

## **X. CHARACTERISTICS AND FINANCIAL CIRCUMSTANCES OF TANF RECIPIENTS**

States are now spending considerable proportions of their TANF funds on various services to families who are not receiving cash assistance. The data discussed in this chapter are limited to those who received cash assistance at some time during Fiscal Year (FY) 2002.

The FY 2002 data referenced in this report were obtained from a statistically valid sample of TANF and Separate State Program - Maintenance of Effort (SSP-MOE) cases within the national TANF/SSP-MOE database. Data are presented for all States, the District of Columbia, Puerto Rico, and the Virgin Islands.

States are required to collect monthly TANF data and report them to the Department of Health and Human Services (HHS) quarterly. These data include disaggregated case record information on the families receiving assistance, families no longer receiving assistance, and families newly-approved for assistance from programs funded by TANF funds. All States and Territories except Guam transmitted 8,226,077 active cases and 650,932 closed cases to the national TANF database for FY 2002.

Tables 10:60 through 10:74 in the Appendix contain data on SSP-MOE recipient characteristics for the 30 States that reported on their SSP-MOE families. SSP-MOE eligible families may be quite different among the 30 States, as well as within a State where there are multiple SSP-MOE programs. For example, a State may have a two-parent SSP-MOE cash assistance program as well as an SSP-MOE program that provides transportation assistance to other families. However, multiple SSP-MOE programs are reported as a single combined program. During FY 2002, about 60 percent of the States reported serving multiple types of families. Because of this, it is not possible at the national level to compare characteristics of SSP-MOE recipients with those of TANF recipients.

Under the TANF data reporting system, States have the option to submit either sample data or universe data to HHS. Twenty-nine States submitted universe data, from which HHS randomly selected approximately 275 active cases and 100 closed cases each month from each State to analyze. The remaining 24 States submitted sample data. A total sample of 206,928 active cases and 61,475 closed cases was used to compile 59 tables of TANF recipient characteristics. The statistical data are estimates derived from samples and are therefore subject to sampling and non-sampling errors, and because of this they may differ from data presented in other parts of the report. Statistical specifications can be found under the section titled "Reliability of Estimates."

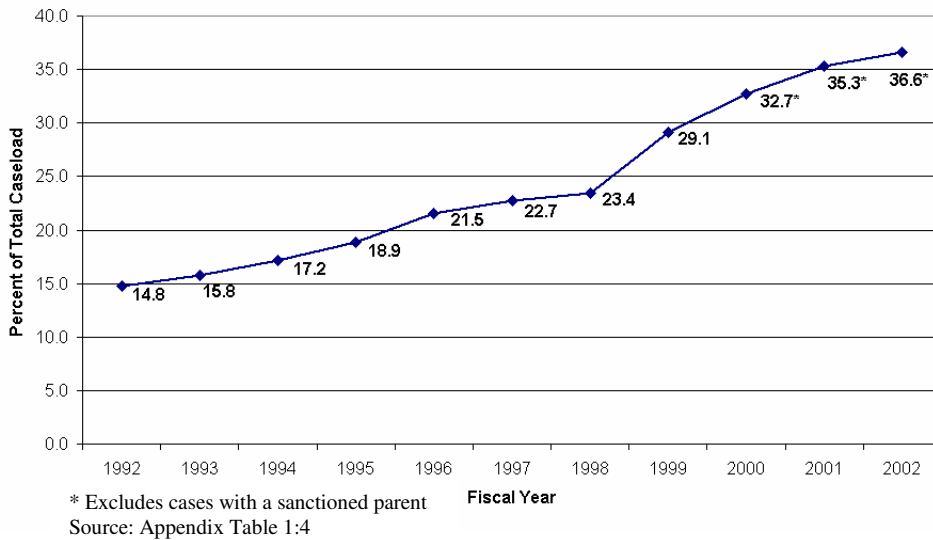
Implementation of the final rules of TANF/SSP-MOE data collection requirements posed significant initial challenges to States and HHS. In cases where a few States submitted questionable data, the data from those States were eliminated. In cases where numerous States

reported questionable data or unusually large numbers of “unknown” or “other” categories, HHS urges caution in drawing conclusions on the basis of these data.

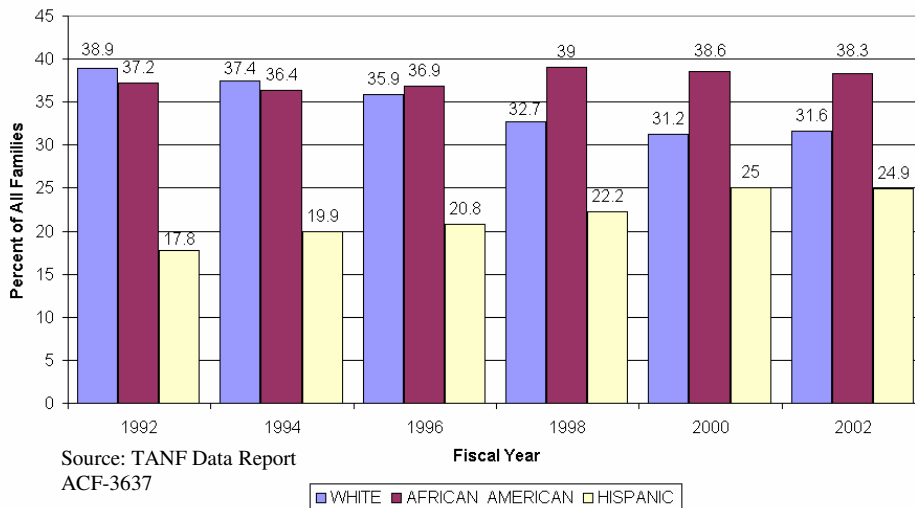
**Summary**

A number of major changes in the characteristics of welfare recipients have occurred in the 1990’s including the number of child-only families, the racial composition of welfare families, the age of adult recipients, the age of the youngest child, and the employment rate of adults. These trends in AFDC/TANF recipient characteristics are presented in Figure A through Figure E.

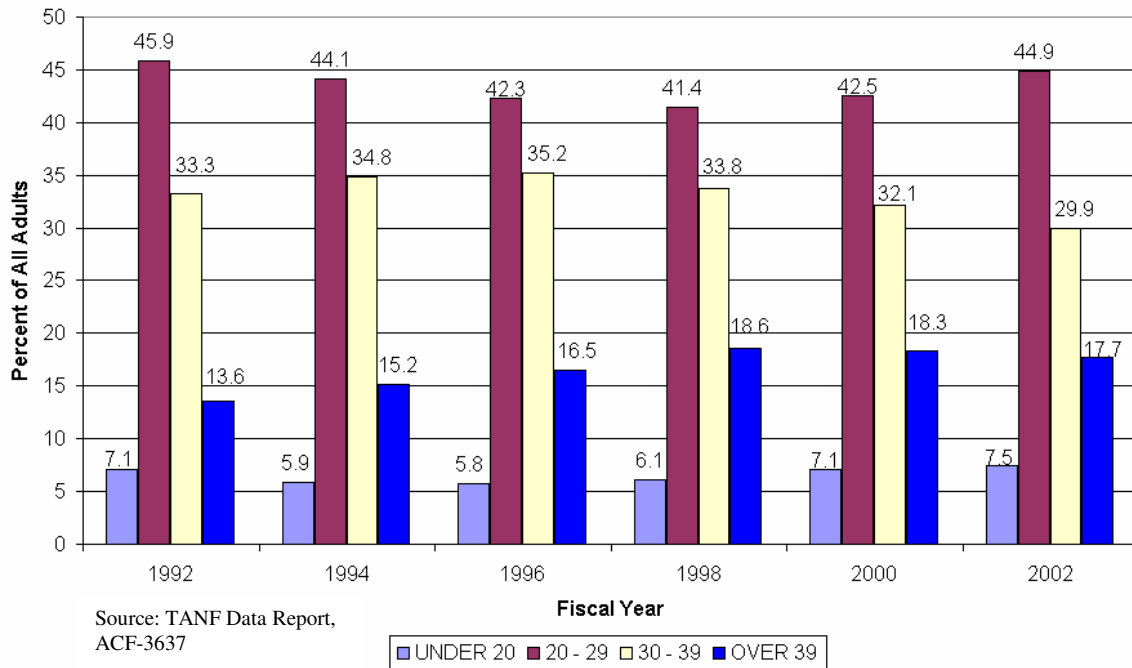
**Figure A  
Trend in AFDC/TANF Child-Only Cases**



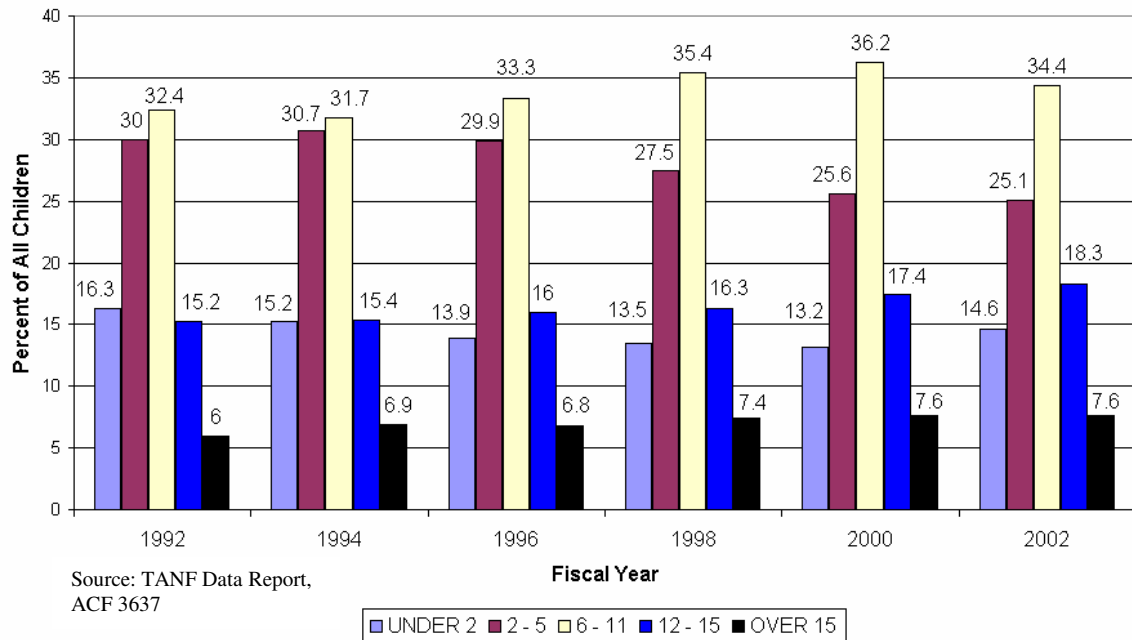
**Figure B  
Trend in TANF Families by Race/Ethnicity**



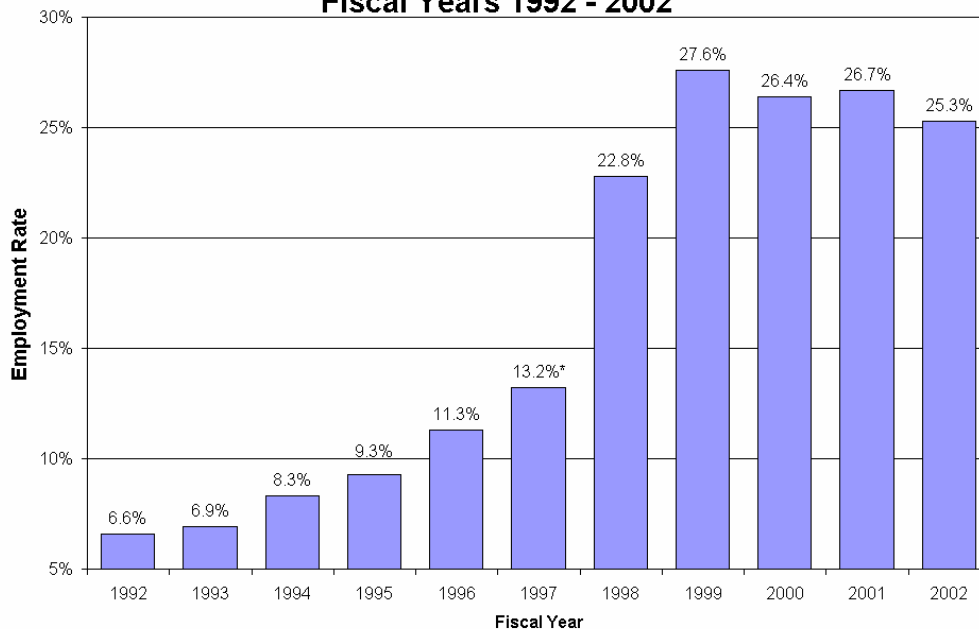
**Figure C**  
**Trend in TANF Adult Recipients by Age Group**



**Figure D**  
**Trend in TANF Recipient Children by Age Group**



**Figure E**  
**Trend in Employment Rate of TANF Recipient Adults**  
**Fiscal Years 1992 - 2002**



\* Based on AFDC data from the first three quarters of FY 1997.  
 Source: Appendix Table 1:6

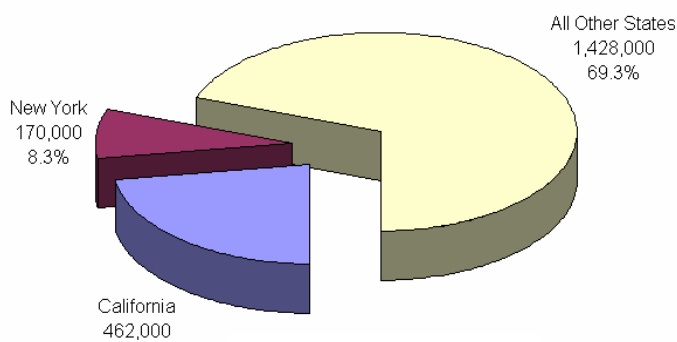
The work participation activity data may be somewhat different from those presented in the “Work Participation Rates” as TANF recipient characteristics in this chapter were prepared using (1) sample cases of 3,300 randomly selected for States who submitted the universe data, and (2) the data transmitted by States as of April 15, 2003.

TANF Families

The average monthly number of TANF families was 2,060,300 in FY 2002. The estimated average monthly number of TANF recipients was 1,315,000 adults and 3,835,000 children. The average monthly number of TANF families decreased in 21 States and reflects an overall 2.8 percent decrease from 2,120,500 families in FY 2001. During FY 2002, an average of 168,900 TANF

families had their assistance terminated each month.

**Figure F**  
**TANF Caseload**

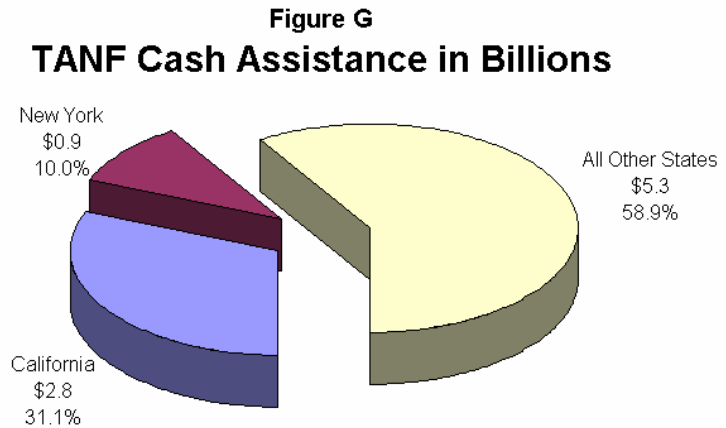


Source: Appendix Table 10:5

California had the largest number of TANF families with a monthly average of 462,300, accounting for almost a quarter of the U.S. total. New York ranked second with a monthly average of 170,300 families. This information is presented in Figure F.

Of the \$9.0 billion paid to TANF eligible families in cash assistance during FY 2002, California and New York accounted for 42 percent of U.S. total TANF cash payments. This information is presented in Figure G.

The average number of persons in TANF families was 2.5, including an average of 1.9 recipient children. One in two recipient families had only one child, and one in 10 families had more than three children. The average number of children in closed-case families was 1.8. Nearly one in two closed-case families had one child, and only 7 percent had more than three children.



Source: TANF Data Report

About 39 percent of TANF families had no adult recipients, 58 percent had only one adult recipient, and about three percent included two or more adult recipients. In 20 States and two Territories, there were no two-parent family cases on TANF, these States having aided two-parent families through a Separate State Program.

About 36.6 percent of TANF families were child-only cases, up about 1.3 percentage points when compared to FY 2001. Although the percentage of child-only cases on the welfare rolls has continued to increase in the past several years, the total number of child-only cases has actually declined by about 180,000 since FY 1996. In FY 2002, however, both the number and the proportion of child-only cases increased. Note that the definition of “child-only” cases used in this report differs from the one used in previous reports. Child-only cases reported here for FY 2000 (32.7 percent), FY 2001 (35.3 percent) and FY 2002 (36.6 percent) still consist of the number of TANF families that had no adult recipients as before, but then we subtract those cases where the parent was sanctioned and no longer receiving assistance. Caseload size and the percentage of child-only cases since 1992 is presented in Figure H.

**Figure H**  
**Trend in Caseload and Child-Only Cases**

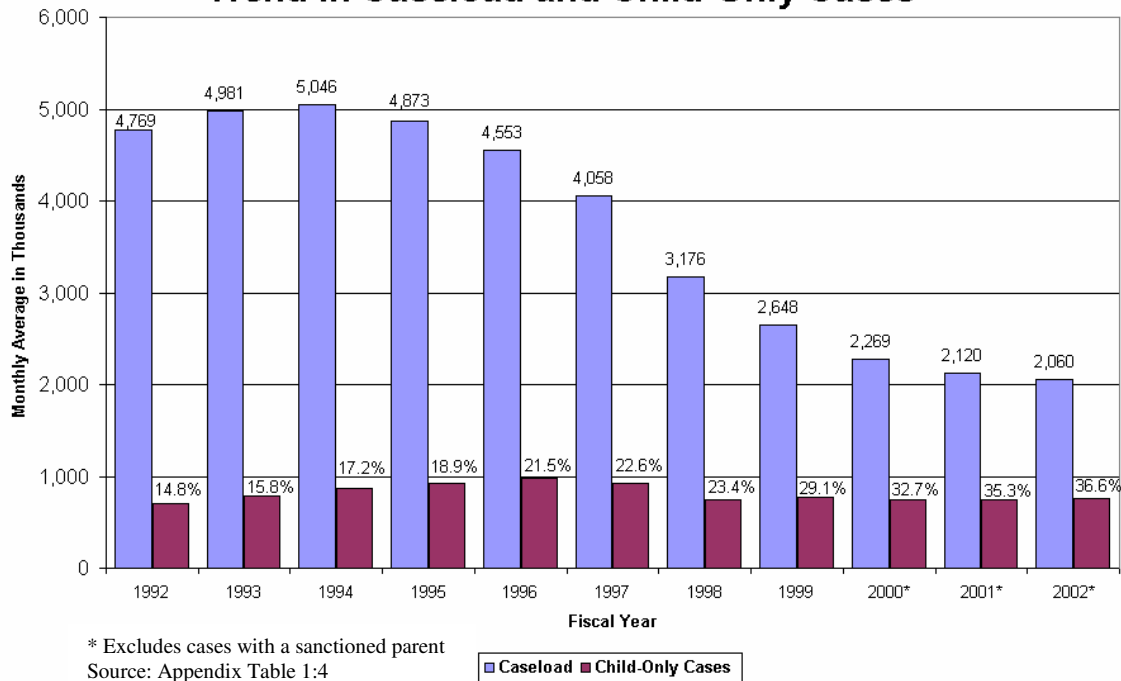
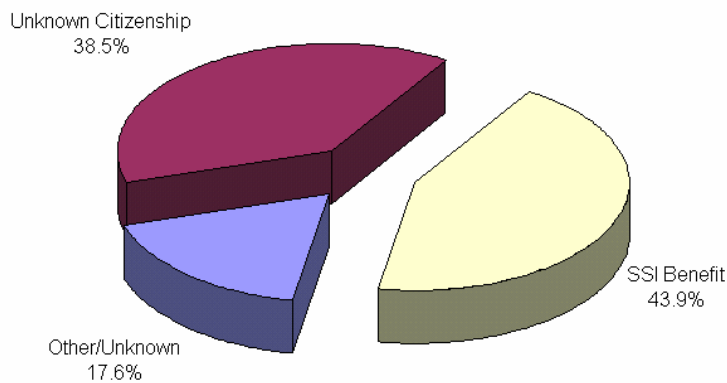


Figure I illustrates the reasons parents living in the household are not included in the assistance unit. Note that this does not include the 11.9 percent of cases without adults that had a parent removed from the case (sanctioned) for failure to comply with work requirements, attend school, or cooperate with child support. Such sanctioned cases are not considered child-only cases, as the term is generally used elsewhere in this report.

**Figure I**  
**Reason for Parents Living in the Household but not in the Assistance Unit**



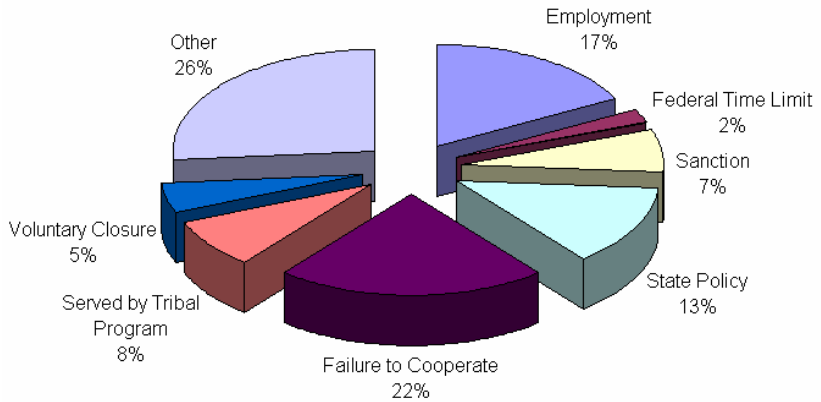
Source: Appendix Table 10:12

There has been little change in the racial composition of TANF families since FY 2001. African-American families comprised 38 percent of TANF families. White families comprised 32 percent of the families, 25 percent were Hispanic, 2.2 percent were Asian, and 1.4 percent were Native American. The proportion of Asian families has decreased from three percent over the past two years because California has moved all two-parent family cases to the SSP-MOE program. Of all closed-case families, 35 percent were African-American, 36 percent were white, and 25 percent were Hispanic.

Eighty percent of TANF families received Food Stamp assistance, which is similar to previous levels. These families received an average monthly Food Stamp assistance of \$239. Of closed-case families, about 72 percent received Food Stamp assistance in the month of closure. In addition, almost every TANF family was eligible to receive medical assistance under the State plan approved under title XIX of the Social Security Act.

Figure J illustrates the reasons for case closure for families that no longer received assistance. However, understanding the reasons for case closure is limited by the fact that States reported 26.4 percent of all cases as closed due to “other” unspecified reasons. For example, while independent studies of the reason for families leaving welfare typically find that somewhat over half leave as a result of employment, States reported only 17.2 percent of cases closing due to

**Figure J**  
**TANF Families by Reason for Closure**



Source: Appendix Table 10:48

employment, clearly an understatement of the true rate. Many closures due to employment are coded as failure to cooperate or as some other category because at the point of closure, the agency often is unaware that the client became employed.

### TANF Adults

There were about 2.2 million adults living in TANF households in FY 2002. Of all those adults, 60 percent were TANF recipients and 40 percent were not. Of those not receiving assistance, 58 percent were parents, 35 percent were caretakers, and 8 percent were other persons whose income was considered in determining eligibility.

Most TANF adult recipients were women, as men only represented 10 percent of adult recipients. The average age of TANF adult recipients was 31 years, which is unchanged from the previous year. Of TANF adult recipients, eight percent were teenagers and 18 percent were 40 years of age or older. Nearly 95 percent of adult recipients were the head of the household. There were about 108,000 teen parents whose child was also a member of the TANF family. In other words, 12 percent of recipients aged 13-19 were teen parents. Only 12 percent of adult recipients were married and living together. However, the number of reported married adult recipients has decreased because many States recently moved two-parent families to SSP-MOE programs.

Two of three TANF adult recipients were members of minority groups. Thirty-nine percent of adult recipients were African-American, 34 percent were white, and 22 percent were Hispanic, 1.6 percent were Native American, and 2.2 percent were Asian.

Most TANF adult recipients were U.S. citizens. There were about 93,400 non-citizens (i.e., seven percent of TANF adults) residing legally in this country.

Of TANF adult recipients, an average of 25.3 percent were employed in the reporting month. There was little difference of the employment rate between male recipients and female recipients. Employment slightly decreased when compared with the 26.7 percent who were employed in FY 2001, and 30.9 percent of adults were employed in closed-case families.

Work participation was mandatory for three of every five adult recipients. Ten percent of TANF adult recipients were deemed to be engaged in work activities. About nine percent were disregarded from the work participation because they were single custodial parents with a child under 12 months. Eight percent were exempt because of a sanction, because they were part of an ongoing research evaluation, or because they were involved in an approved welfare reform waiver. Nearly 10 percent were exempt from the work participation requirements because of a good cause exception (e.g., disabled, in poor health, or other). Only 1.5 percent were single custodial parents with a child under age 6 who did not have access to child care.

Overall, 42 percent of all TANF adult recipients participated in some type of work activity during the reporting month. Twenty-three percent worked in unsubsidized jobs, six percent did job search, and another 14 percent were engaged in subsidized employment, job skills training, or work preparation activities. Some TANF adults were involved in two or three work activities. Those participating worked an average of 25 hours per week, and some adults participated although they were work exempt.

Of TANF adult recipients, 30 percent were disregarded from work participation, and 42 percent participated in work activities. Therefore, it appears that at least 28 percent of adult recipients who were required to participate did not participate in mandatory work activities.

### TANF Children

TANF recipient children were on average 7.7 years old. Fifteen percent of recipient children were under 2 years of age, while 40 percent were under six. Only eight percent of the children were 16 years of age or older.

Most recipient children were children of the head of the household in TANF families, and only nine percent were grandchildren of the head of the household. Of all recipient children in TANF families with no adult recipient, 63 percent lived with parents and 22 percent lived with grandparents who did not themselves receive assistance. Ninety-eight percent of TANF recipient children were U.S. citizens. The other two percent were qualified aliens.

The racial distribution of TANF recipient children has changed slightly in recent years. African-American children continued to be the largest group of welfare children, comprising about 40 percent of recipient children. About 27 percent of TANF recipient children were white, and 27



percent were Hispanic. The percentage of Hispanic children on TANF remains unchanged. The percentage of white TANF recipient children is up 1.2 percentage points from FY 2001, and the rate for African-American children is down one percentage point from the same year.

### Financial Circumstances

Of TANF families, 99 percent received cash and cash equivalent assistance, with an average monthly amount of \$355. Monthly cash payments to TANF families averaged \$295 for one child, \$365 for two children, \$435 for three children, and \$533 for four children or more. Some TANF families who were not employed also received other forms of assistance such as child care, transportation and other supportive services.

One in every five TANF families had non-TANF income. The average monthly amount of non-TANF income was \$586 per family. Fourteen percent of TANF families had earned income with an average monthly amount of \$683, while seven percent of the TANF families had unearned income with an average monthly amount of \$323. Of all closed-case families, 34 percent had non-TANF income with an average monthly amount of \$866.

Of TANF recipient adults, 22 percent had earned income with an average monthly amount of \$678. Seven percent of adult recipients had unearned income averaging about \$355 per month. Three percent of recipient children had unearned income with an average monthly amount of \$184.

As in FY 2001, one in ten TANF families received child support with an average monthly amount of \$189. Twelve percent of TANF families had some cash resources (e.g., cash on hand, bank accounts, or certificates of deposit) of an average amount of \$241. Such family cash resources were defined by the State and used to determine eligibility and also to calculate benefits.

**Table A\***

Comparison of TANF Recipient Characteristics between  
FY 2001 and FY 2002

	Active Case Families		Closed Case Families	
	FY 2001	FY 2002	FY 2001	FY 2002
<b>Families:</b>				
Monthly Average	2,120,500	2,060,300	165,800	168,900
Child-Only Cases	749,100**	753,300**	37,100	39,500
Percent	35.3	36.6	22.4	23.4
Number of Family Members (Percent of All Families)				
1	21.7	23.3	17.6	18.2
2	34.1	34.9	36.4	37.8
3	23.0	22.6	24.4	24.4
4 or More	21.2	19.2	21.6	19.6
Average	2.6	2.5	2.6	2.6
Number of Recipient Children (Percent of All Families)				
1	44.8	47.0	44.4	46.2
2	28.5	28.0	27.9	27.9
3	14.8	14.2	13.9	12.4
4 or More	9.9	8.9	7.1	7.2
Unknown	2.0	1.9	6.7	6.4
Average	2.0	1.9	1.9	1.8
Type of Assistance Receiving (Percent of All Families)				
Medical	98.9	99.0	96.1	95.4
Food Stamps	80.9	80.1	74.4	72.4
Subsidized Housing	20.0	19.2	16.3	14.4
Subsidized Childcare	8.8	8.6	10.2	7.7
Ethnicity/Race (Percent of All Families)				
White	30.1	31.6	36.4	36.2
African-American	39.0	38.3	34.6	34.6
Hispanic***	26.0	24.9	24.5	24.5
Asian	2.1	2.2	1.5	1.2
Native American	1.3	1.4	1.8	1.9
Other	0.8	0.9	0.6	0.6
Unknown	0.7	0.7	0.6	1.0
TANF Cash Assistance (Percent of All Families)				
Percent	98.5	98.5	--	--
Monthly Amount	\$351.26	\$354.76	--	--
Receipt of Child Support (Percent of All Families)				
Percent	9.8	10.3	N/A	N/A
Monthly Amount	\$179.21	\$189.41	N/A	N/A
Non-TANF Income (Percent of All Families)				
Percent	22.8	20.1	39.8	33.9
Monthly Amount	\$592.87	\$585.81	\$893.36	\$866.22

**Table A\* (continued)**

Comparison of TANF Recipient Characteristics between  
FY 2001 and FY 2002

<b>Adults:</b>				
Age Distribution (Percent of All Adults)				
Under 20	7.4	7.5	10.6	10.2
20 - 29	42.4	44.9	45.2	45.3
30 - 39	31.2	29.9	29.0	29.3
Over 39	19.0	17.7	15.2	15.2
Average Age	31.4	31.0	30.2	30.3
Marital Status (Percent of All Adults)				
Single	66.9	66.6	63.9	64.5
Married	11.7	11.5	14.3	13.0
Separated	12.5	13.0	13.5	13.6
Widowed	0.8	0.7	0.6	0.6
Divorced	8.2	8.2	7.7	8.3
Citizenship Status (Percent of All Adults)				
U.S. Citizen	91.5	92.5	92.8	94.1
Qualified Alien	8.0	7.1	7.1	5.9
Unknown	0.5	0.4	0.1	0.0
Education Level (Percent of All Adults)				
1 - 6 Years	3.9	3.2	2.7	2.4
7 - 9 Years	11.8	11.5	11.1	10.7
10 - 11 Years	29.7	28.1	29.7	28.7
12 Years	49.0	51.4	48.5	53.0
More Than 12	3.1	3.3	3.6	3.8
No Formal	2.3	2.4	2.4	1.4
Unknown	0.2	0.0	2.0	0.0
Employment Rate	26.7	25.3	35.8	30.9
Earned Income (Percent of All Adults)				
Percent	24.3	21.8	36.6	31.1
Monthly Amount	\$685.74	\$678.07	\$907.58	\$916.93
<b>Children:</b>				
Age Distribution (Percent of All Children)				
0 - 1	13.4	14.6	16.9	16.8
2 - 5	24.9	25.1	29.3	28.6
6 - 11	35.8	34.4	33.2	32.7
12 - 15	18.4	18.3	14.6	15.7
16 - 19	7.5	7.6	5.9	6.3
Average Age	7.8	7.7	6.9	7.1

**Table A\* (continued)**

Comparison of TANF Recipient Characteristics between  
FY 2001 and FY 2002

Age of Youngest (Percent of All Families)				
Unborn	0.5	0.5	--	--
0 - 1	13.6	14.8	14.7	14.2
1 - 2	20.2	20.6	24.2	24.3
3 - 5	19.4	18.4	19.2	19.0
6 - 8	15.2	14.2	13.1	12.8
9 - 11	12.4	12.6	10.1	10.0
12 - 15	12.8	12.7	9.3	10.1
16 and Older	5.0	5.3	6.9	7.1
Unknown	0.9	1.0	2.5	2.4
Ethnicity/Race (Percent of All Children)				
White	25.6	26.8	31.7	32.1
African-American	40.8	39.8	37.1	36.5
Hispanic***	27.8	27.4	26.3	26.1
Asian	2.7	2.7	1.3	1.0
Native American	1.2	1.4	1.8	2.0
Other	0.5	0.5	0.7	0.9
Unknown	1.4	1.5	1.1	1.4
Citizenship Status (Percent of All Children)				
U.S. Citizen	98.0	98.4	98.7	99.0
Qualified Alien	1.9	1.6	1.3	1.0
Unknown	0.1	0.1	0.1	0.0
Unearned Income (Percent of All Children)				
Percent	2.8	2.5	2.8	2.7
Monthly Amount	\$175.50	\$184.43	\$232.85	\$239.42

**Notes:**

'\*' = Comparable to Exhibit 1 in TANF 5<sup>th</sup> Annual Report to Congress.

'\*\*' = Excludes cases with a sanctioned parent.

'\*\*\*' = Can be of any race.

'--' = Not Applicable.

'N/A' = Not Available.

Columns may not add to 100 percent due to rounding.

Source: TANF Data Report

**Table B\***Trend in AFDC/TANF Recipient Characteristics  
FY 1992 – FY 2002

	FY 1992	FY 1994	FY 1996	FY 1998	FY 2000	FY 2002
<b>Families</b>						
Total	4,769,000	5,046,000	4,553,000	3,176,000	2,269,000	2,060,300
Child-Only Cases	707,000	869,000	978,000	743,000	742,000**	753,300**
Percent	14.8	17.2	21.5	23.4	32.7	36.6
Race (Percent of All Families)						
White	38.9	37.4	35.9	32.7	31.2	31.6
African American	37.2	36.4	36.9	39.0	38.6	38.3
Hispanic	17.8	19.9	20.8	22.2	25.0***	24.9***
Asian	2.8	2.9	3.0	3.4	2.2	2.2
Native American	1.4	1.3	1.4	1.5	1.6	1.4
Other	-	-	-	0.6	0.6	0.9
Unknown	2.0	2.1	2.0	0.7	0.8	0.7
<b>Adults</b>						
Age Distribution (Percent of All Adults)						
Under 20	7.1	5.9	5.8	6.1	7.1	7.5
20 - 29	45.9	44.1	42.3	41.4	42.5	44.9
30 - 39	33.3	34.8	35.2	33.8	32.1	29.9
Over 39	13.6	15.2	16.5	18.6	18.3	17.7
Average Age	29.9	30.5	30.8	31.4	31.3	31.0
Employment Rate	6.6	8.3	11.3	22.8	26.4	25.3
<b>Children</b>						
Age of Youngest (Percent of All Families)						
Unborn	2.0	1.8	1.5	N/A	0.6	0.5
0 - 1	10.3	10.8	10.4	11.0	13.3	14.8
1 - 2	29.7	28.1	24.3	22.0	19.9	20.6
3 - 5	21.2	21.6	23.5	23.1	20.6	18.4
6 - 11	23.1	22.7	24.4	26.6	27.8	26.8
12 - 15	9.3	9.8	10.6	10.7	11.7	12.7
16 and Older	3.5	3.5	3.8	4.7	5.1	5.3
Unknown	0.8	1.7	1.5	1.8	1.0	1.0

**Table B\* (continued)**

Trend in AFDC/TANF Recipient Characteristics  
FY 1992 – FY 2002

Race (Percent of All Children)						
White	33.9	33.0	31.6	28.3	26.8	26.8
African American	38.5	37.9	38.4	40.2	40.1	39.8
Hispanic	18.7	21.2	22.4	23.4	26.8***	27.4***
Asian	3.9	3.6	3.8	4.2	2.8	2.7
Native American	1.6	1.4	1.4	1.5	1.6	1.4
Other	-	-	-	0.7	0.6	0.5
Unknown	3.4	2.9	2.4	1.8	1.3	1.5

Notes: 'N/A' = Not Available.

\*\*' Comparable to Exhibit 2 in TANF 5<sup>th</sup> Annual Report to Congress.

\*\*\*' Excludes cases with a sanctioned parent.

\*\*\*\*' = Can be of any race.

Columns may not add to 100 percent due to rounding.

Source: TANF Data Report, ACF 3637

### **Reliability of Estimates**

The statistical data are estimates derived from samples and, therefore, are subject to sampling errors as well as nonsampling errors. Sampling errors occur to the extent that the results would have been different if obtained from a complete enumeration of all cases. Nonsampling errors are errors in response or coding of responses and nonresponse errors or incomplete sample frames.

#### *Standard (Sampling) Errors*

For FY 2002, the average monthly caseload, annual sample sizes, average monthly sample sizes, sampling fractions and the percentage points by which estimates of the total caseload for each State might vary from the true value at the 95 percent confidence level are shown in Table 10:75 and 10:76 in the Appendix.

Table 10:77 in the Appendix indicates the approximate standard error for various percentages for the U.S. total caseload. These standard errors are somewhat overstated because they are calculated assuming a sample of 14,230 cases out of a total of 2,060,328 cases or 0.69064792 percent of the average monthly caseload. California is the State with such a small sampling fraction. To obtain the 95 percent confidence level at each percent in Appendix Table 10:77, multiply the standard error by a factor of 1.96.

For example, national estimates of 50 percent should not vary from the true value by more than plus or minus 0.8232 percentage points ( $0.42 \times 1.96$ ) at the 95 percent confidence level. To obtain the 99 percent confidence level, multiply the standard errors by a factor of 2.58.

### Non-sampling Errors

Every effort is made to assure that a list of the universe or the sample frame is complete. It is possible, however, that some cases receiving assistance for the reporting month are not included. There is no measure of the completeness of the universe.

Data entries are based on information in the case records. Errors may have occurred because of misinterpretation of questions and because of incomplete case record information. Errors may also have occurred in coding and transmitting the data. There are no measures of the reliability of the coded information. For some data elements, obviously incorrect or missing information was recoded as unknown in the data processing.

### Standard Errors of Subsets

For tables based on subsets of the populations (e.g., one-adult or two-adult families), the approximate standard errors can be computed by the following method: (a) determine the assumed sample size of the subset by multiplying the number of cases in the subset by 0.0069064792; (b) divide the sample size of all families (14,230) by the assumed sample size of the subset; and (c) take the square root of the result and multiply it by the standard errors of the total caseload shown in Appendix Table 10:77.

For example, for TANF families with no adult recipients, the approximate standard errors of percentages can be found by multiplying the data in Appendix Table 10:77 by the square root of  $14,230/5,543$  or 1.6022. The sample size of 5,543 is determined by  $802,541 \times 0.0069064792$ .

### Standard Errors for State Estimates

The method used above can be adapted to calculate the standard errors of State estimates. First, divide the national sample size of all families (14,230) by the State sample size shown in Appendix Table 10:75. Then take the square root of the result and multiply it by the standard errors shown in Appendix Table 10:77. For example, for New York, the approximate standard errors of percentages can be found by multiplying the data in Appendix Table 10:77 by the square root of  $14,230/3,420$  or 2.0398.

### Statistically Significant Differences

Appendix Table 10:78 shows the percentage values at which differences between national and State estimates become significant at the 5 percent confidence level based on annual State samples of 3,000 active cases.

Appendix Table 10:79 shows the percentage values at which differences between State estimates become significant at the 5 percent confidence level based on annual State samples of 3,000 active cases.