FINAL REPORT

TANF Caseload Composition and Leavers Synthesis Report
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Acknowledgments

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TANF Caseload Composition and Leavers Synthesis Report

Executive Summary

The dramatic decline in welfare caseloads in the 1990s suggested that welfare reform was achieving one of its major goals: reducing dependency. It also raised questions among policymakers, program administrators, advocates, and the public as to whether the characteristics of the caseload were changing, whether families that left welfare were better off than when they were on welfare, and whether former recipients were making progress in the labor market.

The purpose of this report is to summarize what we know about these issues for current TANF recipients and former recipients ("leavers")[1] from existing literature and to update our knowledge with new analysis using more recent data. The key questions addressed in the report are:

- How do the characteristics of the Temporary Assistance for Needy Families (TANF) caseload compare with the Aid to Families with Dependent Children (AFDC)/TANF caseload characteristics 5 and 10 years ago?[2] In particular, is the caseload more or less disadvantaged than in the past, especially with respect to their employability?

- What are the characteristics and outcomes for families that recently left the TANF rolls compared with families on TANF, and compared with families that left the TANF rolls 5 and 10 years ago? Have TANF leavers become more or less disadvantaged? Are families better off after leaving TANF than when they were on the welfare rolls?

Methodological Issues

Although welfare reform spawned a considerable amount of research, few studies actually use national data to assess the status of current and former welfare recipients. Rather, many of the most informative studies focus on a single or limited number of geographic areas (e.g., the Three City Study (Boston, Chicago, & San Antonio), the Women's Employment Study (a single urban county in Michigan), and a wealth of state- and county-specific welfare leaver and welfare caseload studies). In addition, few studies examine changes over time, generally only focusing on the early years of the reform period. Even when considering high quality studies (i.e., those based on reliable survey instruments and carefully matched administrative data that provide detailed descriptions of the methodologies used and information on the precision of statistical estimates), differences across data sets, populations considered, the definitions of who is a welfare

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[1] We use the terms "leavers" and "former recipients" interchangeably in this report.

[2] The AFDC program, which was established in 1935 and originally called Aid to Dependent Children (ADC), was the major entitlement program providing cash aid to able-bodied low-income families with children. PRWORA ended the AFDC entitlement, replacing with TANF block grants to the states for the purpose of providing temporary assistance to needy families. For a detailed account of how PRWORA changed U.S. welfare policy, see Haskins (2006).

recipient and a welfare leaver, and the way data are reported make it difficult to look across studies and discern trends over time.

Consequently, to address questions about the status of current and former welfare recipients over the past decade, we draw from the available research that uses national-level data sets focusing on the TANF era (post-1996) and supplement this research with original tabulations from three national-level data sets: the Current Population Survey (CPS), the National Survey of America's Families (NSAF), and the Survey of Income and Program Participation (SIPP). For TANF recipients, we analyze the early years of reform by comparing 1997 to 1999 using the NSAF and 1996 to 2001 using the SIPP. For the later years of reform we compare 1999 to 2002 using the NSAF, 1999 to 2003 using the SIPP, and 2000 to 2005 using the CPS. Our analysis of leavers analyzes the broader time period: 1997 to 2002 using theNSAF, 1996 to 2001 using the SIPP, and 2000 to 2005 using the CPS.

We attempt to use sample definitions, variable measures, and time periods that are as similar as possible across the three data sets. However, there are some differences in our sample definitions (unit of analysis, definition of welfare recipient and leaver) due to the idiosyncratic way information is collected by each data source, and in the calendar years of data available across the three data sets. Generally speaking, the SIPP and CPS samples of TANF recipients represent all families receiving TANF assistance, even those with only eligible children, while the NSAF sample attempts to exclude these "child-only" cases. For TANF leavers, the NSAF and CPS samples represent those who have exited TANF over a period of time (roughly the last two years for NSAF and the last year for CPS) while the SIPP sample is of families who have just exited. Exhibit ES-1 summarizes the key differences for our analysis samples across the three surveys.

The results on trends over time presented in this report are descriptive and can be used for the purposes of planning, resource allocation, or understanding how best to serve current recipients. Our analysis does not measure the impact of specific welfare policies or welfare reform generally on outcomes, so it cannot be used to conclude what were the causes of the observed changes. To gain a better understanding of the root causes of observed changes in the status of current and former welfare recipients and their implications, we discuss findings from existing literature including experimental and location-specific studies.

Changes in Circumstances of TANF Recipients and Leavers

Our report provides the results of our synthesis in four issue areas that devolve from the two major study questions noted above. We provide a summary of our findings below.

Exhibit ES-1 Analysis Sample Definitions for NSAF, SIPP, CPS

	NSAF	SIPP	CPS
Data Type, Years	cross-sectional: 1997, 1999, 2002	longitudinal: 1996 and 2001 panels	cross-sectional: 2000 and 2005
Unit of Analysis	"Social family" - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable adult about the child is considered head.	"Family" - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.	"Family" - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.
Definition of Recipient	Head reports family receiving TANF income at the time of the interview. We exclude families where parents of the children are not present or the head is receiving SSI. Family income at the time of the interview or in the prior year cannot have exceeded 250 percent of poverty and must be below 200 percent of poverty in current or prior year.	Families with children that report receiving TANF, general assistance, or "other welfare".	At least one person in family reports receiving TANF or "other public assistance" in the past 30 days.
Definition of Former Recipient	Head reports not receiving TANF at time of interview but did receive TANF in the past two years. Same sample exclusions as for TANF recipients.	Families receiving welfare in first wave of panel and stopped receiving welfare (no one in family received) for at least two consecutive months.	Families reporting received welfare in previous calendar year but has not received welfare in past calendar month.
Time periods analyzed for current recipients	early reform: 1997 - 1999 late reform: 1999 - 2002	early reform: 1996 - 2001 late reform: 1999 - 2003	late reform: 2000 - 2005
Time period analyzed for former recipients	1997 - 2002	1996 - 2001	2000 - 2005

1. **In what ways have the characteristics of families receiving cash assistance changed over time, and what do we know about the relationship of these changes to caseload decline?**

   - *Both declines in entry and increases in exits have played a role in declining TANF caseloads and both potentially influence changes over time in the characteristics of the caseload.*

   Research suggests that both changes in welfare policy and economic growth played substantial roles in this decline.[3] For the size of the caseload to fall, either fewer people must be entering the program or those entering or who have been on the program must be exiting after shorter stays (or some combination of both phenomena). Ultimately, changes in who enters welfare and how long they stay influence the composition of the caseload and, as a result, the characteristics of welfare leavers. Studies of caseload dynamics in the 1990s have found that changes in entry were an important part of caseload decline, although increases in exits from welfare played a relatively larger role.[4] Whether reforms affect exit and entry differentially for families with different characteristics has implications for the caseload. However, there is little research on this topic.

   - *Despite the implementation of federal welfare reform, the massive decrease in welfare caseloads, and the very different economic climate during the early and late reform periods, data on the demographic characteristics of families on welfare show few statistically significant changes.*

   Our analysis examines the how personal and family characteristics of TANF recipients and former recipients (including age, sex, race/ethnicity, and education of the family head, family structure, family size, number of children, and age of youngest child) changed over time. We find that trends in the characteristics of families on TANF are sensitive to the precise years considered, the definitions employed, and the data sets used. Further, there are few statistically significant changes in these characteristics that are consistent over time and across data sets. Similarly, data on different cohorts of welfare leavers over time indicate that in most respects, the personal and family characteristics of leavers have not changed significantly or consistently.

   There are, however, some noteworthy patterns to consider. For example, we find that the educational attainment of recipients seems to be sensitive to the economic cycle with the typical recipient having more education when the economy is softer in the later years after reform.

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[3] Both Blank (2002) and Grogger, Karoly, and Klerman (2002) provide excellent syntheses of this research.
[4] These studies include Klerman and Haider (2001), Oellerich (2001), Bavier (2002), and Acs et al. (2001).

2. **Does the caseload of TANF recipients include greater percentages of families with serious barriers to work over time?**

- *Significant percentages of TANF recipients have serious barriers to work and prevalence is generally higher among recipients than leavers.*

As caseloads declined, concerns grew that more of the TANF caseload would have serious barriers to work, requiring greater investment of resources to move off welfare and into the labor market. Numerous location-based studies of the welfare caseload show that significant percentages of TANF recipients have serious barriers to work such as physical or mental health problems, recent experience of domestic violence, substance abuse, criminal history, low education levels, or learning disabilities.[5] Our analysis of a more limited set of barriers in national data shows that current recipients generally have higher levels of barriers than former recipients.

- *For the most part there has been little change in barriers among recipients and leavers over time, although there is some evidence of increases in recipients with health problems and lack of high school education in the early years of reform and increases in health problems among leavers.*

A small number of studies have directly examined changes in the prevalence of barriers among recipients over time. These generally find little evidence of change in the percent of recipients with barriers in the years before 2000, with some conflicting findings on education levels. Several studies present evidence that work experience has increased over this time period and that the percent with health issues has increased. Our analysis finds increases in the percent of family heads with a health condition that limits work (from about 22 to 30 percent) and in the percent that failed to complete high school (from about 39 to 43 percent). The later period of reform shows little change in the percent of recipients with barriers. Among former recipients, we find an increase in the percentage with a health condition that limits work in the NSAF from 1997 to 2002. We conclude that there is some evidence of increasing disadvantage relative to specific barriers, particularly in the early years of reform. However, it is important to remember that only a limited set of barriers can be measured in these national data. For example, they do not have information specifically on mental health, substance abuse, or domestic violence.

- *While there is evidence that TANF recipients with barriers are less likely to work, there is little information on whether this has changed over time.*

A number of studies document a negative association between specific measured barriers and work, suggesting that those with barriers are less likely to be employed. The specific relationships vary across study locations and methods, but all find a strong

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[5] Hauan and Douglas (2004) summarize six of these studies. Others include Danziger et al. (2000), Dasiger et al. (2002), Rangarajan and Wood (1999), Moffitt and Cherlin (2002), and Courtney and Dworsky (2006).

negative relationship between having multiple barriers and employment. We know little about whether the relationship between barriers and work has changed over time since welfare reform, as there has been little direct analysis of this question. A few studies have found that work and exit from welfare among those with barriers on TANF have increased over time, consistent with welfare programs increasing their focus on helping these individuals move to work.[6] However, we have little information about other outcomes for these recipients after leaving TANF.

3. **What do we know about the economic progress of TANF recipients and leavers over time?**

- *Employment of TANF recipients increased in the early years of reform but declined in the later period after reform. Employment among later cohorts of leavers also fell compared to the years after reform.*

Our analysis supports most of the literature in finding that employment increased substantially for welfare recipients during the early years after welfare reform (exhibit ES-2). Between 1997 and 1999 in the NSAF data, employment of recent leavers increased from 20.9 to 31.5 percent, and between 1996 and 2001 in the SIPP data employment for this group increased from 22.8 to 27.8 percent. During the later years, particularly after 2000, we find employment rates for TANF recipients fell; CPS data show a 6.5 percentage point decline between 2000 and 2005. There is some evidence that wages of employed recipients increased in the early time period.

Our analysis of former welfare recipients finds declines in employment between 1996 and 2001 in the SIPP (56.7 to 49.3 percent) as well as in later years between 2000 and 2005 in the CPS (54.5 to 39.3 percent) (exhibit ES-3). However, there is some evidence of increases in wages among employed leavers over time.

The preponderance of research on the reasons for the observed increases in recipients' work in the early period of reform suggests that welfare reform played a role.[7] This research finds that other factors such as the expansion of the EITC and the strong economy also had significant impacts on the increases in employment during this time period. There has been relatively little analysis of employment changes in the later years or changes in the employment of cohorts of former recipients over time. Whether these declines are due to a slowdown in the economy in the 2000s relative to the late 1990s or other factors is not clear. For both current and former recipients, the fact that we find little change in the personal and family characteristics of cohorts over time suggests that compositional changes in this group may play less of a role than may have been expected. However, detailed analysis of these relationships would be necessary to draw firm conclusions.

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[6] See Bavier (2003) and Loprest and Zedlewski (2006).
[7] Based on syntheses of research on the impacts of welfare reform policies in Blank (2002) and Grogger, Karoly, Klerman (2002).

Exhibit ES2: Employment of Welfare Recipients
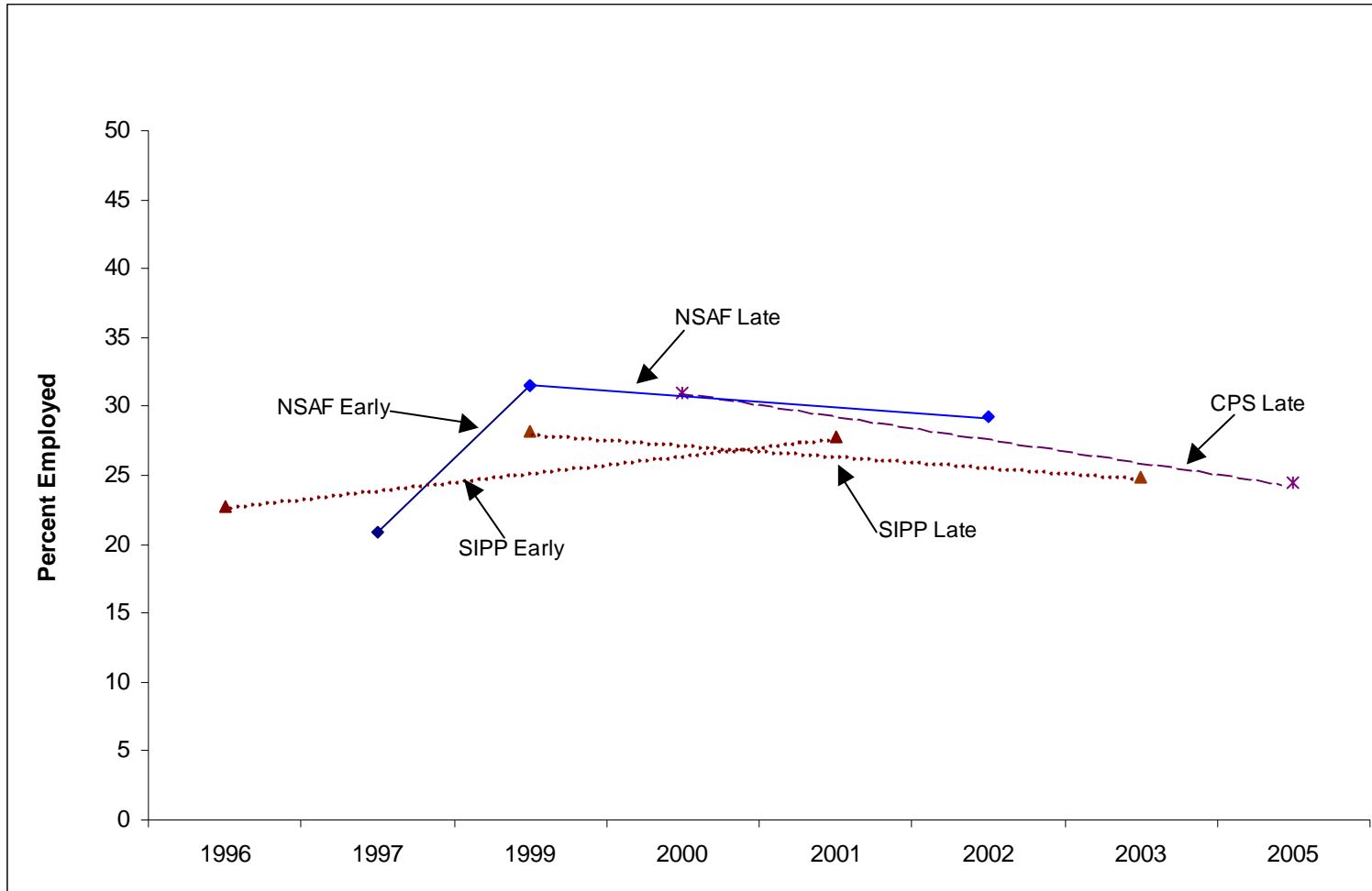
Source: Authors' calculations.
Note: Lines between points are intended to show trends over time and do not reflect actual data for interim years. For definitions of TANF family used in the surveys see ES-1.

Exhibit ES3: Employment of Former Welfare Recipients

Source: Authors' Calculations.
Notes: Lines between points are intended to show trends over time and do not reflect actual data for interim years. For definitions of TANF family
              used in the surveys see ES-1.

- *Average income among TANF recipients increased over the early years of reform, but was stagnant in the later period. Average income of former recipients remained steady or declined for cohorts leaving welfare in the later years after reform.*

Our data analysis shows some evidence of an increase in income of TANF recipients in the early period with stagnant incomes in the later period (exhibit ES-4).[8] The NSAF data, focusing on a more narrow group of welfare recipients, show income growth in both periods, although somewhat slower growth in the later period. The SIPP data show a fairly stagnant income picture over both periods of reform. However, it is important to note that income levels in the later period in the SIPP (both 1999 and 2003) are higher than income in the early period. Because the early reform period stretches from 1996 to 2001 in the SIPP rather than from 1997 to 1999 as it does in the NSAF, the SIPP early reform trend likely masks an increase in TANF recipients' incomes through 1999 and subsequent decline. Like the SIPP, the CPS shows no significant change in the incomes of TANF recipients during the late reform period (which stretches from 2000 to 2005 in the CPS data).

The average income of former welfare recipients either remain flat or decline in the years after reform in the three data sets we analyze. (exhibit ES-5). The SIPP shows a substantial and statistically significant decline in median annual income of almost $5,000 from 1996 to 2001. Both the SIPP and CPS show significant increases in the share of leavers experiencing deep poverty. In the SIPP between 1996 and 2001, the share in deep poverty climbed from 24.4 to 33.3 percent. In the CPS between 2000 and 2005, the share grew from 25.3 to 31.6 percent.

- *There is some evidence that recipients are better off after leaving welfare than while on welfare, although this varies depending on the specific locality.*

There are a few studies that address the question of whether recipients are better off after leaving TANF than while on TANF. These studies show at most modest average gains in income for those leaving welfare and also show that there are many families whose income falls when leaving TANF.[9] Our analysis indicates that, on average, the incomes of former recipients are higher than current recipients.

According to the studies we examined, the key transition for raising household income seems to be moving from nonwork to work, and those families that are able to combine welfare and work may have as high incomes (or higher) than families moving off of welfare to work. These studies also show that there can be considerable difference in income changes across localities, in part due to differences in welfare policies such as the rate at which TANF benefits are reduced as earnings increase.

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[8] All dollar values are reported in constant 2005 dollars.
[9] Key studies include Bavier (2001), Cancian et al. (2002), Danziger et al. (2002), and Moffitt and Winder (2003).
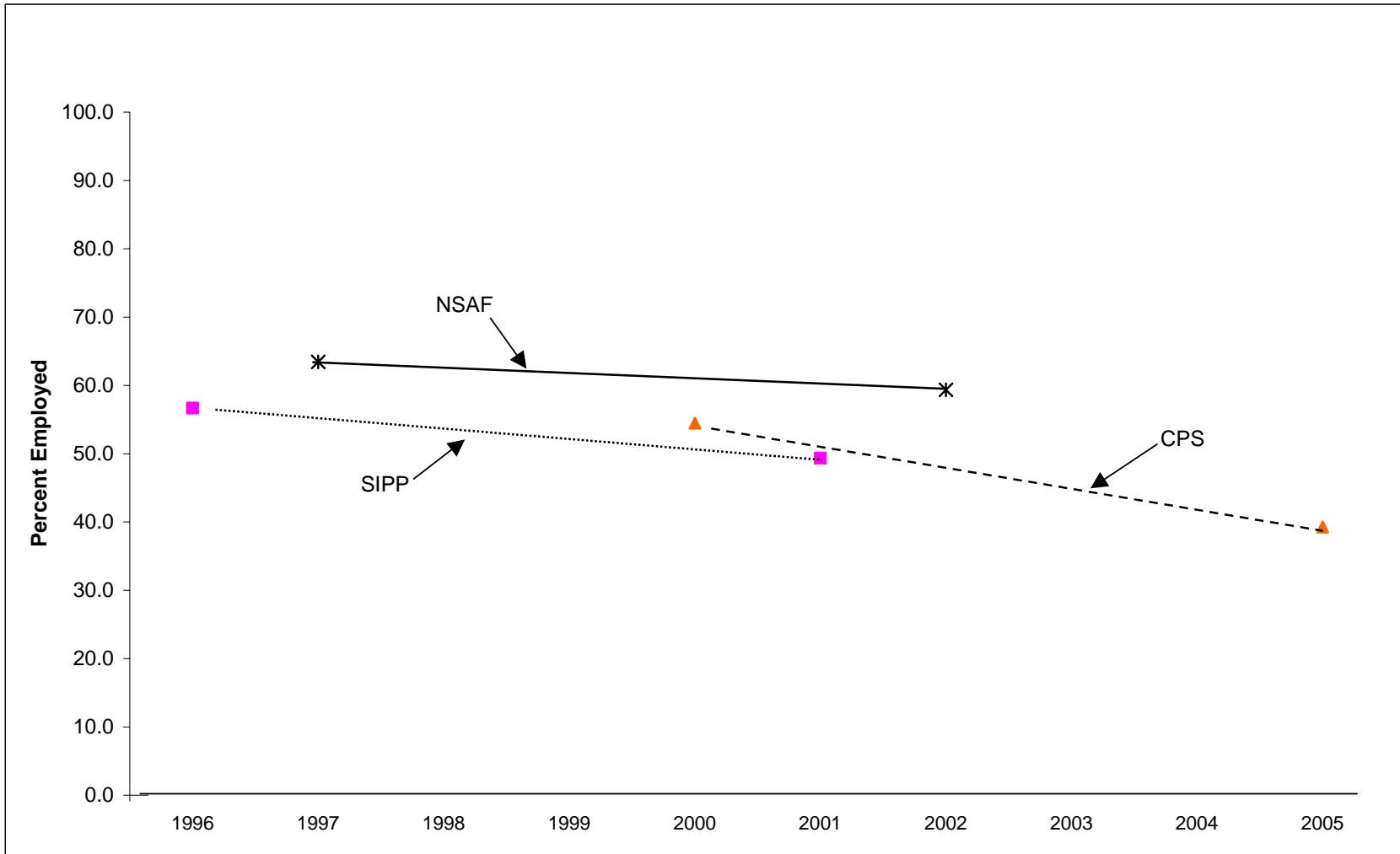
Exhibit ES4: Mean Household Income of Welfare Recipients
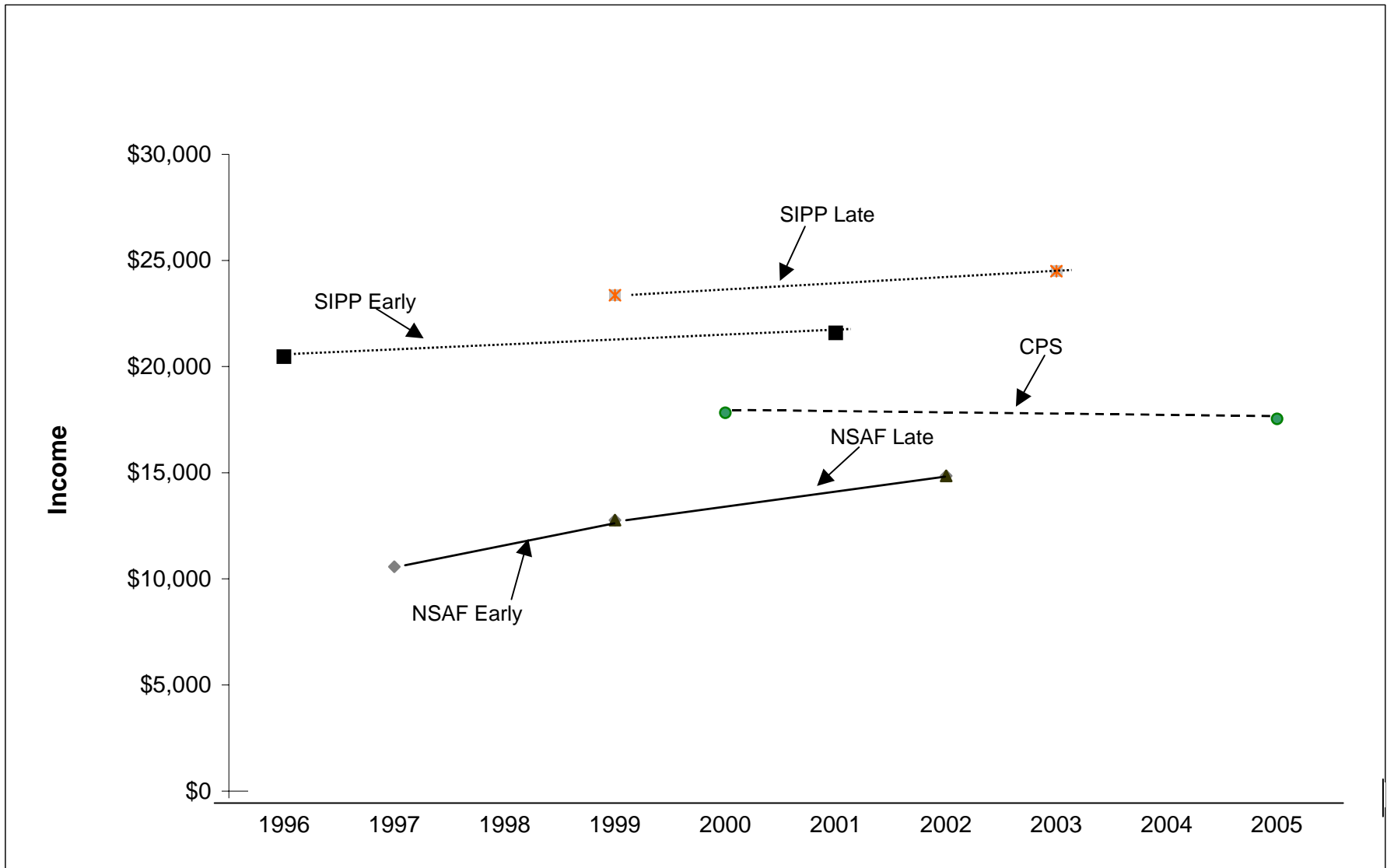
Source: Authors' calculations.
Note: Lines between points are intended to show trends over time and do not reflect actual data for interim years. For definitions of TANF family used in the surveys see ES-1.

Exhibit ES5: Mean Household Income of Former Welfare Recipients
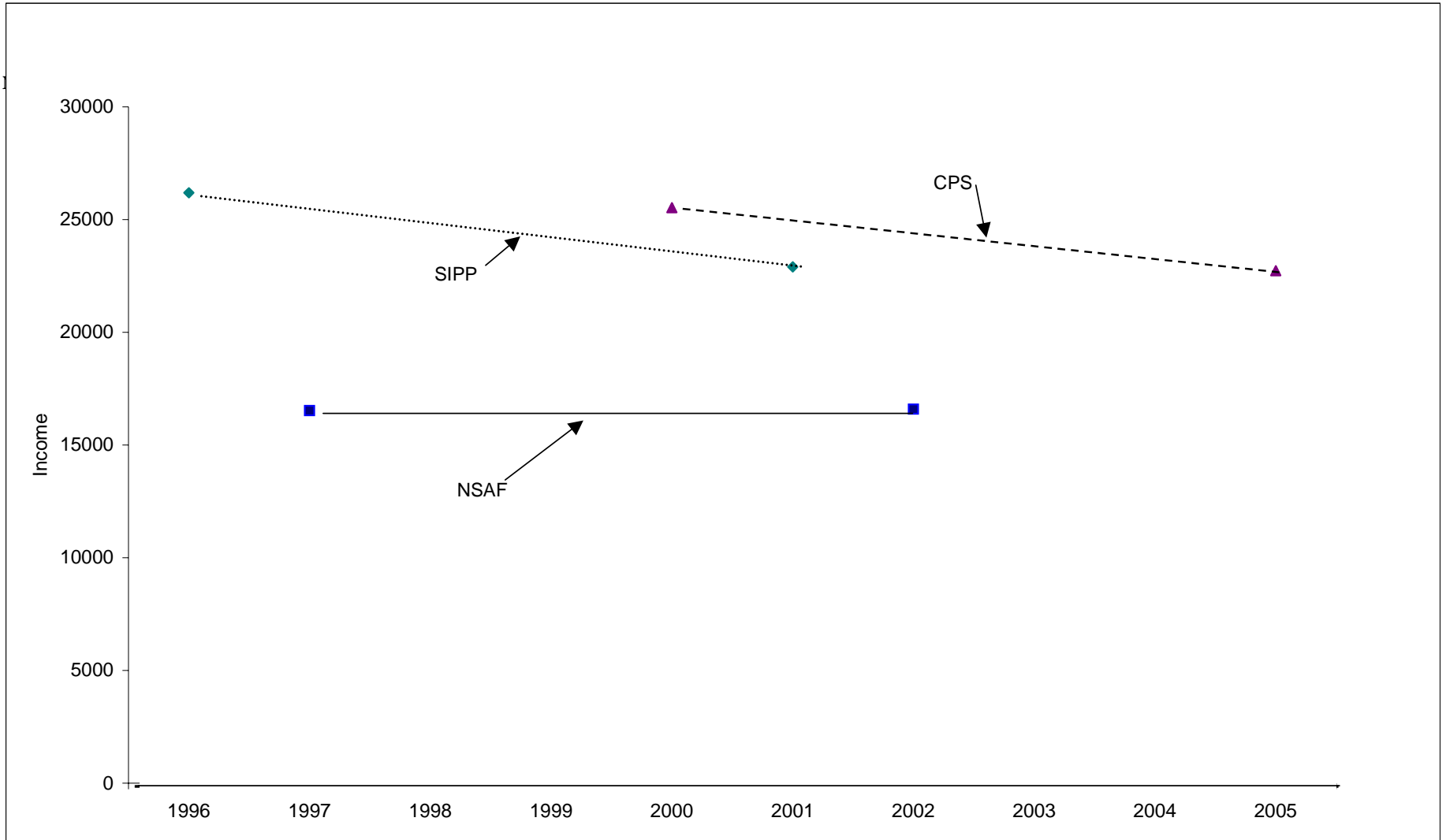
Source: Authors' calculations.

Note: Lines between points are intended to show trends over time and do not reflect actual data for interim years. For definitions of TANF family used in the surveys see ES-1.

- *There is some evidence that the incomes of leavers increase over the months after exiting welfare. We find this is true for those leaving welfare in either the early or later years after reform.*

Finally, there is some evidence from location-based leaver studies that, on average, in the early period after reform, earnings of leavers increased over the first year after leaving TANF, although there is a wide variation in specific results (Acs and Loprest 2004). Our analysis using SIPP data from 1996 and 2001 shows that for both cohorts of leavers, average family incomes increased over the year after exit (by from $400 to $500) for those not returning to TANF. These results suggest that even though cohorts of welfare recipients leaving welfare in the later period of reform do not, on average, experience higher levels of family income than those leaving in the early reform period, in both periods individual families that leave welfare and remain off for a year experience growth in family income.

4. **What do we know about those leaving welfare without work or advantageous changes in family structure?**

- *Over the years after reform, a declining percentage of leavers report exiting welfare due to work and a growing percentage report leaving for reasons likely related to welfare rules.*

Reasons for leaving welfare have changed over time since welfare reform, with fewer exiting for work and more exiting for other reasons. Both national and location-specific studies of the early years after welfare reform find that a majority of recipients leaving welfare exit with employment. Data from the NSAF show a significant decline in this reason for exit between 1997 and 2002 from 70 to 56 percent, consistent with our earlier results on employment of welfare leavers (Loprest and Zedlewski 2006). These data also show a significant increase in the percentage reporting they left welfare because they do not want or need benefits or benefit receipt involves "too much hassle," potentially reflecting increased requirements for recipients over time. There is also an increase in those leaving welfare due to time limits.

- *About 20 percent of welfare leavers are "disconnected" – not working, without a working spouse, and without any public cash assistance. These former recipients are more disadvantaged on a number of measures than other leavers.*

The subgroup of former recipients who leave welfare without work has been the focus of several studies using national and location-specific data sources. This group, sometimes referred to as "disconnected former recipients," typically includes those who are not working or living with a working spouse or partner and not receiving any other cash assistance. Although the size of this group varies across studies, national estimates from the NSAF put the size of this group at about one-fifth of those who left welfare between 2000 and 2002 and remained off welfare in 2002. Studies of this group using these data and data from Michigan and New Jersey all find that this group is significantly

more disadvantaged than other leavers in terms of household income, barriers to work, and experience of material hardship.[10] The only information on change over time in size of this group is from NSAF data, which show no increase in the size of this group as a percentage of all leavers. While this share remains steady over time, the absolute number of disconnected families has fallen as the number of leavers has declined. Evidence from New Jersey finds substantial transitions in and out of this group over time, both back to welfare and to work. Additional examination is needed of outcomes for this group as more recipients hit their time limits and are unable to return to welfare is needed.

Recommendations for Future Research

The review of research above highlights the many gaps in existing research, especially on the later years after welfare reform. Moving forward, research should examine how TANF is evolving and how well it can meet the needs of low-income families today and in the future. We recommend five broad areas for future research on TANF: (1) data needs and capacity building; (2) understanding changes in welfare participation; (3) tracking current and former welfare recipients to identify persistent and emergent problems and needs; (4) understanding how specific features of states' TANF and public assistance programs influence the well-being of current and former recipients; and (5) expanding beyond the TANF program to learn how other public assistance programs are interacting with and serving the needs of low-income families.

1. **Data needs and capacity building**

Research on TANF-related issues requires reliable data. Administrative data from state TANF programs when linked with data on participation in other assistance programs (such as food stamps, WIC, housing assistance, and public health insurance) and data on employment from state UI wage records can be particularly valuable. These linked data can provide a fairly comprehensive picture of how public programs are serving the TANF population, whether TANF leavers are employed, whether they are using other public programs when not on TANF, and how long they remain off the TANF rolls. While some efforts to link administrative data for specific states are ongoing (such as Chapin Hall's efforts with Illinois administrative data), it is possible that the federal government could play a role in supporting other states in carrying out more linkages. This role could include technical assistance and capacity building grants as well as potentially providing a clearing-house or some way of streamlining research access to some of these data. The federal government could also conduct a review documenting the status of existing efforts to link data on a state-by-state basis.

Some outcomes cannot be captured in administrative data (e.g., changes in living arrangements, receipt of aid from nonpublic sources, mental and physical health, and child well-being). As such, there is a continuing need to ensure that high quality survey data on the program participation and status of low-income families continues to be

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[10] These studies are Loprest and Zedlewski (2006) using national data, Danziger et al. (2006) using Michigan data, and Wood and Rangarajan (2003) using data for New Jersey.

collected at the national level. Particular attention should be placed on the development and implementation of the Dynamics of Economic Well-Being System (DEWS), which is scheduled to replace the SIPP, a staple data source for research on TANF-related issues, in 2008/2009.

2. Understanding changes in participation

The marked decline in welfare caseloads over the past decade has been accompanied by declines in the share of eligible families that take up benefits. Research exploiting existing data sets that carefully models eligibility and identifies the factors—personal, policy, and economic—associated with the decision to take up benefits and assess how these factors have changed over time would help policymakers understand why families avoid welfare and whether this is cause to celebrate or a cause for concern. In addition, it may be useful to study applicants who do not end up receiving TANF benefits as well as families that are formally diverted from the program.

Further, changes in long-term societal trends may play a part in lower caseloads. For example, historically, having a nonmarital birth as a teenager was a common path to long-term welfare dependence. However, teen birth rates fell during the 1990s and into the 2000s. It is not clear whether this was in response to changes in welfare policy. In addition, we do not know whether teens who do have children outside of marriage are less likely to enter welfare today than they were in the past. It would be valuable to assess whether the relationship between nonmarital fertility and welfare entry has changed.

3. Tracking current and former recipients to identify persistent and emerging needs

Ongoing information on the status of current and former welfare recipients is vital for program administrators and policymakers and will be greatly facilitated if administrative data-linking and survey data-gathering capabilities are expanded and enhanced. Only through routine tracking will policymakers and program administrators be able to quickly identify emergent problems and needs among current and former recipients. For example, in the case of a severe recession, we will want to be ready to assess the impacts on caseloads and outcomes. It will be particularly important in the coming years to see if greater proportions of TANF families exhaust their lifetime benefits and to examine how families that have reached time limits are faring.

4. Understanding how specific state policy choices influence current and former recipients

Future research should also assess how specific state policy choices influence the status and outcomes of current and former TANF recipients. Because states have made and continue to refine their policy choices regarding time limits, work requirements, sanctions, and other program features, it is important to understand how these choices influence the behavior and well-being of TANF clients, particularly those that face the

greatest barriers to work. In addition, gaining a better understanding of how TANF clients perceive program rules and the services they receive will help policymakers and program administrators communicate and shape their TANF programs more effectively.

5. Research beyond TANF

In 2005, there were 7.6 million families living below the poverty line and millions more living just above it. The average number of families receiving TANF in any given month, however, is about 2 million. Consequently, future research on TANF should not be confined to the TANF recipient population because many low-income families and their children are not turning to TANF for support. Learning how these families get by and whether they would be better off in the short and long run had they entered TANF are key questions for policymakers.

It is also important to note that a substantial share of families have become disconnected from both TANF and from work. They may be receiving income or in-kind supports like housing from friends and family; they may be able to make do with other public assistance such as food stamps and subsidized housing. Not enough is known about these families and the stability of their current situations. Understanding these families' circumstances and how they change over time is critical, particularly as time limits reduce the ability of families to return to TANF.

Lastly, much of the research on former welfare recipients highlights that individuals were able to find jobs but that wage growth was low and job benefits minimal—in short, that these women had joined the ranks of the working poor. A focus on low-income families with children, in particular working single mothers, and examining what policies and programs might support their income growth will provide valuable insight into the broader low-wage labor market and how workers can retain and advance in jobs.

TANF Caseload Composition and Leavers Synthesis Report

I.   INTRODUCTION

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) made major changes to the nation's cash assistance policy for low-income families ("welfare"), replacing the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance for Needy Families (TANF) program. The new program has a stronger emphasis on work and has time-limited federal benefits. Between 1996 and 2003, welfare caseloads declined by more than 50 percent, although they had begun to fall in 1994, prior to federal welfare reform.[11] Although this decline suggested that welfare reform was working, it also raised questions among policymakers, program administrators, advocates, and the public. These questions include whether the characteristics of the caseload were changing, whether families that left welfare were better off than when they were on welfare, and whether former recipients were making progress in the labor market.

The purpose of this report is to summarize what is known about these issues from existing literature and to update this knowledge with original analyses using more recent data. The key questions addressed in the report are:

- How do the characteristics of the TANF caseload compare with the AFDC/ TANF characteristics 5 and 10 years ago? In particular, is the caseload more

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[11] Authors' computation using data from U.S. Department of Health and Human Services http://www.acf.dhhs.gov/news/stats/newstat2.shtml. The caseload declined from 4,408,508 families in August 1996 to 2,032,157 in June 2003.

or less disadvantaged than in the past, especially with respect to their employability?

- What are the characteristics and outcomes for families that recently left the TANF rolls compared with families on TANF, and compared with families that left the TANF rolls 5 and 10 years ago? Have TANF leavers become more or less disadvantaged? Are families better off after leaving TANF than when they were on the welfare rolls?

The report addresses these broad questions through a synthesis of available research. While there is a large literature examining the impacts of welfare reform, a more limited set of research provides descriptive statistics addressing the two key questions above, and much of this research is not based on nationally representative data but on data for specific geographic areas. In addition, most of the existing research focuses on the early period just after welfare reform (generally the mid- to late 1990s) both as a response to the intense interest in understanding the early impacts of welfare reform and because of the limited availability of new data sources to study the later time periods. For this reason, we supplement our review of the literature with new descriptive analyses of TANF recipients ("stayers") and former recipients ("leavers") using three nationally representative data sets, the National Survey of Americas Families (NSAF), the Survey of Income and Program Participation (SIPP), and the Current Population Survey (CPS). This approach allows us to provide information about both the early postreform period and the more recent postreform period, including data through 2005.

We have refined and separated the two key questions above into four issue areas and structure the synthesis of research and new data analysis around them:

1. **In what ways have the characteristics of families receiving cash assistance changed over time, and what do we know about the relationship of these changes to caseload decline?** To what extent have caseloads declined because families are moving off the program faster (increased exit rates) or because fewer families are taking up benefits (decreased entry rates)?

2. **Does the caseload of TANF recipients include greater percentages of families with serious barriers to work over time?** Are the most "able" or "work-ready" recipients the most likely to leave TANF? Has the relationship between barriers and work changed over time?

3. **What do we know about the economic progress of TANF recipients and leavers over time?** Are employment rates of TANF recipients continuing to rise in the later years of reform? Are families financially better off after leaving TANF than when they were on welfare? Are those leaving TANF working steadily and progressing toward self-sufficiency so that they no longer require government supports (such as food stamps and housing assistance, for example) to meet their expenses?

4. **What do we know about those leaving welfare without work or advantageous changes in family structure?** Are there changes in the reasons families are leaving welfare over time, (e.g., leaving for better opportunities through work, marriage, or other positive changes in living arrangements) as opposed to reaching time limits, sanctioned for failing to meet program requirements, or finding program requirements burdensome? What do we know about groups of families that leave welfare but are not working?

Organization of the Report

Before we present the results of our analyses, we present a discussion of the methodological issues and limitations in studies of welfare reform. This section (Section II) provides an overview of the different approaches used to study welfare and the sources of data available for study. We discuss the limitations of different types of data

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and analyses and of specific sources of data. Finally, we review some important issues for assessing research on welfare recipients and former recipients that are necessary for interpreting the information we discuss in the remainder of the report. The third section of our report provides the results of our synthesis and new data analysis, addressing the four issue areas described above, in turn. Finally, the report concludes with a section discussing the remaining major gaps in our knowledge in this area. Based on our own analysis and consultation with experts in the field, this section provides detailed recommendations for future research to broaden our understanding of the ongoing circumstances of current and former TANF recipients.

II.   METHODOLOGICAL ISSUES AND LIMITATIONS IN STUDIES

Approaches to Studying Welfare

Studies of families receiving TANF and those of families that have left welfare fall into three broad categories: descriptive, analytic, and experimental. Descriptive studies use qualitative/ethnographic and quantitative data to assess the status of welfare leavers and recipients at one or more points in time. Such studies can document the demographic characteristics of these families (e.g., race/ethnicity, age, educational attainment); their employment, income, and earnings; and the hardships and barriers to work they face. They are extremely useful because they clearly illustrate the circumstances of families that are either still on welfare or have recently exited the program and can alert policymakers and program administrators about emergent problems and unmet needs in these populations. Although descriptive studies are sometimes used to determine whether the circumstances of welfare families have improved or deteriorated over time, such direct comparisons may be misleading if the types of families entering welfare are also changing (this issue is addressed in greater depth below). In addition, descriptive studies comparing welfare recipients or welfare leavers before and after welfare reform or any particular change in welfare policy cannot be used to draw strong conclusions about the impacts of changes in policy because one cannot be certain about how the welfare population would have changed in the absence of a policy shift.

Analytic studies attempt to understand how and why the circumstances of welfare leavers and recipients are changing over time. At a minimum, such studies use multivariate statistical techniques to isolate the disparate factors that can influence the

status and outcomes of these families. For example, where a descriptive study might note that the earnings of families that left welfare declined from one year to the next, an analytic study could find that the earnings of both high school graduates and high school dropouts increased but that a higher percentage of leavers in the latter year were high school dropouts (and dropouts have lower earnings than graduates). Thus, an analytic study could demonstrate that what appears to be bad news (falling average earnings) masks good news (rising wages for all subgroups). Analytic studies also attempt to ascertain why observed changes occur; for example, have policy changes or policy choices contributed to changes in the circumstances of the welfare recipients and leavers?

Analytic studies that try to assess the impacts of policies on welfare caseloads, welfare recipients, and welfare leavers all require variation in welfare policies, and this variation generally arises over time and across jurisdictions (e.g., states). However, many factors other than welfare policies change over time such as the economy and changes in nonwelfare policies (e.g. EITC), and there are many differences between jurisdictions besides how they approach public assistance. "Welfare policy" comprises a variety of specific policies (e.g., benefit levels, sanctions, time limits), and jurisdictions may elect to implement policies with offsetting effects. This further complicates analytic studies. And different jurisdictions may implement the same *de jure* policy in different ways. As a result of these complications, subtle differences in the approach taken in analytic studies (e.g., the specific states and time periods, the way policy choices are modeled, the set of policies and nonpolicy factors considered) that try to explain changes in welfare recipients' status and outcomes can produce divergent findings.

Experimental studies are considered the "gold standard" for assessing the impact of policies on welfare recipients and welfare leavers. Under these experiments, applicants to welfare programs are randomly assigned to either a treatment or control group. The treatment group is subject to a new welfare policy while the control group is subject to the rules governing the prior policy regime. Differences in outcomes between the two groups can be ascribed to the policy differences.

There are, however, several important limitations to experimental studies. Experiments are expensive to conduct and are usually confined to a limited geographic area and a limited set of policy changes. As such it is not clear whether findings from even well-done experimental studies are applicable outside of the study area (e.g., will a program that works in Nevada be as effective in Tennessee?). In addition, social science experiments are not conducted under controlled, laboratory conditions, and the experiment can be contaminated. For example, in some cases a policy shift may be implemented statewide but a few welfare applicants may be placed in a control group and must function under the previous policy regime. If the control group members believe the new rules apply to them because these rules are being widely advertised, then the control group effectively has received the treatment. Finally, policies may have effects that occur prior to the time affected individuals can be randomly sorted into treatment and control groups. For example, if random assignment takes place after an individual has applied for welfare, then the experiment cannot detect the effects of policies that deter or discourage individuals from even applying for benefits.

Descriptive, analytic, and experimental studies all have important limitations, but as long as one is mindful of these limitations, a great deal of useful information can be

gleaned from each. Descriptive studies allow policymakers and analysts to document

changes in the status of welfare recipients and welfare leavers. For example, if a growing

share of welfare recipients have physical or mental health problems, it is important to

focus on meeting their health needs and finding jobs that can accommodate their

limitations even if this change in the composition of the caseload is the result of positive

trends—i.e., because the most work-ready and able recipients are leaving welfare at a

faster rate.

Analytic studies assessed as a group can provide some understanding as to why

the status of welfare recipients and leavers may be changing over time or differing across

states. Although it may be inappropriate to draw strong inferences about causal

relationships from any single analytic study, an analyst or policymaker can be more

confident about findings that consistently arise in multiple analytic studies using different

data sets and a variety of empirical specifications. Finally, well-executed experimental

studies can demonstrate the specific policies that can influence the status of specific

populations, and policymakers can use this information to help decide whether a

particular approach is more or less likely to work in other settings.

Data Sources for Studying Welfare

Descriptive and analytic studies of welfare populations rely on two types of data:

administrative data and survey data. The most basic, fundamental information on the size

and characteristics of the welfare caseload comes from administrative program data

collected by the states and submitted to the federal government (Department of Health

and Human Services [HHS]); summary information from these data is produced regularly by HHS.[12]

Survey data can provide a richer set of characteristics on current and former welfare recipients, although there are scope and quality issues with these data relative to administrative data—these issues are discussed later. Survey data are obtained through direct questioning of individuals and families; surveys can be conducted by mail, over the phone, or in person. Some surveys attempt to reinterview the same households at different points in time, gathering longitudinal data, while others cover a single point in time (cross section). Cross-section surveys may be repeated at different points in time, but the samples of surveyed households in different rounds of the survey are independent of one another—i.e., different households are surveyed in different rounds.[13] Cross-section and repeated cross-section data can provide snapshots of welfare populations at different points in time, but there is no way to know how the circumstances of particular families change over time—this requires longitudinal data. Generally, it is more costly to collect longitudinal data because the same households (and in some cases individuals who leave those households) have to be relocated for every round of data collection, and those who cannot be located may differ markedly from those who can. As such, findings on how the same families are faring over time may be subject to attrition bias.

Several large, nationally representative surveys ascertain whether individuals currently receive or had been on welfare and can be used to study welfare recipients and

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[12] These data can be accessed through the internet at
http://www.acf.dhhs.gov/programs/ofa/caseload/caseloadindex.htm and
http://www.acf.hhs.gov/programs/ofa/character/indexchar.htm.

[13] Some repeated cross-section surveys do reinterview some subset of respondents from round to round, but these data generally do not lend themselves to longitudinal analysis because the families that are captured in multiple rounds are not necessarily representative of the population or any specific population subgroup and, in general, these families are only interviewed at two points in time.

leavers. These include the Current Population Survey (CPS—repeated cross sections), the Survey of Income and Program Participation (SIPP—longitudinal), and the National Survey of America's Families (NSAF—repeated cross sections); these three surveys are discussed at greater length in the following section. In addition, the National Longitudinal Survey of Youth (both the 1979 and 1997 cohorts) and the Panel Study of Income Dynamics (PSID) (both longitudinal) can and have been used to study welfare-related topics, and other data sets such as the National Health Interview Survey (NHIS), the National Survey of Families and Households (NSFH), the National Survey of Family Growth (NSFG), and the Survey of Adolescent Health (AdHealth) all allow for at least limited analyses of welfare populations.

In addition to national surveys, many smaller surveys have been conducted that focus on welfare populations in specific locations. For example, the Women's Employment Survey (WES) has tracked a sample of welfare recipients in a single Michigan county from 1997 to 2003. The Three City Study (TCS) was fielded to help understand how welfare reform has affected children and focuses on low-income families in Boston, Chicago, and San Antonio. It is a longitudinal study and has surveyed families in these three cities in 1999, 2001, and 2005. The Project on Devolution and Urban Change (Urban Change) aimed to assess how welfare reform affected low-income families with children and their communities. The Urban Change study gathered data in four of the nation's largest urban counties—Cuyahoga, Ohio (which includes Cleveland); Los Angeles, California; Miami-Dade, Florida; and Philadelphia, Pennsylvania from 1997 to 2001. In addition, many jurisdictions have undertaken studies of welfare recipients and welfare leavers that have collected survey data. The U.S. Department of

Health and Human Services (HHS) funded a series of welfare caseload studies (Colorado, D.C., Illinois, Maryland, Missouri, and South Carolina) in which all jurisdictions used the same core survey questions. Similarly, HHS funded a series of welfare leaver studies in which researchers tried to focus on common administrative data elements across jurisdictions.

Some studies of welfare populations use administrative data from state welfare programs, sometimes linked with other administrative data such as a state's Unemployment Insurance (UI) system records. Administrative data records are the definitive source of information about program participation and provide information on the size of welfare caseloads and the rate at which families exit from the program. By linking data on current and former welfare recipients from TANF records with UI wage records, analysts can tell how many working recipients and former recipients are covered by states' UI systems. Linking TANF data with data on other public assistance programs (e.g., food stamps, Medicaid, child welfare) can be used to study multiple program participation. Many of the jurisdiction-specific studies use both administrative and survey data in their analyses.

A final source of data comes from welfare experiments. Experimental data generally combine both administrative and survey data for the population studied in the experiment.

Advantages and Disadvantages of Different Data Sources

A key difference across survey, administrative, and experimental data sources is scope. Experimental data are the most limited in scope because they are collected to answer a specific research question, usually the impact of a specific program or program

component. They are only collected for individuals and families in either the treatment or control groups of the study population, and the study population is often limited in place to a single city, county, or state and is always limited in time. While experimental data have been used in subsequent studies not related to the original experiment, this practice is relatively rare.

Administrative data are limited to the geographic entity that administers the welfare program, generally the state.[14] Also, administrative data systems collect very accurate information on factors that influence eligibility for benefits and benefit levels; but less attention may be paid to other items often reported in administrative data (e.g., education levels). Data systems can differ substantially from state to state, so a national picture using state administrative data can be hard to obtain. To study families that have left welfare, state TANF data must be linked to other data systems like the UI system. Not all jobs are captured in state UI wage records (e.g., self-employment, jobs in other states, federal jobs) so matching, by definition, is incomplete.[15]

Survey data can also be limited to a single jurisdiction or set of jurisdictions (e.g., WES, TCS), but they can be nationally representative. However, national general-purpose surveys do not necessarily collect information on all the aspects of the welfare population that are of interest to policymakers. For example, the CPS does not collect information on several barriers to work that are of interest, such as mental health status or experience of domestic violence.

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[14] It is important to note that about one-third of the total TANF caseload can be found in just two states: California and New York. Consequently, learning more about trends in the size and status of the TANF caseloads in these two jurisdictions can contribute significantly to understanding national trends.
[15] For a discussion of problems matching administrative data across programs see Goerge and Lee (2002); for a discussion of measuring employment and income using administrative and survey data, see Hotz and Scholz (2002).

All survey data are also subject to a common set of measurement problems. First, all surveys have some element of nonresponse, that is, individuals or families that were selected as part of the survey sample but who cannot be contacted or refuse to be interviewed.[16] The concern is that if those who respond are different than those who do not respond (e.g., less likely to be working or lower income), then the results of the survey will not be representative of the whole survey sample, and findings from these data may be biased. Surveys of welfare recipients in specific geographic areas have achieved reasonably high response rates. Hauan and Douglas (2004) report that four of the six surveys of TANF recipients they review had response rates of over 70 percent. A review of location-specific studies that surveyed former welfare recipients found six studies with response rates over 70 percent (Acs and Loprest 2004). Acs and Loprest (2002) discuss several studies that use administrative data to compare respondents and nonrespondents or compare respondents who were easy to contact versus more difficult to contact to gauge the extent to which there is bias in leaver studies due to nonresponse. Although the results vary by specific study, surveys with over a 50 percent response rate generally found similar average employment rates and other outcomes for welfare leavers (Acs and Loprest 2002).

Large national data sets used for welfare analysis also have nonresponse issues. The SIPP response rates for the first panel of data collection in 1996 and 2001 are 92 and 87 percent, respectively. The NSAF reports separate response rates for adults and children. In the 1997 round, response rates are 62 and 65 percent for adults and children,

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[16] When using administrative data as the source for a survey sample, the quality of the contact information (such as phone number and address) is important for limiting survey nonresponse due to inability to contact respondents. This may be a greater problem for surveys of former recipients whose information in TANF administrative records may be out-of-date. The problem is exacerbated as the time between exiting welfare and the survey increases. National surveys using random-digit-dial methods do not have this problem.

respectively; in 1999, the response rates are 59 and 62 percent. Between the 1999 and 2002 rounds, the response rate dropped, falling to 52 and 55 percent for adults and children, respectively. The CPS has a survey response rate over 90 percent (Weinberg 2006), so it is likely to have a small nonresponse bias. All three data sets use weights to adjust for nonresponse in the surveys as well as to adjust for complex sampling. It is important to use these weights for results to be nationally representative.[17]

Unlike the NSAF and the CPS, the SIPP tracks families over time. As such, in addition to survey nonresponse, the SIPP has the additional problem of attrition—families that respond to the initial wave of the SIPP may not respond to subsequent waves, and the families that stop responding to the survey may be systematically different from the families that provide information at each wave. Theoretically, when the SIPP data are used to make point-in-time assessments, using the wave-specific weight should help adjust for nonresponse for any particular data collection wave. Using the panel or longitudinal weight should adjust for nonresponse and attrition for comparisons that track families over time. The quality of these weighting adjustments, however, is of some concern.[18] Despite these concerns, SIPP data are widely used in studies of low-income populations and we use them in our analysis in this study.

The second problem in survey data is reporting error. Individuals sometimes report inaccurate information, either intentionally or because they misunderstand the question or do not recall the correct response. For welfare related analyses, we are particularly interested in underreporting of TANF receipt. Some have suggested that

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[17] Nonresponse is a greater concern in the NSAF than in the SIPP and CPS. For an analysis of nonresponse and weighting adjustments in the NSAF, see Triplett (2006).

[18] This report cannot provide a comprehensive assessment of the quality of SIPP data. For more information about the problems with the SIPP, see Besharov, Morrow, and Shi (2006); Lamas, Tim, and Eargle (1994); and Rizzo, Kalton, and Brick (1994).

confusion over geographic-specific TANF program names may lead to misreports of income (Kindleberger 1999). Nelson and Zedlewski (2003) suggest that there is greater misreporting of TANF income among Spanish-speaking respondents.

All the major national surveys have an undercount of TANF recipients. According to the NSAF, there are 2.3 million families receiving welfare in 1997 (weighted count) compared with approximately 3.7 million families receiving TANF reported in administrative data, meaning the NSAF captures about 62 percent of the total caseload.[19] In 2002, the undercount in NSAF is similar—the NSAF reports about 1.3 million cases while the administrative data indicate that there were 2.1 million families receiving TANF. However, both the CPS and SIPP show an increase in underreporting of income, particularly welfare receipt, over time. The 1996 SIPP captures about 80 percent of the caseload; the 2001 panel captures about 60 percent (unpublished tabulations). In the CPS, the share of the TANF caseload captured falls from 71 percent in 1993 to 61 percent in 1998 (Wheaton and Giannarelli 2000). It is not known whether the problem continued to worsen through 2005 and beyond. Consequently, when making comparisons across SIPP panels or years of the CPS, differences over time between welfare recipients and welfare leavers may be due to both true changes in these groups as well as changes in the types of individuals who report welfare receipt.

In general, responses to retrospective questions may have more error than answers to current status questions (e.g., "Were you on welfare in the last two years?" versus "Did you receive welfare last month?"). As such, studies that follow the same individuals over time, like the SIPP (longitudinal data), may be more useful for assessing welfare recipients' and leavers' circumstances compared with cross-sectional data that ask

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[19] Administrative data are from http://www.acf.dhhs.gov/programs/ofa/caseload/caseloadindex.htm#2002.

retrospective questions. Further, when asking retrospective questions, the recall period

likely affects the accuracy of responses. People are more likely to remember and

accurately report on more recent events (e.g., last month, last week) than events that

happened in the more distant past (e.g., last calendar year, in the last two years).

A related problem to reporting error is item nonresponse. Some survey

respondents may refuse to answer certain questions or say they simply cannot recall or do

not know the correct response. Many public-use data sets adjust for item nonresponse by

imputing a response and noting when such imputations have taken place by adding

variables known as allocation or imputation flags. Imputations are made using a variety

of statistical techniques that are designed to not bias findings.[20]

The third problem with using survey data for welfare research is that those that do

not explicitly target welfare recipients or low-income families may end up interviewing a

small number of these families making it more difficult to draw significant statistical

inferences from them. For example, the unweighted count of welfare recipients fell from

1,458 in the 1997 NSAF to 530 in the 2002 round.[21]

Issues in Assessing Research on Welfare Recipients and Leavers under TANF

When considering the research on the status of families that are either on or have

recently left welfare, it is easy to fixate on the weaknesses and shortcomings of different

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[20] One common procedure for imputing or filling in missing data is called hot-decking. Here a valid response for an item drawn from a respondent with similar characteristics to the respondent who did not answer a particular question is used to fill-in the missing response. Other techniques involve using regression-based predictions for the unreported items. For more information on imputation techniques, see Rubin (1987).

[21] The NSAF does over-sample low-income families, and 530 observations on welfare recipients is a sufficiently large sample to sustain analysis. However, the drop in the number of welfare recipients in the NSAF over time illustrates the growing challenges of using broad-based survey data to study this population.

analytic approaches and data sources. However, many studies have sound methods and provide rich information about welfare populations. The key is to appreciate the limits of different studies and, where possible, examine multiple studies seeking to answer similar questions.

Although the TANF program is entering its second decade, most of the available research on welfare reform focuses on the effects of waivers to the AFDC program in the years immediately preceding TANF and on the very early years of the TANF program. Two excellent syntheses of research on the impacts of TANF legislation on welfare caseloads, employment, earnings, use of other government programs, fertility and marriage, household income and poverty, food security and housing, and child well-being have been conducted by Grogger, Karoly, and Klerman (2002) and Blank (2002). Both provide comprehensive syntheses of this research up to 2001. Indeed, most available studies use data that predate 2000, and it is still rare to find studies using data any later than 2002.

Since federal welfare reform and the creation of the TANF program, only a handful of studies have used *nationally* representative data sets to study how the status of current and former welfare recipients has changed in the wake of 1996's federal welfare reform, and given the diversity of methods and time periods considered, it is difficult to draw out strong, common conclusions. Indeed, the existing studies vary in the populations they consider (e.g., all welfare recipients, single-parent female headed households, only those assistance units whose heads fall into a narrow age range, etc.), the specific years they consider, and the characteristics and outcomes they assess. Even

when a common characteristic is considered, it may be measured differently (e.g., mean age v. distribution across age intervals).

Further, studies that rely on different nationally representative data sets may have to use different definitions of a welfare leaver. For example, the SIPP lets an analyst observe month-to-month transitions in welfare receipt, but the NSAF can only identify leavers based on respondents who report no receipt at the time of the interview but some receipt in the past two years. Thus, a SIPP leaver is necessarily a recent leaver and an NSAF leaver may have been off TANF for almost two years. Because those who remain off welfare longer are likely to have different characteristics than the entire group of TANF leavers in the month of exit, it would not be at all surprising to find differences in the characteristics and outcomes of welfare leavers across the two data sets even when the same year is considered.

Given how difficult it is to compare studies at a given point in time, it is even harder to use studies to assess changes over time. One simply cannot use point-in-time information from one data set and compare it to point-in-time information from another data set from a later year and make any reasonable assessment about changes in the characteristics and outcomes of welfare recipients and leavers. Even two different studies that use the same data set but consider different years may be too dissimilar to make assessments over time.

Only a few studies explicitly consider changes over time using consistent data sets and definitions.[22] But even these studies only use data through 2002. We simply know very little about how the characteristics and outcomes of welfare recipients and leavers

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[22] See, for example, Acs et al. (2001), Bavier (2003), and Loprest and Zedlewski (2006). The findings from these and other similar papers are discussed in Section III of this report.

have changed as the sluggish economy of 2000–2002 gave way to moderate growth from 2003 onward.

In addition, even using consistent data, it is difficult to draw conclusions concerning changes in the status and outcomes of welfare populations and the effects of welfare policies and other factors on their outcomes because the composition of the welfare caseload (and by extension, the composition of families leaving welfare) may have changed over time. (We address the evidence on these changes in the next section.) A comparison of employment, income, or any other outcome measure (and attempts to interpret the impact of welfare reform on these changes) needs to consider that the characteristics of who is on welfare and who has left welfare at any two points in time could be substantially different given the large decline in the overall size of the caseload. For example, a finding that employment rates for a group of welfare recipients fell over time needs to be interpreted in light of whether the characteristics indicating greater employability (e.g., higher education levels, fewer health problems) have changed as well. Careful studies will assess the status of welfare populations at two points in time while accounting for observable differences. In addition, given the dramatic decline in the welfare caseload, there may be important unobserved differences between the relatively large welfare population at the start of welfare reform and the relatively small population today. These differences can include day-to-day coping skills, undiagnosed health issues, or attitudes toward work and welfare. Unobserved differences also need to be taken into account when interpreting changes in outcomes over time.

For the balance of this report, we focus on national level data and research to assess how the status of welfare recipients and welfare leavers has changed since federal

welfare reform in 1996. However, we will supplement this with findings from experimental studies and location-specific studies using both survey and administrative data to enhance our understanding of the root causes of observed changes and their implications and when no other information is available.

III. UNDERSTANDING CHANGES IN THE CIRCUMSTANCES OF TANF RECIPIENTS AND LEAVERS

One of the major changes in welfare since reform is the unprecedented decline in the size of the caseload. The caseload fell by half between 1996 and 2000 and has continued to fall at a slower rate since, from 2.3 million families in 2000 to 1.9 million in the first part of 2006 (figure 1).[23] The dramatic reduction in the size of the caseload in the early period of reform has implications for understanding changes in outcomes over time. In this section, we address four sets of questions that relate to the broad questions of how the characteristics and outcomes of welfare recipients and former recipients have changed over time. The four questions addressed are

1. **In what ways have the characteristics of families receiving cash assistance changed over time, and what do we know about the relationship of these changes to caseload decline?** To what extent have caseloads declined because needy families are moving off the program faster (increased exit rates) or because fewer families are taking up benefits (decreased entry rates)?

2. **Does the caseload of TANF recipients include greater percentages of families with serious barriers to work over time?** Are the most "able" or "work-ready" recipients the most likely to leave TANF? Has the relationship between barriers and work changed over time?

3. **What do we know about the economic progress of TANF recipients and leavers over time?** Are employment rates of TANF recipients continuing to rise in the later years of reform? Are families better off after leaving TANF than when they were on welfare? Are those leaving TANF working steadily and progressing toward self-sufficiency so that they no longer require government supports (such as food stamps and housing assistance, for example) to meet their expenses?

4. **What do we know about those leaving welfare without work or advantageous changes in family structure?** Are there changes in the reasons families are leaving welfare over time, (e.g., leaving for better opportunities through work, marriage, or other positive changes in living arrangements) as

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[23] Welfare caseloads peaked in 1994, and the decline in caseloads coincides with a growing economy and changes in state welfare policies implemented under waivers to federal AFDC rules—thus, welfare reform, in many states, predates PRWORA and the TANF program.

Figure 1. Total AFDC / TANF Families
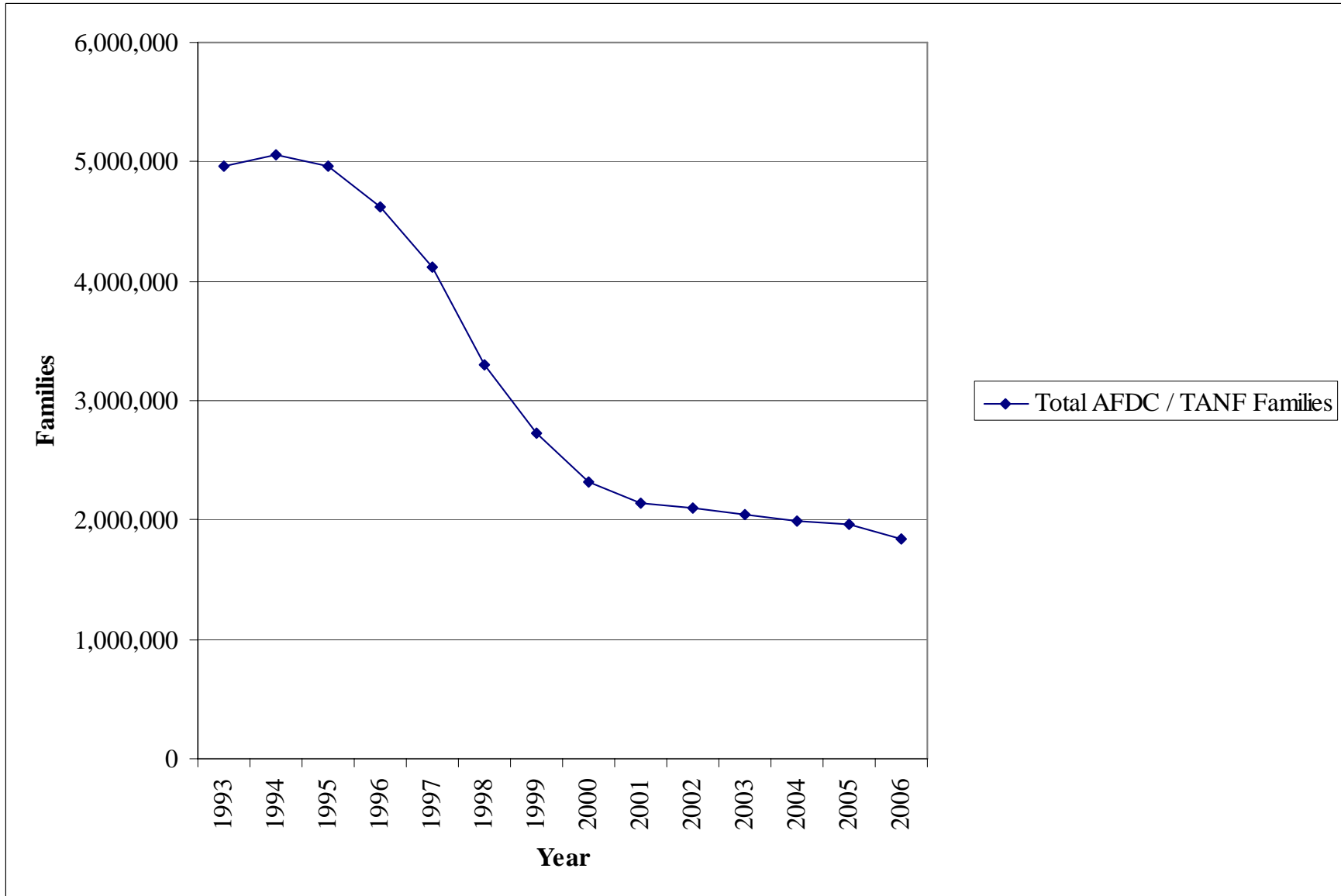
Source: ACF News - Statistics. Administration for Children and Families. U.S. Department of Health and Human Services.

opposed to reaching time limits, sanctioned for failing to meet program requirements, or finding program requirements burdensome? What do we know about groups of families that leave welfare but are not working?

We address these questions by presenting a synthesis of relevant existing research that helps us to understand and interpret the changes in data over time supplemented with evidence from our own analysis of three national data sets: the National Survey of America's Families (NSAF), the Survey of Income and Program Participation (SIPP), and the Current Population Survey (CPS). Before addressing these questions, we discuss data issues for our analyses of the three national data sets, including sample definitions and timing of comparisons.

Data Issues for Analysis of Three Data Sets

To present a clearer picture of how the welfare caseload and the status of welfare leavers have changed over the ten years following federal welfare reform and to see how the choice of data sets and specific years studied may influence one's conclusions, we present our own tabulations from three nationally representative data sets: the NSAF, the SIPP, and the CPS. We attempt to use as similar sample definitions, variable measures, and time periods as possible across the three data sets. However, there are some differences in our sample definitions (unit of analysis, definition of welfare recipient and leaver) due to the idiosyncratic way each data source collects information, and there are differences in the calendar years of data available across the three data sets.[24] For this reason, we emphasize the results over time within each data set, rather than the findings

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[24] For the most part, these are unavoidable differences or would have required additional resources beyond the scope of this project to create comparability.

across data sets. We do, however, discuss differences in the trends within data sets over time and potential reasons for differences we find across data sets.

Below, we provide a complete discussion of the definitions we use for our analysis from each data set (summarized in table 1). We then discuss the time periods we use for our analysis from each data source (also summarized in table 1) and the implications of these differences for interpreting results.

NSAF. When weighted, the NSAF survey provides information on a nationally representative sample of nonelderly households with children. The NSAF was fielded in three largely independent rounds (1997, 1999, and 2002) and surveyed approximately 40,000 households in each round.[25] The NSAF collects a broad set of information on the income, earnings, living arrangements, and well-being of families. With large samples of low-income families, it is an excellent source of information for studying welfare and welfare reform.

Our unit of analysis is a "social family"—this includes children and adults living together who are related by blood, marriage, or romantic attachment. As such, cohabiting partners are counted as social family members. This is the unit of analysis that is used as the basic unit in the NSAF survey (including collection of information about previous year's income). The interviews are conducted with the adult most knowledgeable about the children (specifically the focal child or children) in the family. This is most commonly the child's mother and is referred to as the MKA (most knowledgeable adult).

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[25] To enhance the power to detect statistically significant changes over time, the NSAF did re-interview some respondents from earlier rounds in later rounds of data collection. The effect of the small overlap sample is accounted for when computing standard errors using appropriate adjustments for sample design and sample weights. The data are not, however, appropriate for longitudinal analysis because there are relatively few re-interviewed families and they are not representative of the population or any particular population subgroup. See Triplett (2005) for details.

Table 1 - Analysis Sample Definitions for NSAF, SIPP, CPS

	NSAF	SIPP	CPS
Data Type, Years	cross-sectional: 1997, 1999, 2002	longitudinal: 1996 and 2001 panels	cross-sectional: 2000 and 2005
Unit of Analysis	"Social family" - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable adult about the child is considered head.	"Family" - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.	"Family" - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.
Definition of Recipient	Head reports family receiving TANF income at the time of the interview. We exclude families where parents of the children are not present or the head is receiving SSI. Family income at the time of the interview or in the prior year cannot have exceeded 250 percent of poverty and must be below 200 percent of poverty in current or prior year.	Families with children that report receiving TANF, general assistance, or "other welfare".	At least one person in family reports receiving TANF or "other public assistance" in the past 30 days.
Definition of Former Recipient	Head reports not receiving TANF at time of interview but did receive TANF in the past two years. Same sample exclusions as for TANF recipients.	Families receiving welfare in first wave of panel and stopped receiving welfare (no one in family received) for at least two consecutive months.	Families reporting received welfare in previous calendar year but has not received welfare in past calendar month.
Time periods analyzed for current recipients	early reform: 1997 - 1999 late reform: 1999 - 2002	early reform: 1996 - 2001 late reform: 1999 - 2003	late reform: 2000 - 2005
Time period analyzed for former recipients	1997 - 2002	1996 - 2001	2000 - 2005

We exclude from our sample families where the parents of the children in the family are not present and where the MKA is receiving Supplemental Security Income (SSI). These restrictions are used to limit our sample to families where adults are most likely to be affected by welfare work policies.

We define recipients as families that report receiving TANF income at the time of the interview. We classify the MKA as the head of the assistance unit. Recent welfare leavers are those families that do not receive TANF at the time of the interview but report having left TANF at some point over the last two years. We also use an income test to define our NSAF samples of welfare recipients and leavers. A family's income cannot exceed 250 percent of poverty in either the past or current year and must fall below 200 percent of the poverty line in one of the years. The income screen eliminates about 3 percent of current welfare recipients and 12 percent of recent welfare recipients in 1997. This exclusion has little impact on the trends in outcomes over time (see Loprest and Zedlewski 2006).[26]

Standard errors for the NSAF are computed using a jack-knife technique to account for the NSAF's complex sample design.[27]

As described earlier, the NSAF suffers from the standard survey data issues of survey nonresponse (addressed through ex-post weighting), item nonresponse (addressed through imputation), and under-reporting of income and welfare receipt. In addition to

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[26] The NSAF data in this report are drawn from another analysis, Loprest and Zedlewski (2006) to keep within the financial constraints of this project. Thus we are using the sample definitions used in that work. Appendix A of that paper has a detailed discussion of the impact of these income cuts on outcomes.

[27] Computing standard errors using a jack-knife technique involves obtaining a series of point estimates for the statistic in question (say, mean family income) using strategically selected subsamples (replicates) and then computing the standard error around the mean of the replicate means. Although not as precise as conventionally computed standard errors, the jack-knife estimates are not subject to problems created by unknown or highly complex correlations between observations which are difficult to completely address when constructing conventional (parametric) standard errors. For more information, see Tripplet (2005).

these potential problems discussed above, research on the 1999 NSAF data suggests that the joint distribution of welfare receipt with respect to race "may be inconsistent with joint distributions of roughly comparable variables in other data sources such as the CPS and administrative data." Therefore, we do not report results for race for 1999 in the NSAF.[28, 29]

SIPP. The SIPP is a series of national panels with sample size ranging from approximately 14,000 to 36,700 interviewed households. The duration of each panel ranges from 2 1/2 years to 4 years. The core SIPP data track the employment, income, and program participation of families over time, interviewing them every four months, ascertaining information about the previous four months. Each four-month period is referred to as a wave. The coverage of low-wage individuals is quite good and is one of the primary strengths of this data source. The data are nationally representative in the first wave of data collection and through attrition and changes in the correspondence of the sampling frame to the population become less representative over time.

We use data from the 1996 and 2001 panels of the SIPP. The 1996 panel is 12 waves (four years) long; the 2001 panel is 9 waves (three years) long. Our unit of analysis in the SIPP data is the family and includes all persons related by blood, marriage, or adoption; unrelated cohabitors are excluded. Unlike the NSAF, the SIPP does not ascertain whether an adult unrelated to the children present is the current romantic partner (i.e., the cohabiting partner) of the children's parent, so we cannot easily separate cohabiting partners from unrelated other adults.

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[28] The source for this research is an internal methodology report from the Urban Institute's *Assessing the New Federalism* project titled "1999 NSAF Benchmarking Report."
[29] Unweighted counts of welfare recipients in the NSAF are 1,458, 601, and 530 for the 1997, 1999, and 2002 rounds, respectively. Unweighted counts of welfare leavers are 1,049 and 537 for 1997 and 2002, respectively.

Families are considered to be on welfare if they have children and report receiving TANF, general assistance, or "other welfare." The family head is the designated parent or guardian of at least one of the children receiving welfare. In married couple families, we designate the mother as the head;[30] in multiple parent/guardian families (e.g., a multigeneration family with a grandmother, adult child, grandchild, and the grandmother's own minor child) the younger(est) parent/guardian is considered the head. In the first eight waves of the 1996 SIPP, if a child has welfare income, the parent/guardian is coded by the SIPP as receiving welfare. In later waves of the 1996 and in the 2001 SIPP, the parent is not coded as a welfare recipient. To keep comparability across the two panels of SIPP data, we include families where anyone in the family is receiving welfare.

Welfare leavers are families that were on welfare in the first wave of the SIPP and then stopped receiving welfare (i.e., no one in the family received welfare) for at least two consecutive months. Characteristics are measured as of the month of exit. In order to track welfare leavers over time, we restrict our sample to those who left welfare during waves two through four of each panel of the SIPP. This ensures that we can follow a substantial sample of leavers for at least 12 months (subject to sample attrition) in the SIPP data, allowing us ample time to observe circumstances after exit.

In the SIPP, our data for any given calendar year reflect the average monthly caseload characteristics of families receiving TANF in any month during that year. To assess which changes in the characteristics of TANF recipients are statistically significant, we only make comparisons between panels (these can be considered

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[30] About 20 percent of the TANF cases in the SIPP are married couple families. Because mothers tend to be the head of most TANF assistance units, we deem the mother to be the head of married couple families to make the data on characteristics more comparable across family types.

independent cross sections), not between waves or interviews within one panel. For example, we do not compare results for TANF recipients in 1996 to results for recipients in 1999. The 1999 results would be for the same group of recipients, later on in the same panel and therefore could not be considered a completely separate sample. This would also be comparing a panel without attrition (early waves) to a group with attrition (in later waves).[31]

We use a jack-knife technique to account for the complex sample design when computing standard errors. This same process is used for computing standard errors for leavers.[32,33]

CPS. The Current Population Survey (CPS) is a monthly survey of about 50,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics. The CPS, when weighted, is representative of the civilian noninstitutionalized population and is the government's main source of information about the labor force characteristics of the U.S. population. The Annual Social and Economic Supplement (ASEC) to the core CPS is fielded every March and collects detailed information about family income from the prior calendar year. Official estimates of poverty are based on these data.

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[31] We use sample weights to make samples from different panels representative, correcting for nonresponse and attrition. We assume that the quality of the attrition adjustment is similar across the different panels. If the quality of the attrition adjustments grows worse in later panels, then the trends in late panel estimates, for example 1999 to 2002, would be impacted. However, we have no reason to believe the quality of the weighting adjustments differs over time.

[32] The standard errors are computed using replicate weights, available by request from the U.S. Census Bureau.

[33] Unweighted counts of welfare recipients in the SIPP are 1,691, 646, 703, and 455 for a single month in 1996, 1999, 2001, and 2003, respectively. Unweighted counts of welfare leavers are 429 and 240 for 1996 and 2001, respectively.

Our unit of analysis is the family and includes all persons related by blood, marriage, or adoption residing in the household.[34] As with the SIPP, we designate the mother as the family head in married couple families.[35]

Beginning in March 2000, the CPS added questions about the receipt of cash assistance in the past 30 days. The basic CPS data files released to the public do not contain this information; however, it is available upon request from the U.S. Census Bureau. A family is considered to be a welfare recipient if at least one person in the family reports receiving TANF or "other public assistance" in the past 30 days.[36] This definition of welfare recipients varies from most past welfare literature based on the CPS that uses receipt of welfare *in the past year* to define recipients. Using the new questions allows for creation of a point-in-time sample of welfare recipients more comparable to the SIPP and NSAF data.

CPS information on welfare receipt in the past 30 days is used in conjunction with the ASEC supplement to identify welfare leavers. A welfare leaver is someone who reports receiving welfare in the past calendar year but has not received welfare in the past calendar month. Standard errors are estimated using conventional corrections for weighted data.[37, 38]

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[34] A family in the CPS consists of all persons residing in a household who are related to the householder/reference person through blood or marriage. The householder is the resident homeowner or leaseholder.

[35] As is the case with the SIPP, about 20 percent of the TANF cases in the CPS are married couple families. Because mothers tend to be the head of most TANF assistance units, we deem the mother to be the head of married couple families to make the data on characteristics more comparable across family types.

[36] "Other public assistance" is a catchall category that refers to the receipt of aid not reported in response to questions about specific, named programs like TANF, Food Stamps, SSI, and so on. Because state TANF programs may have different names and survey respondents may be receiving TANF and not know it, we include families reporting receipt of "other welfare" as TANF recipients.

[37] The degrees of freedom used in computing standard errors are based on the unweighted sample size.

[38] Unweighted counts of welfare recipients in the CPS are 1,084 and 1,278 in 2000 and 2005, respectively. Unweighted counts of welfare leavers are 476 and 654 in 2000 and 2005, respectively.

Challenges making comparisons across data sets. It is very hard to use existing research to draw out a clear consistent picture of how the status and well-being of current and former recipients has changed in the TANF era because the existing research uses noncomparable definitions of recipients and leavers and their characteristics and studies different time periods. Even when a single research team endeavors to standardize definitions and time periods across multiple data sets, as we do here, many differences remain, and these differences can affect the levels and trends observed across the data. Below, we discuss specific differences in our approaches to analyzing the data from the NSAF, SIPP, and CPS and how these differences may influence comparisons across them.

Time period analyzed. Data for the same sets of years are not available in all three data sets. We examine changes in the characteristics and outcomes of welfare recipients for the early welfare reform period (roughly between 1996 and 2001) and then for the late reform period (roughly 1999 through 2005). In the NSAF, we assess changes in the characteristics of TANF recipients between 1997 and 1999 (the early reform period) and between 1999 and 2002 (the late reform period). As described above, in SIPP, we only make comparisons across the two panels, not over time within the same panel. Thus, we compare TANF recipients in 1996 to TANF recipients in 2001 to examine changes in the caseload during the early reform period, and we compare TANF recipients in 1999 and 2003 to examine changes during the late reform period. The CPS can only be used to study welfare recipients and leavers (using the above definitions) from 2000 forward because the CPS did not ask about welfare receipt in the month before the interview in earlier survey years. We therefore analyze changes in the characteristics

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of current recipients between 2000 and 2005 (the most recent CPS year available at the time of this study). These time periods are shown graphically in figure 2.

To assess changes in the characteristics and outcome of welfare leavers, we are even more restricted by data availability and the need to observe families over time. In the SIPP, we can only compare 1996 and 2001 because leavers identified in the later years of any given panel are not followed for enough subsequent months to support this type of analysis. To use a comparable time period for the NSAF, we show changes over the period from 1997 through 2002. For the CPS, we again show results for 2000 and 2005.

Although one would expect some differences in findings simply because the years analyzed differ, it is important to note how the economic slow-down of 2000–2002 can influence our findings. The early reform period captured by the NSAF is 1997 to 1999, and the economy was quite strong in 1999. The early reform period in the SIPP, however, extends to 2001, when the economy was weaker. As such, one would expect to find more positive trends (in income, for example) during the early years of reform when using NSAF rather than SIPP data. It is also important to remember that when examining a trend over time by looking at changes between two years, there is the possibility that trends within the time period are missed. For example, a flat trend from 1999 to 2003 could mask a decline from 1999 to 2001 and an increase from 2001 to 2003.

Definition of a TANF case. Ideally, one would want to analyze TANF cases, the group of people that a TANF grant is meant to support. In secondary data, it is virtually impossible to consistently identify cases, especially in households in which there may be adults and children who are not supposed to benefit from a TANF grant made to other

Figure 2. Time Periods for TANF Recipient Analysis
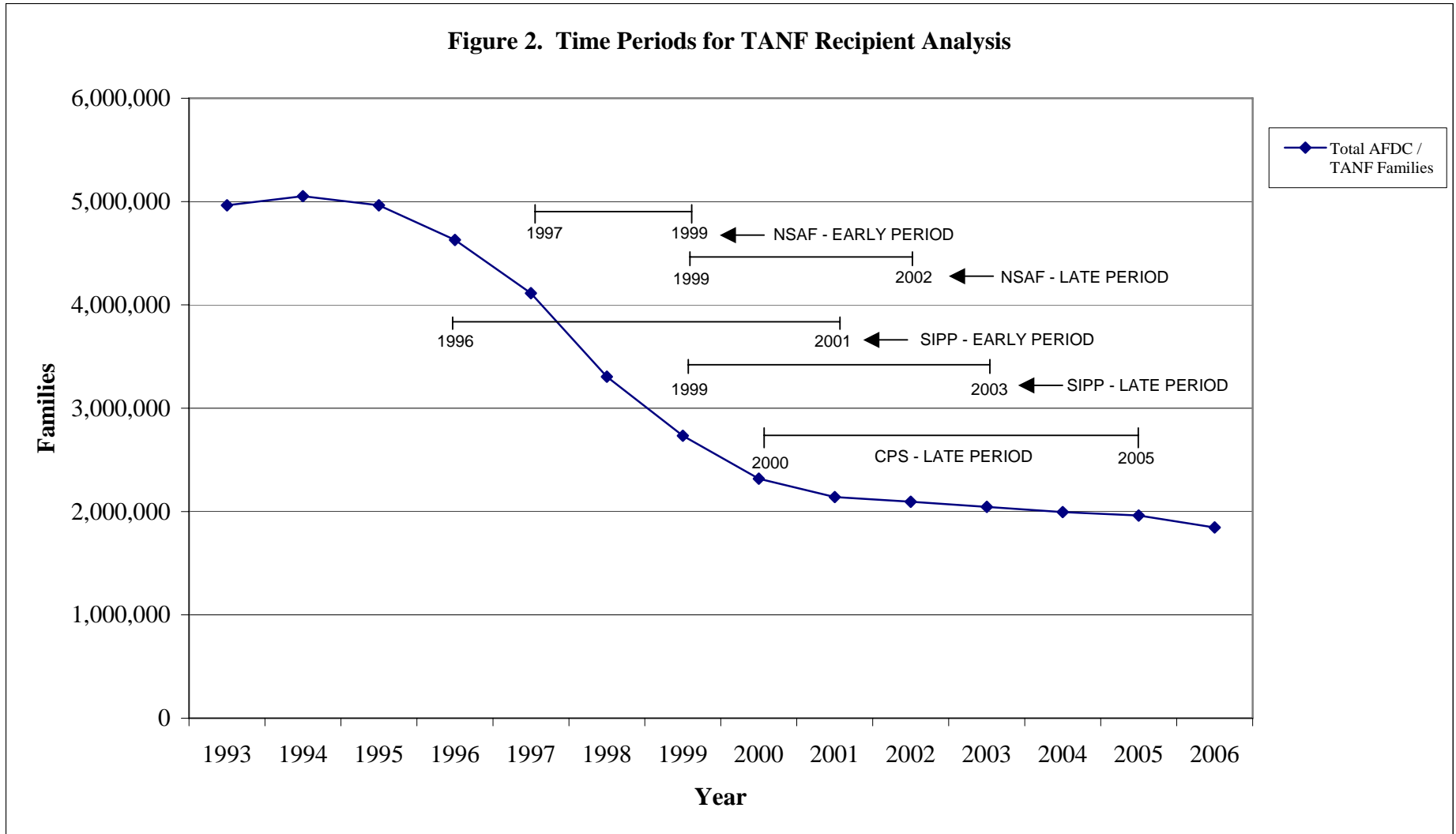
Figure 2. Time Periods for TANF Recipient Analysis

Source: ACF News - Statistics. Administration for Children and Families. U.S. Department of Health and Human Services.

household members. In our three data sets, our unit of analysis is a "TANF family" as defined above, and our TANF families may include individuals who are not technically in a TANF case.[39] The composition of TANF families varies across the three data sets, and this raises issues of comparability discussed below.

In the NSAF, we focus solely on families with children in which at least one parent is present who is not receiving disability benefits—as such, the welfare case is headed by an adult who generally would be subject to all TANF program rules (e.g., work requirements, sanctions, time limits).[40] In the CPS and SIPP, we consider all families with children that receive welfare to be TANF cases. As such, any family with a child that reports receiving welfare income is considered a welfare family, even if the child does not live with his or her parents and the benefits are meant for the child alone. In other words, child-only cases are more likely to be included in our SIPP and CPS samples than in our NSAF samples. We can see this difference in the size of our samples of TANF recipients (table 2). The 1996 SIPP sample represents approximately 3.3 million TANF families, while the 1997 NSAF sample represents only 1.9 million families. In 1999, our SIPP sample of TANF recipients represents 1.7 million families, compared with 1.1 million in the NSAF and 1.4 million in the 2000 CPS.

Adults in child-only cases are not subject to the same program rules (work requirements, sanctions, time limits) as parents in TANF families. Further, the adults' income in a nonparent, child-only household may not be deemed available to the child.

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[39] Our TANF families are more inclusive groupings than the official Census definition of a family (all persons living with and related to a reference person by blood, marriage, or adoption) but more restrictive than the Census definition of a household (all persons sharing a housing unit, excluding group quarters).
[40] The main exception is an immigrant parent who may not be eligible to receive TANF even though her child does receive TANF. Technically, this family is a child-only case where the parent is likely not subject to welfare rules. We cannot identify these families in the data so they are included in our NSAF sample.

Table 2 - Weighted Sample Sizes of All Datasets

| | EARLY PERIOD | | | | LATER PERIOD | | | | | |
| | NSAF | | SIPP | | NSAF | | SIPP | | CPS | |
	1997	1999	1996	2001	1999	2002	1999	2003	2000	2005
Stayers (in millions)	1.85	1.11	3.25	1.51	1.11	0.84	1.74	1.28	1.42	0.94
Leavers (in millions)	1.05	(N/A)	1.04	0.66	(N/A)	0.72	(N/A)	(N/A)	0.95	0.81

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

SIPP- all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is

CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is

Consequently, the heads of TANF families in the SIPP and CPS data may have stronger human capital characteristics and higher incomes than TANF families in the NSAF.

Another difference between the NSAF samples and the samples from the other two data sets for current recipients is that the NSAF samples are restricted to exclude families with the highest incomes.[41] Only three percent of current recipient families are excluded by this criterion, so it is likely to have only minor impacts on differences between the NSAF, CPS, and SIPP results for recipients.

Finally, while the NSAF income cutoff and the greater inclusion of child-only cases in the CPS and SIPP samples may tend to drive up incomes in the CPS and SIPP samples relative to the NSAF samples, another difference has the opposite effect. The NSAF samples capture cohabiting partners who are not related to the parent's child. These unrelated individuals are excluded from the SIPP and CPS samples. A priori, it is impossible to know the net effect of these offsetting differences; however, given that relatively few TANF families have unrelated cohabiting partners and the ones that do tend to have low incomes, we suspect that average incomes measured in the SIPP and CPS samples will tend to be higher than those measured in the NSAF samples.

Definition of a welfare leaver. In the NSAF and the CPS samples, welfare leavers are identified based on those who are currently not receiving welfare but report receipt at some point in the past (for CPS in the prior calendar year and for NSAF at some point in the two years prior to the interview). As such, families that have remained off welfare for over a year will be included as welfare leavers in both these samples. In the SIPP, because participation is reported down to the month, we can capture leavers in the month

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[41] To be included in the sample, families must have current or last year income less than 200 percent of poverty and must not have current or last year income above 250 percent of poverty.

they leave and measure their characteristics at the time of exit. Consequently, the NSAF and CPS leavers will disproportionately represent "successful" leavers—those who are able to remain off TANF for extended periods of time—while the SIPP leavers will include families that may transition back onto TANF in a short period of time. Thus, we would expect the work experience, educational attainment, wages, incomes, and perhaps other characteristics to look better among the NSAF and CPS leavers than among the SIPP leavers.[42]

Other differences in the samples discussed above remain. The different criterion across data sets for which leaver families to include remains the same. However, for the samples of leavers, this difference should be much smaller. Because child-only cases are generally less likely to exit welfare than other cases (e.g., they are generally not subject to time limits or work requirements and related sanctions), the samples of leavers in the SIPP and CPS data should include fewer child-only cases.

Finally, the difference in income-based exclusions and inclusion of cohabiting partners in the NSAF remain for the leaver sample. The income screens have a larger impact on TANF leavers than recipients, excluding 12 percent of all leaver families in the NSAF in 1997. This means very successful leavers are excluded from the sample, leading to lower absolute mean income and wage measures for leavers in the NSAF relative to the SIPP and CPS. The effect on medians is likely to be lower, and the impact on trends over time in the NSAF is limited. Again, inclusion of cohabiting partners would tend to increase income in the NSAF relative to the SIPP and CPS.

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[42] Because most of the research on welfare leavers focuses on families that left welfare in the early years of welfare reform (the 1990s), there is no satisfactory way to benchmark our statistics against prior research. The work on families that left welfare in the later years of welfare reform (post-2000) largely is based on data from the 2002 NSAF (e.g., Loprest and Zedlewski 2006), and our tabulations of the NSAF data are drawn from this work.

These differences in leaver definition and sample criteria work in opposite

directions in their implications for the relative size of samples across the data sets (table

2). The broader definition of leaver in the NSAF and CPS would tend to increase relative

sample sizes while the sample exclusions are likely to lower NSAF leaver sample sizes

relative to the SIPP and CPS. In 1996, the SIPP sample represents approximately 1.1

million families, while the NSAF represents 1.2 million leavers in 1997. In 2001, the

SIPP sample represents approximately 670,000 leavers, compared with 750,000 in the

NSAF in 1999 and 950,000 in the CPS in 2000.

Given all of these differences in definitions and time periods across the three data

sets, we focus on making comparisons over time *within* data sets and note the potential

influence of the differences discussed here when making comparisons between data sets.

Question 1: In what ways have the characteristics of families receiving cash assistance changed over time, and what do we know about the relationship of these changes to caseload decline?

The welfare caseload is not a constant population—people move on and off the welfare rolls all the time. For the size of the caseload to fall, either fewer people must be entering the program or those who have entered the program must be exiting after shorter stays (or some combination of both phenomena). Ultimately, changes in who enters welfare and how long they stay influence the composition of the caseload and, as a result, the characteristics of welfare leavers.

For example, if women with high school degrees stop entering welfare, it would not take long before the average educational attainment of women on welfare started to fall. In due time, the vast majority of women leaving welfare would have less than a high school education (because they were the only ones coming on), and so the average educational attainment of leavers would also fall. Further, because less educated women have poorer labor market prospects than more educated women, it would not be surprising to find that the average wages of welfare leavers also declined. As such, changes in welfare dynamics can change the composition of current and former recipients and this in turn can influence the average status and outcomes for these groups. Below, we assess research on changes in welfare entry and exit (dynamics) under TANF and examine its implications for current and former welfare recipients.

Most of the literature related to caseload dynamics has focused on determining the extent to which the initial decline in caseload size was due to welfare reform, opposed to the strong economy of the late 1990s. The first generation of these studies focused on the aggregate caseload—that is, the number of families on welfare at different points in time.

Blank (2002) and Grogger, Karoly, and Klerman (2002) both provide extensive reviews

of these studies, which generally find that both welfare reform and the economy played

significant roles in the decline of the welfare caseload, with the weight on the importance

of each varying across studies. Among studies that focus on the TANF program that do

not try to isolate the effects of any particular program provision and find significant

caseload reduction effects, the estimated size of the effects ranges from 18 to 34 percent

(Grogger, Karoly, and Klerman 2002). These studies have little to say about the

implications of caseload decline for caseload composition.

   A second group of studies make the important contribution of decomposing

caseload decline into changes in entry and exit. They point out the importance of

decreases in entry to welfare as a reason for caseload decline in addition to increased

exits (see Klerman and Haider 2001; Oellerich 2001; Bavier 2002; Acs et al. 2001).[43]

Most of these studies find that changes in entry were an important part of caseload

decline, although increases in exits from welfare played a relatively larger role. For

example, Grogger, Haider, and Klerman (2003) find that reduced entry was responsible

for 39 percent of caseload decline from 1986 to 1999 using data from the SIPP. Mueser et

al. (2000) use administrative data from five urban areas and find that about one-third of

caseload decline in the mid-1990s was due to reduced entry and two-thirds was due to

increased exits.

   Several studies examine the impacts of welfare reform and the economy on entry

and exit separately with varying results. For the most part, studies suggest that welfare

reform had a significant impact on exits (Hofferth et al. 2001; Grogger 2004; Moffit and

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[43] Futher, Klerman and Haider (2001) show that direct models of the aggregate, as opposed models of entry
and exit, are misspecified.

Winder 2003). The impact of reform on entry is less clear. Several studies find weak or no effects of waiver policy on caseload entry and returns to welfare (Ribar 2005; Gittleman 2001; Hofferth, Stanhope, and Harris 2005). However, Acs, Ross Phillips, and Nelson (2005); Bavier (2002); Grogger (2004); and Moffit and Winder (2003) find that TANF policies influenced entry.

One reason that studies of welfare reform find such mixed results is that the packages of policies that make up "reform" vary from state to state, and it can be difficult to measure these policies and disentangle their effects. In addition, states may adopt policies that have contradictory effects. For example, Moffitt (1996) uses a microsimulation model to demonstrate that mandatory employment and training programs could reduce welfare entry rates while voluntary programs might increase them in the long run. Examining state policies pursued during the early 1990s prior to federal reform, when states were beginning to implement specific welfare reform policies, Hofferth, Stanhope, and Harris (2005) find that generous earnings disregards reduce the probability that a woman leaves welfare and extend the average welfare spell length, while state requirements that mothers of very young children work increase the probability that a woman leaves welfare.

Whether reforms affect exit and entry differentially for families with different characteristics has implications for the caseload. For example, if more work-ready individuals are less likely to enter welfare after reform, then, all else equal, this would change the composition of the caseload over time. Most of these studies do not specifically address this issue.[44]

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[44] Bavier (2003) examines entry and exit by different barriers to work. We discuss this in a later section.

Our analysis of the changes in demographic and family characteristics of TANF recipients and leavers over time provides some evidence on the changing composition of the caseload.

Personal and Family Characteristics of Recipients. During the earliest years of welfare reform, 1997 to 1999, the characteristics of recipients remained fairly stable according to tabulations from the NSAF (table 3). Opening up a wider window on the early reform period—1996 to 2001—using the SIPP, shows evidence of a caseload that has been changing over time. For example, there is no significant change in the age profile of recipient family heads between 1997 and 1999, but between 1996 and 2001, the caseload has become somewhat older. According to SIPP data the average age of recipients increased from 33.4 to 35.0 years and the share over 35 increased by 6.6 percentage points. In general, the age of TANF family heads is slightly higher in the SIPP than in the NSAF, although the differences between the two are quite small when comparing the earliest years (1996 for SIPP to 1997 for NSAF).[45] Other researchers report that the average age of TANF family heads is in the early 30s during the early TANF period (e.g., Grogger 2004 and Kim 2000). Administrative data indicate that the mean age of adults receiving TANF is about 31 years during the late 1990s.[46]

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[45] Differences in the family definitions between the SIPP and NSAF samples may account, at least in part, for this difference in age. Recall that SIPP welfare families include families in which the child receives welfare but the child's parent is not in the family; thus, the head of the family could be a grandparent. In the NSAF sample, the child's parent is always in the family.

[46] All administrative cited in this report can be reached through the following website: http://www.acf.hhs.gov/programs/ofa/character/indexchar.htm (last accessed January 30, 2007). The tabulated administrative data available here are not consistently broken out across demographic categories in the same way we break out data from the survey data sets. Also, the survey data sets can only approximately replicate the TANF cases that are the basis for the administrative data. Further, administrative data report information for adults and children in the assistance unit, but we focus on the characteristics of the adult we deem is the head of the TANF family in our survey data sets. Finally, as noted in section 2, the quality of administrative data is not necessarily better (and may even be worse) than the quality of survey data for elements that are not germane to the computation of eligibility and benefits.

Table 3 - Personal Characteristics of Welfare Recipients (Family Head) - Early and Late Reform Periods

| | EARLY PERIOD | | | | | | LATER PERIOD | | | | | | | | |
| | NSAF | | | SIPP | | | NSAF | | | SIPP | | | CPS | | |
	1997	1999	Change	1996	2001	Change	1999	2002	change	1999	2003	Change	2000	2005	Change
Age (%)															
<25	24.0	25.8	1.9	22.7	21.3	-1.4	25.8	28.4	2.6	17.8	19.8	2.1	27.2	24.9	-2.4
25-34	44.1	44.7	0.6	38.0	32.8	-5.2 *	44.7	36.1	-8.6 *	33.2	34.8	1.6	34.4	32.5	-1.9
35+	32.0	29.5	-2.5	39.3	45.9	6.6 *	29.5	35.5	6.0	49.0	45.3	-3.7	38.3	42.6	4.3
Mean (in years)	31.3	30.8	-0.4	33.4	35.0	1.6 *	30.8	30.9	0.0	35.8	35.4	-0.4	33.1	34.3	1.2 *
Education (%)															
<12th grade	39.8	46.1	6.4	38.9	43.3	4.4 *	46.1	41.5	-4.7	42.0	40.5	-1.5	40.6	41.3	0.7
12th, HS dip, GED	36.9	31.8	-5.2	37.6	32.2	-5.4 *	31.8	39.2	7.4	37.2	33.2	-3.9	40.3	35.4	-5.0 *
Some college, AA, Voc Tech	20.7	17.7	-3.0	21.3	21.7	0.5	17.7	15.8	-1.9	18.7	24.0	5.3 *	19.0	23.0	4.0
4 year college or more	2.2	2.9	0.7	2.3	2.7	0.5	2.9	2.9	0.1	2.1	2.2	0.1	0.0	0.3	0.3 *
Race/Ethnicity (%)															
White, other Non-Hispanic	43.5	N/A		44.5	41.9	-2.7	N/A	33.8		35.5	42.1	6.6 *	39.7	43.3	3.6
Black Non-Hispanic	32.3	N/A		35.1	32.1	-3.0	N/A	35.4		36.5	32.2	-4.3	36.0	30.3	-5.6
Hispanic	24.3	N/A		20.4	26.0	5.7 *	N/A	30.8		28.0	25.7	-2.3	24.3	26.4	2.1
Gender (%)															
Male	4.5	6.3	1.9	3.9	4.8	1.0	6.3	6.9	0.6	4.1	4.4	0.3	4.0	6.0	2.0
Female	95.6	93.7	-1.8	96.1	95.2	-1.0	93.7	93.1	-0.6	95.9	95.6	-0.3	96.0	94.0	-2.0

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Next, consider education. The SIPP data show that the education level of recipients declined between 1996 and 2001. The share of TANF families headed by an individual who failed to complete high school rose by 4.4 percentage points over the five-year period. This trend is evident as well between 1997 and 1999 in the NSAF data, although the 6.4 percentage point change is not statistically significant. The distribution of educational attainment is quite similar across the two data sources with a little over 75 percent of TANF case heads having a high school degree or less. This is similar to the findings of other researchers examining data from the same period (Bavier 2001 and Kim 2000). However, administrative data suggest that over 90 percent of adults receiving TANF have a high school degree or less education.

The 1996 SIPP and the 1997 NSAF show very similar racial/ethnic distribution among welfare recipients; however, for the early reform period, information on racial and ethnic trends in the caseload comes only from the SIPP.[47] The SIPP shows a substantial rise in the share of the caseload that is Hispanic between 1996 and 2001. Bavier (2001) also uses the SIPP and finds a similar rise in the proportion of the caseload that is Hispanic. The rising share of Hispanics in the caseload can be observed in administrative data as well. Finally, both the SIPP and the NSAF surveys indicate that about 19 out of every 20 adults heading welfare families are women and that this has remained true over time.

The later reform period extends roughly from 1999 to 2005, with our three data sources covering slightly different years within this period. The NSAF data from 1999 to 2002 show that there are fewer recipients in the 25 to 34 age range with a small and

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[47] Race/ethnicity data are available on the NSAF and can be used for 1997 and 2002; however, the race/ethnicity information for the 1999 round of the NSAF is problematic. See the earlier discussion for more details.

insignificant trend toward older recipients. This is similar to the early trend observed in the SIPP data. However, between 1999 and 2003 the SIPP shows no increase in the age of TANF recipients. In contrast, using the CPS and taking the analysis from 2000 through 2005, we find the average age of TANF caseload heads increased by 1.2 years. Again when comparing the base years across the data sets, we find the SIPP caseload to be slightly older than the NSAF, and estimates from the CPS fall between the two.

In contrast to the earlier years of welfare reform where we find some evidence that the education levels of TANF caseload heads declined, data from the later reform years indicate that caseload heads are becoming more educated. Although the NSAF shows no significant changes between 1999 and 2002, the SIPP finds that the share of heads with some college increased by 5.3 percentage points (from 18.7 to 24.0) between 1999 and 2003 and the CPS shows a significant drop in the share with only a high school degree, a notable but not significant rise in those attending college, and a small but significant increase in the share with college degrees between 2000 and 2005. The base year education distributions are quite similar across the data sets.

The SIPP and CPS data sets show slightly different trends in the racial/ethnic composition of TANF caseload heads in the later period. The SIPP shows that during the late reform period (1999-2003), the caseload became increasingly white, while the CPS shows virtually no change in the racial/ethnic composition of the caseload between 2000 and 2005. Other than differences in the years considered, there is no clear reason why the trends should differ across the data sets. Nevertheless, the 1999 SIPP and 2000 CPS race/ethnic distributions are quite similar. Finally, caseload heads continue to be overwhelmingly female.

Taken together, there is some evidence that TANF caseload heads have become slightly older on average over time, with the trend beginning towards the end of the early reform period and continuing through the late reform period. Trends in education are quite interesting. During the early reform period, education levels appeared to drop, but this trend reversed itself during the late reform period.[48] The gender profile remains overwhelmingly female. And while there have been shifts in the racial/ethnic composition of the caseload, the data reveal no consistent trends.

Data from the NSAF and the SIPP show different trends in family composition during the early reform period (table 4). Between 1997 and 1999, the NSAF indicates a substantial 9.1 percentage point rise in the share of TANF cases made up of single parents living with other adults. The SIPP shows no such trend between 1996 and 2001. Further, in the base years (1996 for the NSAF and 1997 for the SIPP), the SIPP data indicate that 20.1 percent of TANF families are married couple families while the NSAF indicates that only 14.6 percent are married. No doubt, this discrepancy in levels influences the observed trends. Further, the discrepancies likely reflect differences in the way surveys define families and identify other adults in the household. In particular, the NSAF uses a "social family" concept that captures a broader array of adults in the household (such as unrelated cohabiting romantic partners) than the CPS and SIPP family concept. Thus, we would expect to see a higher percentage of TANF families classified as single, living with other adults in the NSAF than in the SIPP. And recall that the SIPP

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[48] Although these tabular data comparisons cannot tell us why the educational attainment of welfare recipients falls and then rises, one might speculate that more educated individuals were less likely to enter welfare and more likely to leave welfare than less educated individuals when the economy was particularly strong during the 1990s and that as the economy cooled after 2000, even the more educated came on to or remained on the welfare rolls. There may well be other explanations for this trend. Understanding the reasons for the trend in educational attainment among welfare recipients would be an interesting research topic.

Table 4 - Family Characteristics of Welfare Recipients - Early and Late Reform Periods

	EARLY PERIOD						LATER PERIOD								
	NSAF			SIPP			NSAF			SIPP			CPS		
	1997	1999	Change	1996	2001	Change	1999	2002	change	1999	2003	Change	2000	2005	Change
Family Type (%)															
Married	14.6	12.0	-2.6	20.1	20.8	0.7	12.0	11.8	-0.2	17.4	23.1	5.7 *	20.4	17.5	-2.9
Single, no other adults	54.5	48.2	-6.3	56.0	55.2	-0.8	48.2	46.3	-1.9	52.3	48.8	-3.5	60.1	59.0	-1.1
Single, living with other adults	30.6	39.8	9.1 *	23.9	24.0	0.1	39.8	41.9	2.2	30.4	28.2	-2.2	19.5	23.6	4.1 *
Family Size				4.0	4.0	0.0				4.2	4.2	0.0	3.9	3.8	-0.1
Number of Children Under 18 (%)															
1	23.0	26.6	3.6	32.0	32.0	-0.1	26.6	25.9	-0.7	32.1	31.9	-0.2	32.3	32.9	0.6
2	34.8	28.7	-6.1	31.1	30.2	-0.9	28.7	28.4	-0.3	29.2	31.1	1.8	31.3	31.4	0.0
3+	42.3	44.7	2.5	36.9	37.9	1.0	44.7	45.7	0.9	38.7	37.1	-1.6	36.3	35.7	-0.6
Mean Number of Children	2.6	2.6	0.0	2.3	2.3	0.0	2.6	2.6	0.0	2.4	2.4	-0.1	2.3	2.2	-0.1
Age of Youngest Person (%)															
<1	15.8	17.5	1.6	13.9	14.9	1.0	17.5	18.3	0.8	9.5	12.2	2.7 *	16.7	17.8	1.1
1-5	50.6	48.3	-2.3	49.0	42.4	-6.6 *	48.3	48.0	-0.3	41.1	43.9	2.8	44.9	41.4	-3.4
6-11	22.2	28.7	6.5	24.5	28.3	3.8 *	28.7	21.2	-7.5 *	31.7	28.8	-3.0	24.9	24.4	-0.6
12+	11.4	5.6	-5.8 *	12.7	14.4	1.8	5.6	12.5	6.9 *	17.6	15.1	-2.5	13.5	16.4	2.9
Mean (in years)	4.7	4.4	-0.3	5.1	5.5	0.4	4.4	4.8	0.4	6.1	5.7	-0.5	5.1	5.4	0.4

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

data include children living in families without their parents—the adults heading these families in which the child receives welfare are not necessarily in the TANF case even though we consider them to be the head of the welfare family. Consequently, one would expect to see a higher proportion of married TANF families in the SIPP data than in the NSAF data.[49] Nevertheless, our estimates are broadly similar to the range of results found by other researchers examining the same historic era. For example, Kim (2000) uses CPS data and finds that 18.6 percent are married using the CPS, and administrative data indicate that 16.2 percent are married in 1997. Because of the detailed household roster available in the NSAF in which all family relationships are considered, the NSAF data may be more useful for studying issues related to family composition and living arrangements than the SIPP or the CPS.[50]

Family size and the number of children remain fairly stable over the early reform periods captured by both the NSAF and the SIPP. The age distribution of the youngest child in the base year is fairly similar across the data sets, and both show an increase in the share whose youngest child is elementary school aged (6 to 11). However, while the NSAF finds a decrease in the share with adolescents, the SIPP shows a decrease in the share with young children (ages 1 to 5).

During the later reform period, the NSAF shows no change in the types of families receiving TANF while the SIPP shows an increase in married couple families and the CPS shows an increase in the share of single parents living with other adults (table 4). Again, the base year differences in the family types across the three surveys are quite substantial. These differences may be related to the differences in sample definition.

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[49] See earlier discussion and Table 1 for the differences in definitions of families in the SIPP and NSAF.
[50] The SIPP and CPS designate a reference person and consider relationships to that reference person; consequently, these data cannot be used to consistently identify cohabiting families.

None of the data sets indicate any change in family size or the number of children in TANF families during the late reform period. Finally, the share of TANF families whose youngest child is a teenager increased during the 1999 to 2002 period in the NSAF but not in the 1999 and 2003 period covered by the SIPP nor the 2000 to 2005 period covered by the CPS. In fact, the SIPP shows a moderate but significant 2.7 percentage point increase in the share of TANF families with an infant. It is worth noting that the age of youngest child and the proportion of youngest children who are teens are substantially lower in the 1999 NSAF than in the 1999 SIPP or the 2000 CPS. Again, this could be due to differences in sample definitions.

This review of data across the early and late reform periods highlights the sensitivity of findings about the TANF caseload to the precise years considered, the definitions employed, and the data sets used. This is particularly true for trends in the family structure of TANF families and the age of the youngest child.

The most striking finding may be that, despite the implementation of federal welfare reform, the massive decrease in welfare caseloads, and the very different economic climate during the early and late reform periods, data on the demographic characteristics of families on welfare show few statistically significant changes. Further, there is little consistent evidence of changes over time and across data sets. Perhaps this reflects the fact that major one-time shifts in the composition of the caseload began occurring well before federal reform under state waivers to AFDC. It may also be the case that what differentiates families that came onto welfare and/or stayed on welfare during the reform period and the families that would have come on/stayed on under AFDC but not under TANF is not captured by the measures we use to describe TANF

recipients—indeed, the differences may be largely unobservable. Such differences include attitudes towards work and dependence, undiagnosed health issues, and self-esteem.

Personal and Family Characteristics of Leavers. The characteristics of families leaving TANF are inextricably linked to the characteristics of TANF recipients—after all, only the families that actually go on to TANF can become TANF leavers. Data from the NSAF and SIPP reflect the early to mid-reform period while data from the CPS reflect more recent changes between 2000 and 2005. It is important to remember that welfare leavers as measured by the NSAF and CPS are families that received welfare in the past year (or two for the NSAF) but are not receiving welfare at the time they are interviewed. As such they may have been off TANF for several months or even longer. In contrast, welfare leavers in the SIPP are families that have left welfare in the past month.[51]

The personal characteristics of former welfare recipients have remained quite stable over time for most attributes (table 5). Neither the NSAF nor the CPS show any significant changes in the age distribution of TANF leavers. The SIPP shows a stretching out of the age distribution of welfare leavers, with a significant 6.8 percentage point decline in the share between the ages of 25 and 34 fell and insignificant increases in both the share older and younger. On net, however, the average age of family heads leaving TANF is unchanged. As is the case with current recipients, the heads of NSAF families leaving welfare are somewhat younger than those in the SIPP and CPS; again, this is likely due to differences in the definition of the welfare family unit.[52]

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[51] To be considered a TANF leaver in the SIPP, a family had to remain off TANF for two consecutive months; once leaver status has been determined, the characteristics of SIPP TANF leavers are measured in the month of exit.

[52] See table 1 and earlier discussion for details.

Table 5 - Personal Characteristics of Former Welfare Recipients (Family Head)

	NSAF			SIPP			CPS		
	1997	2002	Change	1996	2001	Change	2000	2005	Change
Age (%)									
<25	27.6	26.4	-1.3	23.1	27.5	4.3	23.3	25.8	2.5
25-34	45.0	45.0	0.0	38.3	31.6	-6.8 *	34.8	34.3	-0.5
35+	27.4	28.7	1.3	38.5	41.0	2.4	41.9	39.9	-1.9
Mean (in years)	29.8	30.6	0.8	33.2	33.5	0.3	33.3	33.3	0.1
Education (%)									
<12th grade	30.1	33.5	3.5	33.5	30.4	-3.1	35.1	33.5	-1.6
12th, HS dip, GED	39.3	41.8	2.5	39.3	39.1	-0.1	39.4	37.3	-2.0
Some college, AA, Voc Tech	23.9	22.6	-1.3	24.6	27.8	3.2	25.1	28.2	3.2
4 year college or more	6.1	1.2	-4.9 *	2.7	2.7	0.1	0.5	1.0	0.5
Race/Ethnicity (%)									
White, other Non-Hispanic	54.5	49.4	-5.1	55.0	48.4	-6.6	45.3	44.5	-0.8
Black Non-Hispanic	28.6	35.5	6.9	29.1	32.1	2.9	32.4	36.7	4.3
Hispanic	16.9	15.1	-1.8	15.9	19.6	3.7	22.3	18.8	-3.5
Gender (%)									
Male	5.3	9.1	3.9	7.7	6.6	-1.0	3.8	3.5	-0.3
Female	94.7	90.9	-3.9	92.3	93.4	1.0	96.2	96.5	0.3

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.
SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.
CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Next, considering education, only the NSAF data show any significant changes in the educational attainment among the heads of welfare leaving families. The NSAF indicates that the share of leavers with four or more years of college dropped from 6.1 to 1.2 percent between 1997 and 2002. Given that the share of TANF family heads with four or more years of college hovered between 2 and 3 percent between 1997 and 2002, this suggests that the most educated welfare recipients under AFDC were the first to leave TANF in its early years. However, we do not observe this change in the other data sets.

Finally, none of three data sets show statistically significant changes in the race/ethnic or gender composition of welfare leavers, and the distribution of leavers across race/ethnic groups and gender categories is fairly similar across the data sets.

There is also little consistent evidence that the family characteristics of welfare leavers have changed over time (table 6). For example, the SIPP data indicate that, between 1996 and 2001, the share of leavers that are single parent families living with other adults increased by 6.7 percentage points while the share that are married decreased by 6.3 percentage points. Neither the CPS nor the NSAF show evidence of this trend. Although none of the data sets shows significant trends in family size or the number of children, the CPS data show an increase in leavers whose youngest child is between the ages of 1 and 5, offset by a decrease in leavers with youngest children ages 6 to 11. The mean age of the youngest child in welfare leaving families, however, is unchanged.

Table 6 - Family Characteristics of Former Welfare Recipient

	NSAF			SIPP			CPS		
	1997	2002	Change	1996	2001	Change	2000	2005	Change
Family Type (%)									
Married	28.4	26.6	-1.8	31.8	25.5	-6.3 *	25.2	24.5	-0.6
Single, no other adults	41.9	43.9	2.0	50.3	49.9	-0.4	54.0	53.7	-0.2
Single, living with other adults	29.7	29.5	-0.2	17.9	24.6	6.7 *	20.9	21.7	0.9
Family Size				3.9	4.0	0.1	3.9	3.8	-0.1
Number of Children Under 18 (%)									
1	27.8	26.8	-1.1	35.2	33.9	-1.3	36.1	34.6	-1.5
2	37.1	33.3	-3.9	30.9	31.5	0.6	31.1	32.1	1.0
3+	35.1	40.0	4.9	31.5	32.1	0.6	32.8	33.3	0.4
Mean Number of Children	2.3	2.5	0.2	2.1	2.2	0.1	2.2	2.2	0.0
Age of Youngest Person (%)									
<1	11.1	14.4	3.3	13.7	12.5	-1.2	13.8	14.1	0.3
1-5^	53.0	48.5	-4.5	42.3	45.1	2.7	36.9	45.0	8.1 *
6-11^	28.0	27.5	-0.4	25.4	24.7	-0.7	31.8	23.6	-8.2 *
12+	7.9	9.6	1.7	18.6	17.9	-0.8	17.5	17.4	-0.1
Mean (in years)				6.3	5.8	-0.5	6.1	5.6	-0.5

* indicates change is significant at the 90 percent confidence level.

^ For the NSAF, the age categories are 1-4 and 5-11.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

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CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Overall, data on different cohorts of welfare leavers over time indicate that in most respects, the personal and family characteristics of leavers are fairly stable. Given that we find few notably significant shifts in the characteristics of families receiving welfare, perhaps the stability in demographic characteristics of leavers over time is not surprising.

Question 2: Does the caseload of TANF recipients include greater percentages of families with serious barriers to work over time?

Since the first discussions of welfare reform, questions have been raised about "hard-to-employ" recipients or those who face multiple barriers to work. Debates continue about whether and to what extent these recipients can find work, leave welfare, and become self-sufficient. Related concerns were expressed as to how these families would meet work requirements and whether they would face sanctions and time limits that would ultimately lead them to exit welfare without finding work. Another concern was that the caseload would become more disadvantaged over time, requiring more intensive services and resources. Although the law allows states to exempt up to 20 percent of the caseload from the time limit, initially some argued that a greater percentage of the caseload would be unable to meet work requirements.

Prevalence of Barriers among TANF Recipients. Numerous studies have documented the prevalence of barriers to work among welfare recipients, both before and after welfare reform. Some of the barriers measured include physical health, mental health, domestic violence, substance abuse, criminal history, education levels, and work history. The studies with the most detailed set of measures are based on data from state or local areas that conducted surveys of recipients. [53] Results on the prevalence of barriers among TANF recipients from 12 location-based studies are reported in table 7. The specific definition of a barrier can vary across studies. However, six of these state and local area studies were sponsored by the U.S. Department of Health and Human Services

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[53] Few location-specific studies report in-depth information on the prevalence of barriers among former TANF recipients.

Table 7 - Barriers to Work Among TANF Recipients in Location-Based Studies

Barrier	Alameda County, CA 1999	New Jersey 1999	Three Cities 1999	Milwaukee WI 1999	Michigan WES 1997	Nebraska 2000	Illinois 2001	Colorado 2002	Wash. DC 2002	Maryland 2002	Missouri 2002	South Carolina 2002
Less than a HS diploma/GED	38	45	39	57	31	22	44	33	38	42	40	38
Low work experience		51			15	21	24	22	27	21	21	18
Substance Abuse	6	5	--	5	5	17	3	6	3	5	4	1
Mental Health problem	14	11	11	52	35	17	25	41	21	22	36	29
Physical Health problem	32	36	27	21	19	12	21	26	16	29	20	22
Domestic Violence	6	7	--	14	15	13	13	21	15	15	13	15
Caring for child w/ special needs	23	--	--	9	22	29	30	36	26	29	28	27
Criminal record	9	--	--	--	--	10	8	17	7	14	14	10

Shaded studies all use the same definition and survey instrument. The Michigan and Nebraska studies use very similar survey instruments as well.

Definitions of barriers are as follows with exceptions noted below:

Low work experience is defined as working less than 50 percent of the years since age 18.

Physical health problem includes those who self-report fair or poor health and score in the lowest age-specific quartile of physical functioning.

Mental health problem includes those who experienced major depression in past year or experienced serious psychological distress in past 30 days.

Domestic violence includes those who reported experiencing severe physical domestic violence in the past year.

Substance abuse includes those likely to be "chemically dependent" according to the CIDI-SF for substance dependence.

Criminal record is self-reported by respondents.

Study data sources and exceptions to above definitions:

Alameda County, CA : Dasiger et al (2002). Physical health is reports of fair to poor health. Mental health is defined as depression in last 7 days.

Substance abuse is alcohol dependence. Daily use of illegal substance is similar (7 percent).

Criminal record is involvement with criminal justice system in last 90 days or arrested in past year.

New Jersey : Rangarajan and Wood (1999).

Three Cities study : Moffitt and Cherlin (2002). Physical health is poor or fair health. Mental health is depression score above clinical cutoff.

Milwaukee, WI : Courtney and Dworsky (2006). Physical health is poor or fair health. Mental health problem is those who scored in clinical range on CESD.

Substance abuse is problem with alcohol or drugs during past year. Caring for child with special needs includes are for other family member with disability.

WES : Danziger et al (2000). Low work experience is defined as working less than 20% of years since age 18.

Nebraska: Ponza et al (2002). Caring for child with special needs includes care for other family members with health problems.

Illinois through South Carolina : Hauan and Douglas (2004).

(DHHS) and used the same survey instrument to measure barriers.[54] Similar measures were also used by the WES in Michigan and Nebraska, so eight of these studies have almost identical measures.[55]

For many barriers, the range of cross-state variation, particularly in the studies using the same measures, is relatively low. In most study areas, 30 to 45 percent of recipients lacked a high school diploma or GED, with the exception of Milwaukee, where 57 percent had lower education levels. In all areas except Nebraska, less than 10 percent had serious substance abuse dependence issues. There is more substantial variation across geographic areas in health problems. Among studies using the same measure of mental health, the percent with problems ranges from 17 percent in Nebraska to 41 percent in Colorado. The percent of recipients with physical health problems ranges from 12 to 36 percent, although among studies using the same survey instrument, the range is smaller: from 16 to 29 percent. It is possible that differences in welfare policies across areas affect caseload composition and explain some of the differences in levels of barriers.

All of these studies conclude that barriers are relatively common among recipients. Most find that the vast majority of the caseload has at least one barrier, and a substantial minority of the caseload has multiple barriers. The specific percentage varies with the number of barriers being measured. For example, in Michigan, 85 percent of the sample in 1997 had at least one barrier while 37 percent had two or three barriers (Danziger et al. 2000).

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[54] The six are Illinois; Colorado; Washington, D.C.; Maryland; Missouri; and South Carolina.
[55] Variation from these definitions by other studies is noted in the table.

Loprest and Zedlewski (2006) compare the prevalence of barriers among recipients, former recipients, and low-income women with children who have never received welfare using the set of barriers available in NSAF.[56] They find that the prevalence of barriers is generally similar or higher among current recipients compared with leavers. In particular, leavers have more work experience. However, they do not have significantly lower levels of health or mental health problems than current recipients in 2002. Current recipients also have similar or higher rates of barriers than women who have never received welfare, with the notable exception that a much higher percentage of women who have never received welfare are primarily Spanish speaking.

Is the caseload more disadvantaged over time? We now turn to evidence on whether a growing percentage of the caseload faces significant barriers to work since welfare reform. This concern stems from the idea that those most ready for work (i.e., the least disadvantaged) would exit welfare quickly, leaving behind those who would have more trouble finding work. We have seen some evidence that TANF increased exits across all families. However, a number of factors could offset increased exits of those most job ready. One is the characteristics of new entrants to the program. While entry to the program declined after reform, there continued to be new entrants. If new entrants have fewer barriers on average than longer-term recipients, entry would tend to dampen a trend of growing disadvantage. In addition, exits may increase among those with more barriers to work due to time limits or full-family sanctions. This would have the opposite implication for caseload composition over time, reducing barriers to work among the caseload.

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[56] In Loprest and Zedlewski (2006) the list of barriers includes low work experience, less than high school education, child less than age one, child receiving SSI, Spanish-speaking, without a car living outside of an MSA, poor health, and poor mental health.

Relatively few studies have examined directly whether the caseload is becoming more disadvantaged over time. There are several ways studies examine this question.[57] The most direct evidence is from studies that use national data to compare characteristics of multiple cross-sections of welfare recipients. However, because changes in the composition of the caseload might lead to offsetting trends in disadvantage, some studies also examine changes in subgroups of the caseload.

Moffitt and Cherlin (2002), extending work in Moffitt and Stevens (2001), use data from the CPS and compare the time period 1990–93 with 1996–98. They show a significant increase in the share of the caseload that has 12 years or more of education, as well as increases in annual weeks worked, indicating a decrease in disadvantage. Bavier (2001) examines data from the 1st, 12th, 24th, 36th, and 48th month of the 1996 SIPP panel, roughly representing caseloads from 1996 through 2000.[58] He shows that the share of the caseload with low educational levels, who have never married, and who use rental assistance remained relatively steady over this period, while the share who were long-term recipients (more than 60 months) had actually fallen substantially. However, he also finds that an increasing share of recipients have a health condition that limits or prevents work. In subsequent work, he extends this analysis using data from the SIPP up to 2002 and includes 1993 to 2001 March CPS data with similar results (Bavier 2003). Both the later SIPP and CPS data show increases in the share of recipients with work-limiting conditions.

Bavier (2003) also separately looks at measures of entry and exit in the SIPP for groups with different observable barriers. He finds that exit rates increased from 1993 to

[57] Moffitt and Cherlin (2002) have a good discussion of these issues.
[58] Because the first interview in the 1996 panel occurred between December 1995 and March 1996, these month estimates do not fully represent the caseload for the year.

Table 8 - Barriers to Work of Welfare Recipients - Early and Late Reform Period

	EARLY PERIOD						LATER PERIOD								
	NSAF			SIPP			NSAF			SIPP			CPS		
	1997	1999	Change	1996	2001	Change	1999	2002	change	1999	2003	Change	2000	2005	Change
Less Than HS Degree (%)	39.8	46.1	6.3	38.9	43.3	4.4 *	46.1	41.4	-4.7	42.0	40.5	-1.5	40.6	41.3	0.7
Child Under Age 1 (%)	15.8	17.5	1.7	13.9	14.9	1.0	17.5	18.3	0.8	9.5	12.2	2.7 *	16.7	17.8	1.1
Child on SSI (%)	7.9	5.9	-2.0	7.7	6.2	-1.5	5.9	7.6	1.7	8.0	5.2	-2.9 *	na	4.1	na
Health Condition Limits Work (%)	22.7	30.4	7.7 *	21.3	29.2	7.9 *	30.4	25.2	-5.2	27.5	26.6	-0.9	22.1	24.7	2.6

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

2001 for those with less than 10th grade education, four or more children, never married, receiving rental assistance, or with a work-limiting condition. Over the same period, entry rates tended to decline for these groups, with the exception of an increase in entry for most groups in 2001. In addition, entry rates for those with a work limitation have tended to increase over the entire time period. These changes in entry and exit are consistent with relatively unchanged prevalence of barriers in the caseload, with the exception of an increase in those with a work-limiting condition.

Our analysis of the NSAF, SIPP, and CPS data, focusing on four barriers, shows some evidence of an increase in barriers over the early period of reform, but no change in more recent years.

Changes in Barriers among Recipients. Data on barriers among TANF recipients from NSAF, SIPP, and CPS for different years are shown in table 8. The barriers presented include having less than a high school degree, having a child under age 1, having a child with a disability (measured as receiving SSI disability benefits), or having a health condition that limits work. Focusing on the 1997 NSAF and 1996 SIPP results, we find very similar levels of these barriers nationally. For example, a little less than 40 percent of recipients have less than a high school degree and about 8 percent have a child receiving SSI.

During the early years of welfare reform, there is some evidence that the typical TANF recipient faced increasing barriers to work. Data from the NSAF indicate that the share of TANF family heads with a health condition that limits work increased from 22.7 to 30.4 percent between 1997 and 1999. SIPP data covering the period between 1996 and

2001 show a similar trend with the share of case heads with a work-limiting health condition rising from 21.3 to 29.2 percent.

Both the NSAF and the SIPP find that the share of TANF heads that have failed to complete high school grew during the early reform period. Although the change in the NSAF is larger than the change in the SIPP, it is not statistically significant. The SIPP data show that the share of TANF families without high school degrees rose by 4.4 percentage points, from 38.9 to 43.3 percent. Neither data set shows any significant change in the share of TANF families with infants or with children on SSI.

During the late reform period, there are few significant changes in barriers to work. In fact, neither the NSAF from 1999 to 2002 nor the CPS from 2000 to 2005 shows any significant change in the prevalence of barriers among TANF recipients. The SIPP shows two significant but offsetting changes in barriers between 1999 and 2004: the share of families with an infant rose by 2.7 percentage points from 9.5 to 12.2 percent, but the share with a child on SSI fell by 2.9 percentage points from 8.0 to 5.2 percent.

In addition to these results, other evidence shows that long-term recipients, presumably representing those who are more disadvantaged, are making up a smaller share of the caseload over time, not a larger share as might be expected from growing disadvantage. Moffitt and Stevens (2001) analyze administrative data in Baltimore City, Maryland, from 1985 to 2000, and find a sharp decline in long-term recipients in the later 1990s compared with earlier years. Loprest and Zedlewski (2006) show that in the NSAF data, longer-term recipients (those on welfare for two years or more) made up 68 percent of the TANF caseload in 1997 (excluding child only cases) but fell to 42 percent of the

caseload in 2002. This decline in the share of recipients that are long-term could be a result of time limits.

There is also some evidence that the level of disadvantage among longer-term recipients is not that much greater than among new entrants. These results could occur if new entrants are more disadvantaged as a group than in the past or if long-term recipients are less disadvantaged. Loprest and Zedlewski (2006) show that in 2002, long-term recipients are significantly more likely to not have worked in the past two years and have less than a high school education than new entrants, although there is no difference in having a young child, poor health, or poor mental health. Similarly, Moffitt and Winder (2003) using data from the Three Cities study show only small differences between stayers (on welfare in both waves of their data) and new entrants in the percent lacking a high school degree or GED and rates of depression.

Changes in Barriers among Former Recipients.   Information on the same set of barriers among former recipients for the three national surveys is shown in table 9. In the 1997 NSAF and 1996 SIPP data shown, we find very similar prevalence of most barriers, including having low education level, an infant child, and a child on SSI. However, the NSAF finds significantly fewer former recipients have a health condition that limits work (8.8 percent) compared to the SIPP (16.1 percent). This difference could stem from differences in the definition of leavers between the two datasets, particularly if leavers with health problems are more likely to return to TANF or return to TANF sooner.[59] Our analysis also shows that, generally, current recipients are more likely to have barriers than those who left TANF.

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[59] See Table 1 for details on the differences in definition of leavers across these data sets.

Table 9 - Barriers to Work of Former Welfare Recipients

	NSAF			SIPP			CPS		
	1997	2002	Change	1996	2001	Change	2000	2005	Change
Less Than HS Degree (%)	30.1	33.5	3.4	33.5	30.4	-3.1	35.1	33.5	-1.6
Child Under Age 1 (%)	11.1	14.4	3.3	13.7	12.4	-1.3	13.8	14.1	0.3
Child on SSI (%)	5.5	5.2	-0.3	6.5	3.1	-3.4 *	na	1.6	na
Health Condition Limits Work (%)	8.8	18.7	9.9 *	16.1	19.8	3.7	13.1	15.9	2.8

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

The prevalence of barriers to work among TANF leavers has not changed appreciably over time with a few exceptions (table 9). Indeed, the CPS data indicate no significant changes in barriers to work among leavers between 2000 and 2005. Starting with the earlier base year, the SIPP and NSAF find some changes in barriers. The SIPP data find a decline in the share of leavers with a child on SSI from 6.5 to 3.1 percent between 1996 and 2001. Interestingly, the data from the NSAF suggest that the share of leavers with a disability that limits work increased from 8.8 to 18.7 percent between 1997 and 2002. The CPS and SIPP also find a rise in leavers with work-limiting conditions but these changes are not statistically significant.

In summary, this evidence on current and former recipients suggests that although there may have been some increases in prevalence of specific barriers in the early years of reform, in the more recent period, there is little evidence of the caseload becoming more disadvantaged.

How can this result be reconciled with anecdotal evidence from individual welfare offices and advocates that there are many more hard-to-employ welfare recipients? First, there are several important caveats to this result. It is based on the available national level data that measure a limited set of barriers to work, not the much broader set measured by some state and local studies. It is possible that the barriers not measured here have increased among the caseload. These include, for example, experience of domestic violence or substance abuse. Possibly more important is the consideration of "unobservable" barriers. Researchers can only report on factors that they can measure. While great strides have been made in identifying and measuring barriers that recipients may not want to voluntarily report (criminal history and domestic

violence) or may not even be aware of (depression or other mental health problems), there are factors that are even more difficult to observe and measure. Factors such as motivation, self-esteem, and ability to cope with complex systems can all impact work and exit from the caseload and are difficult for researchers to measure. However, case managers and front-line staff may be finding these barriers among more of their caseload over time as they work with their clients.[60] It is also possible that it is not that more of the caseload has barriers, but that a growing number of the clients actively engaged in work activities have barriers. This could occur if welfare programs are "going deeper" into their caseload, that is, trying to engage a greater percentage of clients in work activities than in the past, including some who were formerly exempt due to barriers. This may be occurring in some states as they move toward universal participation and try to meet higher work requirements and as they work more intensively with clients nearing time limits.

Barriers to Employment and Movements on and off Welfare. The high level of barriers itself provides some evidence of need for services among welfare recipients, but many point out that these are really *potential* barriers to work, and it is not clear to what extent they actually limit the work of TANF recipients. Therefore, in addition to documenting the prevalence of barriers among the caseload, many studies examine the relationship between barriers and employment at a point in time. The evidence is mixed, but most of the barriers measured are associated with lower rates of employment, although the nature of the relationship depends on the specific study methods. Because some barriers are co-occurring (for example, mental health problems and substance

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[60] In fact, some welfare programs are trying to specifically address issues such as low self-esteem through their work programs and case managers.

abuse), inclusion of multiple barriers in one specification leads to fewer having a significant association with employment than univariate estimates suggest (for examples, see Danziger et al. 2002, Hauan and Douglas 2004, and Loprest and Zedlewski 2006). However, one can generally conclude from these studies that those with barriers on welfare are less likely to be employed than those without barriers. The evidence is strongest for recipients with multiple barriers to work—they have significantly lower employment rates than recipients with one or no barriers.

The negative relationship between barriers and work suggests that those with barriers may be less likely to exit TANF. A few studies have examined the association between barriers and exiting TANF directly. This requires longitudinal data to observe individuals on and off welfare. Hofferth, Stanhope, and Harris (2001) using the PSID find that, in the prewaiver period, lower education levels, work experience, and having a physical or nervous disability that limits work are associated with lower rates of exit for any reason and lower rates of exit to work. However, only disability was associated with a lower rate of exit for nonwork reasons. The United States General Accountability Office (2003), using SIPP data, finds that recipients with health impairments (including mental health) were half as likely to exit as those without impairments between 1997 and 1999. Acs et al. (2001), also using SIPP data, find that in 1996, the probability of exit is significantly lower for long-term recipients, those with a disability, and those with a child under age 1 than for those without these barriers. These differ from the rates for 1990, where the probability of exit for those with a disability is not significantly different than those without a disability.

Although the studies discussed above examine the association between barriers and employment or barriers and exit among TANF recipients at a point in time, for the most part they do not attempt to examine changes in these relationships over the time period after reform.

Whether welfare reform would tend to increase or decrease the work of recipients with barriers or tend to increase or decrease exit and entry from the caseload among individuals with barriers is unclear. Specific policies have offsetting potential impacts. Some states continued policies that formally exempted those with work barriers from work requirements (or put them in a separate state program) or informally concentrated work efforts on those without barriers, making exits to work less likely for those with barriers. Many states instituted more generous earnings disregards that would tend to keep on the rolls those with fewer barriers who found jobs. Work requirements and mandatory sanctions could cut both ways. They could "smoke out" those who are already working or who could easily find work and for whom the hassle of meeting requirements outweighed the value of the welfare check. However, full-family sanctions could mean higher exits among those with barriers who have trouble meeting work requirements. These policies also have impacts on entry and the composition of entrants. For example, Acs et al. (2005) find lower TANF entry rates in states with full family sanctions.

There is some indirect evidence on the impact of welfare reform on disadvantaged recipients over time. A few studies suggest that exit rates among those with disadvantage (measured in various ways) were higher after reform than before reforms. Grogger (2004), using data from the SIPP, finds that TANF has large positive impacts on exits from ongoing (longer-term) spells of welfare, which he argues likely represents recipients

with greater levels of disadvantage. However, he finds little impact of reform policies on exit from "fresh" spells of welfare, that is, newer recipients, whom we expect to have fewer disadvantages. Also using SIPP data, Bavier (2002) finds that average outcomes for leavers, including income loss after exit, are worse for those who left welfare after July 1996 than for those who left earlier, controlling for a standard array of demographic, economic, and policy variables. This could be due to TANF policies increasing exit rates of individuals with less ability to succeed in the labor market (i.e., those who would have been less likely to exit welfare in the prereform period). However, he does not find greater negative impacts of observable disadvantages (such as low educational attainment or disability) on outcomes in the post reform period relative to the earlier period. Bavier suggests that if TANF policies did lead to greater exits for disadvantaged families, these disadvantages must be in characteristics that are not observed in the data.

Loprest and Zedlewski (2006) also provide some information about changes in the relationship between work and barriers over time. They use NSAF data to show the change in probability of work among welfare recipients with barriers between 1997 and 2002. They find a significant increase in work among recipients with less than high school education, a child receiving SSI, and those who were interviewed in Spanish because of limited English proficiency. The percentage with two or more barriers working more than doubled from 10 to 26 percent. However, those in poor health were relatively less likely to work over time.

These results provide some suggestions that work and exit among those with barriers has increased over time, although work is still lower among those with barriers than among those without barriers. While Bavier (2002) suggests outcomes of leavers

after reform were initially worse than the pre-TANF period, we know little about whether

any increases in work or exit among recipients in the later reform period were linked to

positive or negative outcomes. Increased work and exits among those with barriers over

time is consistent with welfare programs increasing their focus on helping these

individuals move successfully into the labor market. However, increased exit of those

with barriers is also consistent with increases in these families losing benefits through

sanctions or time limits, because of inability to meet requirements.

Question 3: What do we know about the economic progress of TANF recipients and leavers over time?

One of the major goals of welfare reform in the 1990s was moving families from welfare to work and increasing work among welfare recipients. States used varying combinations of requirements and incentives to move recipients into work and off welfare (Rowe and Giannarelli 2006). States increased work requirements but varied in what they counted as work activities and who they exempted from the requirements. They also varied in the triggers and severity of sanctions for noncompliance with work requirements, including eliminating benefits for the family. And to varying degrees, states increased the amount of earnings that can be retained while still receiving cash assistance and increased funding for child care and other work supports.

While welfare reform was being implemented, employment rates among single women with children boomed. Between 1994 and 1999, the labor force participation rate of single mothers rose 10 percentage points, compared with almost no change over the previous decade and a half (Blank 2002). Work among TANF recipients has likewise increased markedly in the time since the passage of welfare reform. Our analysis of the NSAF, SIPP, and CPS data shows this increase in employment.

Employment among Welfare Recipients. During the early reform period, the share of TANF family heads working increased (table 10). The NSAF data indicate that the share of TANF case heads who worked rose from 20.9 to 31.5 percent between 1997 and 1999, while the SIPP data show an increase from 22.8 to 27.8 percent between 1996 and 2001, both statistically significant increases. Both data sets show a similar increase in work among single parents on TANF. These trends mirror that reported in the

Table 10 - Employment Characteristics of Welfare Recipients - Early and Late Reform Periods

	EARLY PERIOD						LATER PERIOD								
	NSAF			SIPP			NSAF			SIPP			CPS		
	1997	1999	Change	1996	2001	Change	1999	2002	change	1999	2003	Change	2000	2005	Change
Current Status (all families %)															
Employed	20.9	31.5	10.6 *	22.8	27.8	5.0 *	31.5	29.2	-2.3	28.2	24.9	-3.4	31.0	24.5	-6.5 *
Not Working but Looking				13.1	13.3	0.2				10.2	12.3	2.1	12.6	15.0	2.4
Not Working or Looking but in School				8.4	5.6	-2.8 *				6.3	7.3	1.0	56.4	60.4	4.0
Not Working, Looking or in School				55.7	53.3	-2.4				55.3	55.5	0.2			
Currently Employed (single families %)	20.3	30.9	10.6 *	21.3	26.1	4.8 *	30.9	33.3	2.4	28.1	21.2	-6.9 *	32.2	23.1	-9.1 *
Usual Weekly Hours (head %)															
<20	35.8	22.2	-13.6 *	24.2	20.6	-3.6	22.2	13.4	-8.8	16.0	19.6	3.6	6.8	10.1	3.3
20-34	24.1	21.7	-2.4	30.0	21.5	-8.6 *	21.7	29.9	8.3	32.4	23.9	-8.5 *	26.2	29.4	3.2
35+	40.2	56.1	15.9 *	45.7	57.9	12.2 *	56.1	56.7	0.6	51.6	56.5	4.9	67.0	60.5	-6.5
Mean (in hours)				30.3	34.3	4.0 *	33.1	34.1	0.9	31.7	32.1	0.4	34.8	33.3	-1.5
Median Hourly Wage ($2005)	$6.69	$7.05	$0.36	$5.84	$6.71	$0.88 *	$7.05	$7.60	$0.55	$6.99	$7.52	$0.53	$6.74	$7.75	$1.01
Has Own-Employer Health Insurance (%)	4.3	5.1	0.8	15.0	17.1	2.0	5.1	9.9	4.8	18.5	19.1	0.6	13.4	14.6	1.2

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

administrative data, which show an increase in employment among adult TANF

recipients from 11.3 percent in fiscal year 1996 to 27.6 percent in fiscal year 1999.[61]

In addition, among those who work, there was a significant increase in the share

working full-time (35 or more hours per week)—from 40.2 to 56.1 percent between 1997

and 1999 in the NSAF and from 45.7 to 57.9 percent between 1996 and 2001 in the SIPP.

The SIPP also reports a rise in mean hours worked per week from 30.3 to 34.3.

Data on compensation in the early period show median hourly wages for those

working grew by about 90 cents in the SIPP from $5.84 to $6.71.[62] There was some

increase in wages from 1997 to 1999 in NSAF, but the increase is not statistically

significant.[63] It is not clear why absolute median hourly wage levels for working current

recipients in the NSAF are somewhat higher than in the SIPP. The percent of working

recipients who are covered by employer-sponsored health insurance (ESI) is quite low—

about 1 in 20 in the NSAF and about 1 in 6 in the SIPP. The higher rates of coverage in

the SIPP likely stem from differences in sample composition discussed earlier.[64] This

compares to about 60 percent of the general population covered by ESI (U.S. Census

Bureau 2006). We find no significant change in this rate over time.

Our analysis indicates that the rapid increase in employment in the early period

begins to level off and even decline in the later years after reform. Between 1999 and

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[61] Administrative data are taken from
http://www.acf.hhs.gov/programs/ofa/character/FY2000/analysis.htm#trends.
[62] All wage data are shown in constant 2005 dollars.
[63] We report median rather than mean wage given the skewed nature of the distribution of wages.
Calculation of standard errors for medians is not straightforward. For NSAF, we report tests of significance
from Loprest and Zedlewski (2006) that used a bootstrapping technique to develop standard errors around
the median. Significance tests on medians from the SIPP and CPS are computed using standard errors
around the mean as a proxy for the median standard errors. Because mean wages are always higher than
median wages, this is a conservative test that understates potential significance.
[64] Specifically, the SIPP data include family heads that are not the parent of the child and therefore are not
necessarily meeting income-eligibility thresholds. These heads may have higher incomes and greater access
to employer insurance.

2002, the NSAF data indicate no significant change in employment for all TANF heads and single parent TANF heads. Over the years 1999 to 2003, the SIPP shows a statistically insignificant decline in employment for all TANF family heads, but a significant decline of 6.9 percentage points for single parent heads. Between 2000 and 2005, the share of TANF heads that are employed falls from 31.0 to 24.5 percent in the CPS data, and the share of single parent cases employed declines 9.1 percentage points. The administrative data also show declining employment rates in the later years after reform. Reported employment rates for TANF recipients fell from a high for the 1990s of 27.6 percent in fiscal year 1999 to 22.0 percent in 2004 (the most recent data available).

In this later period, the trend toward full-time work among those who are employed also flattens out. There are no significant changes in mean usual hours worked. Trends in the distribution of hours worked vary across the three data sources, but the only statistically significant change appears in the SIPP data: the share of TANF family heads working 20 to 34 hours per week declined, but this decline was accompanied by statistically insignificant increases in both the shares working less than 20 hours and 35 or more hours. Finally, neither wages nor employer-provided health benefits grow significantly over the late reform period.

Overall, the data indicate that employment and, to some extent, wages for those who were employed increased during the early reform period. During the late reform period, particularly after 2002, employment rates for TANF families fell. Whether this is due to a slowdown in the economy relative to the late 1990s or other factors is not clear.

Research on the reasons for the observed increases in work in the early period of reform suggests that welfare reform played a role. Several excellent reviews have

summarized research on the impacts of welfare reform on employment, earnings, and income. Blank (2002) concludes that the research finds that welfare policy (including waivers) had a significant impact on labor force participation. This research also suggests that other factors also had significant impacts on the increases in employment for women with children over this time period including the expansion of the EITC and the strong economy. In their synthesis, Grogger, Karoly, and Klerman (2002) consider the impacts of specific welfare policies (primarily from waiver evaluations) as well as TANF reform as a bundle. They conclude that there is strong evidence that mandatory work-related activities lead to increases in employment and earnings (mainly through increased hours) and moderate evidence that financial work incentives increase employment. Considering TANF reforms as a bundle, they conclude there is moderate evidence that these combined policies led to a significant increase in employment and earnings. All of these research studies measuring the impacts of TANF examine changes in outcomes in the broader group of (usually single) women who are at risk for participating in TANF, not just the TANF caseload changes that our tables report. Most of this research on TANF impacts focuses on the early period of reform.

Employment among Former TANF Recipients. A substantial number of studies address the issue of employment rates among former recipients. A review of a large number of these studies finds that a majority of former recipients are employed in the first few months after exiting TANF, with the median employment rate of 57 percent in the areas studied (Acs and Loprest 2004). Similar findings have been reported from national data. Acs et al. (2001), using the SIPP, find that the employment of single mothers in the first four months after exiting TANF was 64 percent. Hofferth, Stanhope,

and Harris (2001), using data from the PSID, find that about two-thirds of all exits are associated with work, as opposed to other reasons for exit, such as new marriages, changes in living arrangements, or a child turning 19. All of these results come from the early years after reform, 1996 though 1998.

Relatively few studies have examined the changes in employment for leavers over time. Our analysis of three national data sets shows that employment rates for leavers declined during the later years after reform. The NSAF and the CPS measure employment at the time of interview, potentially some months after exit. In the SIPP data, employment is measured at the month of exit. All three data sets find decreases in employment at exit for later groups of leavers, although the NSAF results are not statistically significant (table 11). Between 1996 and 2001, the SIPP indicates that the share of TANF leaver family heads who are employed at exit fell from 56.7 to 49.3 percent, a 7.3 percentage point drop. Similarly, the CPS data indicate that employment of TANF leavers dropped by 15.2 percentage points, from 54.5 to 39.3 percent between 2000 and 2005. The share of families leaving TANF with any employed adult also dropped significantly in both SIPP and CPS data.

Among TANF leavers that do work, there is little change in hours worked. The NSAF and SIPP find no significant changes, but the CPS data indicate that working leavers are less likely to work full-time in 2005 than in 2000. Hourly wages for working leavers are somewhat higher over time in all three data sets, but the only significant increase appears in the NSAF data. Between 1997 and 2002, wages climbed from $7.61 to $8.41 an hour.[65] As in the case of current recipients, wage levels are somewhat higher

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[65] Wage data is in constant 2005 dollars.

Table 11 - Employment Characteristics of Former Welfare Recipients

	NSAF			SIPP			CPS		
	1997	2002	Change	1996	2001	Change	2000	2005	Change
Current Status (all families %)									
Employed	63.4	59.4	-4.1	56.7	49.3	-7.3 *	54.5	39.3	-15.2 *
Not Working but Looking				8.4	7.9	-0.5	8.3	14.3	6.0 *
Not Working or Looking				2.1	3.2	1.1	37.3	46.4	9.1 *
Not Working, Looking or In School				32.9	39.6	6.8			
Any Adult in Family Employed (%)	88.2	81.0	-7.2	74.8	64.7	-10.1 *	69.5	57.6	-11.8 *
Currently Employed (single families %)	71.2	66.0	-5.3				54.5	38.6	-15.9 *
Usual Weekly Hours (head %)									
<20	10.6	8.4	-2.2	13.9	16.4	2.5	9.5	9.2	-0.4
20-34	20.7	25.6	4.9	17.8	19.8	2.0	22.8	35.6	12.8 *
35+	68.7	66.0	-2.7	68.3	63.8	-4.5	67.6	55.2	-12.4 *
Mean (in hours)				36.1	37.5	1.4	34.6	33.2	-1.4
Median Hourly Wage ($2005)	$7.61	$8.41	$0.80 *	$7.05	$7.58	$0.53	$7.89	$8.11	$0.22
Has Own-Employer Health Insurance (%)	17.5	23.5	6.0	23.3	21.7	-1.6	26.3	21.8	-4.5

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.
SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.
CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

in the NSAF than in the SIPP.[66] We should note that hourly wage rates of working

leavers in NSAF and SIPP are consistently higher than those of current recipients,

suggesting that those who can earn higher wages are more likely to exit or less likely to

continue to be eligible for TANF. Finally, there are no significant changes in employer

health insurance coverage among employed welfare leavers over these time periods.

The trends in the employment and earnings of TANF leavers indicate that after

the early years of welfare, fewer leavers are working at exit, but the quality of their jobs

(measured by wages and employer health insurance) has not grown worse.

Income of Welfare Recipients. Although work was a major focus of welfare

reform efforts, understanding changes in income among recipients and leavers provides a

picture of families' economic well-being over time. There are several ways to examine

changes in income over time. Some studies have analyzed changes in the income of low-

income, female-headed families with children, a population that is "at risk" for welfare

receipt (Haskins 2001; Zedlewski 2002). Both of these studies find that the average

income of female-headed households with children increased over the mid- to late 1990s

largely due to increases in earnings. But both studies also find that there are families in

the lower end of the distribution whose incomes have fallen, mainly due to a decline in

benefits that was not offset by increases in earnings.

Another approach to understanding changes in incomes for TANF recipients and

former recipients is to compare average incomes for these groups at different points over

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[66] We would expect wages of working leavers in the NSAF to be higher than working leavers in the SIPP because NSAF leavers have been off of welfare for some time and those that have returned to welfare are excluded. Working leavers' wages in the SIPP are measured at the time of exit, and the sample includes those who later return to welfare, which is likely to include many with lower wages. However, this difference in sample does not exist for TANF recipients, where we also see difference in wage levels between NSAF and SIPP.

time, as we do below. We then review the evidence on income changes of individual welfare recipient families over time, especially as they leave welfare. These studies attempt to answer the question of whether families are economically better off after exiting welfare. This type of study requires longitudinal data that collects information for the same individuals over time, typically while on and off welfare.

The early period of reform saw increases in the incomes of some TANF recipients (table 12). TANF family income in all three data sets includes pretax cash income, including government cash benefits but excluding the value of food stamps.[67] Because most TANF recipients receive food stamps and there is not much difference in the value of food stamps over time, its exclusion should not have much impact on the trend results, although absolute incomes including food stamps would be higher. The NSAF shows that between 1997 and 1999, both mean and median family income of TANF recipients rose by about $2,000.[68] This is consistent with the large increase in employment for this group in the NSAF. The SIPP data show modest but statistically insignificant increases in annual family income of TANF recipients from 1996 to 2001.

In both the NSAF and SIPP data sets, we observe reductions in the percentage of TANF families in poverty. In the NSAF, the percentage of TANF families in extreme

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[67] Reported monthly income is multiplied by 12 to create an estimate of annual household income in the SIPP data and the NSAF data. Monthly income at the time of the interview in NSAF includes current monthly earnings for the MKA and spouse or partner (if relevant), current TANF receipt, and an imputation of other income based on last year's sources of income. This assumes that relatively permanent sources of income in the prior year continue into the current month. Since the vast majority of income for current recipients is made up of TANF and earnings, this is a good approximation of current monthly income (Loprest and Zedlewski 2006). The CPS data are reports of annual prior year income.

[68] Income data are in constant 2005 dollars. Calculation of standard errors for medians is not straightforward. For NSAF, we report tests of significance from Loprest and Zedlewski (2006) that used a bootstrapping technique to develop standard errors around the median. Significance tests on medians from the SIPP and CPS are computed using standard errors around the mean as a proxy for the median standard errors. Because mean income is always higher than median income, this is a conservative test that understates potential significance.

Table 12 - Income, Earnings, and Benefits of Welfare Recipients - Early & Late Reform Periods

	EARLY PERIOD						LATER PERIOD								
	NSAF			SIPP			NSAF			SIPP			CPS		
	1997	1999	Change	1996	2001	Change	1999	2002	change	1999	2003	Change	2000	2005	Change
Mean TANF Family Income ($2005)	$10,568	$12,763	$2,196 *	$20,469	$21,583	$1,113	$12,763	$14,846	$2,083 *	$23,366	$24,495	$1,129	$17,820	$17,535	-$285
Median TANF Family Income ($2005)	$7,629	$9,936	$2,307 *	$11,876	$12,593	$716	$9,936	$11,790	$1,854	$14,334	$14,662	$327	$11,957	$12,407	$449
TANF Family Income Relative to Poverty (%)															
<50% poverty	60.5	49.5	-11.0 *	35.5	37.3	1.8	49.5	44.1	-5.4	31.6	35.0	3.3	33.3	36.8	3.5
50-100% poverty	27.5	25.9	-1.6	34.3	28.8	-5.6 *	25.9	29.0	3.1	33.5	28.2	-5.4 *	36.7	30.2	-6.5 *
100-150% poverty	8.5	18.7	10.2 *	13.0	13.6	0.5	18.7	17.5	-1.3	13.9	13.8	-0.1	16.4	16.2	-0.1
150%+ poverty	3.5	5.9	2.4	17.1	20.3	3.2 *	5.9	9.4	3.5	20.9	23.0	2.1	13.6	16.7	3.1

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

poverty (less than 50 percent of the poverty line) fell by 11 percentage points over this early period, with increases in the percentage of TANF families above the poverty line. The SIPP data show a significant decline in the percentage of TANF families between 50 and 100 percent of the poverty level by 5.6 percentage points with a statistically significant increase in the percent of families above 150 percent of the poverty level.

It is important to note here that the NSAF estimates of the level of family income are consistently lower than those reported in the SIPP and CPS. This is most likely due to differences in sample composition, the definition of income, and the way income is collected in each data set. As discussed earlier, SIPP and CPS data include a greater number of families where only children are receiving TANF. Adults in these families may have higher incomes than TANF recipient adults and in some cases their income may not be considered in TANF eligibility. The NSAF sample also has an income screen that excludes the highest income families, although only 3 percent of TANF families are excluded in 1997. In addition, the NSAF definition of income only includes earnings of the TANF recipient and spouse/partner. The lower income in the NSAF data could be stemming from not including earnings of other adults in the household. As we saw earlier, in the NSAF data, about 30 percent of TANF recipients in 1996 are living with other adults not their spouse. Unfortunately, NSAF does not gather current (at the time of the interview) earnings data for these other adults. Finally, the way income data is collected differs across the data sets. One of the advantages of the SIPP is the short recall period individuals have (four months), providing more accurate and potentially higher income reports as people are less likely to forget sources of income. CPS respondents are asked to recall income information from the prior year. Also, we define TANF recipients

in the CPS as receiving in the month of the interview, but reported income is for the prior year, when they may or may not have been TANF recipients. This could bias the income reports upwards, as earnings while not on TANF may be higher than earnings in the month of TANF receipt.

During the late reform period, we continue to see growth in average incomes of TANF families in the NSAF for the years 1999 to 2002, although it is lower than the early period. Growth in median income is smaller and no longer statistically significant, and the total growth in mean income is lower over this longer time period. The SIPP shows no significant increase in average incomes over this later time period. However, it is important to note that median and mean income levels in both 1999 and 2003 are higher than income in 2001. This suggests that this later time period is likely masking a decline and recovery in TANF recipients' incomes over this period. From 2000 to 2005, the CPS also shows no significant change in incomes of TANF recipients.

In the later period, there continue to be declines in the percentage of families in poverty, although the decline in extreme poverty in the NSAF is not statistically significant. Both SIPP and CPS show declines of more than 5 percentage points in families with incomes between 50 and 100 percent of the poverty line. At the same time, there were roughly even increases in the percent of families in deep poverty and the percent of families with incomes more than 150 percent of the poverty line, although these changes are not statistically significant. This suggests that although, on average, incomes of recipients remained steady over this entire later time period (in these data), there were changes in the distribution of income that indicate an increase in inequality

among TANF recipients. Some families were moving up and out of poverty, but some families were moving down into extreme poverty.

Overall, the data sets show two different income pictures. The NSAF data, focusing on a more narrow group of welfare recipients, show income growth in both periods, although somewhat slower growth in the later period. These data show especially dramatic declines in deep poverty in the early period. The SIPP data show a fairly stagnant income picture on average over both periods of reform, although there is some evidence that the distribution of income was changing. In both periods, there are decreases in the percentage of families in poverty, but in the later period, the SIPP and CPS both suggest a more unequal distribution of income among TANF families after 2002.

Income of Former Recipients. All three data sets show no significant changes or declines in average income for different groups of welfare leavers over time (table 13). The SIPP and the CPS find substantial declines in mean and median income; however, only the decline of median income in the SIPP of almost $5,000 from 1996 to 2001 is statistically significant.[69] Both of these data sets show a significant increase in the percent of leaver families in extreme poverty. Between 1996 and 2001, the SIPP shows that the share of welfare leavers with incomes below 50 percent of the poverty line climbed from 24.4 to 33.3 percent, an 8.8 percentage point increase. The CPS indicates that the share in deep poverty rose from 25.3 to 31.6 percent between 2000 and 2005. The NSAF data may be less likely to show changes in income for leavers because the sample

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[69] Income data are in constant 2005 dollars.

Table 13 - Income, Earnings, and Benefits of Former Welfare Recipients

	NSAF			SIPP			CPS		
	1997	2002	Change	1996	2001	Change	2000	2005	Change
Mean TANF Family Income ($2005)	$16,528	$16,593	$65	$26,189	$22,904	-$3,285	$25,528	$22,733	-$2,795
Median TANF Family Income ($2005)	$15,476	$15,006	-$470	$18,686	$13,835	-$4,851 *	$16,904	$15,405	-$1,499
TANF Family Income Relative to Poverty (%)									
<50% poverty	27.9	31.3	3.5	24.4	33.3	8.8 *	25.3	31.6	6.3 *
50-100% poverty	35.7	30.1	-5.6	25.4	27.0	1.6	31.2	27.6	-3.6
100-150% poverty	22.8	23.8	1.0	19.6	12.9	-6.7 *	16.6	16.8	0.1
150%+ poverty	13.6	14.8	1.1	30.6	26.9	-3.7	26.9	24.1	-2.8

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

includes those who left over the past two years and remain off welfare. Thus, leavers in 2002 represent in part leavers from earlier years and a greater number of successful leavers. SIPP and CPS include all leavers, including those who end up returning fairly rapidly to TANF.

We also continue to find higher absolute incomes among SIPP and CPS leaver families than among the NSAF leaver families, despite the fact that NSAF leavers would likely represent more successful leavers. While there continue to be some differences in the sample composition due to how we define welfare receipt in these data sets, as discussed earlier, this difference is likely much more limited among leavers, because families where only the child receives benefits are less likely to exit TANF. This suggests that much of the difference in levels is coming from the income screen in the NSAF sample that excluded some higher-income leaver families.[70]

It is important to note that, on average, the incomes of former TANF recipients are higher than of those on TANF. This is in part related to the fact that family incomes of TANF recipient households must fall below certain eligibility thresholds. Median TANF family income is higher for leavers than for recipients for all the years presented in the three data sets we analyze. For example, in 1996 NSAF data, TANF recipients have median family incomes of $7,629, compared with $15,476 for former TANF recipients. However, all three data sets also show the difference between leaver and recipient family income declining over time. This follows from the increasing or flat income among recipients and flat or declining income among TANF leavers that we observe over time. It is also worth noting that while deep poverty among recipients remained stable or grew slightly during later reform period, it grew markedly for families

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[70] The exact income sample criteria are given in the first part of this section.

that left welfare. This is consistent with families that left welfare who lost jobs finding it more difficult to find new jobs in a tighter economy in the later period. It is also consistent with a greater percentage of families leaving welfare due to not meeting the work requirement or hitting time limits (and having lesser job prospects) than in the earlier period.

Are Families Better Off after Leaving TANF? Although our analysis shows that leavers have higher incomes than recipients and many leavers are working after exit, this does not necessarily mean that families are better off after leaving welfare than while receiving benefits. This is because the groups of leavers and recipients we compare are not the same individuals, and the composition of these two groups varies greatly. To address the question of whether individual families leaving TANF are better off after exit, several studies have used longitudinal data to compare the income and circumstances of families before and after leaving TANF. Only one of these studies, Bavier (2001), uses national data (SIPP). A second study by Cancian et al. (2002) focuses on Wisconsin in the early years of reform under state waiver between 1995 and 1997. Two additional studies use data from limited geographic areas, the WES from a county in Michigan, and the Three Cities Study, from Boston, Chicago, and San Antonio. Because these latter studies' findings are influenced by the specific policies and characteristics of the places studied, the results cannot necessarily be generalized to the nation.

Bavier (2001) uses SIPP data for 1996–1997 to compare household income before and after leaving AFDC/TANF. He finds that less than half of welfare leavers had household incomes that increased more than $50 per month. Comparing mean monthly post-exit household income (including the value of food stamps) of leavers over the year

after exit with their mean monthly pre-exit income in the two months before exit, he finds

that 44.3 percent have an increase of more than $50 and 48.9 percent have a decrease of

more than $50 (the remaining 7 percent had stable incomes). On average, households that

gained income had about 50 percent higher income than on welfare, while those that lost

income had about two-thirds of their pre-exit income. However, those with income losses

had on average much higher pre-exit income ($2,514) than those who gained income

($1,614). Bavier also shows that even among those who are employed at exit, 48 percent

have increases in post-exit income of more than $50, although this is pretax income and

does not include the EITC or exclude payroll taxes.

Cancian et al. (2002) use administrative data from Wisconsin, including AFDC

benefits, food stamps, and posttax earnings, to examine the incomes of women who left

AFDC in 1995 and 1997. They find that less than one-third of leavers had increased total

income after exit relative to their income prior to exit. However, these results are limited

because they do not include the earnings of other household members and other sources

of income, biasing down the income of leavers.

Danziger et al. (2002) analyze the economic circumstances in 1999 of a sample of

single mothers in a county in Michigan who received welfare in 1997 using longitudinal

survey data from the WES. The study focuses on the question of "does it pay to move

from welfare to work" by comparing earnings, income, and poverty across groups of

women. They find that working welfare leavers ("wage reliant") have higher earnings,

total household income, and net income than either "welfare reliant" women, defined as

nonworking welfare recipients or "combiners" who have earnings from work and receive

welfare. In a later commentary and expansion of these results, Danziger and Wang (2005)

revise their estimates downward based on newly available administrative data on TANF benefits and additional controls for heterogeneity across groups. The revised finding is that the net income difference between wage-reliant and welfare-reliant groups is $339 and between wage-reliant and combiners is $110.

Differences in income across groups may be due to women who leave welfare for work having different observed and unobserved characteristics than those who remain on welfare. The authors estimate a regression model that takes into account this potential adverse selection. The results show that for every additional hour of work, a women's monthly net income increases by $2.63, suggesting that women are better off when they leave welfare for work than remaining reliant on welfare.

Moffitt and Winder (2004) commenting on the Danziger et al. (2002) study analyze data for women on welfare in 1999 from their Three Cities survey with a second interview in 2000/2001. They find that monthly net income for working leavers is $1,329, compared with $1,102 for nonworking welfare recipients, and $1,408 for those working and on welfare. The authors find a smaller difference in income between working leavers and nonworking recipients in this sample than in the Michigan study (even the revised downward numbers). They argue this is in large part due to higher levels of income from other family members among families leaving welfare in the WES data. In addition, unlike the Michigan study, Moffit and Winder find that incomes of working leavers are slightly lower than incomes of those combining work and welfare. This difference is due in part to greater contributions to income of other family members for those leaving welfare in the WES data and lower benefit reductions in the Three Cities sample for those combining work and welfare. The study shows that the gains to work are not exclusively

enjoyed by those leaving welfare, and that in some circumstances, *combining* welfare and

work can be more beneficial than *leaving* welfare for work.

The Three Cities Study also is able to deal with the adverse selection issue

discussed above by directly measuring changes in income for families at two points in

time.[71] These data show that women who moved off welfare into work experience an

increase in income of about $200 a month, while women who stay on welfare without

working have an increase in income of $49.[72] The difference between these two (about

$150) is a measure of the gain to leaving welfare for work. This is about a 14 percent

gain in income.

The authors go on to point out that another group of recipients leave welfare and

are not working, and that it might be more correct to average the income for working and

nonworking leavers if all leavers are uncertain about their employment prospects and/or

face the possibility of losing employment. In the Three Cities data, this group of

nonworking leavers has much lower incomes ($955) than the other groups. Combining

groups of leavers, Moffitt and Winder find that the expected income gains from leaving

welfare is either zero or very small.

The results from all of these studies suggest that there are at most modest gains in

income from those leaving welfare to work, that there are those that gain income and

those that lose income in this transition, and that perhaps much of the gains are due to

movements from nonwork to work and not necessarily from "welfare and work" to "no

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[71] The WES data do not collect a complete income profile at the time families are on welfare and selected into the sample. The first survey data are collected three months later, when some families have already exited welfare.

[72] This increase could be due to changes in nonwork income sources, such as earnings of other family members.

welfare and work." Offsetting losses in TANF benefits resulting from increased earnings serve to depress total income for those moving from welfare to work.

Moffitt and Winder (2004) point out that policies that provide incentives to work through increased earnings disregards will lead to higher incomes while on welfare. Of course, time limits on benefit receipt limit the extent to which this combining can occur, and for many, the goal of welfare reform was to decrease dependency on welfare while increasing incomes. The results also point to the differences in the benefits of moving from welfare to work across different geographic areas, in part due to differences in how different states reduce TANF benefits as earnings increase.

Another aspect of this question is how earnings and income of leavers changes over time after leaving. A number of location-based leaver studies report changes in earnings over time for leavers, typically based on unemployment insurance administrative records. A summary of these results in Acs and Loprest (2004) shows that, on average, quarterly earnings of employed welfare leavers generally increased by about $300, or more than 10 percent, from the first quarter after exit to the fourth quarter after exit. The studies report a fairly wide range of findings, from almost no increase (0.4 percent) in Cuyahoga County, Ohio, to about 30 percent in South Carolina. These results include individuals who returned to welfare by the fourth quarter. The few studies that report results for "continuous leavers" (those who were off welfare for the 12 months after exit) show higher dollar increases in earnings. Because these studies rely on administrative data for longitudinal analysis, they can only report earnings and not total household income.

Our own analysis using the 1996 and 2001 SIPP data allows us to track families after they have left welfare to see how trends in income have changed over time. We find that for the group of leavers that does not return to TANF in the year after exit, income increases for both our 1996 and 2001 cohorts. Average monthly TANF family income increases about $400 over the year for the 1996 leavers, from $1,557 to $1,982, and over $500 for the 2001 leavers, from $1,157 to $1,699.[73] Both of these increases are statistically significant; however, the difference between these two periods is not statistically significant. Given that the 2001 leavers are starting with somewhat lower income at exit, the percentage increase in earnings in the later period is about 50 percent compared with 30 percent in the earlier period. This suggests that, although leavers in the later reform period have lower incomes than leavers in the early period, the average leaver in both periods who remains off welfare experiences income growth.

An important caveat to this finding is that this selects the sample of leavers who remain off welfare for a year. In our SIPP data, we find that 19 and 22 percent in 1996 and 2001, respectively, are back on TANF one year after exit. These estimates are similar to results on returns to welfare from the NSAF data (Loprest 2002). Assuming individuals with worse economic circumstances are more likely to return, these estimates of income gains may overstate the situation of all leavers taken together.

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[73] This includes all leavers who remain off welfare for a year, whether or not they are working at exit.

Question 4: What do we know about those leaving welfare without work or advantageous changes in family structure?

In the early period of reform, at least half of families left welfare with work, as we reported earlier. Many view this as a positive step in these families' movement toward self-sufficiency. However, the employment of leavers has been falling over time, and families leave welfare for other reasons. Understanding these reasons and examining how they change over time provides information on changes in the group of former recipients and, potentially, their interaction with the welfare program.

Table 14 shows data from the NSAF on former recipients' self-reported reasons for leaving welfare in 2002 and 1997.[74] NSAF is the only national data set that directly asks individuals to report their reasons for exiting TANF. In 1997, 70 percent of recent welfare leavers gave work (either finding a new job or increased hours or earnings on a current job) as their reason for leaving welfare. This was by far the most common reason for leaving. The second most common reason (reported by 8.6 percent of respondents) was the respondent did not want or need benefits or continuing on benefits was "too much hassle."

Over time, there were some significant changes in the reasons for leaving welfare. The percentage of former recipients reporting work as their reason for leaving welfare declined significantly from 70 percent in 1997 to 56 percent in 2002. Other significant changes include an increase to 17.0 percent in 2002 of those reporting they do not want

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[74] Survey respondents gave open-ended answers that were then coded into categories. About 5 percent of leavers reported multiple reasons for leaving. These respondents are categorized using a hierarchy of responses with employment first. Administrative data on reasons for leaving are of more limited use than survey data because often families leaving welfare do not report the reason for leaving (such as work or marriage) to the welfare office. These families often appear in administrative data as case being closed due to lack of contact or not providing paper work for recertification. For more discussion, see Acs and Loprest (2004).

Table 14 - Reasons for Leaving Welfare, 1997 and 2002 NSAF Data

	1997	2002
Earnings increased, found a job, or worked more on same job	70.0	56.0 *
Did not want or need benefits, not interested, too much hassle	8.6	17.0 *
Received additional income from other sources, assets	4.8	7.5
Did not follow program rules	6.7	6.4
Reached end of time limit	0.5	4.7 *
Change in family situation	3.8	3.8
Moved	5.4	1.4
Administrative problem, mix-up	0.2	1.3
Other	0.0	2.0

Source: Reproduced fromTable 7 Loprest and Zedlewski (2006).

Note: In the first round of NSAF, 328 recent leavers were in error skipped out of questions regarding why they left welfare. These and 35 recent leavers who did provide answers in the 2002 NSAF are omitted from this table.

* Significantly different from 1997 at the 90% confidence level.

or need benefits or it is "too much hassle," potentially reflecting increased requirements for recipients. Receiving additional income from other sources or assets also increased over this time period. Also, an increasing number of recipients reported reaching the end of a time limit (0.5 percent in 1997 compared with 4.7 percent in 2002), although this is still a relatively small group of recipients. In part, this reflects that in many states, 2002 was the first year when recipients would begin to reach the federal 60 month time limit. Finally, leaving due to a change in family situation (which includes marriage) did not change over time.

These changes in reasons, particularly the decline in work as a reason for leaving welfare, are consistent with the declining employment among leavers seen over this time period.

One concern over time has been what has happened to families that leave welfare without work or without a change in family situation such as marriage. There have been several studies of this group of former welfare recipients who are not working. Loprest (2003) and Loprest and Zedlewski (2006) use the NSAF data to define a group of "disconnected" recipients, those who are not working or living with a working spouse/partner, have not worked recently, and are not receiving cash assistance (either TANF or SSI). The authors find that 17.1 percent of recent leavers (those who had exited in the prior two years) were disconnected by this definition in 1997. Danziger et al. (2006) using the WES report that during the February 1997 and August 2003 period, 9 percent of those who left welfare in a county in Michigan were without both work and welfare for more than one-quarter of the time. As part of their evaluation of welfare reform in New Jersey, Wood and Rangarajan (2003) found that about one in four former

recipients in that state were not working and off TANF in a given month. A smaller

subset of this group, roughly one in ten leavers in a given month, do not have a working

spouse, recent work experience, or other source of government income, such as disability

benefits or unemployment insurance.

Families must have some alternate sources of income, since relatively few

families actually report zero income. Bavier (2001) finds that 4 percent of leavers in the

1996 SIPP data report zero household income at exit. Zedlewski and Nelson (2003)

conduct qualitative interviews with a set of families that report they have no current

employment or cash government assistance and income less than half the poverty line in

the 2002 NSAF. They show that a substantial percentage of these families either were in

this status for a short period or should not have been included due to misreporting of

income sources in the original interview.[75] For families that were without employment or

government cash assistance at the time of the qualitative interview, strategies for coping

were complex and varied. Families put together multiple other sources of income to

survive, including child support, in-kind government support (housing assistance and

food stamps), help from family and friends, "side jobs," and charity.

While these studies all provide slightly different definitions of a group of welfare

recipients without work, they all find that this subset of former recipients have lower

incomes, more barriers to work, and face substantially more material hardship than other

welfare leavers. For example, in the NSAF in 2002, as would be expected, more than two

out of five disconnected leavers have not worked in more than two years, compared with

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[75] Of the families interviewed, 13 percent had experienced a change in income circumstances since the original NSAF interview, largely due to work by the respondent or spouse. Another 31 percent were found to have had earnings or government cash assistance that was misreported in the original survey (Nelson and Zedlewski 2003).

only 4.2 percent of other leavers. And well over half have not graduated from high school, more than double the rate for other leavers. In addition, these disconnected leavers are more likely to report having a health condition that limits work (29.4 percent) than other leavers (15.9 percent). The disconnected leavers also have significantly lower average incomes than other leavers, $6,178 compared to $17,681 in 2002.

Loprest and Zedlewski (2006) provide the only information on the change in the size of this group over time. They find a slight increase in the percentage of leavers that are disconnected, from 17.1 percent in 1997 to 20.8 percent in 2002, although the change is not statistically significant.[76] These figures suggest a static share of leavers is disconnected over this period. However, given the decline in the number of leavers over time, these shares translate into fewer families being disconnected in 2002 than in 1997, 150,000 relative to 200,000.

Wood and Rangarajan (2003) are able to follow the same individuals longitudinally in their data for New Jersey and find substantial movement in and out of this disconnected status over time. Among leavers in this no work/no welfare group, one in four was back on TANF 12 months later, and a similar percentage was working. This indicates that families may not be in this precarious position for long periods, but may move to work or back onto welfare. But returning to welfare will not be an option forever, given time limits on benefit receipt.

Beyond the welfare population, Loprest and Zedlewski (2006) also point out that low-income women with children who have never been on welfare can also be defined as disconnected. In 2002, they find that 12.4 percent of all low-income women (with

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[76] Loprest (2003) finds an increase in the percentage of leavers that were disconnected between 1997 and 1999 using NSAF data and this same definition.

incomes less than 200 percent of poverty) not receiving welfare are disconnected by this definition. Since these women have not formerly received TANF, they cannot benefit from any programs or activities that welfare offices implement to reconnect with disconnected leavers. In this way, they are even more "disconnected." Many of them are likely eligible for TANF.

In summary, about 20 percent of leavers are disconnected, although the absolute number of families in this situation is falling over time. This decline is tempered by the fact that many families that have never received welfare are also disconnected from the labor market and nonwelfare cash benefits. Those that are disconnected are economically worse off than other leaver families. There is some evidence that these families may remain disconnected only temporarily. However, returning to welfare is not an option for families that have hit their benefit time limit.

Summary of Findings

This section addressed the broad questions of how the characteristics and outcomes of welfare recipients and former recipients have changed over time in four issue areas. We provide a summary of our findings below.

1. In what ways have the characteristics of families receiving cash assistance changed over time, and what do we know about the relationship of these changes to caseload decline?

The large declines in welfare caseload mean either fewer people are entering the program or more people are exiting or are exiting more quickly. Ultimately, changes in who enters welfare and how long they stay influence the composition of the caseload and, as a result, the characteristics of welfare leavers. In our data analysis, we find that the educational attainment of recipients seems to be sensitive to the economic cycle, with the typical recipient having more education when the economy is softer. Overall, however, we find that trends in the characteristics of families on TANF are sensitive to the precise years considered, the definitions employed, and the data sets used.

The most striking finding may be that despite the implementation of federal welfare reform, the massive decrease in welfare caseloads, and the very different economic climate during the early and late reform periods, data on the demographic characteristics of families on welfare show few statistically significant changes. Further, there is little consistent evidence of changes over time and across data sets. Similarly, data on different cohorts of welfare leavers over time indicate that in most respects, the personal

and family characteristics of leavers are fairly stable. These results are similar to what has been found in existing literature.

2. Does the caseload of TANF recipients include greater percentages of families with serious barriers to work over time?

As caseloads declined, concerns grew that more of the TANF caseload would have serious barriers to work, requiring greater investment of resources to move off welfare and into the labor market. Numerous location-based studies of the welfare caseload show that significant percentages of TANF recipients have serious barriers to work, such as physical or mental health problems, recent experience of domestic violence, substance abuse, criminal history, low education levels, or learning disabilities. Our analysis of a more limited set of barriers in national data shows that current recipients generally have higher levels of barriers than former recipients.

Studies that have directly examined changes in the prevalence of barriers among recipients over time for the most part find little evidence of change in the percent of recipients with barriers in the years before 2000, with some conflicting findings on education levels and with several studies finding that the percentage of recipients with health issues has increased. Our analysis also finds increases in the percentage of family heads with a health condition that limits work and the percentage that failed to complete high school. The later period of reform shows little change in the percentage of recipients with barriers. We conclude that there is some evidence of increasing disadvantage relative to specific barriers, particularly in the early years of reform.

It is also important to note that a number of studies document a negative association between specific measured barriers and work, suggesting that those with barriers are less likely to be employed. The specific relationships vary across study locations and methods, but all find a strong negative relationship between having multiple barriers and employment. We know little about whether the relationship between barriers and work has changed over time since welfare reform, as there has been little direct analysis of this question. A few studies have found that work and exit from welfare among those with barriers on TANF have increased over time, consistent with welfare programs increasing their focus on helping these individuals move to work. However, we have little information about the outcomes for these recipients.

3. What do we know about the economic progress of TANF recipients and leavers over time?

Our analysis supports most of the literature in finding that employment increased substantially for welfare recipients during the early years after welfare reform. We also find some evidence that wages of employed recipients increased in the early time period. During the later years, particularly after 2000, we find employment rates for TANF recipients fell. Our analysis of former welfare recipients finds declines in employment between 1996 and 2001 in the SIPP as well as in later years between 2000 and 2005 in the CPS.

The preponderance of research on the reasons for the observed increases in recipients' work in the early period of reform suggests that welfare reform played a role. This research finds that other factors such as the expansion of the EITC and the strong

economy also had significant impacts on the increases in employment during this time period. There has been relatively little analysis of employment changes in the later years or changes in the employment of cohorts of former recipients over time. Whether these declines are due to a slowdown in the economy in the 2000s relative to the late 1990s or other factors is not clear. For both current and former recipients, the fact that we find little change in the personal and family characteristics of cohorts over time suggests that any compositional changes in this group may play less of role than may have been expected. However, detailed analysis of these relationships would be necessary to draw firm conclusions.

Our data analysis shows some evidence of an increase in the incomes of TANF recipients in the early period with stagnant incomes in the later period. The NSAF data, focusing on a more narrow group of welfare recipients, show income growth in both periods, although somewhat slower growth in the later period. The SIPP data show a fairly stagnant income picture over both periods of reform. However, it is important to note that income levels in the later period in the SIPP (both 1999 and 2003) are higher than income in the early period. Because the early reform period stretches from 1996 to 2001 in the SIPP rather than from 1997 to 1999 as it does in the NSAF, the SIPP early reform trend likely masks an increase in TANF recipients' incomes through 1999 and subsequent decline. Like the SIPP, the CPS shows no significant change in the incomes of TANF recipients during the late reform period (which stretches from 2000 to 2005 in the CPS data). We also find some evidence that the distribution of income for recipients was changing over time. The NSAF data show especially dramatic declines in deep poverty (income less than 50 percent of the poverty line) in the early period. In the later

period, the SIPP and CPS both suggest a more unequal distribution of income among TANF families.

On average, the incomes of former recipients are higher than current recipients. However, the three data sets we analyze show either no change or declines in the average incomes of former welfare recipients in the years after reform. Both the SIPP and CPS show significant increases in the share of leavers experiencing deep poverty.

There are a few studies that address the question of whether recipients are better off after leaving TANF than while on TANF. These studies show at most modest average gains in income for those leaving welfare and also show that there are many families whose income falls when leaving TANF. The studies point out that the key transition for raising household income seems to be moving from nonwork to work, and those families that are able to combine welfare and work may have as high incomes (or higher) than families moving off of welfare to work. These studies also show that there can be considerable difference in income changes across different localities, in part due to differences in welfare policies such as the rate at which TANF benefits are reduced as earnings increase.

Finally, there is some evidence from location-based leaver studies that, on average, in the early period after reform, earnings of leavers increased during the first year after leaving TANF, although there is a wide variation in specific results. Our analysis using SIPP data from 1996 and 2001 shows that for both cohorts of leavers, average incomes increased over the year after exit for those not returning to TANF. These results suggest that even though cohorts of welfare recipients leaving welfare in the later period of reform do not, on average, experience higher levels of income than

those leaving in the early reform period, in both periods individual families that leave welfare and remain off for a year experience growth in income.

4. What do we know about those leaving welfare without work or advantageous changes in family structure?

Reasons for leaving welfare have changed over time since welfare reform, with fewer exiting for work and more exiting for other reasons. Both national and location-specific studies of the early years after welfare reform find that a majority of recipients leaving welfare exit with employment. Data from the NSAF show a significant decline in this reason for work between 1997 and 2002, consistent with our earlier results on employment of welfare leavers. These data also show a significant increase in the percentage reporting they left welfare because they do not want or need benefits or benefit receipt involves "too much hassle," potentially reflecting increased requirements for recipients over time.

The subgroup of former recipients who leave welfare without work has been the focus of several studies using national and location-specific data sources. This group, sometimes referred to as "disconnected former recipients," typically includes those who are not working or living with a working spouse or partner and not receiving any other cash assistance. While the size of this group varies across studies, national estimates put the size of this group as about one-fifth of those who left welfare between 2000 and 2002 and remained off welfare in 2002. Both national and location-based studies find that this group is significantly more disadvantaged than other leavers in terms of household income, barriers to work, and experience of material hardship. The only national

information on change in size over time for this group is NSAF data, which find no increase in the size of this group as a percentage of all leavers. While this share remains steady over time, the absolute number of disconnected families has fallen as the number of leavers has declined (nationally, from 200,000 in 1997 to 150,000 in 2002). Evidence from New Jersey finds substantial transitions in and out of this group over time, both back to welfare and to work. Additional examination of outcomes for this group as more recipients hit their time limits and are unable to return to welfare is needed.

While the findings summarized here provide a great deal of information about the characteristics and outcomes of TANF recipients and leavers over time, they also highlight many areas where additional research is needed. The next section further describes these gaps and recommendations for future research.

IV. RECOMMENDATIONS FOR FUTURE RESEARCH

In this synthesis, we have reviewed data and research on the changing status of current and former welfare recipients during the first decade of TANF. Welfare as we knew it in the 1970s and 1980s under the AFDC program can no longer be considered a relevant analog to the TANF program and its myriad incarnations at the state and local levels. Consequently, future research on TANF need not focus on how the transition from AFDC to TANF affected caseloads and the status of current and former welfare recipients. Rather, in moving forward, research should examine how TANF is evolving and how well it can meet the needs of low-income families today and in the future. We see five broad areas for future research on TANF: (1) data needs and capacity building; (2) understanding changes in welfare participation; (3) tracking current and former welfare recipients to identify persistent and emergent problems and needs; (4) understanding how specific features of states' TANF and public assistance programs influence the well-being of current and former recipients; and (5) expanding beyond the TANF program to learn how other public assistance programs are interacting with and serving the needs of low-income families. We discuss each category in turn below.

Data Needs and Capacity Building

Before outlining suggestions for future research, we address some broad data needs that are critical for research on TANF-related topics and make recommendations for how the federal government can help to address these needs. Our recommendations here concern both administrative and survey data collection. Although there are pros and

cons to each type of data (discussed in chapter 1), they both have the potential to support future research.

Survey Data Improvements. High quality survey data provide a promising source of information on the status of current and former TANF recipients at the national level. These data can identify characteristics and outcomes for welfare populations that are not well captured in administrative records. They can also detect employment not captured in state UI systems, allow analysts to compute wage rates, assess such job-related features as benefits and on-the-job training, and obtain data about difficulties on the job and getting to and from work.[77] Survey data can also be used to track the well-being of children across multiple dimensions (parent-child interactions, behavioral problems, school performance, health status, etc.).

Changes in the welfare population and the policy and programmatic responses to its needs necessitate refinements to the information collected through survey sources. A growing share of welfare cases have no adult/parent in the assistance unit—they are child-only cases. Given the growth in these cases, it is important for research to determine how well survey data do in identifying them. Survey respondents may not consistently and accurately be able to identify the family members that welfare income is meant to benefit from the standpoint of program rules. In addition, many TANF agencies are providing noncash services to families, such as child care, transportation assistance, and post-employment supports. It will be useful to improve our survey measures of

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[77] Another source of information is the National Directory of New Hires (NDNH), a federal administrative data set that includes information on employment and earnings for jobs that may be missed in state Unemployment Insurance data. However, this does not include information on wages, benefits, or other measures of job quality that can be collected in survey data.

TANF services, possibly by asking directly about receipt of these specific noncash services.

For both monitoring and analytic purposes, it is important that general surveys have a sufficiently large sample sizes or sampling strategies to ensure they capture enough welfare recipients for meaningful study. With the decline in welfare caseloads, even a survey that oversamples low-income households may capture too few welfare-reliant households to sustain meaningful analyses. For example, in the 1997 NSAF there are over 1,000 families identified as TANF leavers; in the 2002 round, the number falls to 537.

In addition, the 2004 panel marks the end of the SIPP, which is being replaced by the Dynamics of Economic Well-Being System (DEWS) in 2008/2009. For this and any other new surveys to be useful to TANF-related research, they must identify and collect information on a sufficiently large number of TANF families to provide reliable estimates of the characteristics, needs, and outcomes of the welfare population.

Another important concern about major existing national survey efforts, such as SIPP and CPS, is how well they capture TANF participation. (See our discussion earlier in the report.) The extent of potential underreporting of TANF, particularly increases in underreporting over time, needs to be understood. There also needs to be additional study of whether certain characteristics are systematically associated with underreporting and whether these relationships have changed over time.[78] This type of information could potentially lead to the development of adjustments researchers could use or at least an understanding of whether underreporting can be treated as essentially random. Studies

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[78] An example of such a study is Klerman, Ringel, and Roth (2005), which focuses on underreporting in a single state (California).

could be done that compare matched administrative records with survey data to analyze differences in reporting.

  Linking Administrative Data. At the state and local level, program administration data can be used to measure how long families have stayed on TANF, the extent to which former recipients return to the program, and the state's view of TANF-related services the family has received. Data systems across states will vary in the amount of detail they contain regarding families' demographic characteristics and barriers to work. It would be very useful as a matter of course to link TANF program data to UI earnings records along with program data from other forms of public assistance, such as food stamps, Medicaid, WIC, housing assistance, and child care assistance. Much of this information is already collected, and linking these administrative data sources would help states track the changing profile of their welfare recipients and assess how former recipients fare in terms of employment and use of other forms of public assistance. While some efforts to link administrative data for specific states are ongoing (such as Chapin Hall's efforts for Illinois administrative data), it is possible that the federal government could play a role in supporting other states in carrying out more linkages. This role could include technical assistance and capacity-building grants as well as potentially provide a clearinghouse or some way of streamlining research access to these data. The federal government could also conduct a review documenting the status of existing efforts to link data on a state-by-state basis.

Understanding Changes in Participation

Understanding Changes in Welfare Take-Up Rates. A central concern for TANF program administrators and policy makers is whether we have entered a new era where TANF caseloads will hover around 2 million families in the average month, or whether caseloads will revert back to their levels of decades past. This essentially is a question about welfare entry, welfare exit, and the reasons why families are increasingly likely to eschew cash assistance. Over the years since welfare reform, there has been a decline in the "take-up" rate of TANF, that is, the number of families receiving TANF as a percentage of eligible families. Additional research focused on understanding this decline in participation rates is important to understanding whether TANF is meeting its goals. This type of research requires analysis of the broader low-income population and the ability to accurately estimate potential eligibility.

A potential research project to investigate changes in welfare participation must begin with nationally representative data on low-income families from various points in time, and these data must contain enough information on living arrangements and family income so that researchers can compute program eligibility. The most obvious choice would be the Current Population Survey, which not only provides annual data from the past, but also is ongoing. In addition to the data, researchers must gather accurate information on state-specific welfare program rules and apply them to the data to determine which low-income families are in fact eligible for benefits. Finally, the data must contain accurate information on program participation or, at the very least, information on participation must be reliably imputed. These data demands are quite high; however, the TRIM3 micro-simulation model, funded by HHS, routinely takes CPS

data, adjusts for under-reporting of welfare receipt to match administrative totals, determines eligibility, and computes take-up rates. Thus, researchers could use TRIM3-enhanced CPS data to assess why take up rates have changed.

Specifically, one could use regression-based decompositions to assess the factors behind declining welfare take-up rates. One could take a base year, say 1996, and a run a regression to predict welfare participation controlling for the demographic characteristics of the eligible population as well as state-level economic and policy conditions. Using the coefficients from the model, one could then take the characteristics and state conditions from a future year, say 2005, and generate predicted take-up rates. To the extent that take-up rates from 1996 differ from the 2005 predicted rates, differences in take-up rates can be attributed to differences in the eligible populations, specific state policies, and economic conditions. Differences between the predicted and actual 2005 rates are due to unobserved factors, such as changes in the practices of welfare offices that are not captured in specific policies and changes in the underlying attitudes toward welfare.

Alternatively, to better understand changes in welfare take-up rates, one could study applicants who do not end up receiving TANF benefits as well as families that are formally diverted from the program. Such a research project would require access to state administrative data to identify rejected applicants and diverted families, and then contacting and surveying them. HHS has already funded a series of similar studies on applicants from the late 1990s[79] and it would be useful to replicate this work as TANF programs have become more established. Further, learning how eligible nonparticipants get by and whether they would be better off in the short and long runs had they entered TANF are key questions for policymakers.

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[79]These can be accessed at http://aspe.hhs.gov/HSP/leavers99/rpts-apps.htm.

The Role of Nonmarital Births. In addition, changes in long-term societal trends may play a part in lower caseloads. Historically, the most common reason for welfare entry was a nonmarital birth. Teenage women who entered welfare with nonmarital births were particularly prone to long periods of receipt. Teen birth rates fell during the 1990s and into the 2000s, but it is not clear whether this was in response to changes in welfare policy. Further, we do not know whether teens who do have children outside of marriage are much less likely to enter welfare today than they were in the past. If teen birth rates continue to decline (or at least remain steady) and if unwed teen mothers are now less likely to enter welfare, then we probably have entered a new historical period in which caseloads hover around 2 million with some variation around economic cycles.

Thus, it would be valuable to undertake a research project assessing whether the relationship between nonmarital fertility and welfare entry has changed. Existing data tracking teenagers such as those available in the NLSY 97 cohort (12–16-year-olds in 1997) can be used to address this question. Specifically, one can use data from the NLSY 97 and compare them with data from the NLSY 1979 cohort containing information on youth between the ages of 14 and 21 in 1979. Using these data, one can use regression-based models to assess changes in the probability that unwed teens have children and to determine whether those that do have nonmarital births are less likely to enroll in welfare or wait longer before signing up for benefits. Further, if it can be established that young parents and their children are less likely to enter welfare today than in the past, it is important to then assess how these young families are faring.

Understanding Child-Only Cases. As overall caseloads dropped, the share of TANF cases composed only of children (i.e., child-only cases in which the TANF grant is

meant to support only children and not the adults in the family) grew from 23 percent of

the total caseload in 1997 to 35 percent in 2001 and to 46 percent in 2005. It is important

to note that the actual number of child-only cases has not risen; in fact, there are fewer

child-only welfare cases in 2005 (870,000) than in 1997 (919,000). Rather, the number of

adult-headed TANF cases declined by a far larger amount than child-only cases.[80] There

is very little research examining the characteristics and well-being of these families and

their rates of entry into and exit from TANF. It would be useful to better understand the

consequences of subjecting adults in these families to work requirements and other

TANF policies. We would also like to know how these consequences vary across

different types of child-only cases (e.g., foster families, undocumented immigrant parents

of citizen children, and children in the care of their grandparents or other relatives). This

kind of research requires data that identify child-only cases. Additional research needs to

be done to assess how accurately current national data sets identify these cases. In

addition, one could survey families receiving a child-only TANF grant drawing samples

from state administrative data.

Tracking Recipients to Identify Needs

Ongoing information on the status of current and former welfare recipients is vital

for program administrators and policymakers. Linked administrative data, if available,

can measure how long families stay on TANF and how this changes over time, how

quickly families return to TANF and the relation of returns to TANF and employment,

and the extent to which TANF families connect to other programs, such as Medicaid,

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[80]Data on TANF caseloads come from the web site
http://www.acf.hhs.gov/programs/ofa/character/indexchar.htm.

Food Stamps, or child welfare while on TANF and after leaving. Routine, continuous updating of linked administrative systems allows monitoring of these and other questions over time. This will be particularly important if the United States experiences a sharp or prolonged downturn in the economy during which welfare caseloads swell and families find it increasingly hard to find and keep jobs.

In addition, it is important to assess the longer-term outcomes of welfare leavers. Questions to be addressed include, what are the post-exit employment and well-being trends for former recipients? Is there a steady progression toward higher wages? Are there key points in time that are associated with quantum improvements in jobs and well-being (e.g., mothers may eschew promotions at work until their children reach middle school)? This will require analysis of longitudinal data from both administrative and survey sources. Ultimately, it will be useful to track welfare leavers for five or more years after exit to assess the extent to which these families are still struggling, what types of longer-term supports they require after leaving TANF, and whether certain types of services provided while on TANF contribute greater success in the years after exit.

Aside from gathering new data, which could be challenging and expensive, the NLSY 97 may provide the best source of data for tracking a large sample of welfare leavers for multiple years into the future. The youth in the sample are between the ages of 12 and 16 in 1997. As such, they are in their early to mid-20s today, a period of time in which low-income unwed mothers are likely to be cycling on and off welfare. Data sets such as the SIPP may not track families for a sufficiently long time to ascertain long-term outcomes. Linked administrative data can provide longer-term data on employment and program participation but little else.

Ultimately, research efforts that link survey and administrative data such as the Longitudinal Employer-Household Dynamics (LEHD) project might provide very useful longer-term information if they could be linked to administrative data on current or former welfare recipients. The LEHD is an innovative program within the U.S. Census Bureau. It uses modern statistical and computing techniques to combine federal and state administrative data on employers and employees with core Census Bureau censuses and surveys while protecting the confidentiality of people and firms that provide the data.

Linked survey and administrative data could also be used to study the employment, TANF duration, and non-TANF benefit use of recipients with barriers. Information from past surveys of TANF recipients funded by HHS, which included measures of a range of barriers, could be linked to administrative data to ascertain differences in outcomes across those with and without multiple barriers or specific types of barriers.

A key feature of the TANF program is the lifetime limit on the receipt of federal cash aid. Whether in response to labor market opportunities, welfare policies, or a combination of both, welfare caseloads have fallen, and even after 10 years of the TANF program, few families have exhausted their lifetime benefits. It is important to see if greater proportions of TANF families exhaust their lifetime benefits in the coming years and to examine how families that have reached time limits are faring. Survey or qualitative research to determine the reasons why more families are not exhausting benefits is also important, including studies of whether states have intervention strategies for those about to reach limits that are helping families find work before hitting the limit.

To this end, a series of research projects modeled after HHS's welfare leaver and stayer studies would be useful. A selection of states could be funded to identify TANF cases that closed due time limits over a specified time, say a three-month window. Families that have recently exhausted their benefits could be contacted and surveyed, perhaps multiple times in the months and years following the termination of benefits to assess their well-being and how they are getting by. The process could be repeated using subsequent cohorts of families that have reached their time limits to see if the number of cases exhausting benefits is growing and to see if the well-being and survival strategies of these families are changing. The study may also want to include cases that closed for other reasons but were nearing their lifetime limit as well because these families may have left the rolls in anticipation of the looming time limit.

Understanding How State Policy Choices Influence Recipients

The well being of current and former TANF recipients may vary substantially from state to state and may be influenced by state policy choices. States may choose policies that have offsetting effects on various outcomes for welfare populations. For example, generous earnings disregards may reduce TANF exit rates while strict time limits may increase them. As states vary their TANF policy packages in the future, perhaps in response to the changing rules and regulations pursuant to TANF reauthorization in 2006, it will be useful to continue efforts to assess how states choose policies and how policy choices influence the employment, earnings, incomes, and well-being of current and former TANF recipients. In particular, it will be important to assess

the effectiveness of the differing approaches states take toward meeting the needs of their "hard-to-serve" clients.

Several efforts are underway, funded by government and nongovernment sources, to identify the variety of approaches states are using to address the needs of clients with multiple barriers to work and how these are changing in reaction to reauthorization. A next step is research that could link the outcomes of families to the services they received. To be able to connect individual outcomes with services, information on service receipt would need to be available in administrative data or participants would need to be surveyed. Initial work could be funded on better understanding the extent to which the services families receive can be identified using state administrative data, including the quality of that data and which states' data are most promising. In addition, a sample of families receiving "hard-to-serve" services could be contacted for more in-depth interviews. Such research would be far more effective if data from multiple states could be brought together.

Demonstration Projects. Even with a detailed set of observational data, it may still be challenging to tease out program effects because of hard-to-observe differences between states and each state's hard-to-serve population, and because the decisions about who receives what services may reflect varying state selection criteria and client decisions about the services they wish to receive and whether they continue in the TANF program.

Ultimately, it may be useful to establish multiple hard-to-serve demonstration projects in which states (and their research partners) are asked to develop a set of services for this population and selection criteria or where the impact of specific models in place

could be evaluated. This could follow the model of the Enhanced Services for the Hard-to-Employ Demonstration and Evaluation (HTE), currently funded by ACF, but with greater focus on TANF recipients (only one of the four sites in the HTE evaluation concerns TANF recipients exclusively, although others include TANF recipients). The state would randomly assign their hard-to-serve populations to different services and the effectiveness of the services could be assessed using standard experimental evaluation techniques. Multiple experimental treatments could be conducted within a single state, and different states could use an array of different approaches. Although this experimental demonstration approach is expensive and it would be years until it produced results, it could be very useful for identifying the best ways to address the diverse needs of hard-to-serve clients. This approach could enable us to answer questions such as the impact of intensive case management or the relative benefits of combining services that address barriers while requiring work versus a sequential approach.

Services from a Client Perspective. It is also important to discern how clients view the services they are receiving. A program as described may vary considerably from the way a program is experienced. Given the diversity of state and local approaches, it is probably not feasible nor would it be meaningful to survey current and former recipients about the services they received using a national sample. However, periodic local survey efforts would reveal how reliable programs "on the books" translate to programs "on the ground" and whether the needs of TANF clients are truly being identified and met. Such efforts could also help refine analyses on how state choices of programs and policies under TANF influence the outcomes of current and former TANF recipients. Such surveys could also identify whether recipients understand program rules, such as the

reason for and level of sanctions or the length of time they can receive benefits. This is critical for understanding if these policies impact behavior.

Research beyond TANF

In 2005, there were 7.6 million families living below the poverty line and millions more living just above it. The average number of families receiving TANF in any given month, however, is about 2 million. Clearly, many low-income families and their children are not turning to TANF for support. As such, it is important to focus on a broader population than just those families that come in direct contact with the TANF program and to consider how other sources of support interact with and substitute for TANF.

Sources of Support. Of particular interest is identifying the sources of income (income packaging) for low-income, non-TANF families. To what extent are they receiving cash and in-kind benefits from public and private sources? Do different types of families (single mothers, cohabiting couples, etc.) use different packages of income? How much of a low-income, non-TANF family's income comes from earnings? Are child outcomes influenced by the composition of family income? Research in this area could make use of existing secondary data sources, such as the SIPP (and its successor, the DEWS), that provide detailed information on income composition and also include information on related outcomes, such as child well-being.

In addition, linked administrative data can be used to identify families that are participating in noncash assistance programs, such as child care, Medicaid, or food stamps, who have either never or not recently participated in TANF. Researchers could compare available information about these families (including earnings) with data on families entering TANF to better understand differences in who uses what parts of the

safety net. In addition, a subset of the families captured in these administrative data could be surveyed to gain a better understanding of their broader circumstances.

Disconnected Families. A substantial share of families has become disconnected from both TANF and from work. Some of the evidence we reviewed showed these families to be disadvantaged but also in transition, with some returning to welfare and some moving on to jobs. Understanding these families' circumstances over time is critical, particularly as time limits reduce the ability of families to return to TANF. In addition, a substantial number of families in this circumstance have never received TANF benefits.

The biggest challenge in obtaining better information on disconnected families is identifying them. Administrative data can provide list samples of families that stopped receiving welfare and never generated UI wage records, but such data cannot identify families that never came into contact with the welfare system. Ongoing national surveys such as the CPS can identify disconnected families but provide little information on their well-being and survival strategies. It may be interesting to use the March CPS files to identify disconnected families and then create a special April supplement to gather more in depth information about them—about three-quarters of the families identified as disconnected in March could be surveyed in this special April supplement.

Finally, much of the research on former welfare recipients highlights that individuals were able to find jobs but that wage growth was low and job benefits minimal—in short, that these women had joined the ranks of the working poor. This research provides a natural next step to understanding the broader low-wage labor market and how workers can retain and advance in jobs. A focus on low-income families with

children, in particular working single mothers, and examining what policies and programs might support their income growth, is an important part of this understanding. Some of this research is now underway. For example, HHS is funding a survey of employers in the low-wage and TANF labor market as well as evaluating retention and advancement strategies for low-wage workers.

Ten years after federal welfare reform, the nature of public assistance to low-income families has changed both in size and scope. Fewer families use cash assistance today than a decade ago. Future research needs to determine if this decline is permanent and if so, why. In addition, there is a continuing need to monitor the status of current and former welfare recipients to ensure their ongoing and emerging needs are being met. This may require creative work with administrative and survey data sources. Further, to make sure policies are having their intended effects, policymakers need to gain a better understanding of how clients perceive state policy decisions and how these decisions directly influence the status of current and former recipients. Finally, many families that are in need of assistance never come into contact with the TANF program. As such, it is imperative that policymakers and program administrators consider how the broader low-income population is faring.

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Appendix A: Experts Consulted to Identify Research and Data Needs

The following scholars provided suggestions on future research and data needs for studying the status and outcomes of welfare recipients and welfare leavers.

Richard Bavier, U.S. Office of Management and Budget
Maria Cancian, University of Wisconsin
Claudia Coulton, Case Western Reserve University
Mark Courtney, University of Chicago, Chapin Hall
Sandra Danziger, University of Michigan
Jeffrey Grogger, University of Chicago
Julia Isaacs, The Brookings Institution
Robert Moffitt, Johns Hopkins University

Appendix B:

Supplemental Data Tabulations

Table B1 - Personal Characteristics of Welfare Recipients (Family Head) - NSAF Early Reform Period
(from Table 3)

	1997			1999			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Age (%)							
<25	24.0	2.30	20.2 - 27.7	25.8	3.22	20.5 - 31.1	1.9
25-34	44.1	2.35	40.2 - 48.0	44.7	3.58	38.8 - 50.6	0.6
35+	32.0	2.71	27.5 - 36.4	29.5	3.71	23.4 - 35.6	-2.5
Mean (in years)	31.3	0.49	30.5 - 32.1	30.8	0.60	29.8 - 31.8	-0.4
Education (%)							
<12th grade	39.8	2.52	35.6 - 43.9	46.1	3.63	40.1 - 52.1	6.4
12th, HS dip, GED	36.9	2.08	33.5 - 40.3	31.8	3.46	26.1 - 37.5	-5.2
Some college, AA, Voc Tech	20.7	1.68	17.9 - 23.4	17.7	2.81	13.1 - 22.3	-3.0
4 year college or more	2.2	0.64	1.1 - 3.3	2.9	1.15	1.0 - 4.8	0.7
Race/Ethnicity (%)							
White, other Non-Hispanic	43.5	2.70	39.0 - 47.9	N/A			N/A
Black Non-Hispanic	32.3	2.16	28.7 - 35.8	N/A			N/A
Hispanic	24.3	2.13	20.8 - 27.8	N/A			N/A
Gender (%)							
Male	4.5	1.05	2.7 - 6.2	6.3	1.63	3.6 - 9.0	1.9
Female	95.6	1.05	93.8 - 97.3	93.7	1.63	91.0 - 96.4	-1.8

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners).

Adult most knowledgeable about the child is considered head.

Table B2 - Personal Characteristics of Welfare Recipients (Family Head) - SIPP Early Reform Period
(from Table 3)

	1996			2001			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Age (%)							
<25	22.7	0.97	21.1 - 24.3	21.3	1.53	18.8 - 23.8	-1.4
25-34	38.0	1.24	36.0 - 40.1	32.8	2.06	29.4 - 36.2	-5.2 *
35+	39.3	1.35	37.1 - 41.5	45.9	2.14	42.4 - 49.4	6.6 *
Mean (in years)	33.4	0.31	32.9 - 33.9	35.0	0.52	34.1 - 35.8	1.6 *
Education (%)							
<12th grade	38.9	1.35	36.6 - 41.1	43.3	2.22	39.6 - 46.9	4.4 *
12th, HS dip, GED	37.6	1.36	35.4 - 39.8	32.2	1.85	29.2 - 35.3	-5.4 *
Some college, AA, Voc Tech	21.3	1.15	19.4 - 23.2	21.7	1.71	18.9 - 24.5	0.5
4 year college or more	2.3	0.40	1.6 - 2.9	2.7	0.62	1.7 - 3.8	0.5
Race/Ethnicity (%)							
White, other Non-Hispanic	44.5	1.37	42.3 - 46.8	41.9	1.72	39.0 - 44.7	-2.7
Black Non-Hispanic	35.1	1.00	33.5 - 36.8	32.1	1.67	29.4 - 34.8	-3.0
Hispanic	20.4	1.10	18.6 - 22.2	26.0	1.70	23.2 - 28.8	5.7 *
Gender (%)							
Male	3.9	0.41	3.2 - 4.5	4.8	0.87	3.4 - 6.3	1.0
Female	96.1	0.41	95.5 - 96.8	95.2	0.87	93.7 - 96.6	-1.0

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B3 - Personal Characteristics of Welfare Recipients (Family Head) - NSAF Late Reform Period
(from Table 3)

	1999			2002			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Age (%)							
<25	25.8	3.22	20.5 - 31.1	28.4	2.87	23.7 - 33.2	2.6
25-34	44.7	3.58	38.8 - 50.6	36.1	3.20	30.8 - 41.3	-8.6 *
35+	29.5	3.71	23.4 - 35.6	35.5	3.07	30.5 - 40.5	6.0
Mean (in years)	30.8	0.60	29.8 - 31.8	30.9	0.56	30.0 - 31.8	0.0
Education (%)							
<12th grade	46.1	3.63	40.1 - 52.1	41.5	3.50	35.7 - 47.2	-4.7
12th, HS dip, GED	31.8	3.46	26.1 - 37.5	39.2	3.54	33.4 - 45.0	7.4
Some college, AA, Voc Tech	17.7	2.81	13.1 - 22.3	15.8	2.62	11.5 - 20.1	-1.9
4 year college or more	2.9	1.15	1.0 - 4.8	2.9	1.11	1.1 - 4.8	0.1
Race/Ethnicity (%)							
White, other Non-Hispanic	N/A			33.8	3.62	27.9 - 39.8	N/A
Black Non-Hispanic	N/A			35.4	3.12	30.3 - 40.5	N/A
Hispanic	N/A			30.8	3.30	25.4 - 36.2	N/A
Gender (%)							
Male	6.3	1.63	3.6 - 9.0	6.9	3.98	0.3 - 13.4	0.6
Female	93.7	1.63	91.0 - 96.4	93.1	3.98	86.6 - 99.7	-0.6

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners).
Adult most knowledgeable about the child is considered head.

Table B4 - Personal Characteristics of Welfare Recipients (Family Head) - SIPP Late Reform Period
(from Table 3)

	1999			2003			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Age (%)							
<25	17.8	1.68	15.0 - 20.5	19.8	1.87	16.7 - 22.9	2.1
25-34	33.2	2.23	29.6 - 36.9	34.8	2.27	31.1 - 38.6	1.6
35+	49.0	2.08	45.6 - 52.4	45.3	2.60	41.1 - 49.6	-3.7
Mean (in years)	35.8	0.48	35.0 - 36.6	35.4	0.62	34.4 - 36.4	-0.4
Education (%)							
<12th grade	42.0	2.06	38.6 - 45.4	40.5	2.25	36.8 - 44.2	-1.5
12th, HS dip, GED	37.2	1.83	34.2 - 40.2	33.2	2.15	29.7 - 36.8	-3.9
Some college, AA, Voc Tech	18.7	1.48	16.3 - 21.2	24.0	2.04	20.7 - 27.4	5.3 *
4 year college or more	2.1	0.59	1.1 - 3.1	2.2	0.66	1.1 - 3.3	0.1
Race/Ethnicity (%)							
White, other Non-Hispanic	35.5	1.87	32.5 - 38.6	42.1	2.67	37.7 - 46.5	6.6 *
Black Non-Hispanic	36.5	2.34	32.6 - 40.3	32.2	2.30	28.4 - 36.0	-4.3
Hispanic	28.0	1.87	24.9 - 31.0	25.7	1.98	22.4 - 29.0	-2.3
Gender (%)							
Male	4.1	0.74	2.8 - 5.3	4.4	0.90	2.9 - 5.9	0.3
Female	95.9	0.74	94.7 - 97.2	95.6	0.90	94.1 - 97.1	-0.3

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B5 - Personal Characteristics of Welfare Recipients (Family Head) - CPS Late Reform Period
(from Table 3)

	2000			2005			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Age (%)							
<25	27.2	2.62	22.9 - 31.6	24.9	2.67	20.5 - 29.3	-2.4
25-34	34.4	2.05	31.1 - 37.8	32.5	2.01	29.2 - 35.8	-1.9
35+	38.3	4.05	31.6 - 45.0	42.6	4.28	35.6 - 49.7	4.3
Mean (in years)	33.1	0.48	32.3 - 33.9	34.3	0.53	33.4 - 35.2	1.2 *
Education (%)							
<12th grade	40.6	2.12	37.1 - 44.1	41.3	2.13	37.8 - 44.8	0.7
12th, HS dip, GED	40.3	2.15	36.8 - 43.9	35.4	2.07	32.0 - 38.8	-5.0 *
Some college, AA, Voc Tech	19.0	1.75	16.2 - 21.9	23.0	1.87	19.9 - 26.1	4.0
4 year college or more	0.0	0.00	0.0 - 0.0	0.3	0.17	0.0 - 0.6	0.3 *
Race/Ethnicity (%)							
White, other Non-Hispanic	39.7	2.16	36.2 - 43.3	43.3	2.14	39.8 - 46.8	3.6
Black Non-Hispanic	36.0	2.16	32.4 - 39.5	30.3	2.03	27.0 - 33.7	-5.6
Hispanic	24.3	1.62	21.6 - 27.0	26.4	1.92	23.2 - 29.5	2.1
Gender (%)							
Male	4.0	0.83	2.7 - 5.4	6.0	1.03	4.3 - 7.7	2.0
Female	96.0	0.83	94.6 - 97.3	94.0	1.03	92.3 - 95.7	-2.0

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B6 - Family Characteristics of Welfare Recipients - NSAF Early Reform Period
(from Table 4)

	1997			1999			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Family Type (%)							
Married	14.6	1.76	11.7 - 17.5	12.0	2.28	8.3 - 15.8	-2.6
Single, no other adults	54.5	3.09	49.4 - 59.6	48.2	3.70	42.1 - 54.3	-6.3
Single, living with other adults	30.6	3.26	25.3 - 36.0	39.8	3.95	33.3 - 46.3	9.1 *
Number of Children Under 18 (%)							
1	23.0	1.97	19.7 - 26.2	26.6	2.99	21.7 - 31.5	3.6
2	34.8	2.76	30.2 - 39.3	28.7	2.77	24.1 - 33.2	-6.1
3+	42.3	2.38	38.4 - 46.2	44.7	2.54	40.5 - 48.9	2.5
Mean Number of Children	2.6	0.08	2.4 - 2.7	2.6	0.08	2.4 - 2.7	0.0
Age of Youngest Person (%)							
<1	15.8	2.17	12.3 - 19.4	17.5	2.99	12.6 - 22.4	1.6
1-5^	50.6	3.35	45.1 - 56.1	48.3	3.55	42.5 - 54.2	-2.3
6-11^	22.2	2.62	17.9 - 26.5	28.7	3.93	22.2 - 35.1	6.5
12+	11.4	2.39	7.5 - 15.3	5.6	1.59	2.9 - 8.2	-5.8 *
Mean (in years)	4.7	0.25	4.3 - 5.1	4.4	0.30	3.9 - 4.9	-0.3

* indicates change is significant at the 90 percent confidence level.

^ For the NSAF, the age categories are 1-4 and 5-11.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners).
Adult most knowledgeable about the child is considered head.

Table B7 - Family Characteristics of Welfare Recipients - SIPP Early Reform Period
(from Table 4)

	1996			2001			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Family Type (%)							
Married	20.1	1.01	18.5 - 21.8	20.8	1.50	18.3 - 23.3	0.7
Single, no other adults	56.0	1.24	53.9 - 58.0	55.2	1.96	52.0 - 58.4	-0.8
Single, living with other adults	23.9	1.08	22.1 - 25.7	24.0	1.67	21.2 - 26.7	0.1
Family Size	4.0	0.05	3.9 - 4.1	4.0	0.07	3.9 - 4.2	0.0
Number of Children Under 18 (%)							
1	32.0	1.22	30.0 - 34.0	32.0	2.00	28.7 - 35.3	-0.1
2	31.1	1.17	29.2 - 33.0	30.2	1.76	27.3 - 33.1	-0.9
3+	36.9	1.28	34.8 - 39.0	37.9	2.18	34.3 - 41.5	1.0
Mean Number of Children	2.3	0.04	2.3 - 2.4	2.3	0.06	2.2 - 2.4	0.0
Age of Youngest Person (%)							
<1	13.9	0.74	12.7 - 15.1	14.9	1.30	12.7 - 17.0	1.0
1-5	49.0	1.38	46.7 - 51.2	42.4	1.64	39.7 - 45.1	-6.6 *
6-11	24.5	1.01	22.8 - 26.1	28.3	1.54	25.8 - 30.8	3.8 *
12+	12.7	0.79	11.4 - 14.0	14.4	1.53	11.9 - 17.0	1.8
Mean (in years)	5.1	0.12	4.9 - 5.3	5.5	0.22	5.2 - 5.9	0.4

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B8 - Family Characteristics of Welfare Recipients - NSAF Late Reform Period
(from Table 4)

	1999			2002			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Family Type (%)							
Married	12.0	2.28	8.3 - 15.8	11.8	2.76	7.3 - 16.4	-0.2
Single, no other adults	48.2	3.70	42.1 - 54.3	46.3	3.36	40.7 - 51.8	-1.9
Single, living with other adults	39.8	3.95	33.3 - 46.3	41.9	3.31	36.5 - 47.4	2.2
Number of Children Under 18 (%)							
1	26.6	2.99	21.7 - 31.5	25.9	2.82	21.3 - 30.6	-0.7
2	28.7	2.77	24.1 - 33.2	28.4	3.15	23.3 - 33.6	-0.3
3+	44.7	2.54	40.5 - 48.9	45.7	3.31	40.2 - 51.1	0.9
Mean Number of Children	2.6	0.08	2.4 - 2.7	2.6	0.10	2.4 - 2.7	0.0
Age of Youngest Person (%)							
<1	17.5	2.99	12.6 - 22.4	18.3	3.12	13.2 - 23.4	0.8
1-5^	48.3	3.55	42.5 - 54.2	48.0	3.63	42.1 - 54.0	-0.3
6-11^	28.7	3.93	22.2 - 35.1	21.2	2.71	16.7 - 25.6	-7.5 *
12+	5.6	1.59	2.9 - 8.2	12.5	3.46	6.8 - 18.2	6.9 *
Mean (in years)	4.4	0.30	3.9 - 4.9	4.8	0.33	4.2 - 5.3	0.4

* indicates change is significant at the 90 percent confidence level.

^ For the NSAF, the age categories are 1-4 and 5-11.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners).

Adult most knowledgeable about the child is considered head.

Table B9 - Family Characteristics of Welfare Recipients - SIPP Late Reform Period
(from Table 4)

	1999			2003			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Family Type (%)							
Married	17.4	1.59	14.7 - 20.0	23.1	1.85	20.0 - 26.1	5.7 *
Single, no other adults	52.3	1.99	49.0 - 55.6	48.8	2.37	44.9 - 52.7	-3.5
Single, living with other adults	30.4	1.96	27.1 - 33.6	28.2	2.08	24.7 - 31.6	-2.2
Family Size	4.2	0.08	4.0 - 4.3	4.2	0.08	4.0 - 4.3	0.0
Number of Children Under 18 (%)							
1	32.1	2.03	28.7 - 35.4	31.9	2.37	28.0 - 35.8	-0.2
2	29.2	2.01	25.9 - 32.5	31.1	2.19	27.5 - 34.6	1.8
3+	38.7	2.24	35.0 - 42.4	37.1	2.09	33.6 - 40.5	-1.6
Mean Number of Children	2.4	0.06	2.3 - 2.5	2.4	0.06	2.3 - 2.4	-0.1
Age of Youngest Person (%)							
<1	9.5	0.94	8.0 - 11.1	12.2	1.29	10.1 - 14.3	2.7 *
1-5	41.1	1.95	37.9 - 44.3	43.9	2.74	39.4 - 48.4	2.8
6-11	31.7	2.13	28.2 - 35.2	28.8	2.27	25.0 - 32.5	-3.0
12+	17.6	1.47	15.2 - 20.0	15.1	1.77	12.2 - 18.0	-2.5
Mean (in years)	6.1	0.18	5.9 - 6.4	5.7	0.26	5.2 - 6.1	-0.5

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B10 - Family Characteristics of Welfare Recipients - CPS Late Reform Period
(from Table 4)

	2000			2005			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Family Type (%)							
Married	20.4	1.72	17.5 - 23.2	17.5	1.59	14.8 - 20.1	-2.9
Single, no other adults	60.1	2.10	56.7 - 63.6	59.0	2.11	55.5 - 62.5	-1.1
Single, living with other adults	19.5	1.66	16.8 - 22.2	23.6	1.79	20.6 - 26.5	4.1 *
Family Size	3.9	0.07	3.8 - 4.1	3.8	0.06	3.7 - 3.9	-0.1
Number of Children Under 18 (%)							
1	32.3	2.08	28.9 - 35.8	32.9	2.05	29.5 - 36.3	0.6
2	31.3	2.02	28.0 - 34.7	31.4	2.02	28.0 - 34.7	0.0
3+	36.3	2.06	32.9 - 39.7	35.7	2.06	32.3 - 39.1	-0.6
Mean Number of Children	2.3	0.06	2.3 - 2.4	2.2	0.05	2.2 - 2.3	-0.1
Age of Youngest Person (%)							
<1	16.7	1.65	14.0 - 19.4	17.8	1.75	14.9 - 20.7	1.1
1-5	44.9	2.17	41.3 - 48.4	41.4	2.14	37.9 - 44.9	-3.4
6-11	24.9	1.86	21.9 - 28.0	24.4	1.86	21.3 - 27.4	-0.6
12+	13.5	1.51	11.0 - 16.0	16.4	1.52	13.9 - 18.9	2.9
Mean (in years)	5.1	0.21	4.7 - 5.4	5.4	0.21	5.1 - 5.8	0.4

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B11 - Personal Characteristics of Former Welfare Recipients (Family Head) - NSAF
(from Table 5)

	1997			2002			Change
	Mean	SE	90% CI	Mean	SE	90%CI	Mean
Age (%)							
<25	27.6	3.30	22.2 - 33.1	26.4	2.90	21.6 - 31.1	-1.3
25-34	45.0	3.25	39.6 - 50.3	45.0	3.72	38.8 - 51.1	0.0
35+	27.4	3.41	21.8 - 33.0	28.7	3.73	22.6 - 34.8	1.3
Mean (in years)	29.8	0.49	29.0 - 30.6	30.6	0.52	29.7 - 31.4	0.8
Education (%)							
<12th grade	30.1	3.61	24.1 - 36.0	33.5	3.85	27.2 - 39.8	3.5
12th, HS dip, GED	39.3	2.66	34.9 - 43.7	41.8	3.43	36.2 - 47.5	2.5
Some college, AA, Voc Tech	23.9	2.81	19.2 - 28.5	22.6	2.92	17.8 - 27.4	-1.3
4 year college or more	6.1	2.59	1.9 - 10.4	1.2	0.67	0.1 - 2.3	-4.9 *
Race/Ethnicity (%)							
White, other Non-Hispanic	54.5	3.68	48.4 - 60.5	49.4	3.45	43.7 - 55.1	-5.1
Black Non-Hispanic	28.6	3.31	23.2 - 34.1	35.5	3.56	29.7 - 41.4	6.9
Hispanic	16.9	2.75	12.4 - 21.4	15.1	3.10	10.0 - 20.2	-1.8
Gender (%)							
Male	5.3	2.39	1.3 - 9.2	9.1	2.42	5.2 - 13.1	3.9
Female	94.7	2.39	90.8 - 98.7	90.9	2.42	86.9 - 94.8	-3.9

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners).
Adult most knowledgeable about the child is considered head.

Table B12 - Personal Characteristics of Former Welfare Recipients (Family Head) - SIPP
(from Table 5)

	1996			2001			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Age (%)							
<25	23.1	2.24	19.5 - 26.8	27.5	3.03	22.5 - 32.4	4.3
25-34	38.3	2.44	34.3 - 42.4	31.6	2.84	26.9 - 36.2	-6.8 *
35+	38.5	2.62	34.2 - 42.8	41.0	3.39	35.4 - 46.5	2.4
Mean (in years)	33.2	0.62	32.1 - 34.2	33.5	0.84	32.1 - 34.8	0.3
Education (%)							
<12th grade	33.5	2.40	29.5 - 37.4	30.4	3.01	25.4 - 35.3	-3.1
12th, HS dip, GED	39.3	2.72	34.8 - 43.7	39.1	2.94	34.3 - 44.0	-0.1
Some college, AA, Voc Tech	24.6	2.23	20.9 - 28.3	27.8	2.39	23.8 - 31.7	3.2
4 year college or more	2.7	0.78	1.4 - 3.9	2.7	1.02	1.1 - 4.4	0.1
Race/Ethnicity (%)							
White, other Non-Hispanic	55.0	2.76	50.4 - 59.5	48.4	3.47	42.6 - 54.1	-6.6
Black Non-Hispanic	29.1	2.38	25.2 - 33.0	32.1	3.07	27.0 - 37.1	2.9
Hispanic	15.9	2.02	12.6 - 19.2	19.6	2.62	15.3 - 23.9	3.7
Gender (%)							
Male	7.7	1.48	5.2 - 10.1	6.6	1.48	4.2 - 9.1	-1.0
Female	92.3	1.48	89.9 - 94.8	93.4	1.48	90.9 - 95.8	1.0

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B13 - Personal Characteristics of Former Welfare Recipients (Family Head) - CPS
(from Table 5)

	2000			2005			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Age (%)							
<25	23.3	2.32	19.5 - 27.1	25.8	2.14	22.3 - 29.3	2.5
25-34	34.8	2.50	30.7 - 39.0	34.3	2.20	30.7 - 38.0	-0.5
35+	41.9	2.59	37.6 - 46.1	39.9	2.26	36.2 - 43.6	-1.9
Mean (in years)	33.3	0.58	32.3 - 34.2	33.3	0.53	32.5 - 34.2	0.1
Education (%)							
<12th grade	35.1	2.51	30.9 - 39.2	33.5	2.26	29.8 - 37.2	-1.6
12th, HS dip, GED	39.4	2.58	35.1 - 43.6	37.3	2.23	33.7 - 41.0	-2.0
Some college, AA, Voc Tech	25.1	2.30	21.3 - 28.9	28.2	2.08	24.8 - 31.7	3.2
4 year college or more	0.5	0.29	0.0 - 1.0	1.0	0.43	0.3 - 1.7	0.5
Race/Ethnicity (%)							
White, other Non-Hispanic	45.3	2.64	41.0 - 49.7	44.5	2.29	40.7 - 48.3	-0.8
Black Non-Hispanic	32.4	2.62	28.1 - 36.7	36.7	2.35	32.8 - 40.6	4.3
Hispanic	22.3	1.85	19.2 - 25.3	18.8	1.78	15.9 - 21.7	-3.5
Gender (%)							
Male	3.8	0.94	2.3 - 5.4	3.5	0.82	2.1 - 4.8	-0.3
Female	96.2	0.94	94.6 - 97.7	96.5	0.82	95.2 - 97.9	0.3

Notes:

Unit of Analysis -- "TANF Family" as defined below

CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B14 - Family Characteristics of Former Welfare Recipients - NSAF
(from Table 6)

	1997			2002			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Family Type (%)							
Married	28.4	2.91	23.6 - 33.2	26.6	3.03	21.6 - 31.6	-1.8
Single, no other adults	41.9	3.54	36.1 - 47.7	43.9	3.55	38.0 - 49.7	2.0
Single, living with other adults	29.7	3.47	24.0 - 35.4	29.5	2.67	25.1 - 33.9	-0.2
Number of Children Under 18 (%)							
1	27.8	2.95	23.0 - 32.7	26.8	3.18	21.5 - 32.0	-1.1
2	37.1	3.28	31.7 - 42.5	33.3	3.44	27.6 - 38.9	-3.9
3+	35.1	3.49	29.3 - 40.8	40.0	3.39	34.4 - 45.6	4.9
Mean Number of Children	2.3	0.07	2.1 - 2.4	2.5	0.12	2.3 - 2.7	0.2
Age of Youngest Person (%)							
<1	11.1	2.20	7.5 - 14.8	14.4	3.53	8.6 - 20.2	3.3
1-5^	59.3	2.96	54.4 - 64.2	54.3	3.82	48.0 - 60.6	-5.0
6-11^	21.6	3.37	16.1 - 27.2	21.7	2.77	17.1 - 26.2	0.0
12+	7.9	2.09	4.4 - 11.3	9.6	2.58	5.3 - 13.8	1.7
Mean (in years)	4.5	0.28	4.0 - 4.9	4.4	0.30	3.9 - 4.9	-0.1

^ For the NSAF, the age categories are 1-4 and 5-11.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

Table B15 - Family Characteristics of Former Welfare Recipients - SIPP
(from Table 6)

	1996			2001			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Family Type (%)							
Married	31.8	2.71	27.3 - 36.3	25.5	2.74	21.0 - 30.0	-6.3 *
Single, no other adults	50.3	2.65	45.9 - 54.6	49.9	3.18	44.7 - 55.1	-0.4
Single, living with other adults	17.9	2.00	14.6 - 21.2	24.6	2.95	19.8 - 29.5	6.7 *
Family size	3.9	0.09	3.7 - 4.0	4.0	0.13	3.7 - 4.2	0.1
Number of Children Under 18 (%)							
1	35.2	2.29	31.4 - 39.0	33.9	3.45	28.2 - 39.6	-1.3
2	30.9	2.13	27.4 - 34.4	31.5	3.18	26.3 - 36.8	0.6
3+	31.5	2.45	27.5 - 35.5	32.1	3.01	27.2 - 37.0	0.6
Mean Number of Children	2.1	0.06	2.0 - 2.2	2.2	0.09	2.0 - 2.3	0.1
Age of Youngest Person (%)							
<1	13.7	1.67	10.9 - 16.4	12.5	2.16	8.9 - 16.0	-1.2
1-5^	42.3	2.24	38.7 - 46.0	45.1	3.29	39.7 - 50.5	2.7
6-11^	25.4	2.18	21.8 - 28.9	24.7	3.18	19.5 - 29.9	-0.7
12+	18.6	1.94	15.4 - 21.8	17.9	2.81	13.2 - 22.5	-0.8
Mean (in years)	6.3	0.30	5.8 - 6.8	5.8	0.38	5.2 - 6.4	-0.5

* indicates change is significant at the 90 percent confidence level.
^ For the NSAF, the age categories are 1-4 and 5-11.

Notes:
Unit of Analysis -- "TANF Family" as defined below
SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B16 - Family Characteristics of Former Welfare Recipients - CPS
(from Table 6)

	2000			2005			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Family Type (%)							
Married	25.2	2.23	21.5 - 28.8	24.5	1.94	21.4 - 27.7	-0.6
Single, no other adults	54.0	2.62	49.6 - 58.3	53.7	2.32	49.9 - 57.5	-0.2
Single, living with other adults	20.9	2.15	17.3 - 24.4	21.7	1.92	18.6 - 24.9	0.9
Family size	3.9	0.09	3.8 - 4.1	3.8	0.08	3.7 - 4.0	-0.1
Number of Children Under 18 (%)							
1	36.1	2.57	31.9 - 40.3	34.6	2.22	31.0 - 38.3	-1.5
2	31.1	2.44	27.1 - 35.1	32.1	2.17	28.5 - 35.7	1.0
3+	32.8	2.44	28.8 - 36.8	33.3	2.21	29.6 - 36.9	0.4
Mean Number of Children	2.2	0.07	2.1 - 2.3	2.2	0.06	2.1 - 2.3	0.0
Age of Youngest Person (%)							
<1	13.8	1.90	10.6 - 16.9	14.1	1.72	11.2 - 16.9	0.3
1-5^	36.9	2.53	32.8 - 41.1	45.0	2.33	41.2 - 48.8	8.1 *
6-11^	31.8	2.46	27.8 - 35.9	23.6	1.94	20.4 - 26.8	-8.2 *
12+	17.5	2.00	14.2 - 20.7	17.4	1.71	14.6 - 20.2	-0.1
Mean (in years)	6.1	0.26	5.6 - 6.5	5.6	0.24	5.2 - 6.0	-0.5

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B17 - Barriers to Work of Welfare Recipients - NSAF Early Reform Period
(from Table 8)

	1997			1999			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Less than HS degree (%)	39.8	2.52	35.7 - 43.9	46.1	3.63	40.1 - 52.1	6.3
Child under Age 1 (%)	15.8	2.17	12.2 - 19.4	17.5	2.99	12.6 - 22.4	1.7
Child on SSI (%)	7.9	1.93	4.7 - 11.1	5.9	1.98	2.6 - 9.2	-2.0
Health condition limits work (%)	22.7	2.50	18.6 - 26.8	30.4	3.71	24.3 - 36.5	7.7 *

  * indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting
partners). Adult most knowledgeable about the child is considered head.

Table B18 - Barriers to Work of Welfare Recipients - SIPP Early Reform Period
(from Table 8)

	1996			2001			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Less than HS degree (%)	38.9	1.35	36.6 - 41.1	43.3	2.22	39.6 - 46.9	4.4 *
Child under Age 1 (%)	13.9	0.74	12.7 - 15.1	14.9	1.30	12.7 - 17.0	1.0
Child on SSI (%)	7.7	0.62	6.7 - 8.7	6.2	1.01	4.6 - 7.9	-1.5
Health condition limits work (%)	21.3	1.05	19.6 - 23.1	29.2	1.78	26.3 - 32.2	7.9 *

 * indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B19 - Barriers to Work of Welfare Recipients - NSAF Late Reform Period
(from Table 8)

	1999			2002			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Less than HS degree (%)	46.1	3.63	40.1 - 52.1	41.4	3.50	35.6 - 47.2	-4.7
Child under Age 1 (%)	17.5	2.99	12.6 - 22.4	18.3	3.12	13.2 - 23.4	0.8
Child on SSI (%)	5.9	1.98	2.6 - 9.2	7.6	1.57	5.0 - 10.2	1.7
Health condition limits work (%)	30.4	3.71	24.3 - 36.5	25.2	3.77	19.0 - 31.4	-5.2

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

Table B20 - Barriers to Work of Welfare Recipients - SIPP Late Reform Period
(from Table 8)

	1999			2003			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Less than HS degree (%)	42.0	2.06	38.6 - 45.4	40.5	2.25	36.8 - 44.2	-1.5
Child under Age 1 (%)	9.5	0.94	8.0 - 11.1	12.2	1.29	10.1 - 14.3	2.7 *
Child on SSI (%)	8.0	1.06	6.3 - 9.8	5.2	0.98	3.6 - 6.8	-2.9 *
Health condition limits work (%)	27.5	1.99	24.2 - 30.7	26.6	1.77	23.7 - 29.5	-0.9

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B21 - Barriers to Work of Welfare Recipients - CPS Late Reform Period
(from Table 8)

	2000			2005			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Less than HS degree (%)	40.6	2.12	37.1 - 44.1	41.3	2.13	37.8 - 44.8	0.7
Child under Age 1 (%)	16.7	1.65	14.0 - 19.4	17.8	1.75	14.9 - 20.7	1.1
Child on SSI (%)	N/A			4.1	0.84	2.7 - 5.5	N/A
Health condition limits work (%)	22.1	1.77	19.2 - 25.0	24.7	1.81	21.8 - 27.7	2.6

Notes:
Unit of Analysis -- "TANF Family" as defined below
CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of
at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families
youngest parent/guardian is head.

Table B22 - Barriers to Work of Former Welfare Recipients - NSAF
(from Table 9)

	1997			2002			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Less than HS degree (%)	30.1	3.61	24.2 - 36.0	33.5	3.85	27.2 - 39.8	3.4
Child under Age 1 (%)	11.1	2.20	7.5 - 14.7	14.4	3.53	8.6 - 20.2	3.3
Child on SSI (%)	5.5	1.58	2.9 - 8.1	5.2	1.85	2.2 - 8.2	-0.3
Health condition limits work (%)	8.8	1.41	6.5 - 11.1	18.7	3.20	13.4 - 24.0	9.9 *

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

Table B23 - Barriers to Work of Former Welfare Recipients - SIPP
(from Table 9)

	1996			2001			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Less than HS degree (%)	33.5	2.40	29.5 - 37.4	30.4	3.01	25.4 - 35.3	-3.1
Child under Age 1 (%)	13.7	1.67	10.9 - 16.4	12.4	2.16	8.8 - 15.9	-1.3
Child on SSI (%)	6.5	1.23	4.5 - 8.5	3.1	1.08	1.4 - 4.9	-3.4 *
Health condition limits work (%)	16.1	1.78	13.2 - 19.1	19.8	2.90	15.1 - 24.6	3.7

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B24 - Barriers to Work of Former Welfare Recipients - CPS
(from Table 9)

	2000			2005			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Less than HS degree (%)	35.1	2.51	30.9 - 39.2	33.5	2.26	29.8 - 37.2	-1.6
Child under Age 1 (%)	13.8	1.90	10.6 - 16.9	14.1	1.72	11.2 - 16.9	0.3
Child on SSI (%)	N/A			1.6	0.52	0.8 - 2.5	N/A
Health condition limits work (%)	13.1	1.77	10.2 - 16.0	15.9	1.62	13.2 - 18.6	2.8

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

Table B25 - Employment Characteristics of Welfare Recipients - NSAF Early Reform Period
(from Table 10)

	1997			1999			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Current Status (all families %)							
Employed	20.9	1.77	18.0 - 23.8	31.5	3.12	26.4 - 36.6	10.6 *
Currently Employed (single families %)	20.3	2.26	16.6 - 24.0	30.9	3.83	24.6 - 37.2	10.6 *
Usual weekly hours (head %)							
<20	35.8	4.54	28.3 - 43.2	22.2	5.89	12.5 - 31.9	-13.6 *
20-34	24.1	4.22	17.1 - 31.0	21.7	5.52	12.6 - 30.8	-2.4
35+	40.2	4.85	32.2 - 48.2	56.1	4.98	47.9 - 64.3	15.9 *
Mean (in hours)	28.3	1.07	26.5 - 30.0	33.1	1.14	31.3 - 35.0	4.9
Median hourly wage ($2005)[1]	$6.69			$7.62			$0.93
Has own-employer health insurance (%)	4.3	2.52	0.2 - 8.5	5.1	4.37	-2.1 - 12.3	0.8

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

[1]Significance tests on medians from the NSAF were computed using standard errors developed through bootstrapping techniques. Only the results of the significance tests, not the actual standard errors were available to the authors, so standard errors of medians for NSAF are not reported here.

TableBA26 - *Employment Characteristics of Welfare Recipients - SIPP Early Reform Period*
(from Table 10)

	1996			2001			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Current Status (all families %)							
Employed	22.8	1.03	21.1 - 24.4	27.8	1.69	25.0 - 30.5	5.0 *
Not Working but Looking	13.1	0.53	12.3 - 14.0	13.3	0.99	11.7 - 15.0	0.2
Not Working or Looking but in School	8.4	0.56	7.5 - 9.3	5.6	0.86	4.2 - 7.1	-2.8 *
Not Working, Looking or in School	55.7	1.14	53.8 - 57.6	53.3	1.73	50.4 - 56.1	-2.4
Currently Employed (single families %)	21.3	1.24	19.2 - 23.3	26.1	2.02	22.7 - 29.4	4.8 *
Usual weekly hours (head %)							
<20	24.2	1.80	21.3 - 27.2	20.6	2.58	16.4 - 24.9	-3.6
20-34	30.0	1.87	27.0 - 33.1	21.5	2.25	17.8 - 25.2	-8.6 *
35+	45.7	2.06	42.3 - 49.1	57.9	2.64	53.6 - 62.3	12.2 *
Mean (in hours)	30.3	0.78	29.0 - 31.6	34.3	1.17	32.4 - 36.3	4.0 *
Median hourly wage ($2005) [1]	$5.84	$0.14	$5.61 - $6.07	$6.71	$0.23	$6.34 - $7.09	$0.88 *
Has own-employer health insurance (%)	15.0	1.47	12.6 - 17.4	17.1	2.52	12.9 - 21.2	2.0

 * indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

[1]Significance tests on medians from the SIPP are computed using standard errors around the mean as a proxy for the median standard errors.

Table B27 - Employment Characteristics of Welfare Recipients - NSAF Late Reform Period
(from Table 10)

	1999			2002			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Current Status (all families %)							
Employed	31.5	3.12	26.4 - 36.6	29.2	2.71	24.8 - 33.7	-2.3
Currently Employed (single families %)	30.9	3.83	24.6 - 37.2	33.3	3.71	27.2 - 39.4	2.4
Usual weekly hours (head %)							
<20	22.2	5.89	12.5 - 31.9	13.4	5.71	4.0 - 22.8	-8.8
20-34	21.7	5.52	12.6 - 30.8	29.9	5.61	20.7 - 39.2	8.3
35+	56.1	4.98	47.9 - 64.3	56.7	5.45	47.7 - 65.7	0.6
Mean (in hours)	33.1	1.14	31.3 - 35.0	34.1	1.16	32.2 - 36.0	0.9
Median hourly wage ($2005)[1]	$7.62			$7.60			-$0.02
Has own-employer health insurance (%)	5.1	4.37	-2.1 - 12.3	9.9	6.56	-0.9 - 20.7	4.8

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

[1]Significance tests on medians from the NSAF were computed using standard errors developed through bootstrapping techniques. Only the results of the significance tests, not the actual standard errors were available to the authors, so standard errors of medians for NSAF are not reported here.

Table B28 - Employment Characteristics of Welfare Recipients - SIPP Late Reform Period
(from Table 10)

	1999			2003			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Current Status (all families %)							
Employed	28.2	1.75	25.3 - 31.1	24.9	1.84	21.8 - 27.9	-3.4
Not Working but Looking	10.2	1.06	8.4 - 11.9	12.3	1.41	10.0 - 14.6	2.1
Not Working or Looking but in School	6.3	0.78	5.0 - 7.6	7.3	1.05	5.6 - 9.0	1.0
Not Working, Looking or in School	55.3	1.88	52.2 - 58.4	55.5	2.22	51.9 - 59.2	0.2
Currently Employed (single families %)	28.1	2.05	24.8 - 31.5	21.2	2.22	17.6 - 24.9	-6.9 *
Usual weekly hours (head %)							
<20	16.0	2.37	12.1 - 19.9	19.6	3.35	14.1 - 25.1	3.6
20-34	32.4	3.21	27.1 - 37.7	23.9	3.22	18.6 - 29.2	-8.5 *
35+	51.6	3.26	46.2 - 57.0	56.5	4.08	49.8 - 63.2	4.9
Mean (in hours)	31.7	1.11	29.8 - 33.5	32.1	1.40	29.8 - 34.4	0.4
Median hourly wage ($2005) [1]	$6.99	$0.19	$6.68 - $7.30	$7.52	$0.44	$6.80 - $8.24	$0.53
Has own-employer health insurance (%)	18.5	2.75	14.0 - 23.0	19.1	2.83	14.4 - 23.7	0.6

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

[1]Significance tests on medians from the SIPP are computed using standard errors around the mean as a proxy for the median standard errors.

Table B29 - Employment Characteristics of Welfare Recipients - CPS Late Reform Period
(from Table 10)

	2000			2005			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Current Status (all families %)							
Employed	31.0	2.54	26.9 - 35.2	24.5	2.44	20.5 - 28.5	-6.5 *
Not Working but Looking	12.6	1.98	9.3 - 15.9	15.0	1.78	12.1 - 18.0	2.4
Not Working or Looking but in School	56.4	2.17	52.8 - 59.9	60.4	2.13	56.9 - 63.9	4.0
Currently Employed (single families %)	32.2	2.53	28.0 - 36.3	23.1	2.29	19.3 - 26.8	-9.1 *
Usual weekly hours (head %)							
<20	6.8	1.52	4.3 - 9.3	10.1	2.01	6.8 - 13.4	3.3
20-34	26.2	2.79	21.6 - 30.8	29.4	3.04	24.4 - 34.4	3.2
35+	67.0	2.96	62.1 - 71.9	60.5	3.30	55.1 - 65.9	-6.5
Mean (in hours)	34.8	0.70	33.7 - 36.0	33.3	0.75	32.0 - 34.5	-1.5
Median hourly wage ($2005)[1]	$6.74	1.13	4.88 - 8.60	7.75	4.94	-0.37 - 15.88	$1.01
Has own-employer health insurance (%)	13.4	2.05	10.0 - 16.8	14.6	2.22	10.9 - 18.2	1.2

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

[1]Significance tests on medians from the CPS are computed using standard errors around the mean as a proxy for the median standard errors.

Table B30 - Employment Characteristics of Former Welfare Recipients - NSAF
(from Table 11)

	1997			2002			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Current Status (all families %)							
Employed	63.4	3.09	58.4 - 68.5	59.4	3.18	54.1 - 64.6	-4.1
Any adult in family employed (%)	88.2	4.93	80.1 - 96.3	81.0	6.34	70.5 - 91.4	-7.2
Currently Employed (single families %)	71.2	4.06	64.5 - 77.9	66.0	3.84	59.6 - 72.3	-5.3
Usual weekly hours (head %)							
<20	10.6	2.50	6.5 - 14.7	8.4	2.54	4.2 - 12.6	-2.2
20-34	20.7	4.47	13.3 - 28.0	25.6	3.76	19.4 - 31.8	4.9
35+	68.7	3.85	62.4 - 75.1	66.0	3.16	60.8 - 71.2	-2.7
Median hourly wage ($2005)[1]	$7.01			$7.75			$0.74 *
Has own-employer health insurance (%)	17.5	3.88	11.1 - 23.9	23.5	3.95	16.9 - 30.0	6.0

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.
[1]Significance tests on medians from the NSAF were computed using standard errors developed through bootstrapping techniques. Only the results of the significance tests, not the actual standard errors were available to the authors, so standard errors of medians for NSAF are not reported here.

Table B31 - Employment Characteristics of Former Welfare Recipients - SIPP
(from Table 11)

	1996			2001			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Current Status (all families %)							
Employed	56.7	2.12	53.2 - 60.2	49.3	3.47	43.6 - 55.1	-7.3 *
Not Working but Looking	8.4	1.33	6.2 - 10.6	7.9	1.71	5.1 - 10.7	-0.5
Not Working or Looking	2.1	0.65	1.0 - 3.1	3.2	1.15	1.3 - 5.0	1.1
Not Working, Looking or In School	32.9	2.43	28.9 - 36.9	39.6	3.60	33.7 - 45.5	6.8
Any adult in family employed (%)	74.8	2.19	71.2 - 78.4	64.7	3.37	59.1 - 70.2	-10.1 *
Currently Employed (single families %)							
Usual weekly hours (head %)							
<20	13.9	2.36	10.0 - 17.8	16.4	3.65	10.4 - 22.4	2.5
20-34	17.8	2.39	13.9 - 21.7	19.8	4.05	13.1 - 26.5	2.0
35+	68.3	3.09	63.2 - 73.4	63.8	4.92	55.7 - 71.9	-4.5
Mean (in hours)	36.1	1.18	34.2 - 38.1	37.5	2.03	34.2 - 40.8	1.4
Median hourly wage ($2005)[1]	$7.05	0.44	6.33 - 7.76	7.58	0.73	6.39 - 8.78	$0.53
Has own-employer health insurance (%)	23.3	2.51	19.2 - 27.4	21.7	4.58	14.2 - 29.2	-1.6

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.
[1]Significance tests on medians from the SIPP are computed using standard errors around the mean as a proxy for the median standard errors.

Table B32 - Employment Characteristics of Former Welfare Recipients - CPS
(from Table 11)

	2000			2005			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Current Status (all families %)							
Employed	54.5	3.36	48.9 - 60.0	39.3	2.92	34.5 - 44.1	-15.2 *
Not Working but Looking	8.3	1.79	5.3 - 11.2	14.3	2.33	10.5 - 18.1	6.0 *
Not Working or Looking	37.3	2.54	33.1 - 41.4	46.4	2.32	42.6 - 50.2	9.1 *
Any adult in family employed (%)	69.5	2.45	65.5 - 73.5	57.6	2.33	53.8 - 61.5	-11.8 *
Currently Employed (single families %)	54.5	3.27	49.1 - 59.9	38.6	2.85	33.9 - 43.2	-15.9 *
Usual weekly hours (head %)							
<20	9.5	1.99	6.3 - 12.8	9.2	1.72	6.4 - 12.0	-0.4
20-34	22.8	2.76	18.3 - 27.4	35.6	3.06	30.6 - 40.7	12.8 *
35+	67.6	3.10	62.5 - 72.7	55.2	3.15	50.0 - 60.3	-12.4 *
Mean (in hours)	34.6	0.72	33.4 - 35.8	33.2	0.70	32.1 - 34.4	-1.4
Median hourly wage ($2005) [1]	$7.89	0.57	6.95 - 8.83	8.11	1.44	5.74 - 10.48	$0.22
Has own-employer health insurance (%)	26.3	2.98	21.4 - 31.2	21.8	2.66	17.5 - 26.2	-4.5

  * indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.
[1]Significance tests on medians from the CPS are computed using standard errors around the mean as a proxy for the median standard errors.

Table B33 - Income, Earnings, and Benefits of Welfare Recipients - NSAF Early Reform Period
(from Table 12)

	1997			1999			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Mean TANF Family income ($2005)	$10,568	$92	$10,416 - $10,719	$12,763	$57	$12,669 - $12,857	$2,196 *
Median TANF Family income ($2005)[1]	$7,629			$9,936			$2,307 *
TANF Family Income Relative to Poverty (%)							
<50% poverty	60.5	2.91	55.7 - 65.3	49.5	3.53	43.7 - 55.3	-11.0 *
50-100% poverty	27.5	2.63	23.1 - 31.8	25.9	3.13	20.8 - 31.0	-1.6
100-150% poverty	8.5	1.30	6.4 - 10.7	18.7	2.86	14.0 - 23.4	10.2 *
150%+ poverty	3.5	1.77	0.6 - 6.4	5.9	3.01	0.9 - 10.9	2.4

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

[1]Significance tests on medians from the NSAF were computed using standard errors developed through bootstrapping techniques. Only the results of the significance tests, not the actual standard errors were available to the authors, so standard errors of medians for NSAF are not reported here.

Table B34 - Income, Earnings, and Benefits of Welfare Recipients - SIPP Early Reform Period
(from Table 12)

	1996			2001			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Mean TANF Family income ($2005)	$20,469	$619	$19,450 - $21,488	$21,583	$925	$20,062 - $23,103	$1,113
Median TANF Family income ($2005)[1]	$11,876	$619	$10,857 - $12,895	$12,593	$925	$11,072 - $14,114	$716
TANF Family Income Relative to Poverty (%)							
<50% poverty	35.5	1.03	33.8 - 37.2	37.3	1.75	34.4 - 40.2	1.8
50-100% poverty	34.3	0.91	32.8 - 35.8	28.8	1.22	26.8 - 30.8	-5.6 *
100-150% poverty	13.0	0.57	12.1 - 14.0	13.6	0.86	12.2 - 15.0	0.5
150%+ poverty	17.1	0.80	15.8 - 18.4	20.3	1.36	18.1 - 22.6	3.2 *

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.
[1]Significance tests on medians from the SIPP are computed using standard errors around the mean as a proxy for the median standard errors.

Table B35 - Income, Earnings, and Benefits of Welfare Recipients - NSAF Late Reform Period
(from Table 12)

	1999			2002			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Mean TANF Family income ($2005)	$12,763	$57	$12,669 - $12,857	$14,846	$296	$14,359 - $15,333	$2,083 *
Median TANF Family income ($2005)[1]	$9,936			$11,790			$1,854
TANF Family Income Relative to Poverty (%)							
<50% poverty	49.5	3.53	43.7 - 55.3	44.1	3.37	38.6 - 49.6	-5.4
50-100% poverty	25.9	3.13	20.8 - 31.0	29.0	2.56	24.8 - 33.2	3.1
100-150% poverty	18.7	2.86	14.0 - 23.4	17.5	2.40	13.5 - 21.4	-1.3
150%+ poverty	5.9	3.01	0.9 - 10.9	9.4	4.81	1.5 - 17.3	3.5

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

[1]Significance tests on medians from the NSAF were computed using standard errors developed through bootstrapping techniques. Only the results of the significance tests, not the actual standard errors were available to the authors, so standard errors of medians for NSAF are not reported here.

Table B36 - Income, Earnings, and Benefits of Welfare Recipients - SIPP Late Reform Period
(from Table 12)

	1999			2003			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Mean TANF Family income ($2005)	$23,366	$876	$21,925 - $24,808	$24,495	$1,259	$22,424 - $26,567	$1,129
Median TANF Family income ($2005)[1]	$14,334	$876	$12,893 - $15,776	$14,662	$1,259	$12,590 - $16,733	$327
TANF Family Income Relative to Poverty (%)							
<50% poverty	31.6	1.71	28.8 - 34.4	35.0	2.03	31.6 - 38.3	3.3
50-100% poverty	33.5	1.70	30.7 - 36.3	28.2	1.87	25.1 - 31.3	-5.4 *
100-150% poverty	13.9	0.97	12.3 - 15.5	13.8	1.17	11.9 - 15.7	-0.1
150%+ poverty	20.9	1.45	18.5 - 23.3	23.0	1.74	20.2 - 25.9	2.1

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

[1]Significance tests on medians from the SIPP are computed using standard errors around the mean as a proxy for the median standard errors.

Table B37 - Income, Earnings, and Benefits of Welfare Recipients - CPS Late Reform Period
(from Table 12)

	2000			2005			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Mean TANF Family income ($2005)	$17,820	$807	$16,493 - $19,147	$17,535	$782	$16,248 - $18,821	-$285
Median TANF Family income ($2005)[1]	$11,957	$807	$10,630 - $13,284	$12,407	$782	$11,120 - $13,693	$449
TANF Family Income Relative to Poverty (%)							
<50% poverty	33.3	2.06	29.9 - 36.7	36.8	2.12	33.3 - 40.3	3.5
50-100% poverty	36.7	2.11	33.3 - 40.2	30.2	1.98	27.0 - 33.5	-6.5 *
100-150% poverty	16.4	1.60	13.7 - 19.0	16.2	1.53	13.7 - 18.8	-0.1
150%+ poverty	13.6	1.44	11.2 - 16.0	16.7	1.62	14.0 - 19.4	3.1

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below

CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.
[1]Significance tests on medians from the CPS are computed using standard errors around the mean as a proxy for the median standard errors.

Table B38 - Income, Earnings, and Benefits of Former Welfare Recipients - NSAF
(from Table 13)

	1997			2002			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Mean TANF Family income ($2005)	$16,528	$184	$16,226 - $16,830	$16,593	$342	$16,030 - $17,156	$65
Median TANF Family income ($2005)[1]	$15,476			$15,006			-$470
TANF Family Income Relative to Poverty (%)							
<50% poverty	27.9	3.60	21.9 - 33.8	31.3	4.29	24.3 - 38.4	3.5
50-100% poverty	35.7	3.05	30.7 - 40.7	30.1	3.41	24.5 - 35.7	-5.6
100-150% poverty	22.8	3.11	17.7 - 27.9	23.8	2.90	19.0 - 28.6	1.0
150%+ poverty	13.6	6.96	2.2 - 25.1	14.8	7.53	2.4 - 27.1	1.1

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
NSAF - children and adults living together related by blood, marriage, or romantic attachment (includes cohabiting partners). Adult most knowledgeable about the child is considered head.

[1]Significance tests on medians from the NSAF were computed using standard errors developed through bootstrapping techniques. Only the results of the significance tests, not the actual standard errors were available to the authors, so standard errors of medians for NSAF are not reported here.

Table B39 - Income, Earnings, and Benefits of Former Welfare Recipients - SIPP
(from Table 13)

	1996			2001			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Mean TANF Family income ($2005)	$26,189	$1,659	$23,459 - $28,918	$22,904	$2,163	$19,346 - $26,461	-$3,285
Median TANF Family income ($2005)[1]	$18,686	$1,659	$15,957 - $21,415	$13,835	$2,163	$10,277 - $17,392	-$4,851 *
TANF Family Income Relative to Poverty (%)							
<50% poverty	24.4	2.15	20.9 - 28.0	33.3	3.27	27.9 - 38.6	8.8 *
50-100% poverty	25.4	2.18	21.8 - 29.0	27.0	2.87	22.3 - 31.7	1.6
100-150% poverty	19.6	1.90	16.4 - 22.7	12.9	2.07	9.5 - 16.3	-6.7 *
150%+ poverty	30.6	2.12	27.1 - 34.1	26.9	3.06	21.8 - 31.9	-3.7

* indicates change is significant at the 90 percent confidence level.

Notes:

Unit of Analysis -- "TANF Family" as defined below

SIPP - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare. In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.

[1]Significance tests on medians from the SIPP are computed using standard errors around the mean as a proxy for the median standard errors.

Table B40 - Income, Earnings, and Benefits of Former Welfare Recipients - CPS
(from Table 13)

	2000			2005			Change
	Mean	SE	90% CI	Mean	SE	90% CI	Mean
Mean TANF Family income ($2005)	$25,528	$1,485	$23,085 - $27,971	$22,733	$1,156	$20,831 - $24,636	-$2,795
Median TANF Family income ($2005)[1]	$16,904	$1,485	$14,462 - $19,347	$15,405	$1,156	$13,503 - $17,307	-$1,499
TANF Family Income Relative to Poverty (%)							
<50% poverty	25.3	2.33	21.4 - 29.1	31.6	2.25	27.9 - 35.3	6.3 *
50-100% poverty	31.2	2.47	27.2 - 35.3	27.6	2.05	24.2 - 31.0	-3.6
100-150% poverty	16.6	1.89	13.5 - 19.8	16.8	1.70	14.0 - 19.5	0.1
150%+ poverty	26.9	2.33	23.0 - 30.7	24.1	1.96	20.9 - 27.3	-2.8

* indicates change is significant at the 90 percent confidence level.

Notes:
Unit of Analysis -- "TANF Family" as defined below
CPS - all persons related by blood, marriage, or adoption; excludes cohabitors. Head is designated parent or guardian of at least one of the children receiving welfare.
In married couple families, head is mother; in multiple generation families youngest parent/guardian is head.
[1]Significance tests on medians from the CPS are computed using standard errors around the mean as a proxy for the median standard errors.