

# HOW ARE FAMILIES WHO LEFT WELFARE DOING OVER TIME? A COMPARISON OF TWO COHORTS OF WELFARE LEAVERS

## INTRODUCTION

One of the stated purposes of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, popularly known as welfare reform, was to “end the dependence of needy parents on government benefits by promoting job preparedness, work, and marriage.” To this end, this federal legislation, along with many other changes in state policies before and after passage, has increased incentives and requirements for families receiving benefits to move into work and eventually off welfare. The major cash assistance program for poor families is now named Temporary Assistance for Needy Families (TANF), reflecting the goal that receipt of cash assistance from the government should be a temporary situation for families.

After passage of PRWORA, concerns began to grow about the effect of welfare policy changes on family well-being. These concerns were heightened by the large declines in welfare caseloads—more than 50 percent nationally from 1994 to 1999—and the claims by some that this meant that welfare

reform was a success. Although there have always been families leaving the welfare rolls, these recent policy changes have done more to explicitly “create” leavers, mainly through stricter sanctions for failure to meet program requirements and the institution of time limits on benefits receipt.

To address these concerns, a number of state and local welfare agencies as well as some independent researchers began conducting what have come to be known as leaver studies. These studies examine outcomes for families who left welfare over a certain period of time. Early results from these studies showed that a majority of leavers were working and that their wage rates were the same or higher than other similar groups in the labor market.<sup>1</sup> Although results were not all positive (many leavers were not working and few had escaped poverty), it seemed that the goal of increasing work was being met.

However, a cautionary note in interpreting these results, pointed out by many, was that future groups of leavers may not fare as well and that these early results may not be representative of future results. For example, if recipients who can most easily find work leave welfare more quickly, future

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cohorts could possibly have higher numbers of recipients with obstacles to work, such as inferior job skills and experience.

Now, four years after passage of these welfare program changes, many additional efforts are under way to assess and evaluate whether the goals of reform have been met and how these policy changes have impacted families. Leaver studies have also progressed, in terms of the number and quality. The U.S. Department of Health and Human Services' Office of the Assistant Secretary for Planning and Evaluation (ASPE) provided funding to fourteen states and local areas to conduct studies of families who left the welfare rolls, providing technical assistance to help bolster quality and enhance comparability. Results of these studies are now being released.<sup>2</sup>

This study is also a “leaver study”—describing the economic well-being of families who left welfare and using the National Survey of America’s Families (NSAF), conducted by the Urban Institute. It adds to the body of leaver studies by presenting a national picture, providing context for the individual state and local study results, and giving a sense of outcomes on average across the fifty state “experiments” in welfare policy. An initial study of welfare leavers using these data was carried out recently (Loprest 1999); that study presented results for families leaving welfare between 1995 and 1997, compared with other low-income families with children.

This paper focuses on a comparison of outcomes for these early leavers with a more recent cohort of those leaving welfare between 1997 and 1999. It addresses two questions:

- Do the characteristics of leavers in the later period differ from the earlier period?
- Are leavers in the later group doing better or worse economically than the earlier leavers?

The paper is organized into the following sections. In the first section, I describe the data used and my definitions. The next section discusses the characteristics of leavers in the 1997-99 cohort and how they differ from the earlier 1995-97 cohort. The remainder of the paper examines the question of whether leavers in the later cohort are doing better or worse economically than the earlier cohort of leavers. I describe economic well-being by examining employment and job characteristics. I also examine whether the use of nonwelfare government benefits seems to have changed. Finally, I document leavers’ experiences of material hardship and whether this has changed compared with the earlier cohort of leavers.

## DATA AND DEFINITIONS

The data for this paper are drawn from the NSAF, a nationally representative survey of the civilian, noninstitutionalized population under sixty-five and their families. Two rounds of interviews using essentially the same instrument have been conducted. The first was between February and November 1997 and the second was between March and October 1999. These rounds provide two cross-sectional samples. The survey collected economic, health, and social characteristics for about 44,000 households, oversampling households with incomes under 200 percent of poverty and households in each of thirteen targeted states. The survey’s oversample of low-income families generates a larger sample size of welfare leavers than most national surveys.<sup>3</sup>

My definition of leavers includes those who reported receiving welfare at some point in the two years prior to the interview and also reported that they stopped receiving benefits at some point in this same time period. Some of these leavers were also receiving TANF benefits at the time of the interview, meaning that they left the program and then returned. For much of the study, I focus on the subset that has not returned to TANF. The total unweighted sample of welfare leavers is 1,771 in the 1995-97 cohort and 1,206 in the 1997-99 cohort.<sup>4</sup> All of the results reported in this paper are weighted.

## HAS THE COMPOSITION OF WELFARE LEAVERS CHANGED OVER TIME?

The concern that newer cohorts of welfare leavers may fare progressively worse in the market as the time since passage of welfare reform increases stems in part from the idea that the most “job-ready” left welfare first. This, in turn, would mean that more of the remaining recipients have barriers to work. However, the implications of this hypothesis, if it is true, for the composition of cohorts of leavers is not clear. More recipients with barriers to work could mean fewer recipients leaving. This smaller group of leavers may look similar to the earlier group in its characteristics, if we believe that only those with a certain level of job readiness will leave. However, differences could be introduced because of the existence of time limits and work

sanctions that can compel exit, regardless of barriers to work. Since time limits are being reached in some states during the period of the second cohort we study and since use of full family sanctions also increased over the 1995-99 period (U.S. General Accounting Office 2000), it is possible that the second cohort of leavers is composed of fewer job-ready former recipients on average.

Caseloads continue to decline every year over the 1995-99 period, with some moderation toward the end of the period.<sup>5</sup> The size of my leaver group also declines between the first and second cohort—from 2.1 million who left between 1995 and 1997 to 1.6 million who left between 1997 and 1999.<sup>6</sup>

Before examining whether characteristics associated with work differ across these cohorts, one important factor needs to be considered: the extent to which former recipients in both cohorts have returned to TANF. Returning to the TANF program is in itself an indicator of economic well-being and success (or lack of success) in transitioning from welfare to work. In the early cohort of leavers, by the time of the interview in 1997, 29.1 percent of former recipients were again receiving TANF benefits.<sup>7</sup> For the second cohort of leavers, fewer returned to TANF, with 21.9 percent receiving benefits at the time of the interview in 1999. Fewer returns to TANF could signal that leavers in the second cohort are doing better than those in the first cohort. It could also be a reflection that as families grow nearer to “using up” their time-limited TANF benefits (or have already exhausted benefits), fewer are opting to (or are able to) return.<sup>8</sup>

Because TANF receipt affects the probability of outcomes such as work and receipt of other sources of income, the fact that fewer of the second cohort are receiving benefits could lead to differences in outcomes between the early and later groups of leavers. In order to focus on differences beyond returns to TANF, the rest of this paper compares subsets of the two leaver cohorts who were not receiving TANF benefits at the time of their respective interviews.

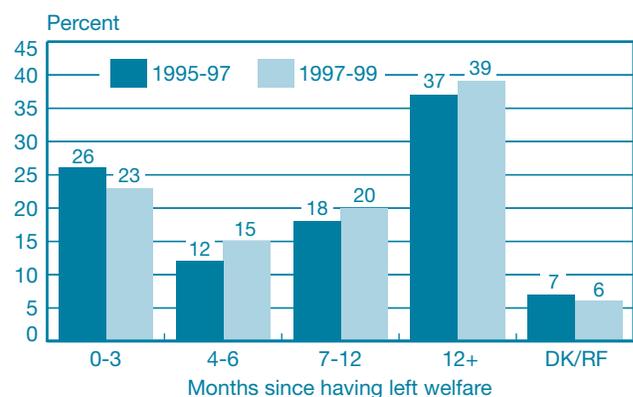
The two groups of leavers studied here are made up of those leaving welfare over a fairly wide time frame. Although both cohorts are defined in the same way, a possible difference between them is the weighting of time since leaving welfare. However, I find that of former recipients who have not returned to welfare, the distribution of time since exiting is similar across cohorts, weighted, in both cases, more heavily toward those who left welfare in the past year (Chart 1). In both cohorts, about a quarter left welfare in the three months prior

to the interview. Close to an additional third left welfare between three and twelve months prior to the interview. The rest exited TANF more than a year ago.

For the most part, characteristics of leavers are similar across these two cohorts (Table 1). The ages, sex, and race of the two groups are not significantly different. More recent leavers have slightly fewer children and slightly younger children than the earlier cohort, although the distribution is not significantly different. They are somewhat more likely to have an unmarried partner, but the percentages who have never married are similar.

Education levels across the two groups are also broadly similar, with a slightly higher percentage of the recent group having some years of college. The only characteristic that is significantly different is the indicator that an individual has a physical, mental, or other health condition that limits the kind or amount of work he or she can do. In the second cohort, a greater number of leavers, 22.1 percent, report having this health issue than the first cohort (15.8 percent). Given that the percentage of current recipients with health problems has not increased significantly from 1997 to 1999, this suggests a greater likelihood of exit for those with health problems.<sup>9</sup>

CHART 1  
Former Welfare Recipients Who Have Not Returned to the Program, by Months since Having Left 1995-97 and 1997-99 Cohorts



Source: Author’s calculations, based on the National Survey of America’s Families.

Notes: None of the differences between groups is significant at  $p < .10$ . DK/RF is don’t know/refuse to answer.

TABLE 1

Characteristics of Former Welfare Recipients  
Who Have Not Returned to the Program  
1995-97 and 1997-99 Cohorts (Percent)

Characteristic	Former Recipients, 1995-97	Former Recipients, 1997-99
Sex		
Male	6.5	5.5
Female	93.5	94.5
Age		
18 to 25	30.5	28.6
26 to 35	44.0	40.0
36 to 50	23.5	29.1
51 to 65	1.9	2.5
Race		
Hispanic	13.1	14.0
White	52.2	50.4
Nonwhite, non-Hispanic	34.7	35.6
Number of children in family		
One	31.5	33.5
Two	35.1	32.4
Three	19.7	19.4
More than three	13.6	14.8
Age of youngest child in family		
Less than three years old	41.8	43.1
Between three and six years old	25.4	20.8
Six to twelve years old	25.9	30.4
Thirteen years or older	6.9	5.7
Marital status		
Married	26.8	24.4
Unmarried partner	10.6	15.4
Widowed/divorced/separated	29.8	26.6
Never married	31.6	31.8
Married spouse not interviewed	1.3	1.6
Education		
Less than high school	28.9	29.2
GED or high-school diploma	37.2	33.8
Some college	27.3	30.9
College degree	6.0	5.7
Don't know/refuse to answer/ not available	0.6	0.3
Condition that limits work <sup>a</sup>	15.8	22.1
Memo:		
Sample size	1,289	987

Source: Author's calculations, based on the National Survey of America's Families.

<sup>a</sup> The two groups are significantly different with  $p < .10$ .

## ARE MORE RECENT WELFARE LEAVERS BETTER OR WORSE OFF ECONOMICALLY?

Moving recipients into employment is a primary goal of the welfare legislation and an important factor in making the transition to self-sufficiency. In the more recent cohort of welfare leavers who have not returned to welfare, a slightly higher percentage are working than in the earlier cohort, 64.0 percent versus 61.3 percent (Table 2).<sup>10</sup> This masks a larger, but still not significantly different, change in the employment rates of single-parent leavers, which increased from 65.6 percent to 71.0 percent across the cohorts. If we broaden the definition of work to include those former recipients who are not currently working but have recently worked (in the year of the interview—on average, the last six months), the percentage increases slightly. An additional 8.6 percent of the early group of leavers and 10.8 percent of the more recent leavers have worked recently (Table 2, bottom section).

A recipient leaving welfare to work (or continuing work at higher earnings) is an oft-cited model of how to transition off

TABLE 2

Employment of Former Welfare Recipients  
Who Have Not Returned to the Program  
1995-97 and 1997-99 Cohorts

Employment Measure	Former Recipients, 1995-97	Former Recipients, 1997-99
Percentage employed		
All former recipients	61.3	64.0
Single-parent former recipients	65.6	71.0
Former recipients with spouse/partner	54.0	53.7
Former recipients or spouse/partner in two-parent families	89.4	90.2
All families <sup>a</sup>	74.5	78.6
Percentage of former recipients not currently employed but recently employed (in year of interview)		
All former recipients	8.6	10.8

Source: Author's calculations, based on the National Survey of America's Families.

Note: None of the differences between groups is significant at  $p < .10$ .

<sup>a</sup> Includes all former recipient families: employment of former recipient for single-parent families and employment of either former recipient or spouse/partner for two-parent families.

welfare. However, even when a former recipient is not working, a family can be relying on the earnings of a spouse or partner. This is important, since a large percentage of former recipients (more than a third) are married or have an unmarried partner in both cohorts. In former recipient families with spouses or partners, the family employment rate (at least one of the two people working) is much higher, about 90 percent. This did not change between the two cohorts. Overall, this means that about 75 percent of former recipient families have at least one parent currently working; the figure is even higher for the second cohort (79 percent). The more recent cohort of leavers is working the same or to an even greater extent than the earlier cohort.

Even with similar numbers of leavers working, it is possible that the jobs that the later cohort holds are of a lesser quality than those held by the earlier cohort. The first indicator of job quality is the hourly wage. Hourly wages for the 1997-99 cohort of leavers are similar to the hourly wages of the 1995-97 cohort of leavers across the wage distribution. Adjusting for inflation, median hourly wages for the later cohort are \$7.15, compared with \$7.08 for the earlier cohort (Table 3).<sup>11</sup>

Total earnings could be affected by a change in the hours that employed leavers work, but there is no significant difference in work effort among the employed across the two groups. In the newer cohort, 67.5 percent of employed recipients are working thirty-five hours or more, compared with 69.4 percent of recipients in the older cohort. The difference is not statistically significant. A slightly greater number of former recipients in the second cohort work multiple jobs, although again this is not statistically different. A similar percentage of former recipients in the two cohorts work in the private and government sectors. There is a small shift (again not statistically significant) within the private sector toward nonprofits, from 4.9 percent to 8.9 percent, but this is still a relatively small group of workers.

Working mainly at night or on variable shifts can make finding child care difficult. There is no significant change in the percentage working mainly the day shift, from 71.8 percent to 73.2 percent. But these statistics mean that more than a quarter of employed former recipients are working more difficult night schedules. In two-parent families, some mothers may work night hours while a spouse or partner works day hours as a way of coordinating work and child-care needs. The survey asked whether spouses or partners worked different hours so they could take turns caring for their children. The percentage making these arrangements decreased from 62.4 percent in the first cohort to 53.4 in the second cohort, although this difference is not statistically significant.<sup>12</sup>

Time working for the current employer reflects a level of employment stability and can be related to higher wages. Contrary to the hypothesis that more recent leavers are less job-ready, many more of the recent cohort of leavers have worked for more than two years at their current job, 18.4 percent versus

TABLE 3  
Job Characteristics of Employed Former Welfare Recipients Who Have Not Returned to the Program 1995-97 and 1997-99 Cohorts

Job Characteristic	Former Recipients, 1995-97	Former Recipients, 1997-99
Hourly wages <sup>a</sup>		
25th percentile	\$5.71	\$6.05
Median	\$7.08	\$7.15
75th percentile	\$8.71	\$9.00
Hours of work		
Less than 20	6.1	8.7
20 to 34	24.5	23.8
35 or more	69.4	67.5
Multiple jobs (two or more)	8.0	10.1
Class of work		
Government	11.4	11.0
Private company	76.9	73.3
Nonprofit organization	4.9	8.9
Self-employed <sup>b</sup>	6.8	6.8
Mostly work between 6 a.m. and 6 p.m.	71.8	73.2
Coordinated schedule with spouse for child care <sup>c</sup>	62.4	53.4
Time at current employer <sup>d</sup>		
Less than six months	31.2	32.8
Six months to one year <sup>e</sup>	42.8	33.4
One to two years <sup>e</sup>	16.2	15.4
More than two years	9.7	18.4

Source: Author's calculations, based on the National Survey of America's Families.

Notes: All figures are percentages, except where indicated. Numbers may not add up to 100 percent due to rounding or in some cases a small percentage of "don't know" or "refuse" answers.

<sup>a</sup>1997 wages are reported in 1999 dollars using the CPI-X.

<sup>b</sup>Includes a small number without a regular employer who work only occasionally.

<sup>c</sup>Asked only of two-parent families with both parents working and a child under thirteen.

<sup>d</sup>Excludes the self-employed.

<sup>e</sup>The two groups are significantly different with  $p < .10$ .

9.7 percent. While the same percentage of leavers have worked at their job for less than six months in both groups, a smaller percentage of the recent leavers have been with their employer in the six-months-to-a-year range. These differences are statistically significant. This may be a reflection of the increasing number of women working while on welfare, some of whom may have continued on the same job after exiting welfare.

## SOURCES OF SUPPORT AFTER LEAVING WELFARE

The most common measure of economic well-being, particularly for low-income families, is the percentage with incomes below the poverty level. I do not calculate a measure of total income or the percentage in poverty here because all sources of income are not available for the current time period, only for the past year. Since many leavers recently left welfare and therefore spent part of the previous year receiving benefits, last year's income would not represent income after exiting. Instead, I examine in this section the total earnings of families and their receipt of other public benefits, in particular food stamps and Medicaid. Examination of earnings at least allows us to compare whether income from work is changing over time. Receipt of food stamps and Medicaid, although not traditionally counted as part of income, can add to family economic well-being, sometimes substantially.<sup>13</sup>

Putting together hourly wages and the usual amount of work of former recipients and their spouses/partners, I calculate the total monthly earnings of former recipient families with at least one employed adult. This is only a portion of many families' total income, because they may have other sources of income and these amounts do not include the earned income tax credit for which most of these families are eligible. The median total family monthly earnings for the 1997-99 cohort is \$1,360, only slightly higher than and not statistically different from the median of the earlier cohort of \$1,204 (Chart 2).<sup>14</sup> If work effort remained the same over the course of a year, this median would represent annual earnings of \$16,320 for the recent cohort. However, most evidence from other research on low-income workers and other leaver studies shows that work effort is not stable over time. Thus, annual earnings are likely to be lower.

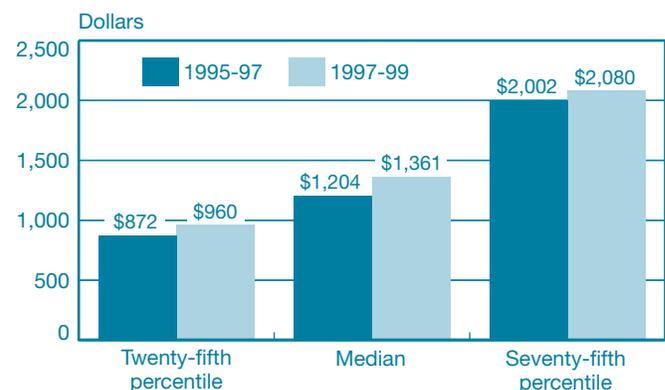
Most welfare recipients receive food stamp benefits and many former recipients remain eligible. However, it has been

well documented that receipt of food stamp benefits drops off precipitously when families leave welfare (Zedlewski 1999; U.S. Department of Agriculture 1999). Food stamps can add substantially to family incomes. For example, in 1999, a single parent with two children and a full-time minimum-wage job would receive \$260 per month in food stamps.<sup>15</sup> For both cohorts of leavers discussed here, less than a third were receiving food stamps at the time they were interviewed, 31 percent in the early cohort and 29 percent in the later cohort (Chart 3).

We might expect that those who have left welfare more recently may be more likely to receive food stamp benefits, and that as time since leaving increases former recipients are less reliant on benefits. This could happen if eligibility for food stamps declined over time because incomes are increasing. For both cohorts, the percentage of those who left in the past year receiving food stamps is higher than the percentage who left more than twelve months ago. For the recent group of leavers, 33 percent of those who left in the past year are receiving food stamps, compared with 25 percent of those who left more than a year ago.

Medicaid is also a benefit that can greatly increase the well-being of families leaving welfare, since many low-wage jobs do not provide health insurance coverage. Again, most welfare

CHART 2  
Total Monthly Family Earnings of Employed Former Welfare Recipients Who Have Not Returned to the Program  
1995-97 and 1997-99 Cohorts

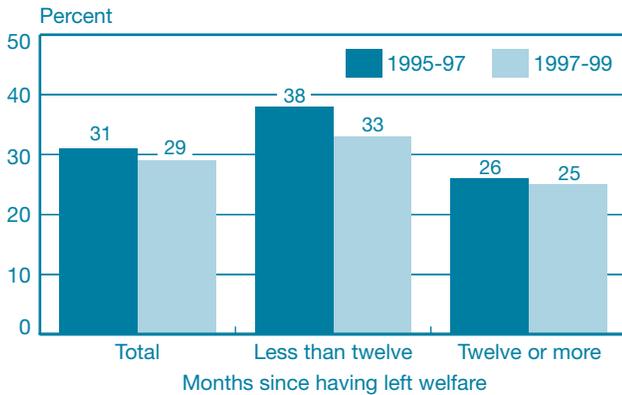


Source: Author's calculations, based on the National Survey of America's Families.

Notes: Earnings include those of the former recipient and spouse/partner where at least one of them is working. All figures are in 1999 dollars. None of the differences between groups is significant at  $p < .10$ .

CHART 3

**Food Stamp Receipt by Former Welfare Recipients Who Have Not Returned to the Program, by Months since Having Left**  
1995-97 and 1997-99 Cohorts

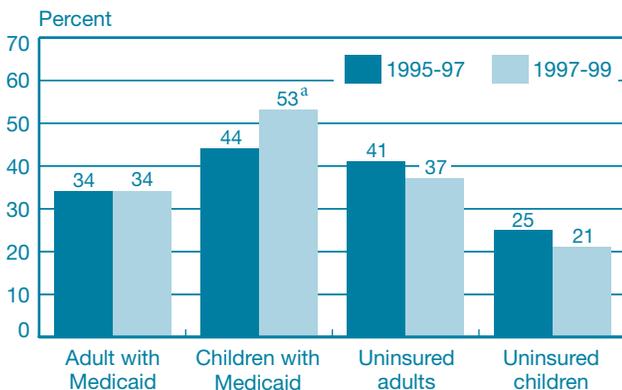


Source: Author's calculations, based on the National Survey of America's Families.

Notes: The total includes all former recipients who have not returned to welfare. None of the differences between groups is significant at  $p < .10$ .

CHART 4

**Medicaid Coverage and No Insurance Coverage for Former Welfare Recipients Who Have Not Returned to the Program**  
1995-97 and 1997-99 Cohorts



Source: Author's calculations, based on the National Survey of America's Families.

Notes: Medicaid here includes state children's health insurance programs. Children with Medicaid refers to the percentage of all children of former welfare recipients who have Medicaid coverage.

<sup>a</sup>Differences between the groups are significant at  $p < .10$ .

recipients are covered by Medicaid and many continue to be eligible after leaving. Employed former recipients are eligible for transitional Medicaid benefits up to certain income and time limits. Expansions for children and the implementation of the Children's Health Insurance Program (CHIP) in individual states have extended nonwelfare-related coverage to even higher income levels for children. However, only about a third of former recipient adults in both cohorts report having Medicaid coverage (Chart 4). This percentage is significantly higher for children, with 44 percent of the early cohort and 53 percent of the later cohort having coverage. The increase for children is likely related to the CHIP expansions and outreach efforts around these programs.

Many former recipients remain uninsured. Forty-one percent of the adults in our early cohort and 37 percent of adults in our later cohort are uninsured. Given the increases in Medicaid, less children are uninsured in the later cohort, 17 percent, compared with 25 percent in the earlier group.

## MEASURES OF MATERIAL HARDSHIP

In addition to earnings and sources of income, another measure of economic well-being is whether and how often a family experiences certain material hardships, such as not having enough food or having problems paying the rent. Several questions of this type were asked in the NSAF in reference to the twelve months prior to the survey. Results for these indicators provide evidence, with a few exceptions, that both groups of former recipients are experiencing similar levels of hardship (Table 4).

About a third of both groups of leavers say that they have had to cut the size of meals or skip meals because they did not have enough food in the past year. More than half of both groups have worried that food would run out before they received money to buy more. Among the more recent group of leavers, a significantly greater percentage had this worry often, compared with the earlier group of leavers. About half of both groups report that food did not last or that they did not have money for more food at some time in the past year, either often or sometimes.

Problems paying rent or utility bills were also an issue for more than a third of both leaver groups. A significantly higher percentage of the more recent group of leavers, 46.1 percent, were unable to pay mortgage, rent, or utility bills in the past

year, compared with 38.7 percent for the earlier cohort. A smaller percentage in both groups had to move in with others because of this inability to pay bills, 7.1 percent in the early group and 9.2 percent in the later group.

TABLE 4  
Indicators of Economic Struggles  
over the Previous Year  
Former Welfare Recipients Who Have  
Not Returned to the Program (Percent)

Indicator	Former Recipients, 1995-97	Former Recipients, 1997-99
Had to cut size of meal or skip meals because there wasn't enough food	33.4	32.7
Worried that food would run out before got money to buy more		
Often true <sup>a</sup>	17.9	25.0
Sometimes true	39.0	35.1
Food didn't last and didn't have money for more		
Often true	11.8	14.6
Sometimes true	37.6	39.9
A time in last year when not able to pay mortgage, rent, or utility bills <sup>a</sup>	38.7	46.1
Moved in with other people even for a little while because couldn't afford to pay mortgage, rent, or utility bills <sup>b</sup>	7.1	9.2

Source: Author's calculations, based on the National Survey of America's Families.

Note: Approximately 1 percent of respondents in 1995-97 and 3 percent of respondents in 1997-99 did not answer the questions on food problems.

<sup>a</sup>The two groups are significantly different with  $p < .10$ .

<sup>b</sup>Only asked of those who had an instance when they were not able to pay bills.

## CONCLUSIONS

Despite concerns that later cohorts of leavers may fare increasingly worse in the labor market, I find relatively little evidence that there has been much change over the two groups of leavers studied here. The characteristics of the two groups are similar except for a larger percentage in the recent group reporting health conditions that may limit work. Despite this difference, employment and characteristics of jobs are also very similar across the two groups. About two-thirds of former recipients are working and three-quarters of families have an adult working (either the former recipient or the spouse/partner). Wages are at about the same level for the more recent leavers and most are working full-time, as in the earlier group. One difference in work is the experience of the two groups, with a significantly higher number of more recent leavers having been on their job for more time.

Receipt of nongovernment benefits is also similar across the two cohorts. About a third of each group are receiving food stamps and about a third of adults are covered by Medicaid. One difference is that a higher percentage of children are covered by Medicaid in the second cohort, potentially from expansions in state child health insurance programs for low-income families. Finally, measures of material hardship show for the most part similar experiences of problems with food for early and late cohorts of leavers.

Overall, there are few differences between these two groups of leavers. On face, these results seem to provide little evidence in support of the hypothesis that as the amount of time since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act increases, subsequent groups of leavers are less "job-ready" and fare worse economically. However, the two groups of leavers are experiencing different labor markets in 1997 versus 1999. Average monthly unemployment rates for the whole labor force fell from 4.9 percent in 1997 to 4.2 percent in 1999. According to the National Survey of America's Families data, employment at the time of the interview for unmarried women with children and less than a high-school education increased from 42.4 percent in 1997 to 47.9 percent in 1999. A similar increase (58.9 percent to 63.1 percent) was observed for unmarried women with children with less than or equal to a high-school education.

Improvements in labor market outcomes over this time period mean that for a similarly job-ready group of former recipients we might expect to observe *improvement* in outcomes. The fact that we do not observe significant

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improvements in economic outcomes across leaver groups could indicate that the more recent cohort of leavers is less job-ready. It could also indicate that the subset of former welfare recipients among all less educated single women with children did not experience improvement over this time period. We can only conclude from these results that the more recent cohort is not faring worse than the earlier cohort on an absolute level.

Beyond this, it is also true that neither group is showing unequivocal success in transitioning off welfare. A relatively

large percentage of leavers still have returned to welfare over this two-year time period, and about a quarter are in families without earnings at the time of the survey. Although this more recent group of leavers looks similar to earlier cohorts, the issues raised about the absolute well-being of earlier cohorts and whether some are “falling through the cracks” remain. Further analysis of subgroups of these data will help us to answer some additional questions about the distribution of outcomes for this group.

## ENDNOTES

1. For reviews of some of these early studies, see Brauner and Loprest (1999) and U.S. General Accounting Office (1999). Loprest (1999) compares the wage rates of employed leavers between 1995 and 1997 with other employed low-income women with children who had not recently been on welfare and finds that the leavers' wages were generally higher.
2. Many studies have links on the ASPE's web page: <http://aspe.hhs.gov/hsp/leavers99/index.htm>.
3. For more information on the NSAF, see Brick et al. (1999).
4. The NSAF questions about current and former welfare receipt are asked of the adult in the family who is most knowledgeable about the children. The samples of leavers are therefore not exactly all adults who left welfare, but one adult per family who reports that he/she or the children received Aid to Families with Dependent Children (AFDC) or TANF at some point in the two years prior to the interview. Since most respondents are the children's mothers and most AFDC recipients are women, this corresponds closely to a sample of mothers who left welfare. However, some single fathers and a small number of fathers in two-parent families (who are the adults most knowledgeable about the children and reported leaving welfare) are also included.
5. Caseload numbers are reported at <http://www.acf.dhhs.gov/news/welfare>.
6. As in most surveys, the NSAF undercounts TANF receipt compared with administrative data. The NSAF in both rounds finds about 70 percent of welfare receipt in the previous year, similar to the March Current Population Survey. This implies that my weighted count of welfare leavers reported here is also an undercount, although it is difficult to estimate the extent.
7. Because the survey does not ask for complete welfare histories, this may understate returns to welfare. Some families may be missed that left in the time period, returned, and left again, such that they are not receiving TANF at the time of the interview. These families are included in my "did not return to welfare" group.
8. Analysis of what factors are most important in predicting returns to TANF and whether they have changed over the two cohorts is being carried out as part of another study using these data.
9. This is supported by the increase in work among current recipients with multiple barriers to work (Zedlewski and Alderson 2001).
10. Working is defined as any positive weekly hours of work at the time of the survey interview.
11. Adjustments for inflation were made using the CPI-X. All wages are reported in 1999 dollars.
12. This question was asked only to two-parent families in which both parents were working and there was at least one child under age thirteen. The percentage of working former recipients meeting this criterion changed only slightly over the cohorts, from 22 percent to 24 percent.
13. The calculations needed to estimate total income and poverty and the results are presented in another study on this topic (Loprest 2001).
14. Monthly earnings are in 1999 dollars, adjusted using the CPI-X.
15. This assumes that the family has no income beyond earnings, a maximum child-care cost deduction for children older than two, and no excess shelter costs.

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