENT AND EARNINGS AFTER DIVERSION**

As we indicated in our earlier survey report on the Diversion Assistance program, post-diversion outcomes among families receiving Diversion Assistance will be affected by the decisions made in each county about how the program should be operated and targeted. To examine the employment and earnings of the families after diverting, we compiled data from the UI wage reporting system. For the May and June cohorts, wage record data was available for the last two quarters of 1999 and the first three quarters of 2000. For the July and August cohorts, wage record data was available for the last quarter of 1999 and the first three quarters of 2000.

*Overall Employment after Diversion*

Exhibit III-8 presents data of the percent of diverters who worked in the first five quarters after diverting. The data show that 82.5 percent of all diverters were working at some time in the first quarter after diverting, and 79.5 percent diverters were working at some time in the second quarter after diverting. The data show that there is a gradual decrease in the percentage of diverters working in UI-covered employment over the first five quarters after diverting.

**Exhibit III-8  
PERCENT OF DIVERTERS WHO WORKED IN THE FIRST FIVE  
QUARTERS AFTER DIVERTING**

Quarter After Diverting	Cohort				Total
	May 1999	June 1999	July 1999	August 1999	
First	80.6%	81.5%	84.6%	82.7%	82.5%
Second	79.1%	75.5%	82.7%	80.5%	79.5%
Third	75.5%	73.9%	80.0%	76.4%	76.5%
Fourth	74.0%	74.7%	76.2%	70.9%	74.1%
Fifth	69.9%	73.1%	NA	NA	71.7%

*Employment after Diversion, in Selected Counties*

Exhibit III-9 shows the number of families who worked in the first four quarters after diverting in the eight selected counties and the rest-of-state group. County-level analysis shows that the percent of diverters who were working in the first quarter ranged from 78 percent in Guilford to 93 percent in Pitt. During the fourth quarter after diversion, the percentage ranged from a low of 67 percent in Cumberland County to a high of 85 percent in Catawba County.

**Exhibit III-9  
PERCENT OF DIVERTERS WORKING IN THE FIRST FOUR  
QUARTERS AFTER DIVERTING**

County	Worked First Quarter		Worked Second Quarter		Worked Third Quarter		Worked Fourth Quarter	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Guilford	39	78.0%	39	78.0%	34	68.0%	37	74.0%
Pitt	39	92.9%	39	92.9%	36	85.7%	32	76.2%
Cumberland	32	88.9%	29	80.6%	26	72.2%	24	66.7%
Gaston	36	85.7%	35	83.3%	35	83.3%	31	73.8%
Wake	72	85.7%	69	82.1%	63	75.0%	64	76.2%
Durham	38	86.4%	37	84.1%	39	88.6%	37	84.1%
Mecklenburg	131	80.9%	123	75.9%	117	72.2%	105	64.8%
Catawba	36	90.0%	36	90.0%	37	92.5%	34	85.0%
Other	340	80.0%	328	77.2%	321	75.5%	321	75.5%
Total	763	82.5%	735	79.5%	708	76.5%	685	74.1%

***Earnings after Diversion***

Exhibit III-10 shows the median earnings among the families with any earnings for the quarters after diverting. Post-diversion earnings data were available for five quarters for the May and June cohorts and four quarters for the July and August cohorts.

The data indicate that there was an increase in median earnings between the first and second quarters for families in the May and June cohorts, but that earnings leveled off after the second quarter. This increase may have been due to the fact that many families did not obtain jobs until part way through the first quarter after diversion. The data for the July and August cohorts, however, show that earnings among employed persons declined somewhat after the first quarter.

**Exhibit III-10  
MEDIAN QUARTERLY EARNINGS AMONG  
PERSONS EMPLOYED AFTER DIVERTING**

Quarter after Diverting	May 1999	June 1999	July 1999	August 1999
1	\$2,462	\$2,571	\$3,496	\$3,602
2	\$3,538	\$3,686	\$3,129	\$3,305
3	\$3,450	\$3,471	\$3,415	\$3,519
4	\$3,995	\$3,457	\$3,198	\$3,175
5	\$3,648	\$3,357	.	.

*Post-Diversion Employment In Relation To Pre-Diversion Employment*

Exhibit III-11 shows that among those who had not worked before diverting, less than half worked after diverting. Among those who did work before diverting, 85.2 percent worked after diverting.

**Exhibit III-11  
EMPLOYMENT STATUS AFTER DIVERTING  
BY EMPLOYMENT STATUS BEFORE DIVERTING**

	Worked before diverting	Did not work before diverting
Worked after diverting*	85.2	48.3
Did not work after diverting	14.8	51.7
Total	100.0	100.0

\*Worked in the first quarter after diverting.

Exhibit III-12 compares the percentage of diverters who worked in the two quarters prior to diverting with the percentage who worked in the quarter after diverting, in selected counties. The data show that for all counties but Guilford, the percentage who worked before diverting was greater than the percentage who worked after diverting. However, this may not be a fair comparison because many diverters were still in the three-month diversion period during this initial quarter. We will conduct this analysis again when we have two full quarters of post-diversion employment data for all cohorts.

Guilford County had the lowest percentages of diverters working before (74.1 percent) and after (76.0 percent) diversion. Pitt County had the highest percentage working before (93.2 percent) and after (92.9 percent) diversion.

**Exhibit III-12  
EMPLOYMENT STATUS IN THE TWO QUARTERS BEFORE AND THE  
QUARTER AFTER DIVERTING, IN SELECTED COUNTIES**

County	Worked in Two Quarters Before		Worked in Quarter After	
	Number	Percent	Number	Percent
Pitt	41	93.2	39	92.9
Cumberland	38	90.5	32	88.9
Gaston	37	88.1	35	83.3
Catawba	44	88.0	33	82.5
Wake	31	86.1	67	79.8
Durham	34	85.0	35	79.5
Mecklenburg	71	84.5	128	79.0
Guilford	120	74.1	38	76.0
Other	366	86.1	328	77.2
Total	782	84.5	735	79.5

**G. WELFARE PARTICIPATION AFTER DIVERSION**

If the diverters in a county have relatively high rates of welfare participation *before* diverting, the county may also find that a relatively large percentage of its diverters go on welfare in the period *after* diverting. In this section, we examine welfare participation by the diversion cohorts during the 18 months after the receipt of Diversion Assistance.

***Welfare Participation after Diversion, By Cohort***

Exhibit III-13 shows the percentage of diverters who received welfare payments at any time in the 18 months *after* diverting. The data show that 20.9 percent of all diverters went on welfare at some time after diverting. About 6.9 percent of all diverters had received payments for 1 to 3 of the nine months, 5.9 percent for 4 to 6 months, 4.0 percent for 7 to 9 months, and 3.9 percent for more than 12 months. The percentage who had gone on welfare did not vary much among the four cohorts.

**Exhibit III-13  
NUMBER OF MONTHS DIVERTERS RECEIVED WELFARE  
IN THE EIGHTEEN MONTHS AFTER DIVERTING,  
BY DIVERSION MONTH**

Number of Months Received Payments	May 1999		June 1999		July 1999		Aug 1999		Total	
	N	%	N	%	N	%	N	%	N	%
Did not receive payments	153	78.1%	202	81.1%	202	77.7%	175	79.5%	732	79.1%
Received payments	43	21.9%	47	18.9%	58	22.3%	45	20.5%	193	20.9%
For 1-3 months	14	7.1%	18	7.2%	14	5.4%	18	8.2%	64	6.9%
For 4-6 months	12	6.1%	14	5.6%	20	7.7%	9	4.1%	55	5.9%
For 7-9 months	9	4.6%	6	2.4%	14	5.4%	8	3.6%	37	4.0%
For 10-12 months	5	2.6%	5	2.0%	7	2.7%	9	4.1%	26	2.8%
For 13-15 months	1	0.5%	4	1.6%	1	0.4%	0	0.0%	6	0.6%
For 13-18 months	2	1.0%	0	0.0%	2	0.8%	1	0.5%	5	0.5%
Total	196	100.0	249	100.0	260	100.0	220	100.0	925	100.0

***Welfare Participation after Diversion, by Prior Welfare History***

Exhibit III-14 shows the percentage of diverters who received welfare at any time in the 18 months after diverting, by welfare history. The data indicate that persons who had been on welfare before diverting (since January 1995) were more likely to go on welfare after diverting. Almost 32 percent of those who had been on welfare before diverting went on welfare after diverting, compared to only 14 percent of persons who had never been on welfare.

However, the majority of prior welfare recipients (68 percent) did not go on welfare in the 18 months after diversion. In addition, about one-third of those who went on welfare after diverting and who had a prior welfare history went on welfare for a short period of time (1 to 3 months).

Since the data in the exhibit indicate that post-diversion welfare participation is affected by prior welfare history, it is possible that some of the diverters who had been on welfare before were not as “job ready” as the counties believed when they recommended the diversion option.

**Exhibit III-14  
NUMBER OF MONTHS DIVERTERS RECEIVED WELFARE  
IN THE EIGHTEEN MONTHS AFTER DIVERTING,  
BY WELFARE HISTORY BEFORE DIVERTING**

Number of Months Received Payments	Not on Welfare Before		On Welfare Before*		Total	
	Number	Percent	Number	Percent	Number	Percent
Did not receive payments	490	86.0%	242	68.2%	732	79.1%
Received payments	80	14.0%	113	31.8%	193	20.9%
For 1-3 months	26	4.6%	38	10.7%	64	6.9%
For 4-6 months	23	4.0%	32	9.0%	55	5.9%
For 7-9 months	16	2.8%	21	5.9%	37	4.0%
For 10-12 months	9	1.6%	17	4.8%	26	2.8%
For 13-15 months	4	0.7%	2	0.6%	6	0.6%
For 13-18 months	2	0.4%	3	0.8%	5	0.5%
Total	570	100.0	355	100.0	925	100.0

\*On welfare at any time between January 1995 and three months before diversion.

*Welfare Participation after Diversion, by Recent Work History*

Exhibit III-15 shows the percentage of diverters who received welfare payments in the 18 months after diverting, by whether they had worked in the six months before diverting. Surprisingly, the percentage of persons who went on welfare was higher among those who had worked (21.7 percent) than among those who had not worked (16.1 percent).

**Exhibit III-15  
NUMBER OF MONTHS THAT DIVERTERS RECEIVED WELFARE  
IN THE EIGHTEEN MONTHS AFTER DIVERTING,  
BY WORK HISTORY BEFORE DIVERTING**

Months Received Payments	Did Not Work		Did Work*		Total	
	Number	Percent	Number	Percent	Number	Percent
Did not receive payments	120	83.9%	612	78.3%	732	79.1%
Received payments	23	16.1%	170	21.7%	193	20.9%
For 1-3 months	8	5.6%	56	7.2%	64	6.9%
For 4-6 months	4	2.8%	51	6.5%	55	5.9%
For 7-9 months	4	2.8%	33	4.2%	37	4.0%
For 10-12 months	5	3.5%	21	2.7%	26	2.8%
For 13-15 months	1	0.7%	5	0.6%	6	0.6%
For 13-18 months	1	0.7%	4	0.5%	5	0.5%
Total	143	100.0	782	100.0	925	100.0

\*Worked in the six months before diverting.



Exhibit III-16 shows the percentage of diverters in Mecklenburg County who received welfare payments in the 18 months after diverting, by whether they had worked in the six months before diverting. About 14 percent of the diverters received at least one welfare payment after diverting. Of those who worked in the six months prior to diverting, 15.8 percent received at least one welfare payment after diverting, compared to 9.5 percent of diverters who did not work.

The data in Exhibit III-16 suggest that Mecklenburg County may be an anomaly in terms of the relationship between work history and the likelihood of going on welfare after diverting.

**Exhibit III-16**  
**NUMBER OF MONTHS THAT DIVERTERS RECEIVED WELFARE**  
**IN THE EIGHTEEN MONTHS AFTER DIVERTING IN MECKLENBURG**  
**COUNTY, BY WORK HISTORY BEFORE DIVERTING**

Months Received Payments	Did Not Work		Did Work*		Total	
	Number	Percent	Number	Percent	Number	Percent
Did not receive payments	37	88.1%	85	70.8%	122	75.3%
Received payments	5	11.9%	35	29.2%	40	24.7%
For 1-3 months	1	2.4%	15	12.5%	16	9.9%
For 4-6 months	2	4.8%	10	8.3%	12	7.4%
For 7-9 months	1	2.4%	7	5.8%	8	4.9%
For 10-12 months	0	0.0%	3	2.5%	3	1.9%
For 13-15 months	1	2.4%	0	0.0%	1	0.6%
For 13-18 months	0	0.0%	0	0.0%	0	0.0%
Total	42	100	120	100	162	100

\* Worked in the six months before diverting.

***Welfare Participation after Diversion in Selected Counties***

For those counties with the largest number of diverters, Exhibit III-17 shows the percentage of diverters who went on welfare in the 18 months after diverting. The data reveal significant variations among the counties, with Guilford County having the highest percentage of diverters receiving welfare after diverting (36 percent). Relatively small percentages of diverters in Catawba (12.5 percent) and Gaston (14.3 percent) counties received welfare after diverting.

**EXHIBIT III-17  
NUMBER OF MONTHS THAT DIVERTERS RECEIVED WELFARE  
IN THE EIGHTEEN MONTHS AFTER DIVERTING,  
IN SELECTED COUNTIES**

Months Received Payments	Mecklenburg (N=162)	Wake (N=84)	Guilford (N=50)	Durham (N=44)	Pitt (N=42)	Gaston (N=42)	Catawba (N=40)	Cumberland (N=36)	Other (N=425)	Total (N=925)	
	%	%	%	%	%	%	%	%	%	N	%
Did not receive payments	75.3%	75.0%	64.0%	77.3%	78.6%	85.7%	87.5%	80.6%	81.9%	732	79.1%
Received payments	24.7%	25.0%	36.0%	22.7%	21.4%	14.3%	12.5%	19.4%	18.1%	193	20.9%
For 1-3 months	9.9%	8.3%	12.0%	2.3%	4.8%	7.1%	5.0%	5.6%	5.9%	64	6.9%
For 4-6 months	7.4%	7.1%	10.0%	6.8%	4.8%	2.4%	5.0%	5.6%	5.2%	55	5.9%
For 7-9 months	4.9%	6.0%	6.0%	4.5%	4.8%	2.4%	0.0%	2.8%	3.5%	37	4.0%
For 10-12 months	1.9%	2.4%	4.0%	9.1%	4.8%	2.4%	2.5%	2.8%	2.4%	26	2.8%
For 13-15 months	0.6%	1.2%	2.0%	0.0%	2.4%	0.0%	0.0%	0.0%	0.5%	6	0.6%
For 13-18 months	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	2.8%	0.7%	5	0.5%
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	925	100.0

***Welfare Participation in Specific Months after Diverting***

The remaining exhibits in this chapter show the percentage of diverters who received welfare payments in the individual 18 months after diverting. This type of information is useful for examining whether the rate of welfare participation is increasing or decreasing over time during the follow-up period.

Exhibit III-18 shows the percentage of diverters who received welfare in the individual months of a standardized 18-month follow-up period for each cohort. The data indicate that almost none of the diverters received welfare payments during the first two months after diverting. In month three, 4.2 percent of the diverters were receiving welfare and, in by month 7, the percentage reached about 8 percent. The percentage remained at about 8-9 percent for the rest of the 18-month following period.

**Exhibit III-18  
PERCENT OF DIVERTERS WHO RECEIVED WELFARE AFTER  
DIVERTING, BY DIVERSION MONTH**

Month After Diverting	May 99 (N =196)		June 99 (N =249)		July 99 (N =260)		Aug 99 (N =220)		Total (N =925)	
	N	%	N	%	N	%	N	%	N	%
1	2	1.0%	1	0.4%	-	-	-	-	3	0.3%
2	1	0.5%	2	0.8%	1	0.4%	1	0.5%	5	0.5%
3	11	5.6%	9	3.6%	13	5.0%	6	2.7%	39	4.2%
4	15	7.7%	13	5.2%	18	6.9%	11	5.0%	57	6.2%
5	16	8.2%	12	4.8%	18	6.9%	12	5.5%	58	6.3%
6	15	7.7%	18	7.2%	18	6.9%	15	6.8%	66	7.1%
7	17	8.7%	16	6.4%	22	8.5%	20	9.1%	75	8.1%
8	17	8.7%	15	6.0%	25	9.6%	18	8.2%	75	8.1%
9	16	8.2%	11	4.4%	21	8.1%	19	8.6%	67	7.2%
10	16	8.2%	13	5.2%	24	9.2%	17	7.7%	70	7.6%
11	15	7.7%	16	6.4%	23	8.8%	19	8.6%	73	7.9%
12	10	5.1%	19	7.6%	31	11.9%	19	8.6%	79	8.5%
13	11	5.6%	22	8.8%	30	11.5%	19	8.6%	82	8.9%
14	18	9.2%	19	7.6%	29	11.2%	15	6.8%	81	8.8%
15	17	8.7%	20	8.0%	28	10.8%	18	8.2%	83	9.0%
16	19	9.7%	18	7.2%	21	8.1%	15	6.8%	73	7.9%
17	15	7.7%	17	6.8%	20	7.7%	15	6.8%	67	7.2%
18	18	9.2%	18	7.2%	22	8.5%	16	7.3%	74	8.0%

Exhibit III-19 shows the percentage of diverters who received welfare payments in individual months after diverting, by prior welfare history. Consistent with the data presented previously, we find that persons who had been on welfare before diverting were much more likely to go on welfare after diverting.

**Exhibit III-19  
PERCENT OF DIVERTERS WHO RECEIVED WELFARE DURING  
SPECIFIC MONTHS AFTER DIVERTING, BY PRIOR WELFARE  
HISTORY**

Month After Diverting	Not on Welfare Before (n =570)		On Welfare Before (n =355)*		Total (n =925)	
	Number	Percent	Number	Percent	Number	Percent
1	-	-	3	0.8%	3	0.3%
2	4	0.7%	1	0.3%	5	0.5%
3	15	2.6%	24	6.8%	39	4.2%
4	26	4.6%	31	8.7%	57	6.2%
5	26	4.6%	32	9.0%	58	6.3%
6	32	5.6%	34	9.6%	66	7.1%
7	35	6.1%	40	11.3%	75	8.1%
8	35	6.1%	40	11.3%	75	8.1%
9	31	5.4%	36	10.1%	67	7.2%
10	32	5.6%	38	10.7%	70	7.6%
11	32	5.6%	41	11.5%	73	7.9%
12	33	5.8%	46	13.0%	79	8.5%
13	35	6.1%	47	13.2%	82	8.9%
14	34	6.0%	47	13.2%	81	8.8%
15	30	5.3%	53	14.9%	83	9.0%
16	23	4.0%	50	14.1%	73	7.9%
17	24	4.2%	43	12.1%	67	7.2%
18	30	5.3%	44	12.4%	74	8.0%

\* On welfare at any time between January 1995 and three months before diverting.

Exhibit III-20 shows the percentage of families who received welfare in the individual months after diverting, by prior work history. The data show that in months 4 to 9, persons who had not worked before diverting were slightly more likely to be on welfare than persons who had worked. After that, persons who had worked before were more likely to be on welfare.

**Exhibit III-20  
PERCENT OF DIVERTERS WHO RECEIVED WELFARE DURING  
SPECIFIC MONTHS AFTER DIVERTING, BY RECENT WORK HISTORY**

Month After Diverting	Did not Work (n =143)		Did Work* (n =782)		Total (n =925)	
	Number	Percent	Number	Percent	Number	Percent
1	-	-	3	0.4%	3	0.3%
2	2	1.4%	3	0.4%	5	0.5%
3	6	4.2%	33	4.2%	39	4.2%
4	10	7.0%	47	6.0%	57	6.2%
5	11	7.7%	47	6.0%	58	6.3%
6	12	8.4%	54	6.9%	66	7.1%
7	13	9.1%	62	7.9%	75	8.1%
8	14	9.8%	61	7.8%	75	8.1%
9	12	8.4%	55	7.0%	67	7.2%
10	10	7.0%	60	7.7%	70	7.6%
11	9	6.3%	64	8.2%	73	7.9%
12	9	6.3%	70	9.0%	79	8.5%
13	9	6.3%	73	9.3%	82	8.9%
14	8	5.6%	73	9.3%	81	8.8%
15	8	5.6%	75	9.6%	83	9.0%
16	5	3.5%	68	8.7%	73	7.9%
17	5	3.5%	62	7.9%	67	7.2%
18	7	4.9%	67	8.6%	74	8.0%

\*Worked in the six months before diverting.

Finally, Exhibit III-21 shows the percentage of diverters who received welfare in the individual months after diverting, in selected counties. The data indicate that in four of the counties (Wake, Guilford, Durham, and Cumberland), there was a jump in welfare participation in month three. In Wake and Durham counties, further increases occurred in month four. In Mecklenburg County, the increase in welfare participation did not occur until month six. In Catawba County, no persons went on welfare until seven months after diverting. By month 18, the percentage who were were still on welfare was highest in Guilford, Pitt, and Mecklenburg counties.

**Exhibit III-21  
PERCENT OF DIVERTERS WHO RECEIVED WELFARE DURING  
SPECIFIC MONTHS AFTER DIVERTING, IN SELECTED COUNTIES**

Month After Diverting	Mecklenburg (N=162)	Wake (N=84)	Guilford (N=50)	Durham (N=44)	Pitt (N=42)	Gaston (N=42)	Catawba (N=40)	Cumberland (N=36)	Other (N=425)	Total (N=925)	
	%	%	%	%	%	%	%	%	%	Count	%
1	0.6%	0.0%	0.0%	0.0%	0.0%	2.4%	0.0%	0.0%	0.2%	3	0.3%
2	0.0%	2.4%	0.0%	2.3%	0.0%	0.0%	0.0%	0.0%	0.5%	5	0.5%
3	0.6%	6.0%	8.0%	6.8%	0.0%	0.0%	0.0%	5.6%	5.6%	39	4.2%
4	1.9%	9.5%	8.0%	11.4%	4.8%	2.4%	0.0%	8.3%	7.3%	57	6.2%
5	1.9%	9.5%	8.0%	9.1%	4.8%	2.4%	0.0%	8.3%	7.8%	58	6.3%
6	5.6%	9.5%	6.0%	11.4%	4.8%	4.8%	0.0%	8.3%	8.0%	66	7.1%
7	8.6%	10.7%	8.0%	13.6%	7.1%	7.1%	5.0%	5.6%	7.5%	75	8.1%
8	11.1%	11.9%	8.0%	11.4%	7.1%	7.1%	5.0%	5.6%	6.6%	75	8.1%
9	9.9%	7.1%	8.0%	13.6%	9.5%	4.8%	5.0%	5.6%	5.9%	67	7.2%
10	11.1%	8.3%	10.0%	11.4%	9.5%	4.8%	5.0%	8.3%	5.6%	70	7.6%
11	12.3%	6.0%	14.0%	15.9%	7.1%	4.8%	2.5%	11.1%	5.6%	73	7.9%
12	10.5%	7.1%	24.0%	13.6%	11.9%	4.8%	2.5%	8.3%	6.4%	79	8.5%
13	11.1%	6.0%	24.0%	15.9%	14.3%	4.8%	2.5%	8.3%	6.6%	82	8.9%
14	9.9%	6.0%	22.0%	11.4%	14.3%	7.1%	5.0%	8.3%	7.1%	81	8.8%
15	6.8%	8.3%	24.0%	13.6%	14.3%	7.1%	5.0%	11.1%	7.5%	83	9.0%
16	4.3%	9.5%	20.0%	6.8%	14.3%	2.4%	7.5%	11.1%	7.3%	73	7.9%
17	6.8%	9.5%	12.0%	4.5%	16.7%	2.4%	7.5%	5.6%	6.4%	67	7.2%
18	10.5%	9.5%	12.0%	6.8%	11.9%	4.8%	7.5%	5.6%	6.6%	74	8.0%

**I. DISCUSSION**

About a third of diverters had been on welfare prior to diverting and about 10 percent had been on welfare in the six months prior to diverting. The data show that those who had been on welfare before diversion were more likely to go on welfare after diversion. However, a person who had been on welfare before diverting was still very likely to stay off welfare after diversion. Therefore, while prior welfare participation is an important factor to consider when determining whether Diversion Assistance is appropriate, it should not be the only factor considered.

## CHAPTER IV: WELFARE PARTICIPATION AMONG THE ENTRY COHORTS (MONTHLY)

This chapter examines welfare participation patterns over time among the AFDC and Work First entry cohorts. The longitudinal file maintained by the Jordan Institute provides reliable and comprehensive information on whether or not a family participated in the AFDC and Work First programs each month. Two new cohorts are added for this report: June 1999 and June 2000.

### A. WELFARE PARTICIPATION RATES

Participation data were examined for the four entry cohorts: those entering AFDC in February 1995,<sup>1</sup> and those entering Work First in September 1996, June 1997, June 1998, June 1999, and June 2000.<sup>2</sup> We analyzed 54 months of data for the AFDC and the September 1996 cohorts, 42 months for the June 1997 cohort, 30 months for the June 1998 cohort, 18 months for the June 1999 cohort, and 6 months for the June 2000 cohort. For each cohort, we calculated the percent of cases that received benefits in each subsequent month without regard to whether they had experienced an interruption in benefits or had received benefits continuously.

Exhibit IV-1 shows that both the February 1995 AFDC and September 1996 Work First cohorts experienced a significant decline in the percentage of cases receiving benefits during the first six months after entry, followed by a slower decline thereafter. However, the Work First entry cohort experienced a more rapid decline in welfare participation than did the AFDC entry cohort. The most recent data for this report show that, at 54 months after entry, 10.0 percent of the February 1995 AFDC entry cohort was receiving welfare, compared to 6.9 percent of the September 1996 Work First cohort.

Exhibit IV-2 shows the percentage of each of the *six entry cohorts* receiving cash payments at various months after entry. The data show that at 36 months after entry, only 10.8 percent of the June 1997 entry cohort were still on welfare, compared to 20.3 percent of the AFDC cohort. At 24 months after entry, the rate of welfare participation was only about 19-20 percent for the three Work First entry cohorts, compared to 29.6 percent for the AFDC entry cohort.

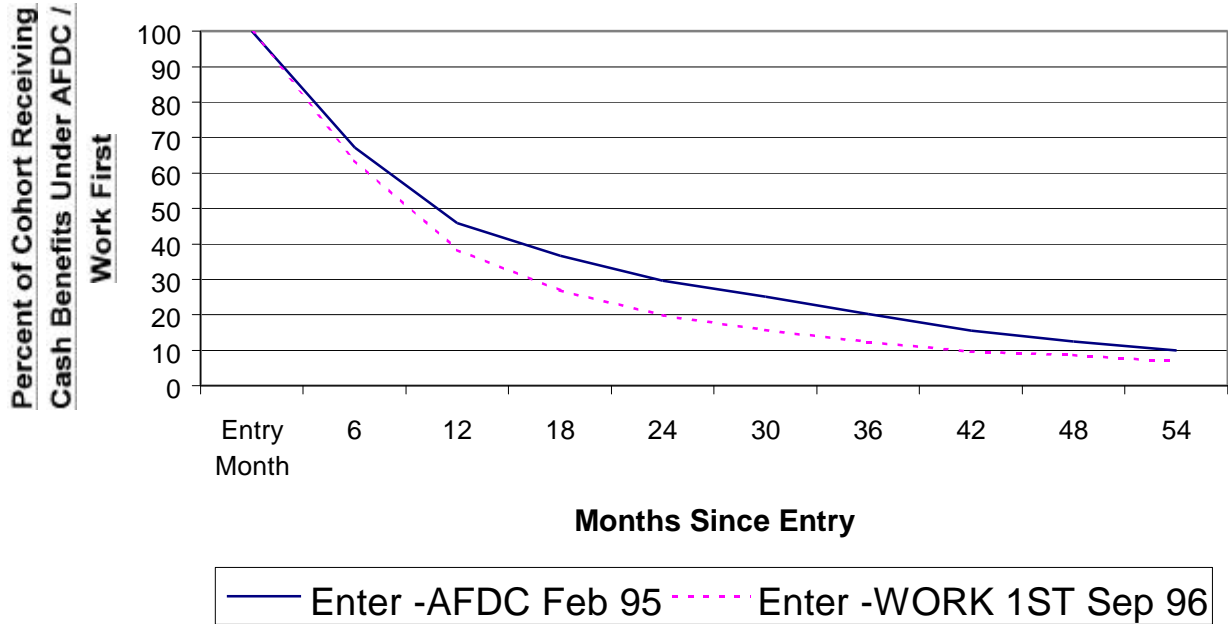
The data for the June 1999 cohort indicates that the exit rate for this cohort was somewhat higher than the exit rates for the earlier Work First cohorts. For example, only 22.4 percent were still on welfare after 18 months, compared to 26.9 percent of the September 1996 cohort.

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<sup>1</sup> A case was defined as entering in February 1995 if a cash benefit payment was made to the case in February 1995 but not in January 1995.

<sup>2</sup> A case was defined as entering in September 1996 if a cash benefit payment was made to the case in September 1996 but had not been made between January 1995 and August 1996.

**Exhibit IV-1  
WELFARE PARTICIPATION AMONG THE FEBRUARY 1995  
AND SEPTEMBER 1996 COHORTS**



**Exhibit IV-2  
WELFARE PARTICIPATION AT SPECIFIC FOLLOW-UP INTERVALS  
(Percent of entry cohorts receiving cash benefits)**

MONTHS SINCE ENTRY	AFDC COHORT FEB 95 (N=5,841)	WORK FIRST COHORT SEP 96 (N=3,795)	WORK FIRST COHORT JUN 97 (N=3,148)	WORK FIRST COHORT JUN 98 (N=2,369)	WORK FIRST COHORT JUN 99 (N=2,240)	WORK FIRST COHORT JUN 00 (N=2,187)
Entry Month	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
6	67.2%	63.6%	57.4%	57.2%	55.3%	54.1%
12	45.9%	38.4%	35.3%	34.3%	32.9%	-
18	36.6%	26.9%	23.0%	24.5%	22.4%	-
24	29.6%	19.9%	18.9%	18.7%	-	-
30	25.1%	15.7%	14.1%	15.5%	-	-
36	20.3%	12.3%	10.8%	-	-	-
42	15.6%	9.7%	10.0%	-	-	-
48	12.5%	8.7%	-	-	-	-
54	10.0%	6.9%	-	-	-	-



Exhibit IV-3 shows the number of months during the first 54 months after entering AFDC or Work First that families received cash benefits. Some of the families may have left AFDC or Work First, and then re-entered the program once or multiple times after they first entered these programs. Among the AFDC families, 9.9 percent received cash assistance for at least 43 months during the 54 months after entry, compared to only 6.4 percent of the Work First families who entered in September 1996.

### Exhibit IV-3 NUMBER OF MONTHS FAMILIES PARTICIPATED IN WELFARE IN THE FIRST 54 MONTHS AFTER PROGRAM ENTRY

MONTHS PARTICIPATING	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98	WORK FIRST COHORT JUN 99	WORK FIRST COHORT JUN 00
1 – 6	29.2%	38.9%	43.4%	43.4%	47.6%	52.1%
7 – 12	19.8%	22.1%	20.9%	21.4%	22.0%	47.9%
13 – 18	13.3%	12.3%	12.5%	13.6%	13.7%	-
19 – 24	9.8%	8.2%	6.7%	7.2%	16.7%	-
25 – 30	7.4%	5.2%	5.7%	5.4%	-	-
31 – 36	5.7%	4.3%	3.4%	8.9%	-	-
37 – 42	5.0%	2.5%	2.6%	-	-	-
43 – 48	3.5%	2.2%	4.8%	-	-	-
49 – 54	6.4%	4.2%	-	-	-	-
Total	100.0% (N=5,841)	100.0% (N=3,795)	100.0% (N=3,148)	100.0% (N=2,369)	100.0% (N=2,240)	100.0% (N=2,187)
Average Number of Months	18.0	14.4	12.9	11.8	9.5	6.1

Exhibit IV-3 also shows the available data for the four more recent cohorts. However, since we did not have a full 54 months of data for these cohorts, the percentages are not directly comparable to the percentages for the two original cohorts. To standardize the follow-up period for all the four cohorts, Exhibit IV-4 shows the number of months that families received welfare during the first 10 months after program entry. The data show that members of the Work First cohorts tended to participate for shorter periods of time. Members of the AFDC cohort were on for an average of 7.3 months, compared to 6.9 months for the September 1996 cohort, and only 6.1 months for the June 2000 cohort.

**Exhibit IV-4  
TOTAL NUMBER OF MONTHS FAMILIES PARTICIPATED  
IN WELFARE IN THE FIRST 10 MONTHS AFTER PROGRAM ENTRY**

<b>MONTHS PARTICIPATING</b>	<b>AFDC COHORT FEB 95</b>	<b>WORK FIRST COHORT SEP 96</b>	<b>WORK FIRST COHORT JUN 97</b>	<b>WORK FIRST COHORT JUN 98</b>	<b>WORK FIRST COHORT JUN 99</b>	<b>WORK FIRST COHORT JUN 00</b>
1	2.8%	3.6%	3.9%	3.6%	2.9%	18.5%
2	4.7%	6.9%	7.2%	9.2%	11.2%	4.6%
3	7.2%	9.2%	10.5%	10.0%	10.3%	7.4%
4	7.5%	6.7%	9.0%	8.6%	8.6%	6.7%
5	7.5%	8.3%	10.0%	9.4%	10.0%	7.4%
6	9.9%	11.7%	9.7%	9.4%	9.9%	7.5%
7	5.8%	5.4%	5.0%	6.2%	4.7%	5.5%
8	5.6%	5.1%	4.8%	4.6%	4.4%	5.0%
9	7.3%	5.5%	5.8%	4.9%	5.1%	4.6%
10	41.7%	37.7%	34.1%	34.1%	32.9%	32.7%
Total	100.0% (N=5,841)	100.0% (N=3,795)	100.0% (N=3,148)	100.0% (N=2,369)	100.0% (N=2,240)	100.0% (N=2,187)
Average Number of Months	7.3	6.9	6.6	6.6	6.4	6.1

**B. CASES WITH ADULTS VERSUS CHILD-ONLY CASES**

Some of the cases receiving cash benefits consist solely of children. Typically, these are cases where a child who is eligible for benefits (based on family income) is in the care of an adult relative who is not eligible for cash assistance. These child-only cases have been little affected by the new policies of Work First, as these cases are not subject to work requirements or time limits.

Exhibit IV-5 shows the percentage of each cohort who received cash assistance at different months after initial program entry, by whether the cases were child-only or included a child and an adult<sup>3</sup>.

Within each cohort the child-only cases received benefits for a longer period of time on average than did cases with adults and children. About 19.7 percent of the child-only cases in the AFDC entry cohort and 18.8 percent in the September 1996 Work First entry cohort were receiving benefits 54 months after program entry. The figures for the adult-child cases were much lower — 8.5 percent for the AFDC cohort and 4.5 percent for the Work First cohort. The data indicate that the Work First program has had far less impact on child-only cases than on other cases. The data show a similar pattern for the four new cohorts, except that the child-only cases in the June 1998 cohort seem to be leaving welfare more rapidly than in the earlier cohorts.

<sup>3</sup> We excluded some cases for which it could not be determined whether the case was a child-only case. These included 89 cases from the AFDC entry cohort and 70 cases from the Work First cohorts.

**Exhibit IV-5  
WELFARE PARTICIPATION  
AT VARIOUS FOLLOW-UP INTERVALS, BY CASE TYPE**

MONTHS SINCE ENTRY	AFDC COHORT FEB 95		WORK FIRST COHORT SEP 96	
	CHILD AND ADULT (N=5,113)	CHILD ONLY (N=639)	CHILD AND ADULT (N=3,162)	CHILD ONLY (N=563)
ENTRY MONTH	100.0%	100.0%	100.0%	100.0%
6	66.0%	76.2%	60.5%	79.9%
12	44.5%	55.9%	34.5%	58.8%
18	35.0%	47.3%	23.0%	46.5%
24*	28.1%	39.6%	16.2%	39.1%
30	23.5%	36.0%	12.0%	34.3%
36	18.5%	32.4%	9.0%	29.1%
42	13.8%	27.5%	6.5%	25.6%
48	10.8%	23.6%	6.1%	21.8%
54	8.5%	19.7%	4.5%	18.8%
60	7.0%	18.6%	-	-
66	5.7%	16.3%	-	-
72	5.4%	12.8%	-	-
74	4.9%	12.5%	-	-
MONTHS SINCE ENTRY	WORK FIRST COHORT JUN 97		WORK FIRST COHORT JUN 98	
	CHILD AND ADULT (N=2,598)	CHILD ONLY (N=487)	CHILD AND ADULT (N=1,793)	CHILD ONLY (N=497)
ENTRY MONTH	100.0%	100.0%	100.0%	100.0%
6	54.1%	73.5%	53.5%	69.2%
12	31.3%	53.6%	29.8%	48.1%
18	18.4%	44.8%	19.4%	39.8%
24	14.8%	38.2%	13.5%	34.8%
30	10.5%	31.4%	11.3%	28.6%
36	7.4%	26.7%	-	-
42	6.8%	25.3%	-	-
46	6.2%	24.0%	-	-
MONTHS SINCE ENTRY	WORK FIRST COHORT JUN 99		WORK FIRST COHORT JUN 00	
	CHILD AND ADULT (N= 1,676)	CHILD ONLY (N=498)	CHILD AND ADULT (N=1,691)	CHILD ONLY (N=473)
ENTRY MONTH	100.0%	100.0%	100.0%	100.0%
6	49.2%	74.5%	48.0%	75.3%
12	26.7%	52.4%	-	-
18	16.9%	40.0%	-	-
22	13.8%	36.5%	-	-

**C. CASH PAYMENT AMOUNTS**

Exhibit IV-6 shows the distribution of families in the two original cohorts, by total payments received in the 54-month follow-up period after entry. As indicated in the exhibit, Work First families in the September 1996 entry cohort had lower payment levels than families in the AFDC entry cohort. For example, about 49.1 percent of the AFDC cohort had payments of \$2,500 or more, compared to only 39.7 percent of the September 1996 Work First cohort.

**Exhibit IV-6  
TOTAL CASH PAYMENTS  
FIRST 45 MONTHS AFTER ENTRY**

TOTAL PAYMENT AMOUNT	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97
Under \$750	17.8%	22.6%	24.2%
\$751 to \$1,499	18.3%	21.1%	23.1%
\$1,500 to \$2,499	14.8%	16.6%	16.1%
\$2,500 to \$4,999	21.8%	21.2%	18.6%
\$5,000 and Over	27.3%	18.5%	18.0%
Total	100.0% (N=5,841)	100.0% (N=3,795)	100.0% (N=3,148)

To standardize the follow-up periods for comparison, Exhibit IV-7 presents data on total cash payments received by families in the six entry cohorts during the first 10 months after initial entry. Comparing the four cohorts, 49 percent of the AFDC cohort had cash payments of \$1,500 or more during the 10-month follow-up period, compared to 46.5 percent for September 1996 cohort, and 43 percent of the 1997, 1998, and 1999 cohorts.

**Exhibit IV-7  
TOTAL CASH PAYMENTS  
FIRST 10 MONTHS AFTER ENTRY**

TOTAL PAYMENT AMOUNT	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98	WORK FIRST COHORT JUN 99	WORK FIRST COHORT JUN 00
Under \$500	14.5%	16.4%	17.0%	16.1%	13.2%	9.6%
\$501 to \$1,000	18.2%	19.1%	20.9%	23.5%	27.0%	29.4%
\$1,001 to \$1,500	18.3%	18.1%	18.6%	18.2%	16.9%	16.1%
\$1,501 to \$2,000	20.5%	20.0%	19.3%	18.5%	20.5%	18.5%
\$2,001 and over	28.5%	26.5%	24.2%	23.8%	22.4%	26.3%
Total	100.0% (N=5,841)	100.0% (N=3,795)	100.0% (N=3,148)	100.0% (N=2,369)	100.0% (N=2,240)	100.0% (N=2,187)

**CHAPTER V: WELFARE RECIDIVISM AMONG THE EXIT COHORTS (MONTHLY)**

This chapter presents data on welfare recidivism among the AFDC and Work First exit cohorts. We analyzed 54 months of data for the AFDC cohort and the September 1996 Work First cohort. For the four new cohorts, we analyzed 12 to 48 months. For each cohort, we calculated the percentage of cases that returned to AFDC or Work First and received benefits in any month subsequent to initial program exit. All families receiving benefits in any month were counted without regard to whether the case had cycled on and off cash assistance in earlier months.

**A. OVERALL WELFARE RECIDIVISM**

Exhibit V-1 shows the total number of months after initial program exit that families received cash benefits during the follow-up periods. The table includes all months in which the family returned to AFDC or Work First, whether they were consecutive or not.

The data show that among the AFDC exit cohort, 56.0 percent never returned to AFDC after exiting in February 1995, while 60.7 percent of the families exiting from Work First in September 1996 never returned. About 15.4 percent of the AFDC cohort received welfare for more than 18 months after exit, compared to only 11.6 percent of the September 1996 Work First cohort.

**Exhibit V-1  
TOTAL NUMBER OF MONTHS FAMILIES RECEIVED WELFARE AFTER INITIAL PROGRAM EXIT, BY COHORT**

<b>MONTHS RECEIVING WELFARE</b>	<b>AFDC COHORT FEB 95</b>	<b>WORK FIRST COHORT SEP 96</b>	<b>WORK FIRST COHORT JUN 97</b>	<b>WORK FIRST COHORT JUN 98</b>	<b>WORK FIRST COHORT JUN 99</b>	<b>WORK FIRST COHORT JUN 00</b>
0	56.0%	60.7%	61.4%	65.1%	67.4%	73.9%
1 – 6	13.0%	12.7%	13.6%	14.2%	14.1%	16.8%
7 – 12	9.2%	9.1%	9.7%	9.0%	10.2%	9.3%
13 – 18	6.4%	5.9%	6.2%	5.7%	6.2%	-
19 – 24	4.6%	4.1%	3.9%	3.4%	2.1%	-
25 – 30	3.6%	2.7%	2.7%	2.0%	-	-
31 – 36	2.5%	2.0%	1.2%	0.6%	-	-
37 – 42	2.0%	1.4%	0.8%	-	-	-
43 – 48	1.5%	0.7%	0.5%	-	-	-
49 – 54	1.2%	0.8%	-	-	-	-
Total	100.0% (N=7,217)	100.0% (N=7,531)	100.0% (N=7,236)	100.0% (N=6,349)	100.0% (N=5,553)	100.0% (N=4,553)

The data in the above exhibit shows the recidivism patterns among the four new cohorts. However, the data for these cohorts is not strictly comparable to the data for the original cohorts because of the differing follow-up periods.

To standardize the follow-up period across all six cohorts, Exhibit V-2 shows the total number of months in which families in each cohort received welfare during the first 9 months after initial program exit. The data indicate that about 73 percent of the Work First exit cohorts did not return to welfare in the first 9 months after exiting, compared to 69.7 percent of the AFDC cohort. exit cohort. These data confirm, therefore, that the Work First program is having a significant impact in reducing recidivism among families leaving welfare.

**Exhibit V-2**  
**NUMBER OF MONTHS INDIVIDUAL FAMILIES RECEIVED**  
**WELFARE DURING 9 MONTHS AFTER INITIAL PROGRAM EXIT**

MONTHS RECEIVING WELFARE	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98	WORK FIRST COHORT JUN 99	WORK FIRST COHORT JUN 00
0	69.7%	73.4%	72.8%	76.0%	74.5%	73.9%
1	2.0%	2.1%	1.2%	1.9%	1.9%	2.0%
2	2.2%	2.4%	2.3%	1.9%	2.6%	2.2%
3	4.0%	3.1%	3.7%	3.5%	3.2%	3.5%
4	3.8%	3.3%	3.0%	3.2%	3.0%	2.6%
5	3.7%	2.9%	3.2%	3.0%	3.0%	2.8%
6	3.9%	3.7%	3.6%	3.3%	3.3%	3.7%
7	3.2%	2.6%	3.2%	2.4%	2.4%	2.7%
8	2.9%	2.6%	3.2%	2.2%	2.6%	2.9%
9	4.6%	3.8%	3.7%	2.6%	3.3%	3.7%
Total	100.0% (N=7,217)	100.0% (N=7,531)	100.0% (N=7,236)	100.0% (N=6,349)	100.0% (N=5,553)	100.0% (N=4,553)

***Recidivism Rates at Specific Follow-Up Periods***

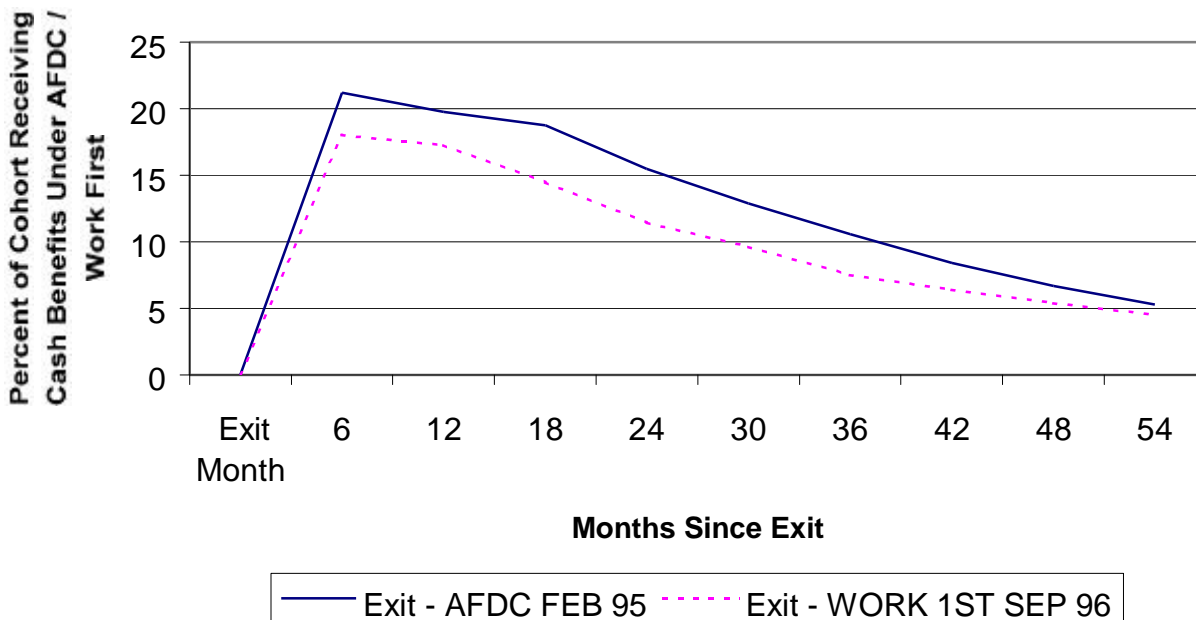
As indicated in Exhibit V-3, a smaller percentage of the families in the Work First exit cohorts were on cash assistance in each follow-up month than the families in the AFDC cohort. At 24 months after exit, 15.5 percent of the AFDC cohort had returned to welfare, compared to only 11.4 percent of the September 1996 exit cohort, 10.1 percent of the June 1997 exit cohort, and 8.6 percent of the June 1998 exit cohort. The same overall pattern appears to be holding for the June 1999 and June 2000 exit cohorts.

**Exhibit V-3**  
**WELFARE RECIDIVISM AT SPECIFIC INTERVALS, BY COHORT**  
 (Percent of cohort receiving cash benefits in the month)

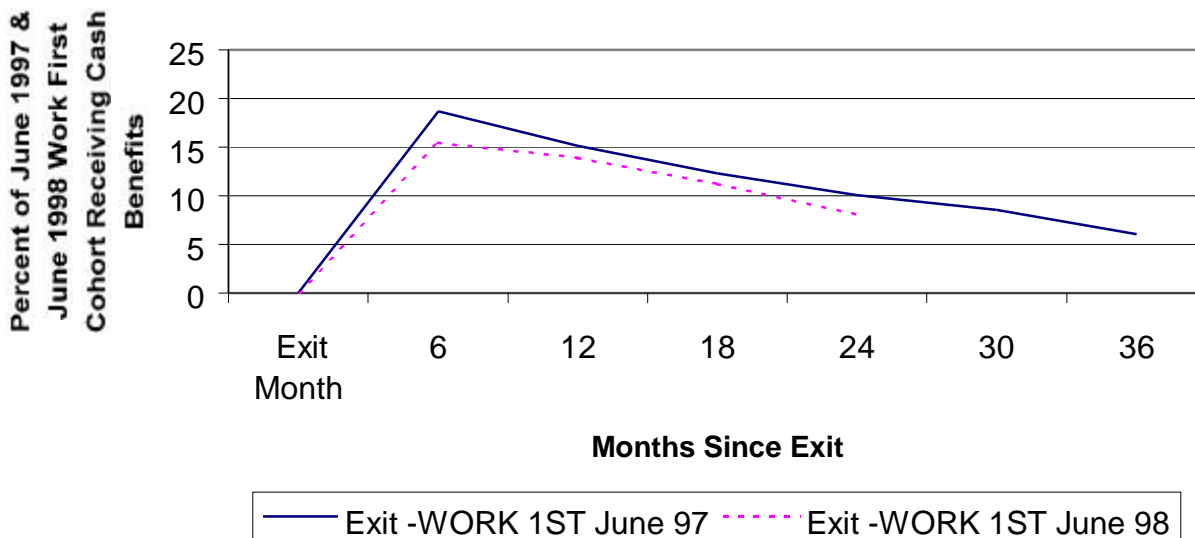
<b>MONTHS AFTER EXIT</b>	<b>AFDC COHORT FEB 95 (N=7,217)</b>	<b>WORK FIRST COHORT SEP 96 (N=7,531)</b>	<b>WORK FIRST COHORT JUN 97 (N=7,236)</b>	<b>WORK FIRST COHORT JUN 98 (N=6,349)</b>	<b>WORK FIRST COHORT JUN 99 (N=5,553)</b>	<b>WORK FIRST COHORT JUN 00 (N=4,553)</b>
Exit Month	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	21.2%	18.0%	18.7%	15.5%	16.6%	17.0%
12	19.7%	17.2%	15.1%	13.9%	13.6%	-
18	18.8%	14.5%	12.3%	11.2%	12.1%	-
24	15.5%	11.4%	10.1%	8.6%	-	-
30	12.9%	9.6%	8.6%	8.3%	-	-
36	10.6%	7.5%	6.4%	-	-	-
42	8.4%	6.4%	5.7%	-	-	-
48	6.7%	5.4%	-	-	-	-
54	5.3%	4.5%	-	-	-	-

Exhibits V-4 to V-6 provide a graphic illustration of recidivism among the six cohorts, showing the percentage of each exit cohort who received cash assistance each month after initial program exit. These exhibits illustrate that recidivism rates are relatively high immediately after exit, then decline over time.

**Exhibit V-4  
WELFARE RECIDIVISM AMONG  
THE AFDC AND SEP 1996 WORK FIRST EXIT COHORTS**

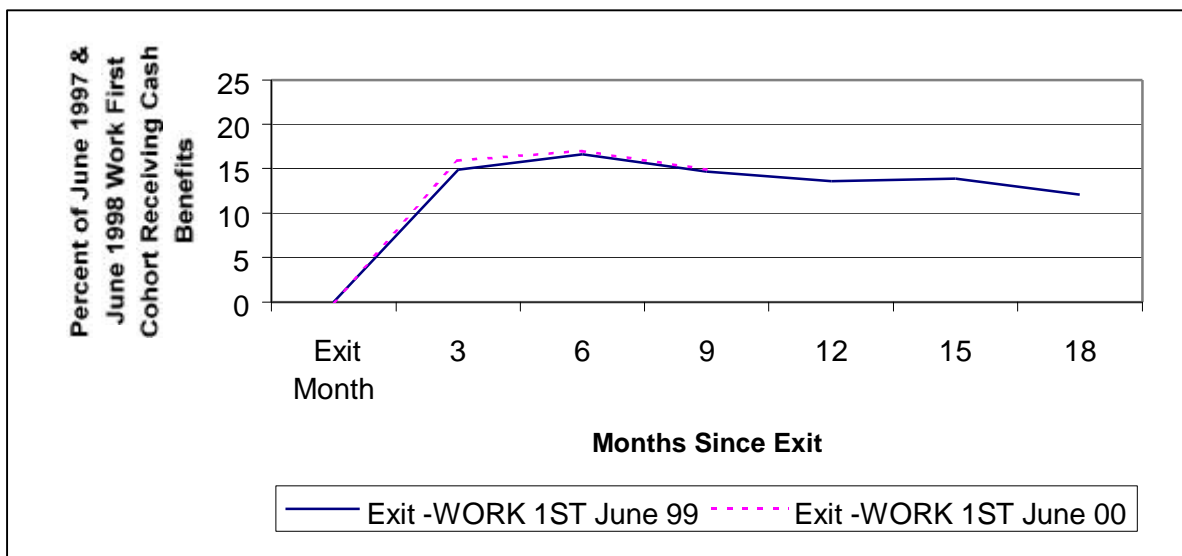


**EXHIBIT V-5  
WELFARE RECIDIVISM AMONG  
THE JUNE 1997 AND JUNE 1998 EXIT COHORTS**





**EXHIBIT V-6  
WELFARE RECIDIVISM AMONG  
THE JUNE 1999 AND JUNE 2000 EXIT COHORTS**



**B. CASES WITH ADULTS VERSUS CHILD-ONLY CASES**

Exhibit V-7 shows the percentage of each cohort who received cash assistance at different months after initial exit, by whether the cases were child-only or included children and adults.

Within each cohort except the June 2000 cohort, the child-only cases were much less likely to return to welfare in the first six months after exit than the cases with adults. About 16.4 percent of the cases with adults in the Work First June 1998 cohort had returned to welfare within six months, compared to only 10 percent of the child-only cases. This pattern is the same for the other cohorts, except for the June 2000 exit cohort.

The reason for this pattern could be that child-only cases tend to leave welfare for different reasons than the cases involving adults. However, the differences were no longer apparent after about 36 months for the first two cohorts and after 24 months for the June 1997 and June 1998 cohort.

**Exhibit V-7**  
**WELFARE RECIDIVISM AT SPECIFIC**  
**INTERVALS AFTER EXIT, BY CASE TYPE**  
 (Percent of each cohort receiving cash assistance  
 payments during the specific follow-up month)

MONTHS SINCE EXIT	AFDC COHORT FEB 95		WORK FIRST COHORT SEP 96	
	CHILD AND ADULT (N=6,274)	CHILD ONLY (N=816)	CHILD AND ADULT (N=6,143)	CHILD ONLY (N=1,220)
EXIT MONTH	0.0%	0.0%	0.0%	0.0%
6	22.4%	14.7%	19.6%	11.5%
12	20.7%	13.8%	18.5%	11.6%
18	19.6%	13.8%	15.5%	9.7%
24	16.0%	12.1%	12.0%	9.0%
30	13.4%	9.3%	9.9%	8.4%
36	10.8%	8.8%	7.5%	7.7%
42	8.4%	8.2%	6.3%	6.8%
48	6.7%	6.9%	5.5%	5.0%
54	5.2%	5.6%	4.5%	4.7%
MONTHS SINCE EXIT	WORK FIRST COHORT JUN 97		WORK FIRST COHORT JUN 98	
	CHILD AND ADULT (N=6,326)	CHILD ONLY (N=775)	CHILD AND ADULT (N=5,487)	CHILD ONLY (N=728)
EXIT MONTH	0.0%	0.0%	0.0%	0.0%
6	19.7%	13.4%	16.4%	10.0%
12	15.7%	12.6%	14.7%	10.0%
18	12.5%	11.9%	11.8%	8.2%
24	10.1%	10.3%	8.7%	8.8%
30	8.5%	9.5%	8.4%	8.8%
36	6.2%	7.7%	-	-
42	5.4%	7.6%	-	-
MONTHS SINCE EXIT	WORK FIRST COHORT JUN 99		WORK FIRST COHORT JUN 00	
	CHILD AND ADULT (N=4,354)	CHILD ONLY (N=926)	CHILD AND ADULT (N=3,564)	CHILD ONLY (N=874)
EXIT MONTH	0.0%	0.0%	0.0%	0.0%
6	18.3%	12.6%	17.7%	16.1%
12	14.9%	10.9%	-	-
18	13.3%	9.6%	-	-

**C. CASH PAYMENT AMOUNTS**

Exhibit V-8 shows the distribution of welfare payments among families in the AFDC and September 1996 exit cohorts. As indicated, Work First families received lower total payments than AFDC families. For example, within the 54-month follow-up period, 24.6 percent of the AFDC cohort had payment levels of \$2,000 or more after exiting welfare, compared to 21.3 percent of the September 1996 Work First cohort.

**Exhibit V-8  
TOTAL CASH PAYMENTS  
FIRST 54 MONTHS AFTER INITIAL PROGRAM EXIT**

TOTAL PAYMENT AMOUNT	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96
No Payments	56.1%	60.8%
\$1 to \$999	10.8%	9.3%
\$1,000 to \$1,999	8.4%	8.7%
\$2,000 to \$2,999	5.6%	5.5%
\$3,000 to \$3,999	4.6%	4.4%
\$4,000 and over	14.4%	11.4%
Total	100.0% (N=7,217)	100.0% (N=7,531)

The data for the four new cohorts cannot be compared easily with the data for the original cohorts due to the different follow-up periods. Exhibit V-9 shows the total cash payments received by families in the four cohorts using a standardized 9-month period after exiting welfare.

The data show that 12.0 percent of the June 1998 exit cohort had payments of \$1,000 or more during the first 9 months after leaving welfare, compared to 14.9 percent of the AFDC exit cohort. In addition, 76.2 percent of the June 1998 exit cohort received no payments, compared to 69.9 percent of the AFDC exit cohort.

**Exhibit V-9  
CASH PAYMENTS AMONG THE EXIT COHORTS —  
FIRST 9 MONTHS AFTER INITIAL PROGRAM EXIT**

<b>TOTAL PAYMENT AMOUNT</b>	<b>AFDC COHORT FEB 95</b>	<b>WORK FIRST COHORT SEP 96</b>	<b>WORK FIRST COHORT JUN 97</b>	<b>WORK FIRST COHORT JUN 98</b>	<b>WORK FIRST COHORT JUN 99</b>	<b>WORK FIRST COHORT JUN 00</b>
No Payments	69.9%	73.7%	72.9%	76.2%	74.8%	73.9%
\$1 to \$499	7.3%	6.3%	5.7%	5.0%	5.0%	3.9%
\$500 to \$999	8.0%	6.8%	6.9%	6.7%	6.9%	7.0%
\$1,000 to \$1,499	7.3%	6.1%	6.5%	6.2%	6.5%	6.7%
\$1,500 to \$1,999	4.6%	4.4%	5.4%	4.0%	4.6%	5.6%
\$2,000 and over	3.0%	2.7%	2.6%	1.8%	2.3%	2.9%
Total	100.0% (N=7,217)	100.0% (N=7,531)	100.0% (N=7,236)	100.0% (N=6,349)	100.0% (N=5,553)	100.0% (N=4,553)

## **CHAPTER VI: EMPLOYMENT, EARNINGS, WAGE PROGRESSION, AND FOOD STAMP RECEIPT AMONG FAMILIES AFTER LEAVING WELFARE (MONTHLY COHORTS)**

This chapter presents information on employment and earnings among families who left AFDC or Work First, including information on “wage progression” as evidenced in increased earnings over time. The chapter also presents data on whether the families continued to receive public assistance through the Food Stamp program.

### **A. EMPLOYMENT STATUS**

The wage data submitted to the North Carolina Employment Security Commission by employers as part of the Unemployment Insurance program is a source of information on employment for most of the citizens of North Carolina.<sup>1</sup> Wage data are submitted quarterly for each covered employee. Included are total earnings for the quarter, as well as the industry and location of the employer. The file does not include information on hours worked, hourly wages, the start or end date of employment, or the specific occupation of the employee.

For this report, we were able to analyze an additional three quarters of data compared to the fifth report in this series. Exhibit VI-1 presents the available employment data for the six exit cohorts for each quarter after exit. The data continue to indicate that there is not a substantial difference between the AFDC exit cohorts and the Work First exit cohorts in terms of the percentage employed.

Specifically, the Work First cohorts had somewhat higher rates of employment than the AFDC cohort during the first quarter after exit. However, in subsequent quarters, the percentage employed in the Work First cohorts declined until it approximated the percentage employed in the AFDC cohort. For example, 70.9 percent of the June 1997 exit cohort was employed in the first quarter, and 62.5 percent in the 13<sup>th</sup> quarter after exit, compared to 65.7 percent and 64.8 percent in the first and 13<sup>th</sup> quarters respectively of the AFDC exit cohort.

One explanation for this pattern may be that under Work First, recipients may be motivated to leave welfare relatively quickly to obtain employment (due to such factors as work requirements, sanctions, and the prospect of reaching time limits), but the employment may not be as stable compared to the jobs obtained by persons leaving AFDC.

Another key finding from the exhibit is that rates of employment are apparently affected by seasonal factors. In each year, rates of employment among all of the cohorts are lowest in the first quarter (January to March). To illustrate this finding, we have shaded the first calendar quarter in the follow-up periods for each cohort.

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<sup>1</sup> Persons who are self-employed and those working for the federal government are two examples of workers who are not part of the Unemployment Insurance system. No information on employment is available for these workers from the Wage Data reports.

**Exhibit VI-1  
EMPLOYMENT STATUS BY QUARTER AFTER PROGRAM EXIT  
(Child-only cases excluded)**

CALENDAR QUARTER AFTER EXIT	AFDC COHORT FEB 95 (N=6,274)	WORK FIRST COHORT SEP 96 (N=6,143)	WORK FIRST COHORT JUN 97 (N=6,326)	WORK FIRST COHORT JUN 98 (N=5,487)	WORK FIRST COHORT JUN 99 (N=4,354)	WORK FIRST COHORT JUN 00 (N=3,564)
1	65.7%	68.1%	70.9%	70.0%	68.9%	60.5%
2	64.6%	63.3%	66.6%	67.0%	66.3%	-
3	62.7%	64.4%	62.5%	62.5%	62.4%	-
4	61.6%	65.2%	65.7%	65.7%	63.1%	-
5	63.1%	64.7%	66.7%	65.9%	61.2%	-
6	64.2%	62.0%	66.7%	64.8%	-	-
7	63.6%	64.8%	62.8%	62.4%	-	-
8	61.2%	65.8%	65.0%	64.0%	-	-
9	63.5%	65.2%	65.5%	60.8%	-	-
10	64.5%	62.8%	65.5%	-	-	-
11	64.2%	64.6%	63.1%	-	-	-
12	62.4%	65.6%	63.9%	-	-	-
13	64.8%	64.8%	62.5%	-	-	-
14	65.0%	63.3%	-	-	-	-
15	65.4%	63.4%	-	-	-	-
16	63.0%	61.8%	-	-	-	-
17	64.8%	-	-	-	-	-
18	65.3%	-	-	-	-	-
19	65.8%	-	-	-	-	-
20	64.0%	-	-	-	-	-
21	64.3%	-	-	-	-	-
22	63.1%	-	-	-	-	-

NOTE: The shaded cells are the first calendar quarter of each year (January to March).

Exhibit VI-2 shows the total number of quarters that members of the cohorts were employed during the different follow-up periods. The data indicate that 8.9 percent of the AFDC exit cohort and 10.9 percent of the Work First June 1998 cohort had never been employed. The numbers are artificially higher for the Work First cohorts due to the shorter follow-up period.

**Exhibit VI-2  
NUMBER OF QUARTERS WORKED AFTER EXIT  
(Child-only cases excluded)**

NUMBER OF QUARTERS EMPLOYED	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98	WORK FIRST COHORT JUN 99	WORK FIRST COHORT JUN 00
0	8.9%	9.6%	8.9%	10.9%	15.3%	39.5%
1	2.3%	3.2%	4.0%	5.3%	8.3%	60.5%
2	2.4%	2.5%	3.7%	4.5%	9.7%	-
3	2.0%	3.0%	3.3%	4.6%	11.3%	-
4	1.7%	3.1%	3.7%	6.0%	16.6%	-
5	2.2%	2.7%	3.5%	7.0%	38.8%	-
6	2.2%	2.7%	4.1%	7.9%	-	-
7	2.2%	3.4%	4.4%	10.5%	-	-
8	2.3%	3.4%	4.9%	14.8%	-	-
9	2.3%	3.7%	6.2%	28.5%	-	-
10	2.7%	4.3%	7.2%	-	-	-
11	2.5%	5.1%	8.5%	-	-	-
12	2.5%	5.2%	11.6%	-	-	-
13	3.3%	6.1%	26.1%	-	-	-
14	2.9%	7.4%	-	-	-	-
15	3.2%	11.6%	-	-	-	-
16	4.0%	23.0%	-	-	-	-
17	4.4%	-	-	-	-	-
18	4.3%	-	-	-	-	-
19	5.4%	-	-	-	-	-
20	7.1%	-	-	-	-	-
21	9.9%	-	-	-	-	-
22	19.2%	-	-	-	-	-
<b>TOTAL</b>	<b>100.0%</b> <i>(N=6,274)</i>	<b>100.0%</b> <i>(N=6,143)</i>	<b>100.0%</b> <i>(N=6,326)</i>	<b>100.0%</b> <i>(N=5,487)</i>	<b>100.0%</b> <i>(N=4,354)</i>	<b>100.0%</b> <i>(N=3,564)</i>

Exhibit VI-3 uses a standardized follow-up period for the two original cohorts to show the number of quarters worked during the first 16 quarters after exit. The data show that there was little difference between the two cohorts in terms of employment patterns. The percentage who had never been employed was 10.2 percent for the AFDC exit cohort and 9.6 percent for the Work First cohort.

**Exhibit VI-3  
NUMBER OF QUARTERS WORKED AFTER EXIT,  
ORIGINAL COHORTS  
(Child-only cases excluded)**

<b>NUMBER OF QUARTERS EMPLOYED</b>	<b>AFDC COHORT FEB 95</b>	<b>WORK FIRST COHORT SEP 96</b>
0	10.2%	9.6%
1	3.0%	3.2%
2	3.4%	2.5%
3	2.5%	3.0%
4	2.8%	3.1%
5	3.1%	2.7%
6	3.1%	2.7%
7	3.5%	3.4%
8	3.3%	3.4%
9	3.7%	3.7%
10	4.4%	4.3%
11	4.7%	5.1%
12	4.7%	5.2%
13	5.8%	6.1%
14	7.0%	7.4%
15	10.3%	11.6%
16	24.6%	23.0%
<b>TOTAL</b>	<b>100.0%</b> <i>(N=6,274)</i>	<b>100.0%</b> <i>(N=6,143)</i>

To standardize the follow-up period for five of the cohorts, Exhibit VI-4 presents data on the five cohorts during the first five quarters after exit. The data indicate that the percentage who were never employed during the first five quarters after exit was slightly higher among the AFDC exit cohort (18.6 percent) than among any of the Work First exit cohorts. However, the percentage who were employed for all five quarters was lower in the June 1999 exit cohort (38.8 percent) than among the other exit cohorts.



**Exhibit VI-4  
NUMBER OF QUARTERS WORKED DURING THE FIRST  
FIVE QUARTERS AFTER EXIT, ALL COHORTS, EXCLUDING JUN 00  
(Child-Only Cases Excluded)**

<b>NUMBER OF QUARTERS EMPLOYED</b>	<b>AFDC COHORT FEB 95</b>	<b>WORK FIRST COHORT SEP 96</b>	<b>WORK FIRST COHORT JUN 97</b>	<b>WORK FIRST COHORT JUN 98</b>	<b>WORK FIRST COHORT JUN 99</b>
0	18.6%	17.8%	15.0%	15.4%	15.3%
1	7.9%	7.5%	8.1%	7.7%	8.3%
2	8.8%	7.7%	8.6%	7.9%	9.7%
3	9.1%	9.0%	10.3%	10.5%	11.3%
4	13.2%	14.0%	14.0%	16.7%	16.6%
5	42.5%	44.0%	44.0%	41.8%	38.8%
<b>TOTAL</b>	100.0% (N=6,274)	100.0% (N=6,143)	100.0% (N=6,326)	100.0% (N=5,487)	100.0% (N=4,354)

**B. TYPE OF INDUSTRY IN WHICH PERSONS WERE EMPLOYED**

Although the Wage Data files do not contain information on the specific occupation of each employee, the reports filed by employers do contain the Standard Industrial Classification (SIC) Code for the employer's business. Exhibit VI-5 presents data on type of employment among persons who were employed.

The data show that employment patterns among the six cohorts were similar in terms of type of employment. However, the more recent exit cohorts were somewhat more likely to be engaged in services and retail industries compared to the original cohorts. About 67.7 percent of the AFDC cohort were engaged in retail and services, compared to 70.2 percent of the September 1996 cohort, 71.4 percent of the June 1997 cohort, and 74.7 percent of the June 1998 cohort, and 77.0 percent of the June 1999 cohort. Conversely, the percentage of persons employed in manufacturing is lower among the two most recent exit cohorts.

One explanation for this is that the more recent welfare leavers are more likely to obtain employment in retail and service jobs than earlier welfare leavers under the AFDC program. An alternate explanation is that persons who leave welfare may initially be likely to obtain jobs in retail and services and may move to other types of jobs over time.

## Exhibit VI-5 INDUSTRIES IN WHICH COHORT MEMBERS WERE EMPLOYED

INDUSTRY	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98	WORK FIRST COHORT JUN 99	WORK FIRST COHORT JUN 00
Services	41.4%	43.4%	41.6%	44.6%	45.1%	46.8%
Retail trade	26.3%	26.8%	29.8%	30.1%	31.9%	32.5%
Manufacturing	16.8%	16.2%	14.8%	12.9%	11.5%	10.5%
Finance, insurance & real estate	3.3%	3.0%	2.6%	2.6%	2.4%	1.8%
Construction	3.2%	2.9%	3.2%	2.4%	2.2%	2.0%
Transportation & public utilities	3.1%	2.3%	2.3%	2.3%	2.2%	2.5%
Wholesale trade	2.9%	3.0%	3.2%	2.5%	2.6%	2.5%
Public administration	2.0%	1.6%	1.5%	1.6%	1.1%	0.7%
Agriculture, forestry, & fishing	1.0%	0.8%	0.9%	0.9%	0.8%	0.7%
Mining	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
Nonclassifiable establishments	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

### C. EARNINGS AND WAGE PROGRESSION AMONG EMPLOYED PERSONS

The Wage Data files provide information on the total amount paid to each employee per calendar quarter. By linking the individuals to the cases in our AFDC and Work First cohorts, we have computed a figure for the total earnings per case for each quarter after leaving AFDC or Work First.<sup>2</sup>

Exhibit VI-6 provides a graphic illustration of the increase in median earnings for persons employed in the original two cohorts. The exhibit shows a steady increase in median earnings among both cohorts. For the Work First cohort, the exhibit shows the projected increases in earnings through the 19<sup>th</sup> quarter, based on a linear forecast.

It should be noted that the increase in earnings might not be a reflection only of advancement within a specific job. Other studies of wage progression have shown that increases in wages are often due to persons moving into higher-paying jobs rather than earning more in the existing jobs. The increase in earnings may also be a reflection of increased hours worked.

<sup>2</sup> If an individual had earnings reported from more than one employer, we added all earnings together to produce the quarterly earnings figure. If more than one individual in a case had earnings reported, we added all earnings to produce the total quarterly earnings figure for the case.

**Exhibit VI-6  
EARNINGS PROGRESSION AMONG PERSONS EMPLOYED  
AFTER LEAVING WELFARE**

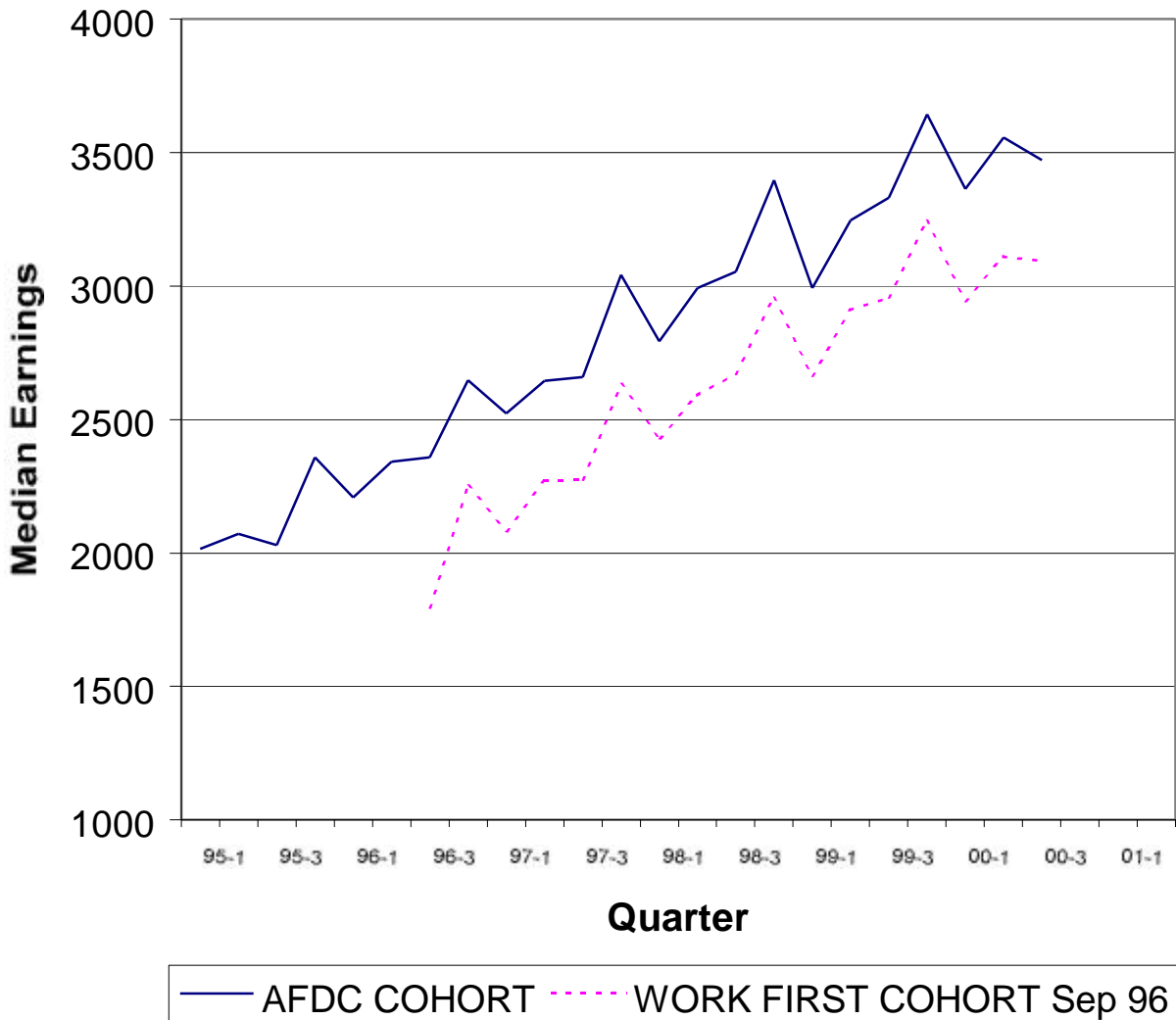


Exhibit VI-7 shows the median earnings among those cases with any earnings for each quarter after program exit. Child-only cases and cases with no earnings reported were excluded from the calculation.

The data show that earnings patterns among the members of the September 1996 Work First cohort and the AFDC cohort are substantially similar. The data also show evidence of wage progression for families in all cohorts. Earnings among the AFDC exit cohort increased from \$2,073 in the first quarter after exit to \$2,992 in the 16<sup>th</sup> quarter, an increase of 44.3 percent. Earnings among the September 1996 exit cohort increased from \$2,251 in the first

quarter after exit to \$3,093 in the 16<sup>th</sup> quarter, an increase of 37.4 percent. Earnings in the June 1997 cohort increased from \$2,135 in the first quarter after exit to \$2,830 in the 13<sup>th</sup> quarter after exit, an increase of 32.6 percent. Finally, earnings in the June 1998 cohort increased from \$2,002 in the first quarter after exit to \$2,529 in the 9<sup>th</sup> quarter after exit, an increase of 26.3 percent. These percentages are not directly comparable due to the different follow-up periods.

One of the major findings from Exhibit VI-7 is that earnings follow a seasonal pattern, with the highest earnings occurring during the fourth quarter (October to December) in each calendar year. This pattern is true for each of the first five cohorts. In the exhibit, we have shaded the fourth quarter earnings for each cohort. As indicated, earnings in this quarter reach a spike each year before declining again in the first quarter of the following year. This means that the fourth quarter each year is not only associated with increased rates of employment, but also with increased earnings among those employed.

## Exhibit VI-7 MEDIAN QUARTERLY EARNINGS AMONG PERSONS EMPLOYED AFTER LEAVING WELFARE

QUARTER AFTER EXIT	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98
1	\$2,073	\$2,251	\$2,135	\$2,002	\$1,945	\$1,743
2	\$2,030	\$2,083	\$2,393	\$2,211	\$2,124	-
3	\$2,358	\$2,271	\$2,181	\$1,980	\$1,962	-
4	\$2,209	\$2,275	\$2,371	\$2,159	\$2,064	-
5	\$2,343	\$2,631	\$2,391	\$2,228	\$2,140	-
6	\$2,358	\$2,431	\$2,721	\$2,522	-	-
7	\$2,648	\$2,590	\$2,450	\$2,271	-	-
8	\$2,523	\$2,671	\$2,622	\$2,480	-	-
9	\$2,644	\$2,956	\$2,658	\$2,529	-	-
10	\$2,660	\$2,664	\$2,968	-	-	-
11	\$3,043	\$2,910	\$2,765	-	-	-
12	\$2,792	\$2,957	\$2,915	-	-	-
13	\$2,992	\$3,245	\$2,830	-	-	-
14	\$3,053	\$2,945	-	-	-	-
15	\$3,397	\$3,111	-	-	-	-
16	\$2,992	\$3,093	-	-	-	-
17	\$3,247	-	-	-	-	-
18	\$3,330	-	-	-	-	-
19	\$3,643	-	-	-	-	-
20	\$3,365	-	-	-	-	-
21	\$3,557	-	-	-	-	-
22	\$3,472	-	-	-	-	-

Note: The shaded cells represent the fourth quarter in each calendar year percent.

This seasonal phenomenon should be taken into account when analyzing earnings progression. Specifically, it is important in comparing wage progression across different cohorts to ensure that seasonal factors are taken into account. This approach is shown in Exhibit VI-8.

When we compare only fourth quarter earnings after exit for each cohort, we find that earnings for the AFDC exit cohort increased by the following percentages each year: 12.3 percent, 14.9 percent, 11.6 percent, and 7.2 percent. The annual increases for the September 1996 exit cohort based on fourth quarter earnings were 16.9 percent, 12.4 percent, and 9.8 percent. For the June 1997 exit cohort the increases were 13.7 percent and 9.1 percent, and for the June 1998 exit cohort the increase was 14.1 percent.

In addition, median wages are highest for the June 1997 exit cohort for the first and second follow-up years, but are highest for the AFDC cohort in the third year after exit.

### Exhibit VI-8 MEDIAN QUARTERLY EARNINGS IN THE FOURTH QUARTER OF EACH FOLLOW-UP YEAR

FOURTH CALENDAR QUARTER AFTER EXIT	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98	WORK FIRST COHORT JUN 99
1	\$2,358	\$2,251	\$2,393	\$2,211	\$2,124
2	\$2,648	\$2,631	\$2,721	\$2,522	-
3	\$3,043	\$2,956	\$2,968	-	-
4	\$3,397	\$3,245	-	-	-
5	\$3,643	-	-	-	-

For employed persons with earnings, Exhibit VI-9 shows earnings data during the 16<sup>th</sup> quarter after exit for the two original cohorts. For the AFDC cohort, the figures are from the first quarter of 1999. For the Work First cohort, the data are from the third quarter of 2000.

The exhibit shows that 68 percent of the employed cases in the AFDC and 67 percent of the cases in the September 1996 cohorts had earnings of \$2,000 or higher in the 16<sup>th</sup> quarter after exit. Among the September 1996 cohort, 23.6 percent of the employed cases had earnings of \$5,000 or higher. This compares with 19.0 percent of those in the AFDC cohort.

**Exhibit VI-9**  
**SINGLE QUARTER EARNINGS OF THE ORIGINAL EXIT COHORTS**  
**SIXTEENTH QUARTER AFTER EXIT**  
**(Cases with earnings reported)**

QUARTERLY EARNINGS	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96
\$1 to 999	16.5%	18.2%
\$1,000 to 1,999	15.6%	14.4%
\$2,000 to 2,999	17.9%	15.6%
\$3,000 to 3,999	17.4%	15.2%
\$4,000 to 4,999	13.6%	13.0%
\$5,000 and Over	19.0%	23.6%
TOTAL	100.0% (N=3,950)	100.0% (N=3,793)

To standardize the length of the follow-up periods for the initial five exit cohorts, Exhibit VI-10 presents single quarter earnings amounts for all cohorts during the fifth quarter after exit. This was the second quarter of 1996 for the AFDC cohort, the third quarter of 1997 for the September 1996 cohort, the third quarter of 1998 for the June 1997 exit cohort, the third quarter of 1999 for the June 1998 cohort, and the third quarter of 2000 for the June 1999 exit cohort. The data show that earnings distributions were slightly higher among the Work First cohorts than the AFDC cohort.

**Exhibit VI-10**  
**SINGLE QUARTER EARNINGS OF THE EXIT COHORTS --**  
**FIFTH QUARTER AFTER EXIT**  
**(Cases with earnings reported)**

QUARTERLY EARNINGS	AFDC COHORT FEB 95	WORK FIRST COHORT SEP 96	WORK FIRST COHORT JUN 97	WORK FIRST COHORT JUN 98	WORK FIRST COHORT JUN 99
\$1 to 999	23.4%	20.6%	22.8%	25.5%	26.9%
\$1,000 to 1,999	19.9%	17.1%	19.3%	20.1%	20.6%
\$2,000 to 2,999	19.9%	19.9%	19.3%	18.0%	16.5%
\$3,000 to 3,999	17.7%	18.5%	16.3%	16.1%	15.3%
\$4,000 to 4,999	10.0%	10.9%	10.1%	9.6%	9.5%
\$5,000 and Over	9.1%	13.0%	12.2%	10.6%	11.4%
TOTAL	100.0% (N=3,957)	100.0% (N=3,968)	100.0% (N=4,213)	100.0% (N=3,614)	100.0% (N=2,661)

**D. FOOD STAMP RECEIPT**

Information from the administrative information system used by the Food Stamp program is included in the longitudinal database used for this study. Exhibit VI-11 presents additional follow-up data on Food Stamp receipt among the exit cohorts.

The data indicate that, at almost every follow-up month, the four most recent cohorts were utilizing Food Stamps at a higher rate than the earlier cohorts. For example, 35.1 percent of families in the June 1998 Work first cohort received Food Stamps 24 months after leaving welfare, compared to 29.4 percent in the AFDC cohort. One year after leaving welfare, 40.5 percent of families in the June 1999 cohort still received Food Stamps, compared to 33.2 percent of cases in the AFDC cohort.

At the same time, one sees that as the number of months after exit increases, Food Stamp usage in all six cohorts tends to decline. This is despite the fact that many families had returned to welfare during the follow-up period. For example, at 12 months after exit, 33.2 percent of the AFDC cohort were receiving Food Stamps, but by 72 months after exit, the percentage had declined to 21.0 percent. Food Stamp participation among the Work First September 1996 cohort decreased from 32.6 percent at 12 months after exit to 23.2 percent at 54 months after exit. Food Stamp use among the Work First June 1997 cohort decreased from 38.2 percent at 12 months after exit to 28.3 percent at 45 months after exit.

**Exhibit VI-11**  
**FOOD STAMP PARTICIPATION AMONG THE EXIT COHORTS**  
**(Number and percentage receiving Food Stamps)**

<b>FOLLOW-UP PERIOD MONTHS AFTER EXIT</b>	<b>AFDC COHORT FEB 95</b>	<b>WORK FIRST COHORT SEP 96</b>	<b>WORK FIRST COHORT JUN 97</b>	<b>WORK FIRST COHORT JUN 98</b>	<b>WORK FIRST COHORT JUN 99</b>	<b>WORK FIRST COHORT JUN 00</b>
6	2349 (32.5%)	2547 (33.8%)	2833 (29.2%)	2764 (43.5%)	2466 (44.4%)	2009 (44.1%)
9	2309 (32.0%)	2525 (33.5%)	2905 (40.1%)	2648 (41.7%)	2341 (42.1%)	1948 (42.8%)
12	2394 (33.2%)	2452 (32.6%)	2764 (38.2%)	2518 (39.7%)	2250 (40.5%)	-
15	2197 (30.4%)	2280 (30.3%)	2540 (35.1%)	2735 (43.1%)	2132 (38.4%)	-
18	2315 (32.1%)	2405 (31.9%)	2472 (34.2%)	2455 (38.7%)	2149 (38.7%)	-
21	2269 (31.4%)	2291 (30.4%)	2358 (32.6%)	2353 (37.1%)	2093 (37.7%)	-
24	2120 (29.4%)	2182 (29.0%)	2296 (31.7%)	2228 (35.1%)	-	-
27	2035 (28.2%)	2062 (27.4%)	2614 (36.1%)	2200 (34.7%)	-	-
30	1961 (27.2%)	2026 (26.9%)	2238 (30.9%)	2252 (35.5%)	-	-
33	1927 (26.7%)	1941 (25.8%)	2127 (29.4%)	2230 (35.1%)	-	-
36	2012 (27.9%)	2344 (31.1%)	2059 (28.5%)	-	-	-
39	1900 (26.3%)	1902 (25.3%)	2038 (28.2%)	-	-	-
42	1839 (25.5%)	1857 (24.7%)	2034 (28.1%)	-	-	-
45	1774 (24.6%)	1797 (23.9%)	2051 (28.3%)	-	-	-
48	1724 (23.9%)	1797 (23.9%)	-	-	-	-
51	1645 (22.8%)	1834 (24.4%)	-	-	-	-
54	1663 (23.0%)	1747 (23.2%)	-	-	-	-
57	2049 (28.4%)	-	-	-	-	-
60	1593 (22.1%)	-	-	-	-	-
63	1582 (21.9%)	-	-	-	-	-
66	1587 (22.0%)	-	-	-	-	-
69	1564 (21.7%)	-	-	-	-	-
72	1518 (21.0%)	-	-	-	-	-
<b>TOTAL</b>	<b>7217 (100.0%)</b>	<b>7531 (100.0%)</b>	<b>7236 (100.0%)</b>	<b>6349 (100.0%)</b>	<b>7236 (100.0%)</b>	<b>6349 (100.0%)</b>



## CHAPTER VII: WELFARE PARTICIPATION AND RECIDIVISM IN SELECTED COUNTIES

This chapter provides updated information on welfare participation and recidivism patterns in selected counties in North Carolina. The goal is to examine whether certain counties are experiencing higher or lower welfare participation and recidivism rates than other counties. In future reports, we will expand our analyses of county-level longitudinal data to examine the factors underlying the observed variations.

For purposes of the analysis, we have selected the seven counties with the largest Work First caseloads, based on July 1999 data. We selected the largest counties because of the need to ensure that we would have adequate sample sizes based on the number of entries and exits in an individual cohort month. However, we also compare the seven counties to “rest of state” (labeled “Other”) to provide some perspective on how the counties compare to smaller counties in North Carolina. The seven counties selected for analysis were Mecklenburg, Guilford, Durham, Wake, Cumberland, Forsyth, and Robeson.

In addition, we limited our analysis to the June 1997 entry and exit cohorts. These cohorts provide a representative picture of the Work First program, while at the same time allowing a sufficient follow-up period for a reliable analysis of welfare participation and recidivism patterns.

### A. WELFARE PARTICIPATION AFTER ENTRY IN THE COUNTIES

Exhibit VII-1 shows the percentage of welfare recipients who were on welfare at designated follow-up periods after entry in the seven counties and the rest of North Carolina. The data indicate that a larger percentage of welfare recipients in the seven counties were on welfare at each follow-up month than the average for the rest of the state.

For example, there was a large difference between the percentage of cases receiving welfare in the seven counties and rest of the state at 6 months after entry, when 53.9 percent of families in the rest of state were receiving welfare, compared to between 58.8 percent and 75.3 percent in the seven counties. However, by 42 months after entry, there was less of a difference. About 9.2 percent of families in the rest of the state were receiving welfare, compared to 9.1 percent to 16.9 percent in the seven counties.

The data also show that the largest drop in participation occurred between the entry month and six months after entry for all seven counties and rest of state. The largest drop in this time period occurred in the rest of state, where welfare participation dropped by 46.1 percent, followed by Cumberland County, where participation fell by 41.2 percent. In addition, many counties experienced a second large drop in participation between 6 and 12 months. That decline was greatest in Mecklenburg County, where participation fell by 28.3 percentage points, and second greatest in Cumberland County, where participation fell by 26.4 percentage points.

The data also show that there were some variations among the counties in the participation rates after 42 months. Among all counties, Robeson had the highest percentage on welfare at 42 months (16.9 percent), followed by Mecklenburg (13.1 percent) and Forsyth (12.9 percent).

**Exhibit VII-1**  
**WELFARE PARTICIPATION AT SPECIFIC FOLLOW-UP INTERVALS,**  
**JUNE 1997 ENTRY COHORT, BY SELECTED COUNTIES**  
**(Percent of cases receiving cash benefits)**

<b>MONTHS SINCE ENTRY</b>	<b>Meck'burg (N= 237)</b>	<b>Guilford (N=164)</b>	<b>Durham (N = 122)</b>	<b>Wake (N= 113)</b>	<b>Cumberland (N = 182)</b>	<b>Forsyth (N = 85)</b>	<b>Robeson (N = 77)</b>	<b>Other (N=2168)</b>
Entry Month	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
6	67.5%	62.2%	66.4%	63.7%	58.8%	75.3%	70.1%	53.9%
12	39.2%	40.2%	50.8%	40.7%	32.4%	51.8%	45.5%	32.6%
18	30.8%	22.6%	31.1%	29.2%	24.7%	25.9%	32.5%	20.8%
24	25.7%	23.8%	20.5%	22.1%	20.3%	21.2%	27.3%	17.0%
30	18.1%	17.7%	17.2%	15.9%	15.9%	17.6%	23.4%	12.5%
36	12.2%	15.9%	11.5%	14.2%	11.0%	15.3%	19.5%	9.6%
42	13.1%	9.1%	9.8%	11.5%	11.0%	12.9%	16.9%	9.2%

## B. WELFARE RECIDIVISM IN THE COUNTIES

Exhibit VII-2 compares the seven counties and the rest of the state in terms of welfare recidivism among families in the June 1997 exit cohort. As shown in the exhibit, recidivism at 42 months after exit was highest in Robeson (10.7 percent) and Forsyth (10.6 percent) counties. Recidivism was relatively low in Durham, Cumberland, Wake, and the rest of the state. Between months 36 and 42, recidivism rates in all counties and the rest of state continued to decline except in Mecklenburg and Durham.

**Exhibit VII-2  
WELFARE RECIDIVISM AT SPECIFIC FOLLOW-UP INTERVALS,  
JUNE 1997 EXIT COHORT, BY SELECTED COUNTIES  
(Percent of cases receiving cash benefits)**

<b>MONTHS SINCE EXIT</b>	<b>Meck'burg (N= 517)</b>	<b>Guilford (N=331)</b>	<b>Durham (N = 194)</b>	<b>Wake (N= 300)</b>	<b>Cumberland (N = 427)</b>	<b>Forsyth (N =303)</b>	<b>Robeson (N =215)</b>	<b>Other (N=4949)</b>
Exit Month	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	22.1%	25.4%	16.0%	18.7%	17.8%	27.7%	26.5%	17.2%
12	17.4%	25.7%	11.9%	16.7%	14.3%	22.4%	19.5%	13.7%
18	14.1%	19.9%	9.3%	14.3%	12.4%	16.8%	21.4%	10.9%
24	11.4%	17.5%	4.6%	9.7%	11.5%	17.5%	18.1%	8.7%
30	9.3%	13.6%	6.7%	9.7%	9.6%	17.2%	16.3%	7.2%
36	7.5%	10.9%	4.1%	6.0%	5.2%	12.5%	12.6%	5.5%
42	8.1%	9.4%	5.2%	5.7%	4.4%	10.6%	10.7%	4.7%

**C. DISCUSSION**

The new data continue to suggest that the Work First program is having somewhat less impact in the largest counties than in smaller counties in reducing the welfare caseload and in helping families stay off welfare. As noted in the last report, one of the reasons for this may relate to the way in which Work First has been implemented in some of the larger counties.

Site visits conducted by MAXIMUS as part of the Work First evaluation have shown that both Mecklenburg and Guilford counties continued to experience difficulties in moving all non-exempt persons in the caseload into employment services. The latest data indicate that while Mecklenburg County has more difficulty than other counties in moving persons off welfare within 24 months, a relatively large percentage of Mecklenburg County cases begin to leave welfare between 24 and 30 months after initial entry. This may reflect a “delayed effect” resulting from the county’s practice of not involving certain segments of the caseload immediately in employment services.

## CHAPTER VIII: TRENDS IN THE CHARACTERISTICS OF FAMILIES ENTERING AND LEAVING WELFARE

This chapter an analysis of how the demographic characteristics of families entering and leaving welfare have changed over time. The purpose is to determine whether individuals in the Work First program have greater or fewer barriers to employment compared to AFDC families. For purposes of the analysis, we examine the characteristics of the 10 entry and exit cohorts described in earlier chapters. The chapter includes new data on the two new sets of cohorts -- the June 1999 and June 2000 entry and exit cohorts.

### A. TRENDS IN THE CHARACTERISTICS OF CASES ENTERING WELFARE

Exhibit VIII-1 presents data on the following characteristics of the six cohorts of families entering welfare:

- level of education,
- age,
- ethnicity, and
- number of children.

#### *Level of Education*

As indicated in the exhibit, the percentage of families who did not have a high school diploma when they went on welfare declined somewhat between the AFDC cohort (39.8 percent) and the early Work First cohorts. In the June 2000 entry cohort, the percentage was slightly lower (36.9 percent) than among the AFDC entry cohort (39.8 percent).

The percentage of new cases in which a case member had attended college actually increased from the AFDC cohort (43.9 percent) to the June 2000 cohort (48.5 percent).

#### *Age*

Due to the limited data for the most recent cohorts, we are unable to report the age of the casehead. To be able to compare cohorts, we used the age of the oldest member of the household for all the cohorts.

The data show that 18 to 24-year-olds accounted for 39.8 percent of new entrants in the February 1995 AFDC entry cohort. This percentage declined for the September 1996 and June 1997 cohorts. However, the more recent Work First entry cohorts show that 18-24 year olds are now a higher percentage of new entrants than among the AFDC cohort. For example, 44.5 percent of the June 2000 entry cohort were aged 18-24 at entry. There was a drop in the percentage of 25-34 year olds entering welfare, from 40.3 percent in February 1995 to 36.1 percent in June 2000. The percentage of persons aged 35 and older did not change.

**Exhibit VIII-1  
CHARACTERISTICS OF CASES ENTERING WELFARE  
– SIX ENTRY COHORTS**

Characteristics	February 1995	September 1996	June 1997	June 1998	June 1999	June 2000
<b>Level of Education<sup>1</sup></b>						
No High School Diploma/GED	39.8%	34.2%	37.8%	37.8%	37.3%	36.9%
At Least High School Diploma/GED	60.2%	65.8%	62.3%	62.2%	62.7%	63.1%
-- High School Only	16.3%	12.0%	11.6%	10.5%	14.2%	14.6%
-- Post Secondary	43.9%	53.8%	50.7%	51.7%	48.5%	48.5%
<i>Total</i>	2,120	1,326	1,115	751	761	756
<b>Age<sup>2</sup></b>						
18 – 24 years	39.8%	34.8%	36.6%	43.3%	45.6%	44.5%
25 – 29 years	22.3%	22.7%	22.7%	19.1%	18.7%	21.0%
30 – 34 years	18.0%	18.4%	16.6%	16.9%	14.8%	15.1%
35 – 39 years	11.6%	13.6%	12.0%	11.3%	11.7%	10.1%
40 and above	8.2%	10.5%	12.0%	9.4%	9.2%	9.4%
<i>Total</i>	4,902	3,096	2,549	1,748	1,646	1,671
<b>Ethnicity<sup>3</sup></b>						
Black	50.6%	44.7%	47.3%	49.8%	50.7%	49.5%
White	41.3%	41.6%	38.5%	36.2%	34.5%	33.3%
Hispanic	2.2%	3.4%	3.9%	4.9%	5.2%	5.1%
Native American	1.9%	1.4%	1.7%	1.5%	1.4%	1.8%
Asian	.4%	1.0%	1.5%	.3%	.4%	.5%
Other	3.7%	7.9%	7.1%	7.3%	7.7%	8.8%
<i>Total</i>	5,752	3,725	3,085	2,290	2,174	2,187
<b>Number of Children</b>						
One	55.7%	57.5%	58.0%	63.4%	61.3%	60.2%
Two	30.0%	28.2%	28.4%	23.9%	27.3%	26.5%
Three	10.7%	10.4%	9.8%	8.8%	8.5%	9.3%
Four	2.7%	2.8%	2.6%	2.8%	2.4%	2.6%
Five or more	.8%	1.1%	1.2%	1.1%	.6%	1.4%
<i>Total</i>	5,176	3,610	2,998	2,230	2,108	2,102

<sup>1</sup> Level of education of a family is the highest level of education of any individual in a family.

<sup>2</sup> Age of the family is the age of the oldest member in the family.

<sup>3</sup> Cases having individuals with different ethnicity appear in the 'Other' category.

***Ethnicity***

In the early Work First cohorts, blacks accounted for a somewhat smaller percentage of new entrants than among the AFDC cohort. However, in the more recent Work First cohorts, blacks accounted for about one half of all new entrants – about the same as for the old AFDC cohort.

The biggest change is in the percentage of whites and “others” among the entry cohorts. The percentage of whites fell from 41.3 percent of the AFDC entry cohort to only 33.3 percent of the June 2000 entry cohort. Conversely, Hispanics grew from only 2.2 percent of the AFDC entry cohort to 5.1 percent of the June 2000 entry cohort. The “other” clients in the exhibit consist of families in which the members were from more than one ethnic group. These families increased from 3.7 percent of the AFDC entry cohort to 8.8 percent of the June 2000 entry cohort.

### *Number of Children*

The data indicate that the percentage of families with only one child increased from 55.7 percent of the AFDC entry cohort to 60.2 percent of the March 2000 entry cohort. Conversely, families involving two or three children declined from 40.7 percent of the AFDC entry cohort to only 35.8 percent of the June 2000 entry cohort. The increase in the percentage of new entrants with only one child may be a result of the increase in the percentage of 18-24 year olds among new entrants.

## **B. TRENDS IN THE CHARACTERISTICS OF CASES LEAVING WELFARE**

Exhibit VIII-2 presents data on the education, age, ethnicity, and number of children among the six cohorts of families leaving welfare

### *Level of Education*

The data show that persons without a high school diploma accounted for a higher percentage of the June 1999 and June 2000 exit cohorts (43-45 percent) than of the AFDC exit cohort (38 percent).

### *Age*

The data in the exhibit show that there was not a major change in the age distribution of the families leaving welfare between the AFDC exit cohort and the March 2000 exit cohort. The slight increase in the percentage of 18-24 year olds may reflect the fact that these clients accounted for an increasing share of new entrants during the time period.

**Exhibit VIII-2  
CASE CHARACTERISTICS AT THE TIME OF LEAVING WELFARE  
-- SIX EXIT COHORTS**

Characteristics	February 1995	September 1996	June 1997	June 1998	June 1999	June 2000
<b>Level of Education<sup>1</sup></b>						
No High School Diploma/GED	38.0%	36.8%	40.0%	39.2%	43.3%	45.1%
At Least High School Diploma/GED	62.0%	63.2%	60.0%	60.8%	56.8%	54.9%
-- High School Only	19.3%	14.2%	12.8%	11.3%	11.7%	11.6%
-- Post Secondary	42.7%	49.0%	47.2%	49.5%	45.1%	43.3%
<i>Total</i>	<i>2,505</i>	<i>3,102</i>	<i>3,589</i>	<i>3,438</i>	<i>2,987</i>	<i>2,462</i>
<b>Age<sup>2</sup></b>						
18 – 24 years	35.3%	31.1%	32.7%	35.3%	37.0%	38.1%
25 – 29 years	23.5%	25.4%	24.0%	23.8%	24.0%	23.1%
30 – 34 years	18.6%	19.0%	19.3%	19.0%	16.5%	16.7%
35 – 39 years	12.9%	14.3%	14.1%	12.6%	12.3%	12.9%
40 and above	9.7%	10.3%	9.8%	9.4%	10.2%	9.1%
<i>Total</i>	<i>6,233</i>	<i>6,154</i>	<i>6,369</i>	<i>5,535</i>	<i>4,387</i>	<i>3,624</i>
<b>Ethnicity<sup>3</sup></b>						
Black	52.3%	52.8%	51.0%	55.2%	58.7%	56.1%
White	40.6%	37.6%	38.1%	32.9%	29.2%	28.2%
Hispanic	1.6%	2.6%	2.5%	2.7%	2.8%	3.1%
Native American	1.8%	1.9%	2.0%	1.7%	1.5%	2.2%
Asian	.4%	.5%	.6%	.3%	.4%	.3%
Other	3.2%	4.5%	5.7%	7.1%	7.3%	7.7%
<i>Total</i>	<i>7,090</i>	<i>7,363</i>	<i>7,101</i>	<i>6,215</i>	<i>5,281</i>	<i>4,553</i>
<b>Number of Children</b>						
One	52.0%	51.7%	50.1%	50.2%	53.6%	53.0%
Two	31.7%	31.6%	32.0%	31.8%	29.0%	30.3%
Three	11.9%	11.9%	12.8%	12.5%	12.2%	11.2%
Four	3.4%	3.5%	3.4%	4.1%	3.6%	4.0%
Five or more	1.1%	1.3%	1.6%	1.4%	1.6%	1.6%
<i>Total</i>	<i>6,704</i>	<i>7,015</i>	<i>6,805</i>	<i>5,969</i>	<i>4,882</i>	<i>4,260</i>

<sup>1</sup> Level of education of a family is the highest level of education of any individual in a family.

<sup>2</sup> Age of the family is the age of the oldest member in the family.

<sup>3</sup> Cases having individuals with different ethnicity appear in the 'Other' category.

***Ethnicity***

The data indicate that blacks accounted for an increasing share of welfare leavers, increasing from 52.3 percent of the AFDC exit cohort to 56 percent of the June 2000 exit cohort. Whites accounted for only 28.2 percent of the June 2000 exit cohort, compared to

40.6 percent of the AFDC exit cohort. Hispanics grew from 1.6 percent of the AFDC exit cohort to 3.1 percent of the June 2000 exit cohort. “Other” groups increased from 3.2 percent of the AFDC exit cohort to 7.7 percent of the June 2000 exit cohort.

### *Number of Children*

The data indicate that there was not much change over time in the relative percentage of welfare leavers accounted for by different size families.



## CHAPTER IX: FACTORS ASSOCIATED WITH LENGTH OF WELFARE PARTICIPATION

The administrative data files provide extensive information about the characteristics of welfare cases and the individuals in each case. In this chapter, we present additional data to examine whether any of these characteristics influenced the number of months that families in the four entry cohorts received cash assistance. Child-only cases are excluded.

Six characteristics are examined in this chapter in terms of how they may be related to the length of welfare receipt, as follows:

- prior work experience – whether any individual in the case had wages reported in the Unemployment Insurance (UI) system prior to entry into AFDC or Work First;<sup>1</sup>
- highest education level achieved by anyone in the case;
- age of the casehead;
- ethnicity of the casehead;
- number of children in the case; and
- type of county in which the family resided – the counties of North Carolina are classified as rural, urban or metropolitan.

Overall, we found that there were differences in welfare receipt among families based on each of the above factors.

### A. PRIOR WORK EXPERIENCE

The work history information from the UI longitudinal database indicates whether each individual in an AFDC or Work First case was employed in each quarter from the fourth quarter of 1994 through the second quarter of 2000. For the Work First cohorts, we identified a case as having prior work experience if any adult in the case had been reported as employed for any two-quarter period immediately prior to program entry.

For the AFDC cohort, which entered welfare in February 1995, we had data for only one complete quarter prior to program entry. Therefore, we used the first quarter of 1995 to determine whether a person in the AFDC entry cohort had a work history. In cases where a

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<sup>1</sup> We have information available for only one quarter, the fourth quarter of 1994, for the AFDC cohort who entered in February 1995.

cohort member had worked in March 1995 but not in January or February 1995, we deleted the case from the analysis.

It would be expected that persons with prior work history would be more likely to become self-sufficient than other welfare recipients. Exhibit IX-1 shows that, in fact, prior work experience continued to have some effect upon the number of months families received cash assistance benefits, especially among the Work First cohorts.

## Exhibit IX-1 WELFARE PARTICIPATION BY PRIOR WORK EXPERIENCE

Total Months Receiving Benefits Out of First 54 Months After Entry	AFDC COHORT FEB 95		WORK FIRST COHORT SEP 96	
	Work History	No Work History	Work History	No Work History
6 or Fewer	30.3%	24.8%	44.8%	31.7%
7 to 12	21.4%	18.4%	22.7%	24.0%
13 to 18	13.4%	14.3%	12.9%	13.0%
19 to 24	10.8%	9.6%	7.8%	9.9%
25 to 30	7.1%	9.1%	4.8%	5.9%
31 to 36	5.7%	6.4%	3.3%	6.5%
37 to 42	4.9%	5.7%	1.6%	3.9%
43 to 48	2.9%	4.3%	0.9%	2.5%
49 to 54	3.6%	7.5%	1.1%	2.6%
TOTAL	100.0% (N=3563)	100.0% (N=1445)	100.0% (N=2013)	100.0% (N=1030)
Total Months Receiving Benefits Out of First 30 Months After Entry	WORK FIRST COHORT JUN 97		WORK FIRST COHORT JUN 98	
	Work History	No Work History	Work History	No Work History
6 or Fewer	49.7%	40.0%	50.8%	39.3%
7 to 12	23.6%	21.3%	22.2%	24.9%
13 to 18	13.3%	14.5%	13.8%	17.5%
19 to 24	6.1%	10.1%	6.8%	7.9%
25 to 30	7.3%	14.0%	6.4%	10.5%
TOTAL	100.0% (N=1668)	100.0% (N=849)	100.0% (N=1128)	100.0% (N=583)
Total Months Receiving Benefits Out of First 10 Months After Entry	WORK FIRST COHORT JUN 99		WORK FIRST COHORT JUN 00	
	Work History	No Work History	Work History	No Work History
4 or Fewer	41.4%	25.5%	45.6%	28.5%
5 to 6	21.5%	18.4%	15.3%	14.5%
7 to 8	9.3%	8.9%	10.8%	10.3%
9 to 10	27.9%	47.1%	28.3%	46.6%
TOTAL	100.0% (N=1058)	100.0% (N=1182)	100.0% (N=1113)	100.0% (N=1074)

## **B. EDUCATION LEVEL**

Among the families for which we could determine the education level at the time of program entry, Exhibit IX-2 shows the number of months each family received cash assistance benefits during specific follow-up periods. Educational level is divided into three categories: less than a high school diploma or GED; high school diploma or GED; and some education beyond secondary school, such as some college or a college degree.

The data show that, in all cohorts except the June 2000 cohort, the families with a high school diploma, but no college, received benefits for the fewest months. Among the AFDC cohort, those with some post-secondary education were next, and those with less than a high school diploma received benefits for the greatest number of months.

Among the Work First cohorts, patterns were less clear. In the September 1997 cohorts, those who had attended college were somewhat less likely than other clients to stay on for 25 or more months in the 30-month follow-up period. In the June 1999 and June 2000 cohorts, high school drop-outs were more likely than other recipients to be on welfare for at least 9 out of the first 10 months after entry.

**Exhibit IX-2  
WELFARE PARTICIPATION BY EDUCATION LEVEL**

Total Months Receiving Benefits Out of First 54 Months After Entry	AFDC COHORT FEB 95			WORK FIRST COHORT SEP 96		
	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY
6 or Fewer	12.6%	22.7%	16.0%	27.2%	35.5%	27.5%
7 to 12	16.7%	22.1%	18.1%	17.8%	24.8%	25.0%
13 to 18	14.6%	12.1%	16.3%	17.8%	14.9%	15.8%
19 to 24	11.4%	10.6%	13.3%	12.7%	12.8%	12.3%
25 to 30	10.4%	10.6%	10.5%	6.7%	4.3%	6.6%
31 to 36	8.5%	5.0%	8.1%	8.4%	4.3%	5.6%
37 to 42	9.6%	6.9%	7.4%	4.3%	1.4%	3.6%
43 to 48	6.5%	3.7%	5.1%	3.2%	2.1%	1.8%
49 to 54	9.7%	6.2%	5.2%	1.9%	0.0%	1.7%
TOTAL	100.0% (N=753)	100.0% (N=321)	100.0% (N=802)	100.0% (N=371)	100.0% (N=141)	100.0% (N=603)
Total Months Receiving Benefits Out of First 30 Months After Entry	WORK FIRST COHORT JUN 97			WORK FIRST COHORT JUN 98		
	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY
6 or Fewer	31.8%	35.0%	29.1%	36.7%	42.9%	41.5%
7 to 12	23.8%	23.6%	28.5%	20.3%	28.6%	24.5%
13 to 18	18.9%	14.6%	19.8%	20.3%	14.3%	19.1%
19 to 24	9.0%	8.9%	10.5%	11.4%	0.0%	12.8%
25 to 30	16.5%	17.9%	12.1%	11.4%	14.3%	2.1%
TOTAL	100.0% (N=387)	100.0% (N=123)	100.0% (N=505)	100.0% (N=79)	100.0% (N=21)	100.0% (N=94)
Total Months Receiving Benefits Out of First 10 Months After Entry	WORK FIRST COHORT JUN 99			WORK FIRST COHORT JUN 00		
	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY
4 or Fewer	23.4%	35.0%	28.4%	29.8%	22.9%	32.9%
5 to 6	23.7%	20.0%	21.8%	18.9%	24.8%	18.4%
7 to 8	11.0%	8.3%	12.4%	14.0%	17.4%	17.0%
9 to 10	41.8%	36.7%	37.3%	37.4%	34.9%	31.7%
TOTAL	100.0% (N=299)	100.0% (N=120)	100.0% (N=394)	100.0% (N=265)	100.0% (N=109)	100.0% (N=353)

**C. AGE OF CASEHEAD**

As shown in Exhibit IX-3, persons in the youngest age group (18 to 21) in each of the six cohorts stayed on welfare longer than other age groups. The difference was especially pronounced in the June 1997, June 1999, and June 2000 cohorts.

## Exhibit IX-3 WELFARE PARTICIPATION BY AGE OF CASEHEAD

Total Months Receiving Benefits Out of First 54 Months After Entry	AFDC COHORT FEB 95				WORK FIRST COHORT SEP 96			
	18 to 21	22 to 30	31 to 40	41 and over	18 to 21	22 to 30	31 to 40	41 and over
6 or Fewer	22.9%	29.2%	36.0%	37.7%	27.1%	46.2%	48.8%	39.9%
7 to 12	17.1%	22.2%	20.9%	22.7%	22.3%	23.1%	22.4%	28.8%
13 to 18	12.9%	14.0%	14.0%	13.0%	15.2%	11.5%	12.0%	13.3%
19 to 24	11.6%	9.8%	9.7%	6.7%	10.4%	7.9%	7.5%	4.7%
25 to 30	10.8%	7.5%	5.9%	4.0%	7.2%	4.0%	3.9%	4.3%
31 to 36	6.8%	5.7%	4.0%	5.0%	7.2%	3.7%	2.1%	3.0%
37 to 42	7.4%	4.4%	4.1%	2.0%	5.0%	1.8%	1.6%	1.3%
43 to 48	4.3%	2.9%	2.4%	3.7%	2.9%	0.9%	0.9%	2.1%
49 to 54	6.1%	4.2%	3.0%	5.3%	2.7%	0.8%	0.9%	2.6%
TOTAL	100.0% (N=1074)	100.0% (N=2090)	100.0% (N=1253)	100.0% (N=300)	100.0% (N=624)	100.0% (N=1264)	100.0% (N=898)	100.0% (N=233)
Total Months Receiving Benefits Out of First 30 Months After Entry	WORK FIRST COHORT JUN 97				WORK FIRST COHORT JUN 98			
	18 to 21	22 to 30	31 to 40	41 and over	18 to 21	22 to 30	31 to 40	41 and over
6 or Fewer	35.5%	52.9%	54.4%	54.2%	40.5%	43.1%	51.3%	44.4%
7 to 12	21.8%	22.1%	23.1%	24.2%	16.7%	20.8%	25.0%	27.8%
13 to 18	18.7%	11.9%	10.3%	10.2%	16.7%	19.4%	11.8%	11.1%
19 to 24	10.4%	6.7%	3.9%	5.1%	11.9%	9.7%	6.6%	5.6%
25 to 30	13.6%	6.4%	8.2%	6.4%	14.3%	6.9%	5.3%	11.1%
TOTAL	100.0% (N=595)	100.0% (N=973)	100.0% (N=667)	100.0% (N=236)	100.0% (N=42)	100.0% (N=144)	100.0% (N=76)	100.0% (N=18)
Total Months Receiving Benefits Out of First 10 Months After Entry	WORK FIRST COHORT JUN 99				WORK FIRST COHORT JUN 00			
	18 to 21	22 to 30	31 to 40	41 and over	18 to 21	22 to 30	31 to 40	41 and over
4 or Fewer	23.7%	40.8%	44.2%	55.9%	28.7%	45.5%	54.4%	44.9%
5 to 6	19.9%	22.0%	22.1%	18.6%	14.5%	17.4%	11.2%	19.6%
7 to 8	12.8%	9.2%	7.5%	5.9%	14.1%	10.3%	10.9%	10.3%
9 to 10	43.6%	28.0%	26.1%	19.5%	42.8%	26.8%	23.5%	25.2%
TOTAL	100.0% (N=493)	100.0% (N=586)	100.0% (N=398)	100.0% (N=118)	100.0% (N=512)	100.0% (N=638)	100.0% (N=366)	100.0% (N=107)

## **D. ETHNICITY OF THE CASEHEAD**

The data in Exhibit IX-4 indicate that white recipients had shorter welfare stays than non-white recipients in all four cohorts. In the AFDC cohort, whites were more likely than blacks to stay 12 months or less (42.5 percent compared to 59.9 percent). In the Work First June 1998 cohort, 75.7 percent of whites stayed 12 months or less in the 30-month tracking period, compared to 59.5 percent of non-whites. For the June 2000 entry cohort, 62.5 percent of whites were on welfare for 6 months or less in the first 10 months after entry, compared to only 46.6 percent of non-whites.

**Exhibit IX-4  
WELFARE PARTICIPATION BY ETHNICITY OF CASEHEAD  
AMONG THE ENTRY COHORTS**

Total Months Receiving Benefits Out of First 54 Months After Entry	AFDC COHORT FEB 95		WORK FIRST COHORT SEP 96	
	White	Non-White	White	Non-White
6 or Fewer	36.9%	23.5%	46.6%	33.3%
7 to 12	22.0%	18.4%	24.8%	20.3%
13 to 18	14.1%	12.8%	11.2%	13.2%
19 to 24	8.6%	10.8%	5.9%	10.0%
25 to 30	6.5%	8.0%	3.7%	6.4%
31 to 36	4.1%	6.9%	2.6%	5.7%
37 to 42	2.7%	6.6%	1.4%	3.3%
43 to 46	1.9%	4.6%	1.6%	2.6%
47 to 54	3.1%	8.3%	2.3%	5.2%
TOTAL	100.0% (N=2447)	100.0% (N=3295)	100.0% (N=1632)	100.0% (N=2074)
Total Months Receiving Benefits Out of First 30 Months After Entry	WORK FIRST COHORT JUN 97		WORK FIRST COHORT JUN 98	
	White	Non-White	White	Non-White
6 or Fewer	53.7%	39.1%	53.6%	37.8%
7 to 12	20.5%	22.4%	22.1%	21.7%
13 to 18	12.3%	13.6%	11.2%	17.1%
19 to 24	5.4%	8.8%	5.2%	8.1%
25 to 30	8.0%	16.1%	7.9%	15.4%
TOTAL	100.0% (N=1251)	100.0% (N=1815)	100.0% (N=832)	100.0% (N=1348)
Total Months Receiving Benefits Out of First 10 Months After Entry	WORK FIRST COHORT JUN 99		WORK FIRST COHORT JUN 00	
	White	Non-White	White	Non-White
4 or Fewer	41.6%	28.5%	47.2%	31.8%
5 to 6	19.7%	20.3%	15.3%	14.8%
7 to 8	7.3%	10.1%	9.3%	11.3%
9 to 10	31.4%	41.1%	28.3%	42.1%
TOTAL	100.0% (N=793)	100.0% (N=1381)	100.0% (N=778)	100.0% (N=1386)

Exhibit IX-5 shows that whites stayed on welfare at lower rates than non-whites. At 36 months after entry, 13.5 percent of whites in AFDC cohort were on welfare, compared to 24.9 percent of non-whites. A similar pattern exists for the Work First cohorts. Among the June 1997

entry cohort, 12.1 percent of non-white families were on welfare three years after initial entry, compared to 8.1 percent of whites. Among the June 1998 entry cohort, 18.2 percent of non-white families were on welfare 30 months after initial entry, compared to 10.2 percent of whites.

Among the June 1999 entry cohort, 25.8 percent of non-whites were still on welfare at 18 months after entry, compared to 16.0 percent of whites. In the June 2000 entry cohort, 59.5 percent of non-whites were still on welfare after six months, compared to only 44 percent of whites.



**Exhibit IX-5**  
**WELFARE PARTICIPATION BY ETHNICITY AT SPECIFIC FOLLOW-UP**  
**INTERVALS AMONG THE ENTRY COHORTS**  
 (Percentage of cohorts receiving cash benefits)

MONTHS SINCE ENTRY	AFDC COHORT FEB 95		WORK FIRST COHORT SEP 96	
	White	Non-White	White	Non-White
Entry Month	100.0%	100.0%	100.0%	100.0%
6	60.8%	71.8%	56.6%	68.7%
12	37.1%	52.1%	29.1%	45.2%
18	27.7%	42.8%	18.8%	32.4%
24	21.1%	35.5%	13.5%	24.4%
30	16.3%	31.2%	9.8%	19.6%
36	13.5%	24.9%	7.6%	15.3%
42	9.2%	19.9%	6.4%	11.5%
48	7.2%	15.9%	5.8%	10.4%
54	5.7%	12.7%	4.7%	8.0%
60	5.1%	10.7%	-	-
66	3.8%	9.1%	-	-
72	3.6%	8.3%	-	-
MONTHS SINCE ENTRY	WORK FIRST COHORT JUN 97		WORK FIRST COHORT JUN 98	
	White	Non-White	White	Non-White
Entry Month	100.0%	100.0%	100.0%	100.0%
6	50.2%	62.1%	49.9%	61.3%
12	27.3%	40.1%	25.1%	39.2%
18	15.7%	27.3%	16.9%	28.2%
24	13.3%	22.1%	11.9%	22.3%
30	9.1%	16.9%	10.2%	18.2%
36	8.1%	12.1%	-	-
42	7.2%	11.3%	-	-
MONTHS SINCE ENTRY	WORK FIRST COHORT JUN 99		WORK FIRST COHORT JUN 00	
	White	Non-White	White	Non-White
Entry Month	100.0%	100.0%	100.0%	100.0%
6	46.8%	59.7%	44.0%	59.5%
12	25.9%	36.4%	-	-
18	16.0%	25.8%	-	-

## **E. NUMBER OF CHILDREN**

Among the families in the AFDC and September 1996 cohorts, receipt of cash assistance was not substantially influenced by the number of children in the case, as shown in Exhibit IX-6.

However, among the four most recent cohorts, families with only one child received welfare for more months than larger families. For example, among the June 1997 cohort, 20.8 percent of families with one child were on welfare for 19 to 24 months out of the 24-month follow-up period, compared to 16.3 percent of families with two children, and 11.4 percent of families with three children. Among the June 2000 entry cohort, 41 percent of the families with one child received welfare for at least 9 out of the first 10 months after entry, compared to only 25.6 percent of the families with three or more children.

**Exhibit IX-6  
WELFARE PARTICIPATION BY NUMBER OF CHILDREN  
AMONG THE ENTRY COHORTS**

Total Months Receiving Benefits in the First 54 Months After Entry	AFDC COHORT FEB 95			WORK FIRST COHORT SEP 96		
	One child	Two children	Three or more children	One child	Two children	Three or more children
6 or Fewer	30.5%	30.5%	27.5%	35.3%	45.2%	43.2%
7 to 12	19.2%	22.9%	19.5%	21.6%	23.9%	23.5%
13 to 18	13.1%	13.9%	13.5%	13.1%	10.5%	11.9%
19 to 24	9.9%	9.3%	9.6%	8.7%	7.6%	7.0%
25 to 30	7.1%	6.6%	7.5%	5.6%	4.2%	4.5%
31 to 36	5.8%	5.7%	5.7%	5.1%	3.1%	3.9%
37 to 42	4.6%	4.6%	5.7%	3.0%	1.3%	2.3%
43 to 48	3.3%	2.5%	4.6%	2.4%	1.5%	2.3%
49 to 54	6.5%	4.1%	6.3%	5.2%	2.8%	1.4%
TOTAL	100.0% (N=2958)	100.0% (N=1422)	100.0% (N=732)	100.0% (N=2149)	100.0% (N=943)	100.0% (N=514)
Total Months Receiving Benefits in the First 30 Months After Entry	WORK FIRST COHORT JUN 97			WORK FIRST COHORT JUN 98		
	One child	Two children	Three or more children	One child	Two children	Three or more children
6 or Fewer	40.9%	51.0%	51.1%	40.4%	50.6%	51.3%
7 to 12	20.8%	22.8%	23.1%	22.5%	21.5%	18.1%
13 to 18	15.3%	8.4%	12.9%	16.0%	11.5%	13.4%
19 to 24	8.4%	6.0%	5.5%	7.5%	6.5%	6.1%
25 to 30	14.6%	11.8%	7.4%	13.6%	9.9%	11.2%
TOTAL	100.0% (N=1792)	100.0% (N=802)	100.0% (N=403)	100.0% (N=1459)	100.0% (N=494)	100.0% (N=277)
Total Months Receiving Benefits in the First 10 Months After Entry	WORK FIRST COHORT JUN 99			WORK FIRST COHORT JUN 00		
	One child	Two children	Three or more children	One child	Two children	Three or more children
4 or Fewer	28.4%	42.1%	39.5%	33.3%	42.1%	47.7%
5 to 6	19.2%	21.4%	21.8%	14.5%	13.3%	18.8%
7 to 8	9.5%	8.5%	9.2%	10.9%	10.7%	7.9%
9 to 10	42.9%	27.9%	29.4%	41.3%	33.9%	25.6%
TOTAL	100.0% (N=1333)	100.0% (N=541)	100.0% (N=238)	100.0% (N=1293)	100.0% (N=534)	100.0% (N=277)

## F. COUNTY TYPE

The Association of County Social Services Directors has developed a classification scheme for the 100 counties in North Carolina. Counties are assigned to one of three categories: rural, urban, or metropolitan. The categories form a continuum according to the size of the major cities in each county and the complexity of the operations of each county's Department of Social Services. The metropolitan counties contain the largest cities in the state.

Exhibit IX-7 shows the total number of months persons received welfare, by the urban/rural nature of their county of residence. Among the all of the four cohorts, families in the metropolitan counties received benefits for more months than families in rural areas. This finding was most clear in the June 1997 entry cohort, where 11.1 percent of families in rural areas were on welfare for more than 24 months during the first 30 months after entry, compared to 15.4 percent of families living in metropolitan areas. The difference between urban and rural areas was less clear in the June 1999 entry cohort. However, in the June 2000 entry cohort, rural recipients continued to leave welfare more quickly than urban recipients.

**Exhibit IX-8  
WELFARE PARTICIPATION BY COUNTY TYPE  
AMONG THE ENTRY COHORTS**

Total Months Receiving Benefits in the First 54 Months After Entry	AFDC COHORT FEB 95			WORK FIRST COHORT SEP 96		
	RURAL	URBAN	METRO-POLITAN	RURAL	URBAN	METRO-POLITAN
6 or Fewer	31.1%	30.2%	27.1%	40.4%	41.3%	35.3%
7 to 12	19.1%	20.0%	19.9%	20.3%	22.2%	23.0%
13 to 18	13.5%	13.8%	12.5%	13.4%	12.2%	11.8%
19 to 24	11.0%	8.7%	10.7%	7.7%	7.5%	9.3%
25 to 30	7.2%	7.2%	7.7%	5.2%	5.0%	5.4%
31 to 36	5.4%	5.1%	6.7%	2.9%	4.4%	5.0%
37 to 42	4.2%	5.0%	5.4%	3.6%	1.6%	3.0%
43 to 48	2.6%	3.7%	3.6%	1.7%	1.8%	3.0%
49 to 54	6.0%	6.3%	6.6%	4.9%	4.0%	4.2%
TOTAL	100.0% (N=913)	100.0% (N=2704)	100.0% (N=2224)	100.0% (N=716)	100.0% (N=1695)	100.0% (N=1384)
Total Months Receiving Benefits in the First 30 Months After Entry	WORK FIRST COHORT JUN 97			WORK FIRST COHORT JUN 98		
	RURAL	URBAN	METRO-POLITAN	RURAL	URBAN	METRO-POLITAN
6 or Fewer	48.8%	46.1%	41.2%	46.0%	44.8%	41.8%
7 to 12	21.9%	21.1%	21.6%	21.1%	22.7%	20.7%
13 to 18	11.3%	12.9%	14.1%	13.4%	13.1%	16.1%
19 to 24	6.8%	7.6%	7.7%	6.4%	7.0%	7.6%
25 to 30	11.1%	12.3%	15.4%	13.1%	12.4%	13.9%
TOTAL	100.0% (N=557)	100.0% (N=1425)	100.0% (N=1166)	100.0% (N=389)	100.0% (N=991)	100.0% (N=989)
Total Months Receiving Benefits in the First 10 Months After Entry	WORK FIRST COHORT JUN 99			WORK FIRST COHORT JUN 00		
	RURAL	URBAN	METRO-POLITAN	RURAL	URBAN	METRO-POLITAN
4 or Fewer	34.7%	33.4%	32.1%	43.1%	37.9%	34.4%
5 to 6	16.5%	18.8%	22.2%	14.0%	15.1%	15.1%
7 to 8	9.3%	8.9%	9.1%	9.5%	10.3%	11.2%
9 to 10	39.5%	38.9%	36.6%	33.3%	36.7%	39.3%
TOTAL	100.0% (N=375)	100.0% (N=899)	100.0% (N=966)	100.0% (N=357)	100.0% (N=874)	100.0% (N=956)

## CHAPTER X: FACTORS ASSOCIATED WITH WELFARE RECIDIVISM

In this chapter, we analyze additional follow-up data on the relationship between case characteristics and welfare recidivism. We also examine how case characteristics influenced the number of months in which the cases received cash assistance after the initial program exit.

As in Chapter IX, the following case characteristics are examined in the analysis:

- prior work experience,
- the education level of the casehead,
- the age of the casehead,
- ethnicity;
- the number of children in the case, and
- the type of county in which the family resided.

### A. PRIOR WORK EXPERIENCE

*Exhibit X-1: Recidivism by Prior Work Experience*, continues to that welfare recidivism was higher among persons who had prior work experience. Among the AFDC exit cohort, 50.2 percent of persons with prior work experience never went back on welfare during the first 54 months after exit, compared to 66.7 percent of persons without a work history.

The same finding continues to be true of the September 1996 Work First exit cohort and the four new cohorts. For all four of these exit cohorts, recidivism was higher among persons who had a work history. However, in the two most recent cohorts, the differences related to work history have narrowed considerably. Among the June 1999 cohort, 70.7 percent of families with a prior work history never went back on welfare during the nine months after leaving, compared 78.9 percent of those with no work history. The comparable figures for the June 2000 exit cohort were 72.2 percent and 75.5 percent, respectively.

**Exhibit X-1  
 RECIDIVISM BY PRIOR WORK EXPERIENCE**

Total Months Receiving Benefits Out of First 54 Months After Exit	AFDC COHORT FEB 95		WORK FIRST COHORT SEP 96	
	Work History	No Work History	Work History	No Work History
0 Months	50.2%	66.7%	56.5%	68.4%
6 or Fewer	15.0%	9.4%	14.4%	9.6%
7 to 12	10.6%	6.7%	10.5%	6.7%
13 to 18	7.6%	4.0%	6.6%	4.5%
19 to 24	5.4%	3.3%	4.6%	3.1%
25 to 30	4.0%	2.8%	2.7%	2.6%
31 to 36	2.8%	2.1%	2.1%	1.8%
37 to 42	2.1%	1.8%	1.4%	1.2%
43 to 48	1.4%	1.6%	0.5%	1.1%
49 to 54	0.9%	1.7%	0.6%	1.0%
TOTAL	100.0% (N=4709)	100.0% (N=2508)	100.0% (N=4906)	100.0% (N=2625)

Total Months Receiving Benefits Out of First 30 Months After Exit	WORK FIRST COHORT JUN 97		WORK FIRST COHORT JUN 98	
	Work History	No Work History	Work History	No Work History
0 Months	60.6%	70.3%	62.4%	72.9%
6 or Fewer	15.3%	10.8%	16.7%	9.6%
7 to 12	10.7%	7.8%	10.2%	6.3%
13 to 18	6.8%	4.7%	5.5%	5.0%
19 to 24	3.9%	3.2%	3.5%	3.8%
25 to 30	2.8%	3.1%	1.7%	2.4%
TOTAL	100.0% (N=5004)	100.0% (N=2232)	100.0% (N=4334)	100.0% (N=2015)

Total Months Receiving Benefits Out of First 9 Months After Exit	WORK FIRST COHORT JUN 99		WORK FIRST COHORT JUN 00	
	Work History	No Work History	Work History	No Work History
0 Months	70.7%	78.9%	72.2%	75.5%
3 or Fewer	9.9%	5.3%	8.5%	6.7%
4 to 6	10.5%	8.0%	10.2%	8.2%
7 to 9	8.9%	7.8%	9.0%	9.6%
TOTAL	100.0% (N=2989)	100.0% (N=2564)	100.0% (N=2248)	100.0% (N=2305)

## **B. EDUCATIONAL LEVEL OF CASEHEAD**

*Exhibit X-2: Recidivism by Educational Level of the Casehead*, shows that among the families in the AFDC cohort, those with a casehead who had a high school diploma but no college were the least likely to return to AFDC. For example, 47.2 percent of persons with a high school diploma but no college never returned to welfare, compared to only 33.2 percent of persons without a high school diploma. A similar pattern exists for September 1996 cohort and June 1997 cohort. However, in June 1998 cohort, families with a casehead who had some post-secondary education were least likely to return to welfare. Also, families this cohort, with casehead who had less than high school diploma were likely to stay longer on welfare, compared to families with slightly more educated casehead.

In the June 1999 and June 2000 exit cohorts, high school drop-outs were less likely to stay off welfare than more educated respondents. There was not a major difference between persons who had completed high school only and persons who had attended college.



**Exhibit X-2  
 RECIDIVISM BY EDUCATIONAL LEVEL OF THE CASEHEAD**

Total Months Receiving Benefits Out of First 54 Months After Exit	AFDC COHORT FEB 95			WORK FIRST COHORT SEP 96		
	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY
0 Months	33.2%	47.2%	36.4%	43.1%	54.2%	49.9%
6 or Fewer	11.7%	14.9%	13.5%	14.1%	13.4%	14.8%
7 to 12	12.4%	10.0%	13.9%	12.8%	13.6%	12.0%
13 to 18	10.0%	9.8%	8.8%	11.2%	6.2%	8.1%
19 to 24	7.7%	6.2%	8.0%	5.9%	4.1%	6.7%
25 to 30	8.5%	4.0%	6.7%	3.6%	3.3%	3.6%
31 to 36	5.2%	3.5%	5.8%	4.0%	1.7%	2.1%
37 to 42	5.0%	2.0%	3.1%	2.9%	2.1%	1.3%
43 to 48	3.2%	1.6%	1.8%	1.0%	1.0%	0.9%
49 to 54	3.1%	0.9%	2.1%	1.5%	0.5%	0.7%
TOTAL	100.0% (N=840)	100.0% (N=451)	100.0% (N=960)	100.0% (N=1035)	100.0% (N=419)	100.0% (N=1365)
Total Months Receiving Benefits Out of First 30 Months After Exit	WORK FIRST COHORT JUN 97			WORK FIRST COHORT JUN 98		
	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY
0 Months	49.2%	57.5%	55.2%	54.3%	58.6%	59.9%
6 or Fewer	16.2%	16.9%	15.2%	16.3%	16.6%	17.8%
7 to 12	13.6%	11.8%	13.1%	13.0%	10.3%	10.1%
13 to 18	10.4%	5.1%	9.1%	7.1%	7.9%	6.9%
19 to 24	5.9%	5.3%	4.5%	6.4%	4.5%	3.8%
25 to 30	4.8%	3.5%	2.9%	3.0%	2.1%	1.5%
TOTAL	100.0% (N=1361)	100.0% (N=433)	100.0% (N=1563)	100.0% (N=1173)	100.0% (N=331)	100.0% (N=1469)
Total Months Receiving Benefits Out of First 9 Months After Exit	WORK FIRST COHORT JUN 99			WORK FIRST COHORT JUN 00		
	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY	LESS THAN HS	HS DIPLOMA	SOME POST-SECONDARY
0 Months	60.1%	71.5%	69.5%	60.2%	69.4%	70.2%
1 to 3	11.8%	8.8%	9.8%	10.6%	7.8%	9.7%
4 to 6	14.5%	10.0%	10.9%	14.8%	12.1%	11.1%
7 to 9	13.6%	9.7%	9.8%	14.4%	10.7%	9.0%
TOTAL	100.0% (N=1303)	100.0% (N=351)	100.0% (N=1345)	100.0% (N=1094)	100.0% (N=281)	100.0% (N=1034)

### **C. AGE OF CASEHEAD**

*Exhibit X-3: Recidivism by Age of Casehead*, shows that, among all six exit cohorts, the older the casehead, the less likely the family was to return to cash assistance, and the fewer total months they received cash benefits. The percentage of families in the AFDC cohort who returned to assistance at some point was 54.6 percent among persons aged 18-21, 49.3 percent for persons aged 22-30, 42.0 percent for persons aged 31-40, and only 29.7 percent for persons aged 41 and older. The higher recidivism rate for younger clients may partly reflect lack of work experience. The very low recidivism rate among persons aged 41 and older may partly be due to children aging out of the caseload among this group.

Among the September 1996 Work First exit cohort, recidivism rates were also higher among the younger age groups. However, compared to the AFDC cohort, recidivism rates were lower among these younger age groups, but recidivism was not lower among the 41 and older group.

Among the two new exit cohorts, there continued to be higher recidivism rates among the younger families, although the differences with older families are somewhat less pronounced. The data suggest that Work First has clearly had a major impact in reducing recidivism among the 18-21 year age group and the 22-30 age group. In the 18-21 year age group, recidivism declined from 54.6 percent in the AFDC cohort to 46.4 percent in the June 1998 cohort. For the 22-30 age group, recidivism declined from 48.3 percent to 40.3 percent.

## Exhibit X-3 RECIDIVISM BY AGE OF CASEHEAD

Total Months Receiving Benefits Out of First 54 Months After Exit	AFDC COHORT FEB 95				WORK FIRST COHORT SEP 96			
	18 to 21	22 to 30	31 to 40	41 and over	18 to 21	22 to 30	31 to 40	41 and over
0 Months	45.4%	51.7%	58.0%	70.3%	50.2%	56.5%	61.6%	69.5%
6 or Fewer	12.9%	14.8%	14.0%	11.3%	13.9%	14.6%	13.1%	9.6%
7 to 12	11.4%	10.8%	8.8%	6.3%	10.3%	10.9%	9.2%	7.3%
13 to 18	8.8%	6.7%	6.7%	2.2%	7.5%	7.1%	6.0%	3.9%
19 to 24	6.5%	4.7%	5.0%	1.9%	6.2%	4.3%	3.9%	2.6%
25 to 30	5.6%	4.3%	2.6%	1.7%	4.3%	2.2%	2.4%	2.0%
31 to 36	3.1%	2.7%	2.2%	0.9%	3.8%	1.9%	1.3%	1.6%
37 to 42	2.7%	1.9%	1.4%	2.8%	1.9%	1.3%	1.3%	1.6%
43 to 48	2.2%	1.5%	0.6%	0.6%	1.0%	0.6%	0.6%	0.6%
49 to 54	1.4%	1.0%	0.6%	1.9%	0.8%	0.5%	0.7%	1.2%
TOTAL	100.0% (N=1069)	100.0% (N=2710)	100.0% (N=1744)	100.0% (N=462)	100.0% (N=875)	100.0% (N=2670)	100.0% (N=1798)	100.0% (N=492)
Total Months Receiving Benefits Out of First 30 Months After Exit	WORK FIRST COHORT JUN 97				WORK FIRST COHORT JUN 98			
	18 to 21	22 to 30	31 to 40	41 and over	18 to 21	22 to 30	31 to 40	41 and over
0 Months	54.8%	61.2%	65.6%	76.0%	53.6%	59.7%	69.0%	71.8%
6 or Fewer	14.0%	14.6%	15.4%	12.3%	18.1%	17.2%	14.3%	12.0%
7 to 12	13.5%	10.9%	8.3%	5.4%	10.8%	11.2%	7.6%	6.2%
13 to 18	8.0%	6.5%	5.9%	3.6%	7.8%	6.3%	5.2%	4.4%
19 to 24	5.7%	4.2%	2.6%	1.1%	6.4%	4.0%	2.8%	2.9%
25 to 30	4.0%	2.8%	2.1%	1.6%	3.3%	1.5%	1.1%	2.6%
TOTAL	100.0% (N=1023)	100.0% (N=2755)	100.0% (N=1889)	100.0% (N=446)	100.0% (N=722)	100.0% (N=2066)	100.0% (N=1313)	100.0% (N=341)
Total Months Receiving Benefits Out of First 9 Months After Exit	WORK FIRST COHORT JUN 99				WORK FIRST COHORT JUN 00			
	18 to 21	22 to 30	31 to 40	41 and over	18 to 21	22 to 30	31 to 40	41 and over
0 Months	63.1%	69.2%	75.7%	82.5%	64.2%	70.3%	77.1%	80.2%
1 to 3	10.1%	10.6%	7.7%	5.2%	11.3%	8.7%	8.0%	5.4%
4 to 6	12.8%	11.5%	8.4%	6.4%	10.7%	11.8%	8.6%	5.8%
7 to 9	14.0%	8.6%	7.3%	5.8%	13.9%	9.3%	6.3%	8.7%
TOTAL	100.0% (N=765)	100.0% (N=1960)	100.0% (N=1150)	100.0% (N=343)	100.0% (N=693)	100.0% (N=1571)	100.0% (N=977)	100.0% (N=242)

## **D. ETHNICITY OF THE CASEHEAD**

*Exhibit X-4: Recidivism by Ethnicity*, shows that recidivism continued to be higher among non-whites than among whites in all six exit cohorts. Among the AFDC cohort, 38.9 percent of whites returned to welfare at some point, compared to 48.4 percent of non-whites. Recidivism was lower for both groups among the September 1996 Work First cohort – 33.8 percent for whites and 43.4 percent for non-whites.

The differences between whites and non-whites continued in the more recent cohorts. Among the June 2000 exit cohort, 30.9 percent of non-whites had returned to welfare at some time in the first nine months after leaving, compared to only 17.3 percent of whites.

**Exhibit X-4  
RECIDIVISM BY ETHNICITY**

Total Months Receiving Benefits Out of First 54 Months After Exit	AFDC COHORT FEB 95		WORK FIRST COHORT SEP 96	
	White	Non-White	White	Non-White
0 Months	61.1%	51.6%	66.2%	56.6%
6 or Fewer	14.2%	12.5%	13.0%	12.8%
7 to 12	8.7%	9.7%	8.6%	9.6%
13 to 18	5.7%	7.1%	5.1%	6.5%
19 to 24	3.8%	5.4%	3.1%	4.8%
25 to 30	2.5%	4.4%	1.3%	3.5%
31 to 36	1.6%	3.2%	1.3%	2.5%
37 to 42	1.1%	2.6%	0.4%	1.9%
43 to 46	0.7%	1.9%	0.5%	0.9%
47 to 54	0.6%	1.6%	0.3%	1.0%
TOTAL	100.0% (N=2966)	100.0% (N=4103)	100.0% (N=2897)	100.0% (N=4442)
Total Months Receiving Benefits Out of First 30 Months After Exit	WORK FIRST COHORT JUN 97		WORK FIRST COHORT JUN 98	
	White	Non-White	White	Non-White
0 Months	70.3%	58.5%	71.6%	61.8%
6 or Fewer	13.7%	14.3%	14.4%	15.0%
7 to 12	8.6%	10.8%	7.0%	10.2%
13 to 18	4.5%	7.4%	3.9%	6.2%
19 to 24	2.1%	4.8%	2.2%	4.5%
25 to 30	0.9%	4.2%	0.9%	2.3%
TOTAL	100.0% (N=2842)	100.0% (N=4232)	100.0% (N=2136)	100.0% (N=3969)
Total Months Receiving Benefits Out of First 9 Months After Exit	WORK FIRST COHORT JUN 99		WORK FIRST COHORT JUN 00	
	White	Non-White	White	Non-White
0 Months	80.3%	70.2%	82.7%	69.1%
1 to 3	7.2%	8.6%	6.2%	8.5%
4 to 6	7.5%	10.7%	5.6%	11.1%
7 to 9	4.9%	10.5%	5.5%	11.4%
TOTAL	100.0% (N=1645)	100.0% (N=3635)	100.0% (N=1381)	100.0% (N=3057)

*Exhibit X-5: Recidivism by Ethnicity at Specific Follow-Up Intervals* presents additional data on recidivism by ethnicity, showing the percentage of families who had returned to welfare at various follow-up intervals among the four exit cohorts. The data for the AFDC cohort show that 48 months after leaving welfare, 4.2 percent of whites and 8.5 percent of non-whites were back on welfare.

Among the September 1996 exit cohort, 2.8 percent of whites and 7.1 percent of non-whites were back on welfare after 48 months. Overall, the rates of recidivism for both groups were lower in the September 1996 cohort than among the AFDC exit cohort.

Data for the four new cohorts indicate that ethnicity continues to be correlated with recidivism rates, although overall recidivism is declining among both whites and non-whites. For the June 1999 exit cohort, 14.7 percent of non-whites and 8.1 percent of whites were back on welfare after 18 months. Among the June 2000 exit cohort, 20.4 percent of non-whites and 10.9 percent of whites were back on welfare after six months.

**Exhibit X-5  
 RECIDIVISM BY ETHNICITY  
 (Percent of cohort receiving cash benefits in the specific month)**

MONTHS SINCE EXIT	AFDC COHORT FEB 95		WORK FIRST COHORT SEP 96	
	White	Non-White	White	Non-White
Exit Month	0.0%	0.0%	0.0%	0.0%
6	17.2%	24.6%	14.3%	20.8%
12	16.4%	22.5%	12.8%	20.3%
18	14.2%	22.3%	10.5%	17.1%
24	11.4%	18.5%	8.0%	13.7%
30	9.2%	15.5%	6.0%	11.9%
36	7.0%	13.1%	4.7%	9.3%
42	5.5%	10.4%	4.4%	7.7%
48	4.2%	8.5%	2.8%	7.1%
54	3.0%	6.9%	2.9%	5.7%
60	2.4%	5.6%	-	-
66	1.9%	4.9%	-	-
72	1.7%	4.0%	-	-
MONTHS SINCE EXIT	WORK FIRST COHORT JUN 97		WORK FIRST COHORT JUN 98	
	White	Non-White	White	Non-White
Exit Month	0.0%	0.0%	0.0%	0.0%
6	13.6%	22.6%	10.9%	18.2%
12	10.8%	18.4%	9.5%	16.6%
18	7.6%	15.5%	8.5%	12.9%
24	5.7%	13.0%	6.5%	9.9%
30	5.1%	10.9%	5.4%	10.0%
36	3.6%	8.2%	-	-
42	2.8%	7.5%	-	-
MONTHS SINCE EXIT	WORK FIRST COHORT JUN 99		WORK FIRST COHORT JUN 00	
	White	Non-White	White	Non-White
Exit Month	0.0%	0.0%	0.0%	0.0%
6	11.7%	19.9%	10.9%	20.4%
12	9.6%	16.3%	-	-
18	8.1%	14.7%	-	-

## E. NUMBER OF CHILDREN

*Exhibit X-6: Recidivism by Number of Children*, shows that families with one child were somewhat less likely than larger families to return to welfare, and received benefits for fewer months if they did return. Among AFDC families, 42.4 percent of those with only one child returned to welfare at some point, compared to 47 percent of larger families. Among the September 1996 exit cohort, only 37.1 percent of families with one child returned to welfare, compared to 42.1 percent of those with two children, and 44.7 percent of those with three or more children.

Among the four more recent exit cohorts, there is less evidence that family size is correlated with recidivism. Among the June 1997 exit cohort, larger families were only slightly more likely to return to welfare than families with one child. Among the June 1998, June 1999, and June 2000 exit cohort, family size appears to have no relationship to recidivism.



**Exhibit X-6  
RECIDIVISM BY NUMBER OF CHILDREN**

Total Months Receiving Benefits in the First 54 Months After Exit	AFDC COHORT FEB 95			WORK FIRST COHORT SEP 96		
	One child	Two children	Three or more children	One child	Two children	Three or more children
0 Months	57.6%	52.7%	52.5%	62.9%	57.9%	55.3%
6 or Fewer	12.3%	15.0%	13.7%	12.5%	14.1%	12.2%
7 to 12	8.7%	10.0%	9.9%	8.4%	10.1%	10.7%
13 to 18	6.5%	6.6%	6.3%	5.5%	6.5%	7.2%
19 to 24	5.0%	3.8%	5.8%	3.8%	4.1%	5.6%
25 to 30	3.3%	4.0%	4.2%	2.4%	2.6%	3.2%
31 to 36	2.5%	2.5%	2.6%	2.1%	1.8%	2.4%
37 to 42	1.9%	1.8%	2.7%	1.1%	1.6%	1.5%
43 to 48	1.3%	1.8%	1.6%	0.6%	0.8%	0.9%
49 to 54	1.0%	1.7%	0.7%	0.7%	0.6%	1.0%
TOTAL	100.0% (N=3649)	100.0% (N=2052)	100.0% (N=1096)	100.0% (N=3847)	100.0% (N=2128)	100.0% (N=1170)
Total Months Receiving Benefits in the First 30 Months After Exit	WORK FIRST COHORT JUN 97			WORK FIRST COHORT JUN 98		
	One child	Two children	Three or more children	One child	Two children	Three or more children
0 Months	64.5%	62.1%	60.0%	65.7%	64.5%	64.6%
6 or Fewer	13.7%	13.9%	15.6%	14.0%	15.2%	16.2%
7 to 12	9.8%	10.1%	10.2%	8.9%	9.0%	10.0%
13 to 18	5.6%	6.7%	7.5%	5.5%	5.3%	5.1%
19 to 24	3.5%	4.1%	3.5%	3.7%	4.3%	2.3%
25 to 30	2.8%	3.1%	3.1%	2.1%	1.7%	1.8%
TOTAL	100.0% (N=3526)	100.0% (N=2159)	100.0% (N=1211)	100.0% (N=3104)	100.0% (N=1887)	100.0% (N=1075)
Total Months Receiving Benefits in the First 9 Months After Exit	WORK FIRST COHORT JUN 99			WORK FIRST COHORT JUN 00		
	One child	Two children	Three or more children	One child	Two children	Three or more children
0 Months	74.1%	72.2%	73.4%	72.3%	75.3%	72.9%
1 to 3	8.0%	7.9%	8.1%	8.1%	6.4%	9.3%
4 to 6	9.1%	11.0%	9.7%	9.5%	8.7%	10.4%
7 to 9	8.8%	8.9%	8.8%	10.1%	9.7%	7.4%
TOTAL	100.0% (N=2672)	100.0% (N=1413)	100.0% (N=849)	100.0% (N=2334)	100.0% (N=1283)	100.0% (N=713)

## F. COUNTY TYPE

*Exhibit X-7: Recidivism by County Type at Time of Exit*, shows that the families who resided in rural counties at the time they left AFDC or Work First were less likely to return to welfare than families living in metropolitan areas (large cities). The difference between recidivism in the families residing in rural and metropolitan counties was more pronounced in AFDC and the June 1998 cohort. Among the AFDC cohort, 40.9 percent of rural families returned to welfare at some point, compared to 46.1 percent of families in metropolitan counties. Among the June 1998 cohort, 30.6 percent of rural families returned to welfare at some point, compared to 37.9 percent of families in metropolitan counties. In the June 1999 exit cohort, 29.2 percent of the leavers in metropolitan counties returned to welfare at some point in the first 9 months after leaving, compared to only 22.4 percent of the leavers in rural counties.

**Exhibit X-7  
RECIDIVISM BY COUNTY TYPE AT TIME OF EXIT**

Total Months Receiving Benefits in the First 54 Months After Exit	AFDC COHORT FEB 95			WORK FIRST COHORT SEP 96		
	RURAL	URBAN	METRO-POLITAN	RURAL	URBAN	METRO-POLITAN
0 Months	59.1%	56.5%	53.9%	64.2%	61.7%	57.5%
6 or Fewer	12.7%	13.4%	12.8%	12.5%	12.9%	12.5%
7 to 12	8.4%	9.1%	9.8%	7.9%	9.2%	9.7%
13 to 18	6.4%	6.3%	6.5%	6.1%	5.0%	6.9%
19 to 24	4.5%	4.3%	5.1%	4.4%	3.7%	4.6%
25 to 30	3.0%	3.5%	3.9%	2.4%	2.5%	3.0%
31 to 36	2.1%	2.6%	2.6%	1.0%	2.0%	2.5%
37 to 42	1.9%	1.6%	2.5%	0.7%	1.4%	1.6%
43 to 48	0.9%	1.6%	1.5%	0.7%	0.8%	0.6%
49 to 54	1.0%	1.1%	1.4%	0.2%	0.7%	1.1%
TOTAL	100.0% (N=1128)	100.0% (N=3353)	100.0% (N=2736)	100.0% (N=1356)	100.0% (N=3529)	100.0% (N=2646)
Total Months Receiving Benefits in the First 30 Months After Exit	WORK FIRST COHORT JUN 97			WORK FIRST COHORT JUN 98		
	RURAL	URBAN	METRO-POLITAN	RURAL	URBAN	METRO-POLITAN
0 Months	65.2%	64.1%	62.2%	69.4%	67.5%	62.1%
6 or Fewer	14.2%	14.1%	13.5%	13.1%	15.2%	14.2%
7 to 12	9.5%	9.6%	10.2%	8.2%	7.8%	10.7%
13 to 18	5.5%	6.4%	6.2%	4.1%	5.2%	6.0%
19 to 24	3.2%	3.5%	4.0%	3.5%	2.7%	4.6%
25 to 30	2.4%	2.3%	3.8%	1.7%	1.5%	2.4%
TOTAL	100.0% (N=1227)	100.0% (N=3287)	100.0% (N=2722)	100.0% (N=1091)	100.0% (N=2839)	100.0% (N=2419)
Total Months Receiving Benefits in the First 9 Months After Exit	WORK FIRST COHORT JUN 99			WORK FIRST COHORT JUN 00		
	RURAL	URBAN	METRO-POLITAN	RURAL	URBAN	METRO-POLITAN
0 Months	77.6%	76.7%	70.8%	75.9%	74.3%	72.7%
1 to 3	6.7%	7.0%	9.1%	6.9%	7.1%	8.3%
4 to 6	8.8%	9.6%	9.3%	9.1%	9.3%	9.1%
7 to 9	6.8%	6.7%	10.9%	8.0%	9.3%	9.9%
TOTAL	100.0% (N=849)	100.0% (N=2523)	100.0% (N=2181)	100.0% (N=735)	100.0% (N=1912)	100.0% (N=1906)